

SCHEDULES

SCHEDULE 1

Article 3.

THE PENSIONS REGULATOR

PART 1

DELEGATION

1.—(1) Subject to sub-paragraph (2), the Regulator may authorise—

- (a) any executive member of the Regulator,
- (b) any other member of the staff of the Regulator, or
- (c) any of its committees (other than the appointments committee, the Determinations Panel and any of that Panel's sub-committees),

to exercise, on behalf of the Regulator, such of its functions, in such circumstances, as the Regulator may determine.

(2) Sub-paragraph (1) does not apply to the functions of the Regulator listed in paragraph 20(2) of Schedule 1 to the Pensions Act 2004 (c. 35).

(3) The Regulator may authorise the Determinations Panel, in such circumstances as the Regulator may determine, to exercise on behalf of the Regulator—

- (a) the power to determine whether to exercise one or more of the regulatory functions listed in sub-paragraph (4), and
- (b) where the Panel so determines to exercise the regulatory function in question, the power to exercise it.

(4) The regulatory functions mentioned in sub-paragraph (3) are—

- (a) the power to issue an improvement notice under Article 9;
- (b) the power to issue a third party notice under Article 10;
- (c) the power to issue a clearance statement under Article 38;
- (d) the power to issue a notice under Article 41(1) approving the details of arrangements;
- (e) the power to issue a clearance statement under Article 42;
- (f) the power to make an order under Article 138(8);
- (g) the power to make an order under Article 198(4);
- (h) the power to grant or revoke authorisation under Article 264;
- (i) the power to grant or revoke approval under Article 265;
- (j) the power to issue a notice under Article 269(5);
- (k) the power by direction under Article 4(3)(a) of the 1999 Order to refuse to register a scheme under Article 4 of that Order;
- (l) the power to appoint a trustee under any of the following provisions of Article 7 of the 1995 Order—

- (i) paragraph (1) where a trustee is removed by reason of his disqualification;
 - (ii) paragraph (3)(b);
 - (m) the power to appoint an independent trustee under Article 23 of that Order;
 - (n) the power to give directions under Article 72B of that Order facilitating a winding up.
- (5) The Regulator may also authorise the Determinations Panel, in such circumstances as the Regulator may determine, to exercise on behalf of the Regulator such functions (other than those mentioned in paragraph 20(2)(a) to (c) of Schedule 1 to the Pensions Act 2004 (c. 35)) as the Regulator considers necessary for the effective exercise by the Panel of—
- (a) a function of the Regulator which it is authorised to exercise by virtue of sub-paragraph (3),
 - (b) a function of the Regulator mentioned in paragraph 20(2)(d) of Schedule 1 to the Pensions Act 2004 (functions exercisable only by the Panel), or
 - (c) a function of the Panel under Article 88(3) or 94(11) or paragraph 18(2) of Schedule 1 to the Pensions Act 2004.
- (6) This paragraph is subject to any regulations made by the Department under paragraph 2.
- (7) In this paragraph—
- “appointments committee” has the meaning given by paragraph 11(1) of Schedule 1 to the Pensions Act 2004;
 - “executive member” has the meaning given by section 2(6)(a) of that Act.
2. The Department may make regulations—
- (a) limiting the extent to which any of the functions mentioned in paragraph (9) of Article 7 may be delegated by the Determinations Panel to any of its members or any of its sub-committees under that paragraph;
 - (b) limiting the extent to which functions of the Regulator may be delegated under paragraph 1;
 - (c) limiting the delegation under paragraph 1 of any power to delegate contained in that paragraph;
 - (d) permitting the Regulator in prescribed circumstances to delegate to prescribed persons prescribed functions of the Regulator.

PART 2

FUNDING AND ACCOUNTS

3.—(1) Section 170 of the Pension Schemes Act (levies towards certain expenditure) is amended as follows.

