

2000 No. 335

**PENSIONS**

**The Pension Sharing (Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2000**

*Made* . . . . . 7th November 2000

*Coming into operation* . . . . . 1st December 2000

The Department for Social Development, in exercise of the powers conferred by sections 64B, 64D, 97D(4)(b), 97F(6)(b), 97I, 97L(1), 177(2) and (3) of the Pension Schemes (Northern Ireland) Act 1993(a), Article 73(7) of the Pensions (Northern Ireland) Order 1995(b) and Articles 21(1)(a) and (d), 27, 32(2)(b), 42(1), 73(3) and (4), and 74(2) of, and paragraphs 1(3)(c), 5(b) and 7(1)(b) and (2)(b) of Schedule 5 to, the Welfare Reform and Pensions (Northern Ireland) Order 1999(c), and now vested in it(d), and of all other powers enabling it in that behalf, hereby makes the following Regulations:

*Citation and commencement*

1.—(1) These Regulations may be cited as the Pension Sharing (Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2000 and shall come into operation on 1st December 2000.

(2) The Interpretation Act (Northern Ireland) 1954(e) shall apply to these Regulations as it applies to an Act of the Assembly.

*Amendment of the Personal Pension Schemes (Disclosure of Information) Regulations*

2.—(1) The Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987(f) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(a) in the definition of “member” after “scheme” there shall be inserted “and includes a pension credit member”;

(b) after the definition of “member” there shall be inserted—

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(a) 1993 c. 49; sections 64B and 64D are inserted by Article 33 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)). Sections 97D, 97F, 97I and 97L are inserted by Article 34 of that Order  
(b) S.I. 1995/3213 (N.I. 22)  
(c) S.I. 1999/3147 (N.I. 11)  
(d) See Article 8(b) of S.R. 1999 No. 481  
(e) 1954 c. 33 (N.I.)  
(f) S.R. 1987 No. 288; relevant amending regulations are S.R. 1988 No. 107, S.R. 1992 No. 304, S.R. 1994 No. 300 and S.R. 1996 No. 95

- “pension credit” means a credit under Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;”;
- “pension credit member” means a person who has rights under the scheme which are attributable (directly or indirectly) to a pension credit;”;
- (c) after the definition of “pensionable age”(a) there shall be inserted—  
“safeguarded rights” means those rights referred to in section 64A of the Act(b);”.
- (3) In regulation 5 (information to be made available to individuals)—
- (a) in paragraph (3)(c) after “protected rights” there shall be inserted “or no safeguarded rights”;
- (b) in paragraph (4)(d)—
- (i) after “members have protected rights” there shall be inserted “or safeguarded rights”;
- (ii) in sub-paragraph (b) after “protected rights” there shall be inserted “or safeguarded rights”.
- (4) In Schedule 1 (basic information about the scheme)—
- (a) in paragraph 12 after “protected rights” there shall be inserted “or safeguarded rights”;
- (b) in paragraph 13 after “protected rights” there shall be inserted “or safeguarded rights”.
- (5) In Schedule 2 (information to be made available to individuals)—
- (a) in paragraph 4 after “protected rights” there shall be inserted “or safeguarded rights”;
- (b) in paragraph 11 after “protected rights” there shall be inserted “or safeguarded rights”.

*Amendment of the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations*

**3.**—(1) The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations (Northern Ireland) 1996(e) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 2(1) (interpretation) after the definition of “minimum funding valuation” there shall be inserted—

“normal benefit age” has the meaning given by section 97B of the Pension Schemes Act(f);”;

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(a) The definition of “pensionable age” was inserted by regulation 3(2) of S.R. 1996 No. 95

(b) Section 64A is inserted by Article 33 of the Welfare Reform and Pensions (Northern Ireland) Order 1999. *See also* paragraph 13(2)(a) of Schedule 2 to S.R. 1994 No. 300 which inserted the definition of “the Act”

(c) Paragraph (3) was amended by regulation 6(c) of S.R. 1988 No. 107 and regulation 20(b) of S.R. 1992 No. 304

(d) Paragraph (4) was amended by regulation 3(3) of S.R. 1996 No. 95

(e) S.R. 1996 No. 570; relevant amending regulations are S.R. 1997 No. 160

(f) Section 97B is inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

“pension credit benefit” has the meaning given by section 97B of the Pension Schemes Act;

“pension credit benefit member”, in relation to an occupational pension scheme, means a person who has become entitled, by virtue of having pension credit rights which have come into payment, to the present payment of pension or other benefits;

“pension credit member” has the meaning given by Article 121(1)(a);

“pension credit rights” has the meaning given by Article 121(1)(a);”.

