

EXPLANATORY NOTE

(This note is not part of the Regulations)

Chapter 3 of Part 4 of the Pension Schemes (Northern Ireland) Act 1993 concerns “anti-franking”, or the protection of increases in guaranteed minimum pensions (“GMPs”) which contracted-out schemes had to provide until 1997. For this purpose, the Regulations provide that the “cessation date”, when a person ceases to be in contracted-out employment under the old scheme (and from which point GMPs may need to be increased) is treated as the date when the person leaves the new scheme, and not the date when they transfer from their old scheme to their new scheme. Regulation 9A includes a subsequent modification of the definition of “cessation date” in section 83 of the 1993 Act; that definition was amended by the Pensions Act (Northern Ireland) 2015 as part of the abolition of contracting-out.