

1990 No. 379

SOCIAL SECURITY

**The Occupational Pension Schemes (Modification)
Regulations (Northern Ireland) 1990**

Made 18th October 1990

Coming into operation 12th November 1990

The Department of Health and Social Services, in exercise of the powers conferred on it by Article 60(1A) and (10A) of the Social Security Pensions (Northern Ireland) Order 1975(a) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These regulations may be cited as the Occupational Pension Schemes (Modification) Regulations (Northern Ireland) 1990 and shall come into operation on 12th November 1990.

(2) In these regulations—

“annual rate”, in relation to a pension, means the annual rate of the pension as previously increased under the rules of the scheme;

“appropriate percentage”, in relation to an increase in the annual rate of a pension, means the percentage specified in the last revaluation order made before the increase is to take effect as the revaluation percentage for the last revaluation period of 12 months;

“the Board” means the Occupational Pensions Board;

“pension” does not include—

(a) a guaranteed minimum pension or any increase in such a pension under Article 39A(b); or

(b) any money purchase benefit(c);

“revaluation order” means an order made under Article 53A(d), and “revaluation percentage” and “revaluation period” mean the same as in that Article in relation to such an order;

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- (a) S.I. 1975/1503 (N.I. 15); by virtue of Article 2(3), definitions in Schedule 17 to the Social Security (Northern Ireland) Act 1975 (c. 15) apply to the exercise of certain powers conferred under this Order. Article 60(1A) was inserted by paragraph 19 of Schedule 9 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)) and Article 60(10A) was added by paragraph 11 of Schedule 6 to the Social Security (Northern Ireland) Order 1989 (S.I. 1989/1342 (N.I. 13))
- (b) Article 39A was inserted by Article 11(7) of the Social Security (Northern Ireland) Order 1986
- (c) The definition of “money purchase benefits” was inserted in Article 2(2) of the Social Security Pensions (Northern Ireland) Order 1975 by paragraph 2(b) of Schedule 2 to the Social Security (Northern Ireland) Order 1986
- (d) Article 53A was inserted by paragraph 2 of Schedule 1 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16))

“surplus” means the amount by which the value of the assets of the scheme exceeds the value of the liabilities, as shown by the valuation, or stated in the certificate, referred to in regulation 3(2).

(3) Any reference in these regulations to a numbered Article is to the Article of the Social Security Pensions (Northern Ireland) Order 1975 bearing that number and any reference to Schedule 22 is to Schedule 22 to the Income and Corporation Taxes Act 1988(a).

Reduction of pension fund surpluses

2.—(1) Where all the requirements of regulation 3 are satisfied, the Board may make an order under Article 60(1A) to enable the surplus to be reduced or eliminated in the way specified in the application for the order.

(2) Where the Board make an order for the purpose prescribed by paragraph (1) of this regulation, Article 60(7) is modified so that it does not apply except insofar as it requires the Board to be satisfied that it is reasonable in all the circumstances to make the order.

Requirements for regulation 2 to apply

3.—(1) The Board may make an order under Article 60(1A) for the purpose prescribed by regulation 2(1) only if all the requirements of this regulation are satisfied.

(2) The first requirement is that an actuarial valuation of the assets and liabilities of the scheme produced under paragraph 2 of Schedule 22 shows, or a certificate given under that paragraph states, that the value of the assets exceeds the value of the liabilities by a percentage which is more than the maximum prescribed for the purposes of that Schedule(b).

(3) The second requirement is that the trustees or managers of the scheme are satisfied that it is in the interests of the beneficiaries that the surplus be reduced or eliminated in the way specified in the application for the order. The specified way must be a permitted way of reducing or eliminating the surplus in accordance with paragraph 3 of Schedule 22.

(4) The third requirement is that the proposals for reducing or eliminating the surplus are approved by the Inland Revenue for the purposes of Schedule 22.

(5) The fourth requirement is that—

(a) the scheme provides for the annual rate of every pension which commences or has commenced under the scheme to be increased each year by at least an amount equal to the appropriate percentage of that rate; or

(b) the proposals for reducing or eliminating the surplus include a provision for increasing each pension under the scheme as mentioned in sub-paragraph (a).

(a) 1988 c. 1

(b) The prescribed maximum is currently 5 per cent. See regulation 10(4) of S.I. 1987/412

Reflecting overriding legislation in scheme rules

4. The Board may make an order under Article 60(1A) for the purpose of reflecting, in the rules of the scheme, any requirements of overriding legislation.

Sealed with the Official Seal of the Department of Health and Social Services on 18th October 1990.

(L.S.)

A. N. Burns

Assistant Secretary

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations are made under Article 60 of the Social Security Pensions (Northern Ireland) Order 1975.

Regulation 2 allows the Occupational Pensions Board ("the Board") to make orders to enable schemes to reduce the amount of their surplus assets in accordance with Schedule 22 to the Income and Corporation Taxes Act 1988.

Regulation 3 sets out the requirements that must be satisfied before the Board can make an order to enable schemes to reduce the amount of their surplus assets.

Regulation 4 allows the Board to make orders to enable schemes to change their rules to reflect the requirements of overriding legislation.