(3) In regulation 3 (determination, valuation and verification of assets and liabilities: general)—

(a) in paragraph (2)(c)(i) after “pensioner members” there shall be inserted “or pension credit benefit members”;

(b) in paragraph (2)(c)(ii)—

(i) for “and deferred members” there shall be substituted “, deferred members and pension credit members”, and

(ii) after “accrued rights” there shall be inserted “and any pension credit rights”;

(c) in paragraph (3) after “accrued rights” there shall be inserted “and any pension credit rights”.

(4) In regulation 7(b) (determination and valuation of liabilities)—

(a) in paragraph (3) after “pensioner members” there shall be inserted “, or who are pension credit benefit members,”;

(b) in paragraph (4) after “pensioner members” in both places where it appears, there shall be inserted “or pension credit benefit members”;

(c) in paragraph (5)(b) after “pensioner members” there shall be inserted “or pension credit benefit members”;

(d) in paragraph (7) after “pensioner members” there shall be inserted “, or who are not pension credit benefit members,”;

(e) in paragraph (8)—

(i) after “deferred members” where it first appears, there shall be inserted “or pension credit members”;

(ii) before “on the relevant date” there shall be inserted “, or who are pension credit members,”;

(f) for paragraphs (9) and (10) there shall be substituted—

“(9) For the purposes of this regulation, a scheme is only to be taken to have a gilts-matching policy for liabilities in respect of pensioner members, pension credit benefit members, deferred members or pension credit members at any time if the last statement in respect of the scheme under Article 35 before that time states that the trustees’ policy is to meet all liabilities in respect of pensioner

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(a) The definitions of “pension credit member” and “pension credit rights” are inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(b) Regulation 7 was amended by paragraph 7(3) of the Schedule to S.R. 1997 No. 160

members, pension credit benefit members or, as the case may be, deferred members or pension credit members from investments in gilt-edged securities.

(10) In this regulation “the switch-over period”, in relation to a member, means the period of 10 years ending with the age at which the member —

(a) will first become entitled under the provisions of the scheme to receive a full pension on retirement of an amount determined without a reduction to take account of its payment before a later age (but disregarding any entitlement to pension on retirement in the event of illness, incapacity or redundancy), or

(b) will reach normal benefit age.”.

(5) In regulation 8 (further provisions as to valuation: methodology, assumptions, etc.), in paragraph (2)(a)(i) after “pensioner members” there shall be inserted “, or who are pension credit benefit members.”.

#### *Amendment of the Occupational Pension Schemes (Winding Up) Regulations*

**4.—**(1) The Occupational Pension Schemes (Winding Up) Regulations (Northern Ireland) 1996(a) shall be amended in accordance with paragraphs (2) to (4).

(2) In regulation 1(3) (interpretation), after the definition of “the Order” there shall be inserted—

“pension credit” means a credit under Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

“transfer credits” has the meaning given by regulation 1(2) of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000(b) (interpretation).”.

(3) In regulation 3 (modification of Article 73(3)(c)), for paragraph (5) there shall be substituted—

“(5) For Article 73(3)(c) and (d) there shall be substituted —

“(c) any liability —

(i) for equivalent pension benefits (within the meaning of section 56(1) of the National Insurance Act (Northern Ireland) 1966(d)), guaranteed minimum pensions, protected rights, section 5(2B) rights (within the meaning of regulation 1(2) of the Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996(e), or safeguarded rights

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(a) S.R. 1996 No. 621, to which there are amendments not relevant to these regulations

(b) S.R. 2000 No. 146

(c) Article 73(3) was amended by Article 35(1) of the Welfare Reform and Pensions (Northern Ireland) Order 1999

(d) 1966 c. 6 (N.I.); section 56 was repealed by the Social Security Act 1973 (c. 38) but continued in force by regulation 3 of, and Schedule 1 to, S.R. 1975 No. 48