- (2) In subsection (1) omit “or” at the end of paragraph (b) and for paragraph (c) substitute—
 - “(c) of the Regulatory Authority (including the establishment of the Authority under the Pensions Act 2004), or
 - (d) of the Lord Chancellor in meeting the costs of the legal assistance scheme established by virtue of section 106 of the Pensions Act 2004 (legal assistance in connection with proceedings before the Pensions Regulator Tribunal).”
- (3) In subsection (3), in paragraph (a), for the words from “any amounts paid” to the end of the paragraph substitute

“—

- (i) any amounts paid to the Department under section 164(4) of this Act or Article 10 of the Pensions (Northern Ireland) Order 1995 (civil penalties), and
- (ii) any fees paid to the Regulatory Authority under paragraph 25 of Schedule 1 to the Pensions Act 2004 (fees for applications), and”.

SCHEDULE 2

Article 7(4).

THE RESERVED REGULATORY FUNCTIONS

PART 1

FUNCTIONS UNDER THE PENSION SCHEMES ACT

1. The power by direction under section 95(4) to grant an extension of the period within which the trustees or managers of a scheme are to carry out certain duties.
2. The power by direction under section 97J(2) to extend the period for compliance with a transfer notice.
3. The power under regulations made by virtue of section 164(4) to require a person to pay a penalty.

PART 2

FUNCTIONS UNDER THE 1995 ORDER

4. The power to make an order under Article 3(1) prohibiting a person from being a trustee.
5. The power to make an order under Article 3(3) revoking such an order.
6. The power to make an order under Article 4(1) suspending a trustee.
7. The power to make an order under Article 4(2) extending the period for which an order under Article 4(1) of that Order has effect.
8. The power to make an order under Article 4(5) revoking an order under Article 4(1) of that Order suspending a trustee.
9. The power to make an order appointing a trustee under any of the following provisions of Article 7—
 - (a) paragraph (1) where a trustee is removed by an order under Article 3 (prohibition orders);
 - (b) paragraph (3)(a) or (c).
10. The power under Article 9 to exercise by order the same jurisdiction and powers as the High Court for vesting property in, or transferring property to, trustees in consequence of the appointment or removal of a trustee.
11. The power to require a person to pay a penalty under Article 10 (including under regulations made by virtue of paragraph (3) of that Article).
12. The power to make an order under Article 11 directing or authorising an occupational pension scheme to be wound up.
13. The power to give directions to trustees under Article 15.

14. The power under Article 29(5) to give a notice waiving a disqualification under Article 29 of that Order.

15. The power under Article 30(2) to exercise by order the same jurisdiction and powers as the High Court for vesting property in, or transferring property to, the trustees where a trustee becomes disqualified under Article 29 of that Order.

16. The power to make an order under Article 67G(2) by virtue of which any modification of, or grant of rights under, an occupational pension scheme is void to any extent.

17. The power to make an order under Article 67H(2) prohibiting, or specifying steps to be taken in relation to, the exercise of a power to modify an occupational pension scheme.

18. The power to make an order under Article 69 authorising the modification of an occupational pension scheme or modifying the scheme.

19. The power to make an order under Article 71A modifying an occupational pension scheme with a view to ensuring that it is properly wound up.

PART 3

FUNCTIONS UNDER THE 1999 ORDER

20. The power by direction under Article 4(3)(b) to remove a scheme from the register of stakeholder pension schemes.

PART 4

FUNCTIONS UNDER THIS ORDER

21. The power to make or extend a restraining order under Article 16.

22. The power to make an order under Article 16(10) permitting payments out of an account that is subject to a restraining order.

