
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Contracting-out (Transfer and Transfer Payment) Regulations (Northern Ireland) 1996 (“the 1996 Regulations”) to enable schemes that were contracted-out to make transfers in respect of pensioner members into occupational pension schemes which have not previously been contracted-out.

Regulation 2(4) inserts regulation 6A into the 1996 Regulations, which applies in relation to transfers of liability for, and transfer payments in respect of, guaranteed minimum pensions. Regulation 2(6) inserts regulation 11A into the 1996 Regulations, which applies in relation to transfers of liability for, and transfer payments in respect of, section 5(2B) rights.

The Regulations provide that such transfers can be made from an occupational pension scheme where either the scheme is going through a Pension Protection Fund assessment period or where a regulated apportionment arrangement has been entered into in relation to the scheme. The transfer can only be made where the pensioner member consents in writing. In addition, the member must acknowledge in writing receipt of a statement showing the benefits to be awarded in respect of the transfer. The member must also acknowledge in writing the member’s acceptance that 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 that the receiving scheme is not required by statute to provide for survivor’s benefits in relation to the transfer.