(e) S.R. 1996 No. 618; the definition of “section 5(2B) rights” was amended by paragraph 10(2)(b) of the Schedule to S.R. 1997 No. 160 and regulation 8 of S.R. 1999 No. 486

(within the meaning of section 64A(1) of the Act) (but excluding increases to pensions), or

(ii) in respect of members with less than 2 years' pensionable service who are not entitled to accrued rights under the scheme, for the return of contributions,

(d) any liability for increases to pensions referred to in sub-paragraphs (aa) and (b)(a),

(e) any liability for increases to pensions referred to in sub-paragraph (c),

(f) so far as not included in sub-paragraph (c) or (e), any liability for—

(i) pensions or other benefits which have accrued to or in respect of any members of the scheme (including increases to pensions), or

(ii) future pensions, or other future benefits, attributable (directly or indirectly) to pension credits (including increases to pensions).”.

(4) In regulation 8 (requirements to be satisfied by transferee schemes, annuities, etc.), for paragraphs (1) to (3) there shall be substituted—

“(1) For the purpose of Article 74(3)(a) (discharge of liability to or in respect of a member by the acquisition of transfer credits under another occupational pension scheme), the requirements to be satisfied by the other occupational pension scheme are the same as those which would apply by virtue of—

(a) section 91(2)(a) of the Act (ways of taking right to cash equivalent) if—

(i) the member were entitled to a cash equivalent under Chapter IV of Part IV of the Act in respect of the rights liability in respect of which is being discharged, and

(ii) he required his cash equivalent to be used to acquire transfer credits allowed under the rules of the scheme, or

(b) section 97F(2)(a) of the Act (power to give transfer notice).

(2) For the purpose of Article 74(3)(b)(b) (discharge of liability to or in respect of a member by the acquisition of rights under a personal pension scheme), the requirements to be satisfied by the personal pension scheme are the same as those which would apply by virtue of —

(a) section 91(2)(b) of the Act if the member were so entitled and he required his cash equivalent to be used to acquire rights allowed under the rules of the scheme; or

(b) section 97F(2)(a) of the Act.

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(a) Sub-paragraph (aa) was inserted by regulation 3(3) of S.R. 1996 No. 621

(b) Article 74(3)(b) is amended by paragraph 45 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(3) For the purpose of Article 74(3)(c) (discharge of liability to or in respect of a member by the purchase of one or more annuities) the requirements to be satisfied by the annuities are the same as those which would apply by virtue of—

- (a) section 91(2)(c) of the Act if the member were so entitled and he required his cash equivalent to be used to purchase annuities from such insurance companies as are mentioned in that section, or
- (b) section 97F(2)(b) of the Act, other than the requirement that an insurance company must be chosen by the member.”.

*Amendment of the Occupational Pension Schemes (Disclosure of Information) Regulations*

**5.**—(1) The Occupational Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1997(a) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(a) in the definition of “excluded person” after “member” there shall be inserted “or pension credit member”;

(b) after the definition of “money purchase scheme” there shall be inserted—

“ “normal benefit age” has the meaning given by section 97B;”;

(c) after the definition of “the Order” there shall be inserted—

“ “pension credit” means a credit under Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

“pension credit member” has the meaning given by Article 121(1);”.

(3) In regulation 5 (information to be made available to individuals)—

(a) in paragraph (4) for “or deferred member” there shall substituted “member, deferred member or pension credit member”;

(b) in paragraph (5)(b) for “paragraphs 5 and 6” there shall be substituted “, paragraphs 5, 6 and 6AA”;

(c) after paragraph (6) there shall be inserted—

“(6A) Where a scheme is, or has been, a money purchase scheme, the information mentioned in paragraph 7 of Schedule 2 shall be sent, as of course, to each pension credit member—

(a) in a case where the trustees or managers of the scheme know of no reason to suppose that the pension credit member will not give effect to his rights on the date on which he attains normal benefit age, at least 6 months before he attains that age;

(b) in any other case—

(i) if the date of the agreement in respect of which the pension credit member is to give effect to his rights (“the date of

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(a) S.R. 1997 No. 98, relevant amending regulations are S.R. 1997 No. 160 and S.R. 1999 No. 486

