
STATUTORY RULES OF NORTHERN IRELAND

2006 No. 120

PENSIONS

The Occupational Pension Schemes (Trustees' Knowledge and Understanding) Regulations (Northern Ireland) 2006

Made - - - - *13th March 2006*

Coming into operation *6th April 2006*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by Article 226(2)(a) of the Pensions (Northern Ireland) Order 2005⁽¹⁾.

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Trustees' Knowledge and Understanding) Regulations (Northern Ireland) 2006 and shall come into operation on 6th April 2006.

(2) In these Regulations “the Order” means the Pensions (Northern Ireland) Order 2005.

Exceptions for trustees of small schemes

2.—(1) The requirements imposed by Article 224(3) and (4) of the Order (requirement for knowledge and understanding: individual trustees) shall not apply to trustees of schemes with fewer than 12 members where all the members are trustees of the scheme and either—

- (a) the provisions of the scheme provide that all decisions which fall to be made by the trustees are made by the unanimous agreement of the trustees who are members of the scheme, or
- (b) the scheme has a trustee who is independent in relation to the scheme for the purposes of Article 23 of the 1995 Order⁽²⁾ (power to appoint independent trustees), and is registered in the register maintained by the Regulator in accordance with regulations made under paragraph (4) of that Article.

(2) The requirements imposed by Article 225(3) and (5) of the Order (requirement for knowledge and understanding: corporate trustees) shall not apply to trustees of schemes with fewer than 12 members where a company is a trustee of the scheme and all of the members of the scheme are directors of the company and either—

(1) S.I.2005/255 (N.I. 1)

(2) Article 23 was substituted by Article 32(3) of the Pensions (Northern Ireland) Order 2005

- (a) the provisions of the scheme provide that all decisions made by the company in its capacity as trustee are made by the unanimous agreement of all the directors who are members of the scheme, or
- (b) one of the directors is a trustee who is independent in relation to the scheme for the purposes of Article 23 of the 1995 Order and is registered in the register maintained by the Regulator in accordance with regulations made under paragraph (4) of that Article.

Individual trustees: period of grace

3. Article 224(3) and (4) of the Order shall not apply to any individual who is a trustee of a relevant scheme for a period of six months beginning with the date of his appointment as such a trustee, unless—

- (a) he is an independent trustee who meets the requirements of Article 23(1) of the 1995 Order, or
- (b) he was appointed as a consequence of holding himself out as having expertise in any of the matters listed in Article 224(4) of the Order or in any regulations made under paragraph (4) (c) of that Article.

Corporate trustees: period of grace

4. Article 225(3) and (5) of the Order shall not apply to any individual who exercises any function which a company has as trustee of a relevant scheme, for a period of six months beginning with the date of his appointment to the company, unless—

- (a) he is an independent trustee who meets the requirements of Article 23(1) of the 1995 Order, or
- (b) he was appointed as a consequence of holding himself out as having expertise in any of the matters listed in Article 225(5) of the Order or in any regulations made under paragraph (5) (c) of that Article.

Sealed with the Official Seal of the Department for Social Development on 13th March 2006.

L.S.

John O'Neill
A senior officer of the
Department for Social Development

EXPLANATORY NOTE

(This note is not part of the Regulations)

Articles 224 and 225 of the Pensions (Northern Ireland) Order 2005 (“the Order”) set out requirements that trustees of occupational pension schemes must satisfy in order to exercise their functions as trustees properly. Trustees must be conversant with and have knowledge and understanding of the matters listed in Articles 224(3) and (4) and 225(3) and (5) of the Order.

Regulation 1 provides for the citation, commencement and interpretation of the Regulations.

Regulation 2 exempts trustees of small schemes from the requirements in Articles 224(3) and (4) and 225(3) and (5) of the Order (“the trustee requirements”).

Regulations 3 and 4 provide that individual trustees and persons who exercise functions of corporate trustees have, from the date of their appointment, a six-month period of grace from the trustee requirements. This does not apply if the person is an independent trustee for the purpose of Article 23 of the Pensions (Northern Ireland) Order 1995 or was appointed as a consequence of holding himself out as having expertise in any of the matters set out in Articles 224(4) or 225(5) of the Order.

The Pensions (2005 Order) (Commencement No. 9) Order (Northern Ireland) 2006 ([S.R. 2006 No. 95 \(C. 7\)](#)) provides for the coming into operation of Article 226(2) the enabling provision under which these Regulations are made, for the purpose only of authorising the making of regulations, on 9th March 2006 and for all other purposes on 6th April 2006.

As these Regulations are made before the end of the period of six months beginning with the coming into operation of the provision of the Order by virtue of which they are made, the requirement to consult under Article 289(1) of the Order does not apply by virtue of paragraph (2)(c) of that Article.