
STATUTORY RULES OF NORTHERN IRELAND

2016 No. 162

The Pensions (2015 Act) (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order (Northern Ireland) 2016

Supplementary provision about contributions equivalent premiums paid under Article 3

4.—(1) A contributions equivalent premium payable under Article 3 shall be paid by the relevant person to HMRC on or before whichever is the later of—

- (a) the day which falls 6 months after—
 - (i) the date the assessment period (construed in accordance with Article 116 of the 2005 Order) ended, where the relevant person is the Board, or
 - (ii) the day on which the relevant event occurred, in all other cases, and
- (b) the day which falls one month after the day on which HMRC send to the relevant person a notice certifying the amount of the contributions equivalent premium payable.

(2) Where the amount of the contributions equivalent premium does not exceed £17, the relevant person is not liable to pay it, but it is to be treated as paid for the purposes of sections 44A(2)(1) (additional pension and other benefits) and 56(2) (effect of payment of premiums on rights) of the Pension Schemes Act.

(3) Any liability for a contributions equivalent premium is a liability to make payment out of the resources of the scheme or, where the relevant person is the Board, the Pension Protection Fund as specified in section 173(1) of the Pensions Act 2004(3).

(4) HMRC are to refund a contributions equivalent premium if—

- (a) the premium was paid in error;
- (b) they are satisfied that a transfer of the member's accrued rights is to be made in accordance with regulations made under section 16(4) (transfer of accrued rights) or section 33A(5) (transfer of liabilities etc.: schemes contracted-out on or after 6 April 1997) of the Pension Schemes Act, or
- (c) the scheme is one under which a member may qualify for benefits by virtue of service either in employed earner's employment or as a self-employed earner (within the meaning of section 2(6) of the Contributions and Benefits Act (categories of earners)) or both,

(1) Section 44A was inserted by Article 137(1) of the Pensions (Northern Ireland) Order 1995
(2) Section 56 was amended by paragraph 46 of Schedule 5 to the Pensions (Northern Ireland) Order 1995 and paragraph 17 of Schedule 1 to S.R. 2005 No. 433 and is repealed by paragraph 37 of Schedule 13 to the Pensions Act (Northern Ireland) 2015, but saved for certain purposes (see S.R. 2016 No. 106 as amended by Article 5 of this Order)
(3) 2004 c. 35; section 173(1) was amended by paragraph 4 of Schedule 10 to the Pensions Act 2008 (c. 30)
(4) Section 16 was amended by paragraph 2(1) of Schedule 5 to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.)), paragraph 7 of Schedule 1 to S.R. 2005 No. 433 and Article 31(2) of S.R. 2012 No. 124 and is amended by paragraph 18 of Schedule 13 to the Pensions Act (Northern Ireland) 2015
(5) Section 33A is inserted by paragraph 25 of Schedule 13 to the Pensions Act (Northern Ireland) 2015
(6) Section 2 was amended by paragraph 10 of Schedule 11 to the Welfare Reform and Pensions Act 1999 (c. 30), paragraph 192 of Schedule 6 to the Income Tax (Earnings and Pensions) Act 2003 (c. 1), section 15(2) of the National Insurance Contributions Act 2014 (c. 7) and section 6(5) of the National Insurance Contributions Act 2015 (c. 5)

and HMRC are satisfied that the member in respect of whom the contributions equivalent premium was paid has completed a period of membership of the scheme as a self-employed earner which, when aggregated with service in employed earner's employment, amounts to not less than 2 years.

(5) Where a contributions equivalent premium is refunded under paragraph (4), the member's accrued rights under the scheme, which were extinguished by payment of the premium⁽⁷⁾, are to be restored.

(6) A refund under this Article is only to be made if an application is made in writing in such form as HMRC may reasonably require for that purpose, or by means of an electronic communication in such form as HMRC may approve.

(7) In paragraph (4)(a), "error" means an error which—

- (a) was made at the time of payment, and
- (b) relates to some present or past matter.

(8) Where—

- (a) an earner has been employed concurrently in 2 or more contracted-out employments, on the termination of one or more of which a contributions equivalent premium has been paid, and
- (b) the aggregate amount of any such payments has the effect that the National Insurance Fund has gained, by reference to any employment in respect of which such a payment has been made, a greater amount than it would have gained from Class 1 contributions under the Contributions and Benefits Act if those employments had not been contracted-out,

there is to be paid out of the National Insurance Fund to the earner (or to the earner's estate) an amount which bears the same proportion to the amount of the excess as the reduction under section 37(1A)⁽⁸⁾ of the Pension Schemes Act (reduced rates of Class 1 contributions) (as it had effect immediately before the second abolition date) in the normal percentage of primary Class 1 contributions bears to the total reduction under section 37(1A) and (1B)⁽⁹⁾ of the Pension Schemes Act in the total normal percentage of Class 1 contributions.

(9) HMRC are also to refund a contributions equivalent premium if they are satisfied that—

- (a) where it was paid in the circumstances mentioned in Article 3(5)(a), (b) or (d), the relevant member has died, without leaving a widow, widower or surviving civil partner, on or before the later of the days mentioned in paragraph (1)(a) and (b), or
- (b) where it was paid in the circumstances mentioned in Article 3(5)(c), there are no accrued rights to guaranteed minimum pensions or section 5(2B) rights under the scheme in question in respect of the widow, widower or surviving civil partner in question.

(10) In paragraph (9), "section 5(2B) rights" has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Schemes that were Contracted-out) Regulations (Northern Ireland) 2016⁽¹⁰⁾.

(7) Under section 56 of the Pension Schemes (Northern Ireland) Act 1993 (as modified by Article 2(5F) of [S.R. 2016 No. 106](#), as amended by Article 5 of this Order), payment of a contributions equivalent premium extinguishes the earner's (or the earner's survivor's) accrued rights to any guaranteed minimum pension or pension under the scheme attributable to the amount of the premium

(8) Section 37(1A) was substituted by paragraph 6(3) of Schedule 10 to the Welfare Reform and Pensions Act 1999 and amended by paragraph 41 of Schedule 1 to the National Insurance Contributions Act 2002 and Article 5(2) of [S.I. 2011/1036](#) and section 37 is repealed by paragraph 29 of Schedule 13 to the Pensions Act (Northern Ireland) 2015, but saved for certain purposes (see [S.R. 2016 No. \[\]](#) as amended by Article 5 of this Order)

(9) Subsection (1B) was substituted by paragraph 6(3) of Schedule 10 to the Welfare Reform and Pensions Act 1999 and amended by Article 5(3) of [S.I. 2011/1036](#)

(10) [S.R. 2016 No. 107](#)

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