(b) Paragraph (5) was amended by regulation 13(2) of S.R. 1999 No. 486 and regulation 31(4)(a) of S.R. 2000 No. 262

agreement”) is more than 6 months before the agreed date for giving effect to his rights (“the agreed date”), at least 6 months before the agreed date, and

- (ii) if the date of agreement is not more than 6 months before the agreed date, within 7 days of the date of agreement and in any event before the agreed date.”;

(d) after paragraph (7) there shall be inserted—

“(7A) Where a scheme which has been a money purchase contracted-out scheme ceases to be such a scheme, the trustees of the scheme shall inform each pension credit member as soon as practicable, and in any event not more than one month after the date on which it ceased to be such a scheme, that the scheme has so ceased, and furnish the pension credit member, as soon as practicable and in any event not more than 4 months after the date on which it ceased to be such a scheme, with—

(a) the information mentioned in paragraphs 6AA, 8A and 9 of Schedule 2, and

(b) except where the scheme is able to meet in full its liabilities to the pension credit member, the information mentioned in paragraph 10 of Schedule 2.”, and

(e) in paragraph (10)(a) in sub-paragraphs (a), (b) and (d) for “members and” there shall be substituted “members, every person entitled to a pension credit and all”.

(4) In Schedule 2 (information to be made available to individuals)—

(a) in paragraph 4—

(i) after sub-paragraph (b) there shall be inserted—

“(c) a pension credit member, the amounts of his own benefits and of any survivors’ benefits payable from normal benefit age or death.”;

(ii) for “and in either case” there shall be substituted “In the case of an active member or a deferred member”, and

(iii) at the end there shall be added—

“In the case of a pension credit member, the information must include—

the method or formula for calculating the member’s own benefits and any survivors’ benefits, and

details of how any deduction from benefits is calculated.”;

(b) after paragraph 6 there shall be inserted—

“6AA.—(1) The value of—

(a) the pension credit member’s safeguarded rights under the scheme as at a specified date, and

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(a) Paragraph 10 was amended by paragraph 19(4)(b) of the Schedule to S.R. 1997 No. 160

(b) the pension credit member's accrued rights (other than his safeguarded rights) under the scheme at the same or another specified date.

(2) Where the cash equivalent (calculated, as at the date specified for the purposes of sub-paragraph (1) in accordance with section 97I(a) (calculation of cash equivalents) and regulation 24 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 (manner of calculation and verification of cash equivalents)) in respect of the transfer of any of the pension credit member's rights mentioned in sub-paragraph (1) would be different from the values to be specified under that sub-paragraph, that cash equivalent.”;

(c) after paragraph 8 there shall be inserted—

“8A. The date on which the scheme ceased to be a money purchase contracted-out scheme.”;

(d) in paragraph 9 after “protected rights” there shall be inserted “or safeguarded rights, as the case may be”;

(e) in paragraph 10 after “protected rights” in both places where it appears, there shall be inserted “or safeguarded rights”;

(f) in paragraphs 13 and 14 after “Part IV” there shall be inserted “or Chapter II of Part IVA(b)”.

(5) In Schedule 3 (information to be included in annual report), in paragraph 7(a)—

(a) after “Part IV” there shall be inserted “or Chapter II of Part IVA”, and

(b) for “section 93,”(c) there shall be substituted “section 93 or section 97I, as the case may be,”.

#### *Amendment of the Register of Occupational and Personal Pension Schemes Regulations*

6.—(1) The Register of Occupational and Personal Pension Schemes Regulations (Northern Ireland) 1997(d) shall be amended in accordance with paragraph (2).

(2) In regulation 1(2) (interpretation)—

(a) in the definition of “member”—

(i) at the end of paragraph (a)(ii) there shall be omitted “or”;

(ii) at the end of paragraph (a)(iii) there shall be inserted—

“or

(iv) has pension credit rights under the scheme;”, and

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(a) Section 97I is inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

(b) Chapter II of Part IVA is inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

(c) Section 93 was amended by paragraph 6 of Schedule 4 to the Pensions (Northern Ireland) Order 1995

(d) S.R. 1997 No. 102; relevant amending regulations are S.R. 1998 No. 85



(iii) in paragraph (b)(a), at the end there shall be inserted “including a member who has pension credit rights under the scheme”.