23. The power to make a repatriation order under Article 17.

24. The power to make a freezing order under Article 19.

25. The power to make an order under Article 21(3) extending the period for which a freezing order has effect.

26. The power to make an order under Article 22 validating action taken in contravention of a freezing order.

27. The power to make an order under Article 24 directing that specified steps are taken.

28. The power to make an order under Article 26 giving a direction where a freezing order ceases to have effect.

29. The power to make an order under Article 27(3) directing the notification of members.

30. The power to issue a contribution notice under Article 34.

31. The power to issue a direction under Article 37(4) to the trustees or managers of an occupational pension scheme.

32. The power to issue a revised contribution notice under Article 37(9).

33. The power to issue a financial support direction under Article 39.

34. The power to issue a contribution notice under Article 43.
35. The power to issue a direction under Article 46(4) to the trustees or managers of an occupational pension scheme.
36. The power to issue a revised contribution notice under Article 46(9).
37. The power to make a restoration order under Article 48.
38. The power to issue a contribution notice under Article 51.
39. The power to issue a notice under Article 66 requiring a report to be provided to the Regulator.
40. The power to make a direction under Article 71(8) extending the retention period for documents taken into possession under Article 70.
41. The power to make a direction under Article 73(10) extending the retention period for documents taken into possession under that Article.
42. The power to make an order under Article 210 modifying a scheme, giving directions or imposing a schedule of contributions.
43. The power to issue a ring-fencing notice under Article 268.
44. The power to vary or revoke under Article 96—
 - (a) a determination made by the Determinations Panel whether to exercise one of the other functions listed in this Schedule, or
 - (b) an order, notice or direction made, issued or given in the exercise of one of those functions—
 - (i) by the Panel, or
 - (ii) by the Regulator in compliance with a direction of the Tribunal under Article 97.

SCHEDULE 3

Article 81.

RESTRICTED INFORMATION HELD BY THE REGULATOR: CERTAIN PERMITTED DISCLOSURES TO FACILITATE EXERCISE OF FUNCTIONS

<i>Persons</i>	<i>Functions</i>
The Department.	Functions under— <ol style="list-style-type: none">(a) the Charities Act (Northern Ireland) 1964 (c. 33);(b) Part III of the Pension Schemes Act; or(c) this Order.
The Department of Enterprise, Trade and Investment.	Functions under— <ol style="list-style-type: none">(a) Part XV of the Companies Order,(b) the Insolvency Order, or(c) Part II of the Companies (No. 2) (Northern Ireland) Order 1990 (NI 10).
The Secretary of State.	Functions under— <ol style="list-style-type: none">(a) Part XIV of the Companies Act 1985 (c. 6),(b) the Insolvency Act 1986 (c. 45),

<i>Persons</i>	<i>Functions</i>
	(c) Part III of the Companies Act 1989 (c. 40),
	(d) Part I of the Export and Investment Guarantees Act 1991 (c. 67) (apart from sections 5 and 6),
	(e) Part III of the Pension Schemes Act 1993 (c. 48),
	(f) Part V of the Police Act 1997 (c. 50),
	(g) the Financial Services and Markets Act 2000 (c. 8), or
	(h) the Pensions Act 2004 (c. 35), and functions of co-operating with overseas government authorities and bodies in relation to criminal matters.
The Bank of England.	Any of its functions.
The Financial Services Authority.	Functions under—
	(a) the legislation relating to friendly societies,
	(b) the Building Societies Act 1986 (c. 53), or
	(c) the Financial Services and Markets Act 2000 (c. 8).
The Charity Commissioners. The Pensions Regulator Tribunal.	Functions under the Charities Act 1993 (c. 10). Any of its functions.
The Pensions Ombudsman.	Functions under—
	(a) the Pension Schemes Act, or
	(b) the Pension Schemes Act 1993 (c. 48).
The Ombudsman for the Board of the Pension Protection Fund.	Any of his functions.
The Comptroller and Auditor General for Northern Ireland.	Any of his functions.
The Comptroller and Auditor General.	Any of his functions.
The Auditor General for Wales.	Any of his functions.
The Auditor General for Scotland.	Any of his functions.
The Commissioners of Inland Revenue or their officers.	Functions under—
	(a) the Income and Corporation Taxes Act 1988 (c. 1),
	(b) the Taxation of Chargeable Gains Act 1992 (c. 12),
	(c) Part III of the Pension Schemes Act 1993,
	(d) Part III of the Pension Schemes Act, or
	(e) the Income Tax (Earnings and Pensions) Act 2003 (c. 1).
The Commissioners of Customs and Excise.	Functions under any enactment.

