
STATUTORY RULES OF NORTHERN IRELAND

2012 No. 120

The Pensions (2008 Act) (Abolition of Contracting-out for Defined Contribution Pension Schemes) (Consequential Provisions) Regulations (Northern Ireland) 2012

PART 2

Amendments coming into operation on 6th April 2012

Amendment of the Contracting-out (Transfer and Transfer Payment) Regulations

7.—(1) The Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996⁽¹⁾ are amended in accordance with paragraphs (2) to (4).

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

- (a) omit the definitions of “appropriate personal pension scheme” and “money purchase contracted-out scheme”;
- (b) in the definition of “overseas arrangement”—
 - (i) in paragraph (a) for “earners;” substitute “earners, and”;
 - (ii) omit paragraph (b).

(3) For regulation 5 (transfer payments in respect of guaranteed minimum pensions to money purchase contracted-out schemes and appropriate personal pension schemes) substitute—

“Transfer payments in respect of guaranteed minimum pensions to occupational and personal pension schemes

5. A transfer payment in respect of a guaranteed minimum pension may be made to a scheme which is not a salary related contracted-out scheme, an overseas scheme⁽²⁾ or an overseas arrangement if—

- (a) the earner consents in writing;
- (b) the transfer payment (whether or not it forms part of a larger payment in respect of both guaranteed minimum pensions and other rights) is of an amount at least equal to the cash equivalent of the earner’s accrued rights to guaranteed minimum pensions, as calculated and verified in a manner consistent with regulations made under section 93⁽³⁾ (calculation of cash equivalents), and

(1) S.R. 1996 No. 618; relevant amending Regulations are S.R. 1997 No. 160, S.R. 1999 No. 486 and S.R. 2007 Nos. 185 and 457
(2) The definition of “overseas scheme” was substituted by regulation 6 of S.R. 2007 No. 185 and amended by regulation 8(b) of S.R. 2007 No. 457
(3) Section 93 was amended by paragraph 6 of Schedule 4 to the Pensions (Northern Ireland) Order 1995 and paragraph 5(1) of Schedule 5 to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.))

- (c) the earner has acknowledged in writing to the transferring scheme that the earner has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment, and that the earner accepts that—
 - (i) the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been payable by the transferring scheme, and
 - (ii) there is no statutory requirement on the receiving scheme to provide for survivors' benefits out of the transfer payment.”.
- (4) For regulation 10 (transfer payments to money purchase contracted-out schemes and appropriate personal pension schemes in respect of section 5(2B) rights) substitute—

“Transfer payments to occupational and personal pension schemes in respect of section 5(2B) rights

10. A transfer payment in respect of an earner's accrued section 5(2B) rights may be made to a scheme which is not a salary related contracted-out scheme, an overseas scheme or an overseas arrangement if—

- (a) the earner consents in writing, and
- (b) the earner has acknowledged in writing to the transferring scheme that the earner has received a statement from the receiving scheme showing the benefits to be awarded in respect of the transfer payment, and that the earner accepts that—
 - (i) the benefits to be provided by the receiving scheme may be in a different form and of a different amount to those which would have been payable by the transferring scheme, and
 - (ii) there is no statutory requirement on the receiving scheme to provide for survivors' benefits out of the transfer payment.”.