
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010 (“the 2010 Regulations”).

Regulation 2(a) amends regulation 36(2) of the 2010 Regulations so as to provide that an average salary scheme where the trustees have a discretionary power in revaluing accrued benefits during pensionable service is not a qualifying scheme under section 16 of the Pensions (No. 2) Act (Northern Ireland) 2008. Revaluation protects the value of the accrued benefits against the effects of inflation. However, where both the scheme’s funding and statement of funding principles take account of the exercise of the discretionary power in providing for revaluation at or above the minimum rate, the scheme is not prevented from being a qualifying scheme.

Regulation 2(b) amends regulation 36(4) of the 2010 Regulations so that all average salary schemes may revalue by reference to the retail prices index, the general level of prices or 2.5%, whichever is the lesser or the least.