<i>Persons</i>	<i>Functions</i>
The Official Receiver for Northern Ireland or the Official Receiver in England and Wales.	Functions under the enactments relating to insolvency.
An inspector appointed by the Department of Enterprise, Trade and Investment.	Functions under Part XV of the Companies Order.
An inspector appointed by the Secretary of State.	Functions under Part XIV of the Companies Act 1985 (c. 6).
A person authorised to exercise powers under—	Functions under those sections or that Article.
(a) section 447 of the Companies Act 1985,	
(b) Article 440 of the Companies Order, or	
(c) section 84 of the Companies Act 1989 (c. 40).	
A person appointed under—	Functions in relation to that investigation.
(a) section 167 of the Financial Services and Markets Act 2000 (c. 8),	
(b) section 168(3) or (5) of that Act, or	
(c) section 284 of that Act, to conduct an investigation.	
A body designated under section 326(1) of that Act.	Functions in its capacity as a bodys designated under that section.
A recognised investment exchange or a recognised clearing house (as defined by section 285 of that Act).	Functions in its capacity as an exchange or clearing house recognised under that Act.
A body corporate established in accordance with section 212(1) of that Act.	Functions under the Financial Services Compensation Scheme, established in accordance with section 213 of that Act.
The Panel on Takeovers and Mergers.	Functions under the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares for the time being issued by the Panel.
The General Insurance Standards Council.	Functions of regulating sales and advisory and service standards in relation to insurance.
A recognised professional body (within the meaning of Article 350 of the Insolvency Order).	Functions in its capacity as such a body under that Order.
A person on whom functions are conferred by or under Part 2, 3 or 4 of the Proceeds of Crime Act 2002 (c. 29).	The functions so conferred.
The Counter Fraud and Security Management Service established under the Counter Fraud and Security Management Service (Establishment and Constitution) Order 2002 (S.I. 2002/3039).	Any of its functions.

<i>Persons</i>	<i>Functions</i>
A recognised professional body (within the meaning of section 391 of the Insolvency Act 1986 (c. 45)).	Functions in its capacity as such a body under that Act.
The Gaming Board for Great Britain.	Functions under— (a) the Gaming Act 1968 (c. 65), or (b) the Lotteries and Amusements Act 1976 (c. 32).

SCHEDULE 4

Article 101.

THE BOARD OF THE PENSION PROTECTION FUND

1.—(1) Subject to sub-paragraph (2), the Board may authorise—

- (a) any executive member of the Board,
- (b) any other member of its staff, or
- (c) any of its committees or sub-committees (other than the committee established under section 112 of the Pensions Act 2004 (c. 35) or any of its sub-committees),

to exercise on behalf of the Board, such of its functions, in such circumstances, as the Board may determine.

(2) Sub-paragraph (1) does not apply to the non-executive functions of the Board (which must, by virtue of section 112(2) of the Pensions Act 2004, be discharged by the committee established under that section).

2.—(1) The Board may make arrangements for any of its functions mentioned in sub-paragraph (2) to be exercised, in accordance with those arrangements, by a person on behalf of the Board.