(b) after the definition of “open scheme”, there shall be inserted—

“ “pension credit rights” has the meaning given by section 97B of the Pension Schemes (Northern Ireland) Act 1993;”.

*Amendment of the Occupational and Personal Pension Schemes (Levy) Regulations*

**7.**—(1) The Occupational and Personal Pension Schemes (Levy) Regulations (Northern Ireland) 1997(**b**) shall be amended in accordance with paragraph (2).

(2) In regulation 1(2) (interpretation)—

(a) in the definition of “member”—

(i) at the end of paragraph (a)(ii) there shall be omitted “or”;

(ii) at the end of paragraph (a)(iii) there shall be inserted—

“or

(iv) has pension credit rights under the scheme;”, and

(iii) in paragraph (b), at the end there shall be inserted “, including a member who has pension credit rights under the scheme”, and

(b) after the definition of “member” there shall be inserted—

“ “pension credit rights” has the meaning given by section 97B;”.

*Amendment of the Pensions on Divorce etc. (Provision of Information) Regulations*

**8.**—(1) The Pensions on Divorce etc. (Provision of Information) Regulations (Northern Ireland) 2000(**c**) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 4 (provision of information in response to a notification that a pension sharing order or provision may be made), in paragraph (2) there shall be omitted sub-paragraph (j).

(3) In regulation 6 (provision of information after the death of the person entitled to the pension credit before liability in respect of the pension credit has been discharged), for paragraph (1) there shall be substituted—

“(1) Where the person entitled to the pension credit dies before the person responsible for the pension arrangement has discharged his liability in respect of the pension credit, the person responsible for the pension arrangement shall, within 21 days of the date of receipt of the notification of the death of the person entitled to the pension credit, notify in writing any person whom the person responsible for the pension arrangement considers should be notified of the matters specified in paragraph (2).”.

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(a) Paragraph (b) was amended by regulation 3(2)(a) of S.R. 1998 No. 85

(b) S.R. 1997 No. 142, to which there are amendments not relevant to these regulations

(c) S.R. 2000 No. 142

*Amendment of the Pensions on Divorce etc. (Charging) Regulations*

**9.**—(1) The Pensions on Divorce etc. (Charging) Regulations (Northern Ireland) 2000(a) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(2) (interpretation), after the definition of “implementation period” there shall be inserted—

““normal pension age” has the meaning given by section 175;”.

(3) In regulation 2 (general requirements as to charges), for paragraph (8) there shall be substituted—

“(8) The information specified in regulation 2(2) and (3) of the Provision of Information Regulations shall be provided to the member or his spouse without charge unless—

- (a) the person responsible for the pension arrangement has furnished the information to the member, his spouse or the court within a period of 12 months immediately prior to the date of the request or the court order for the provision of that information;
- (b) the member has reached normal pension age on or before the date of the request or the court order for the provision of the information;
- (c) the request or the court order for the provision of the information is made within 12 months prior to the member’s reaching normal pension age, or
- (d) the circumstances referred to in regulation 3(2)(b)(i) apply.”.

*Amendment of the Pension Sharing (Valuation) Regulations*

**10.**—(1) The Pension Sharing (Valuation) Regulations (Northern Ireland) 2000(b) shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation), after the definition of “transfer credits”, there shall be inserted—

““transfer day” has the meaning given by Article 26(8) of the 1999 Order;”.

(3) In regulation 4 (occupational pension schemes: manner of calculation and verification of cash equivalents)—

(a) after paragraph (2) there shall be inserted—

“(2A) Where the person with pension rights is a deferred member of an occupational pension scheme on the transfer day, the value of the benefits which he has accrued under that scheme shall be taken to be—

- (a) in the case of an occupational pension scheme other than a salary related scheme, the cash equivalent to which he acquired a right under section 90(1)(a)(c) (right to cash equivalent) on the termination of his pensionable service,

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(a) S.R. 2000 No. 143

(b) S.R. 2000 No. 144

(c) Section 90(1)(a) was amended by Article 150(1) of the Pensions (Northern Ireland) Order 1995

calculated on the assumption that he has made an application under section 91(1)(a) (ways of taking right to cash equivalent), or

(b) in the case of a salary related occupational pension scheme, the guaranteed cash equivalent to which he would have acquired a right under section 90(1)(aa)(b) if he had made an application under section 91(1).