(2) The functions are those conferred by or by virtue of—

- (a) the pension compensation provisions (see Article 146);
- (b) Article 147 (adjustments to be made where Board assumes responsibility for a scheme);
- (c) Article 149 (duty to notify Inland Revenue in relation to guaranteed minimum pensions);
- (d) Article 150 (duty to pay scheme benefits unpaid at assessment date);
- (e) Articles 153 and 154 (discharge of liabilities in respect of compensation or money purchase benefits);
- (f) Article 173 (notices requiring provision of information);
- (g) Article 185(1)(a) (provision of information to members of schemes etc.);
- (h) paragraph (2) of Article 101 (supplementary powers), so far as that paragraph relates to any function conferred by or by virtue of any provision mentioned in paragraphs (a) to (g).

(3) Where arrangements are made under this paragraph for any functions of the Board to be exercised by another person on its behalf—

- (a) Article 177(1)(b) (offence of providing false or misleading information to the Board) and Article 178 (use of information) apply in relation to that person and any functions of the Board exercised by him as they apply in relation to the Board and its functions;

- (b) subject to paragraph (c), Articles 179 to 184 and 185(2) to (6) (disclosure of information) apply in relation to that person and any information obtained by him in the exercise of the Board's function as they apply in relation to the Board and information obtained by it in the exercise of its functions;
- (c) nothing in paragraph (b) authorises any person to determine on behalf of the Board under Article 183(1) whether the disclosure of any restricted information is desirable or expedient in the interests of members of occupational pension schemes or in the public interest.

3.—(1) Where the Board makes arrangements under paragraph 2(1) for any of its functions to be exercised by a person on its behalf, those arrangements may also provide for that person to exercise on behalf of the Board any delegable review function.

(2) Where the Regulator is required to or may exercise any function on behalf of the Board by virtue of—

- (a) Article 164(4) or 171(8) (administrative functions relating to levies),
- (b) Article 164(7)(b) or 171(10)(b) (recovery of levies), or
- (c) regulations under Article 164(8) or 171(11) (collection, recovery and waiver of levies),

the Board may also require the Regulator to exercise on behalf of the Board any delegable review function.

(3) In this paragraph, “delegable review function”, in relation to a delegated function, means—

- (a) any function, by virtue of Article 189(1)(a) or (3)(a), to give a review decision in respect of any reviewable matter arising from the exercise of the delegated function;
- (b) in relation to any function exercisable by virtue of paragraph (a), any other function under regulations under Article 189(1) in connection with the giving of a review decision;
- (c) any function conferred by paragraph (2) of Article 101 (supplementary powers), so far as that paragraph relates to any function mentioned in paragraph (a) or (b).

(4) In this paragraph—

“delegated function” means a function which is exercisable on behalf of the Board as mentioned in sub-paragraph (1) or (2);

“executive member” has the meaning given by section 108(7)(a) of the Pensions Act 2004 (c. 35);

“review decision” has the meaning given by Article 189(1).

SCHEDULE 5

Article 145.

TRANSFER OF PROPERTY, RIGHTS AND LIABILITIES TO THE BOARD

1. This Schedule applies where the property, rights and liabilities of an occupational pension scheme are transferred to the Board in accordance with Article 145.

2.—(1) Subject to sub-paragraph (2), the property, rights and liabilities so transferred include—

- (a) property, rights and liabilities that would not otherwise be capable of being transferred or assigned,
- (b) property situated anywhere in the United Kingdom or elsewhere, and
- (c) rights and liabilities under the law of any part of the United Kingdom or of any country or territory outside the United Kingdom.

(2) Where, but for this sub-paragraph, any rights or liabilities under a contract of employment between the trustees or managers of the scheme and an individual would be transferred to the Board under Article 145, this sub-paragraph operates to terminate the contract of employment on the day preceding the day on which the transfer notice is received by the trustees or managers of the scheme.

3.—(1) Without prejudice to the generality of Article 145 and subject to sub-paragraph (2), any legal proceedings or applications to any authority pending immediately before the transfer by or against any of the trustees or managers of the scheme in their capacity as trustees or managers shall be continued by or against the Board.

(2) The liabilities transferred by Article 145 do not include any liabilities in respect of an existing or future cause of action against the trustees or managers of the scheme if, disregarding the transfer, the trustees or managers would have been personally liable to meet the claim and would not have been indemnified from the assets of the scheme.

4. The transfer is binding on all persons, even if, apart from this paragraph, it would have required the consent or concurrence of any person.

5. No person shall have any power, in consequence of the transfer, to terminate or modify any interest or right which was vested in the trustees or managers of the scheme.

6. Any reference in any agreement, document or instrument of any description to the trustees or managers of the scheme shall have effect so far as necessary for the purposes of giving effect to the transfer as a reference to the Board.

7.—(1) The Board must take all such steps as may be required to secure that the vesting in the Board, by virtue of Article 145, of any foreign property, right or liability is effective under the relevant foreign law.

(2) Until the vesting of any foreign property, right or liability in the Board is effective under the relevant foreign law, the persons who were the trustees or managers of the scheme immediately before the transfer effected by Article 145 must hold that property or right for the benefit of, or discharge that liability on behalf of, the Board.

(3) Nothing in this paragraph prejudices the effect under the law of Northern Ireland of the vesting in the Board, in accordance with Article 145, of any foreign property, right or liability.

(4) In this paragraph references to any foreign property, right or liability are references to any property, right or liability as respects which any issue arising in any proceedings would have to be determined (in accordance with the rules of private international law) by reference to the law of a country or territory outside the United Kingdom.

SCHEDULE 6

Article 146.

PENSION COMPENSATION PROVISIONS

Introductory

1. This Schedule applies for the purposes of determining the compensation payable where the Board assumes responsibility for an eligible scheme (“the scheme”) in accordance with this Chapter.

2. In this Schedule references to “the assessment date” are to the date on which the assessment period in relation to the scheme, or (where there has been more than one such assessment period) the last one, began.

Pensions in payment at assessment date

3.—(1) Compensation is payable in accordance with this paragraph where, immediately before the assessment date, a person is entitled to present payment of a pension under the admissible rules of the scheme.

(2) That person (“the pensioner”) is entitled to periodic compensation in respect of that pension (“the pension”) commencing at the assessment date and continuing for life or, in a case to which sub-paragraph (8) applies, until such time as entitlement to the pension would have ceased under the admissible rules.

(3) The annual rate of the periodic compensation is the appropriate percentage of the aggregate of—

- (a) the protected pension rate, and
- (b) any increases under paragraph 28 (annual increases in periodic compensation).

(4) In sub-paragraph (3) “the appropriate percentage” means—

- (a) in a case to which sub-paragraph (7) applies, 90%, and
- (b) in any other case, 100%.

(5) In sub-paragraph (3) “the protected pension rate” means the annual rate of the pension, under the admissible rules, immediately before the assessment date.

(6) In determining for the purposes of sub-paragraph (5) the annual rate of the pension immediately before the assessment date, any recent discretionary increase is to be disregarded if paragraph 35(3) applies.

(7) This sub-paragraph applies where the pensioner has not attained normal pension age in respect of the pension before the assessment date and his entitlement to the pension—

- (a) is attributable to his pensionable service, and
- (b) did not arise by virtue of any provision of the admissible rules of the scheme making special provision as to early payment of pension on grounds of ill health.

(8) This sub-paragraph applies where the pension was not attributable to—

- (a) the pensioner’s pensionable service, or
- (b) (directly or indirectly) to a pension credit to which the pensioner became entitled under Article 26(1)(b) of the 1999 Order.

(9) This paragraph does not apply if compensation is payable in respect of the pension in accordance with paragraph 5 (pension benefits postponed at assessment date).

(10) This paragraph is subject to—

- (a) paragraph 26 (compensation cap), and
- (b) paragraph 30 (power of Department to change percentage rates by order).