(2B) Where the person with pension rights is an active member of an occupational pension scheme on the transfer day, the valuation of the benefits which he has accrued under that scheme shall be calculated and verified—

(a) on the assumption that the member had made a request for an estimate of the cash equivalent that would be available to him were his pensionable service to terminate on the transfer day, and

(b) in accordance with regulation 11 of, and Schedule 1 to, the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996(c) (disclosure).”, and

(b) in paragraph (5) at the end there shall be inserted—

“, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the Pension Schemes Act (protection for early leavers— transfer values)”.

(4) In regulation 5 (occupational pension schemes: further provisions as to the calculation of cash equivalents and increases and reductions of cash equivalents) for paragraph (5) there shall be substituted—

“(5) The reduction referred to in paragraph (3) shall not apply to a case where liability in respect of a pension credit is to be discharged in accordance with—

(a) paragraph 1(2) of Schedule 5 to the 1999 Order (pension credits: mode of discharge — funded pension schemes), or

(b) paragraph 1(3) of that Schedule, in a case where regulation 7(2) of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(d) applies.”.

(5) In regulation 6 (other relevant arrangements: manner of calculation and verification of cash equivalents)—

(a) after paragraph (1) there shall be inserted—

“(1A) Where the person with pension rights is a member of a personal pension scheme, or those rights are contained in a retirement annuity contract, the value of the benefits which he has accrued under that scheme or contract on the transfer day shall be taken to be the

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(a) Section 91(1) was amended by paragraph 5 of Schedule 4 to the Pensions (Northern Ireland) Order 1995

(b) Section 90(1)(aa) was inserted by Article 150(2) of the Pensions (Northern Ireland) Order 1995

(c) S.R. 1996 No. 619

(d) S.R. 2000 No. 145

cash equivalent to which he would have acquired a right under section 90(1)(b), if he had made an application under section 91(1) on the date on which the request for the valuation was received.

(1B) In relation to a personal pension scheme which is comprised in a retirement annuity contract made before 4th January 1988, paragraph (2) shall apply as if such a scheme were not excluded from the scope of Chapter IV of Part IV of the Pension Schemes Act by section 89(1)(b) (scope of Chapter IV).”, and

(b) in paragraph (3) at the end there shall be added—

“, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the Pension Schemes Act”.

*Amendment of the Pension Sharing (Implementation and Discharge of Liability) Regulations*

**11.**—(1) The Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(a) shall be amended in accordance paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation)—

(a) after the definition of “implementation period” there shall be inserted—

“ “the Inland Revenue” means the Commissioners of Inland Revenue;”;

(b) in the definition of “reference banks” for paragraph (a) there shall be substituted—

“(a) are authorised by the Financial Services Authority under the Banking Act 1987(b);”.

(3) For regulation 6 (discharge of liability in respect of a pension credit following the death of the person entitled to the pension credit), there shall be substituted—

*“Discharge of liability in respect of a pension credit following the death of the person entitled to a pension credit*

**6.**—(1) The person responsible for the pension arrangement shall, following the death of the person entitled to the pension credit, discharge his liability in respect of a pension credit in accordance with this regulation.

(2) Where the rules or provisions of a pension arrangement so provide and provided that any requirements of the Inland Revenue under Part XIV of the Income and Corporation Taxes Act 1988(c) are satisfied, the person responsible for the pension arrangement shall discharge his liability in respect of a pension credit by undertaking to—

(a) make—

(i) a payment of a lump sum;

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(a) S.R. 2000 No. 145

(b) 1987 c. 22, as amended by the Bank of England Act 1998 (c. 11)

(c) 1988 c. 1

(ii) payments of a pension, or

(iii) payments of both a lump sum and a pension,

to one or more persons, or

(b) enter into an annuity contract or take out a policy of insurance with an insurance company for the benefit of one or more persons, or

(c) make a payment or, as the case may be, payments under sub-paragraph (a) and enter into an annuity contract or take out an insurance policy under sub-paragraph (b).

(3) Where paragraph (2)(b) or (c) applies, the annuity contract entered into or insurance policy taken out must satisfy the requirements of paragraph 6(2) of Schedule 5 (qualifying arrangements) and regulation 11.

(4) Where the provisions of paragraph (2) do not apply, liability in respect of a pension credit shall be discharged by retaining the value of the pension credit in the pension arrangement from which that pension credit was derived.

(5) Where—

(a) liability in respect of a pension credit has been discharged in accordance with paragraph (2), and

(b) the value of the payment or payments made, the annuity contract entered into or the insurance policy taken out, as the case may be, is less than the value of the pension credit,

the value of an amount equal to the difference between the value of the pension credit and the value of that payment or those payments, that contract or policy, as the case may be, shall be retained in the pension arrangement from which that pension credit was derived.”

(4) In regulation 7(2) (discharge of liability in respect of a pension credit—funded pension schemes)—

(a) in sub-paragraph (a) for “paragraph 1(2)(a)” there shall be substituted “paragraph 1(3)(c)”;

(b) for sub-paragraph (b) there shall be substituted—

“(b) either—

(i) the person entitled to the pension credit has failed to provide his consent in accordance with paragraph 1(2)(a) and (4) of that Schedule, or

(ii) the trustees or managers of the scheme have not discharged their liability in accordance with paragraph (1).”

(5) In regulation 10(4) (calculation of the value of appropriate rights), at the end, there shall be added “, and by adopting methods consistent with the requirements of Chapter IV of Part IV of the Pension Schemes Act (protection for early leavers — transfer values)”.

*Amendment of the Pension Sharing (Pension Credit Benefit) Regulations*

**12.**—(1) The Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000<sup>(a)</sup> shall be amended in accordance with paragraphs (2) to (6).

(2) In regulation 1(2) (interpretation) in the definition of “the reference banks” for paragraph (a) there shall be substituted—

“(a) are authorised by the Financial Services Authority under the Banking Act 1987;”.

(3) In regulation 10 (transfer of a person’s pension credit rights without consent) after paragraph (8) there shall be added—

“(9) Where the pension credit rights which are to be transferred in accordance with this regulation are or include safeguarded rights, the pension credit rights must be transferred to either a salary related contracted-out scheme or a money purchase contracted-out scheme.”.

(4) In regulation 22(1)(a) (requirements to be met by an eligible scheme) after “(transfers of safeguarded rights)” there shall be inserted “and regulation 9(5)(c) of the Pension Sharing (Safeguarded Rights) Regulations (Northern Ireland) 2000<sup>(b)</sup>”.

(5) In regulation 24(5) (manner of calculation and verification of cash equivalents) after “requirements of” there shall be inserted “Chapter IV of Part IV (protection for early leavers — transfer values) and”.

(6) In regulation 27(1) (increases and reductions of cash equivalents before a statement of entitlement has been sent to the eligible member) after “once” there shall be inserted “a statement of the value of”.

*Amendment of the Pension Sharing (Safeguarded Rights) Regulations*

**13.**—(1) The Pension Sharing (Safeguarded Rights) Regulations (Northern Ireland) 2000 shall be amended in accordance with paragraphs (2) to (4).

(2) In regulation 5 (valuation of safeguarded rights in money purchase schemes) at the end there shall be added—

“,  
are calculated”.

(3) In regulation 6(8) (ways of giving effect to safeguarded rights — money purchase schemes) for the words from “practicable” to the end there shall be substituted—

“practicable, of a lump sum or a pension or annuity, or both a lump sum and a pension or annuity in accordance with the provisions of regulation 6 of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000 (discharge of liability in respect of a pension credit following the death of the person entitled to the pension credit).”.

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(a) S.R. 2000 No. 146

(b) S.R. 2000 No. 147

(4) In regulation 9, for paragraph (4), (ways of giving effect to safeguarded rights — salary related schemes) there shall be substituted—

“(4) The circumstances specified in this paragraph are that effect may be given to safeguarded rights by the provision of—

(a) a lump sum in accordance with the provisions of regulation 3 or 4 of the Pension Credit Benefit Regulations, or

(b) a lump sum or a pension or annuity, or both a lump sum and a pension or annuity, in accordance with the provisions of regulation 6 of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000.”.

Sealed with the Official Seal of the Department for Social Development on 7th November 2000.

(L.S.)

*John O'Neill*  
Senior Officer of the Department  
for Social Development

## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These Regulations make amendments consequential upon the pension sharing provisions in the Welfare Reform and Pensions (Northern Ireland) Order 1999 (“the 1999 Order”) and make miscellaneous amendments to regulations relating to the treatment of pensions on divorce or nullity of marriage.

Regulation 2 amends the Personal Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1987 to provide for the disclosure of information to members with pension credit rights.

Regulation 3 amends the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations (Northern Ireland) 1996 to ensure that the provisions in respect of the determination and valuation of assets and liabilities of an occupational pension scheme for the purposes of the Minimum Funding Requirement also relate to members who have pension credit rights or who are in receipt of pension credit benefit.

Regulation 4 amends the Occupational Pension Schemes (Winding Up) Regulations (Northern Ireland) 1996 to include safeguarded rights and other pension credit rights in the list of statutory priorities to be discharged where an occupational pension scheme winds up. It also amends regulation 8 of those regulations to stipulate requirements for recipient pension arrangements where a transfer notice to discharge a pension credit has been served on the transferring scheme.

Regulation 5 amends the Occupational Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1997 to provide for disclosure of information to members with pension credit rights and provides for the inclusion of a statement in the scheme’s annual report if cash equivalents of pension credits are calculated other than by a prescribed method.

Regulation 6 amends the definition of “member” in the Register of Occupational and Personal Pension Schemes Regulations (Northern Ireland) 1997 to include a person with pension credit rights.

Regulation 7 amends the definition of “member” in the Occupational and Personal Pension Schemes (Levy) Regulations (Northern Ireland) 1997 to include a person with pension credit rights.

Regulation 8 amends the Pensions on Divorce etc. (Provision of Information) Regulations (Northern Ireland) 2000. In particular, regulation 6 of those regulations is amended to clarify the obligations of the person responsible for a pension arrangement where the person entitled to the pension credit dies before liability in respect of that credit is discharged.



Regulation 9 amends the Pensions on Divorce etc. (Charging) Regulations (Northern Ireland) 2000. In particular, regulation 2(8) of those Regulations is amended in order to clarify when a person responsible for a pension arrangement may charge for provision of information.

Regulation 10 amends the Pension Sharing (Valuation) Regulations (Northern Ireland) 2000 in order to clarify that a cash equivalent calculated for the purposes of those Regulations is calculated on the same basis as a cash equivalent transfer value of pension rights for a transfer under normal circumstances.

Regulation 11 amends the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000. In particular, a new regulation 6 is substituted, which clarifies how a person responsible for a pension arrangement is to deal with a pension credit where the person entitled to the pension credit dies before the liability in respect of that credit is discharged. It further provides for cash equivalents of pension rights calculated for the purposes of sharing a pension on divorce to be calculated on the same basis as those for a transfer under normal circumstances.

Regulation 12 amends the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000. In particular, regulation 24 of those Regulations is amended in order to clarify that a cash equivalent calculated for the purposes of sharing a pension on divorce shall be calculated on the same basis as a cash equivalent of pension rights calculated for a transfer under normal circumstances. It also amends regulation 10 of those Regulations to ensure that the destination for a transfer of pension credit rights which include safeguarded rights shall be either a salary-related contracted-out scheme or a money-purchase contracted out scheme.

Regulation 13 amends the Pension Sharing (Safeguarded Rights) Regulations (Northern Ireland) 2000 to make further provisions about how a person responsible for a pension arrangement is to deal with a pension credit where the person entitled to the pension credit dies before liability for the credit is discharged.

These Regulations also make minor amendments for the purposes of interpretation.

As these Regulations, in so far as they are made under Part II of the Pensions (Northern Ireland) Order 1995 (“the 1995 Order”) and Part V of the 1999 Order, make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Social Security in relation to Great Britain, the requirement for consultation does not apply by virtue of Article 117(2)(e) of the 1995 Order and Article 73(9) of the 1999 Order.

The Welfare Reform and Pensions (1999 Order) (Commencement No. 3) Order (Northern Ireland) 2000 (S.R. 2000 No. 133 (C. 5)) provides for the

coming into operation of Articles 21(1)(a) and (d), 27(1) and (2), 32(2)(b), 42(1) of, and Schedule 5 to, the 1999 Order, some of the enabling provisions under which these Regulations are made, in so far as they are not already in operation, on 1st December 2000.

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