4.—(1) This paragraph applies where—

- (a) the pensioner dies on or after the assessment date, and
- (b) the pension was attributable—
 - (i) to the pensioner’s pensionable service, or
 - (ii) (directly or indirectly) to a pension credit to which the pensioner became entitled under Article 26(1)(b) of the 1999 Order.

(2) Subject to sub-paragraph (4), the pensioner’s widow or widower is entitled to periodic compensation commencing on the day following the pensioner’s death and continuing for life.

(3) The annual rate of the periodic compensation at any time is half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the pensioner would at that time have been entitled under paragraph 3 in respect of the pension had the pensioner not died.

(4) The pensioner's widow or widower is not entitled to periodic compensation under this paragraph in such circumstances as may be prescribed.

(5) In this paragraph "the pension" and "the pensioner" are to be construed in accordance with paragraph 3.

Pension benefits postponed at assessment date

5.—(1) Compensation is payable in accordance with this paragraph where immediately before the assessment date—

- (a) a person is entitled to present payment of a pension under the admissible rules of the scheme,
- (b) payment of that pension is postponed, and
- (c) he has attained normal pension age in relation to the pension.

(2) That person ("the postponed pensioner") is entitled to periodic compensation in respect of that pension ("the pension") commencing at the assessment date and continuing for life or, in a case to which sub-paragraph (7) applies, until such time as entitlement to the pension would have ceased under the admissible rules.

(3) The annual rate of the periodic compensation is 100% of the aggregate of—

- (a) the protected pension rate, and
- (b) any increases under paragraph 28 (annual increases in periodic compensation).

(4) In sub-paragraph (3) "the protected pension rate" means what would have been the annual rate of the pension, under the admissible rules, if the postponement of payment had ceased immediately before the assessment date.

(5) In determining for the purposes of sub-paragraph (4) the annual rate of the pension immediately before the assessment date, any recent discretionary increase is to be disregarded if paragraph 35(3) applies.

(6) Where the pension is attributable (directly or indirectly) to a pension credit, the reference in sub-paragraph (1)(c) to "normal pension age" is to be read as a reference to "normal benefit age".

(7) This sub-paragraph applies where the pension was not attributable to—

- (a) the postponed pensioner's pensionable service, or
- (b) (directly or indirectly) to a pension credit to which the postponed pensioner became entitled under Article 26(1)(b) of the 1999 Order.

(8) This paragraph is subject to—

- (a) paragraph 24 (commutation), and
- (b) paragraph 30 (power of Department to change percentage rates by order).

6.—(1) This paragraph applies where the postponed pensioner—

- (a) dies on or after the assessment date,
- (b) the pension was attributable—
 - (i) to the postponed pensioner's pensionable service, or
 - (ii) (directly or indirectly) to a pension credit to which the postponed pensioner became entitled under Article 26(1)(b) of the 1999 Order.

(2) Subject to sub-paragraph (4), the postponed pensioner's widow or widower is entitled to periodic compensation commencing on the day following the postponed pensioner's death and continuing for life.

(3) The annual rate of the periodic compensation at any time is half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the postponed pensioner would at that time have been entitled under paragraph 5 in respect of the pension had the postponed pensioner not died.

(4) The postponed pensioner's widow or widower is not entitled to periodic compensation under this paragraph in such circumstances as may be prescribed.

(5) In this paragraph "the postponed pensioner" and "the pension" are to be construed in accordance with paragraph 5.

7.—(1) Compensation is payable in accordance with this paragraph where immediately before the assessment date—

- (a) a person is entitled to present payment of a lump sum under the admissible rules of the scheme ("the scheme lump sum"),
- (b) payment of that lump sum is postponed, and
- (c) he has attained normal pension age in relation to the lump sum.

(2) That person is entitled to compensation in the form of a lump sum of an amount equal to 100% of the amount of the scheme lump sum which would have been payable had the postponement ceased immediately before the assessment date.

(3) The compensation is payable at the assessment date.

(4) Where the scheme lump sum is attributable (directly or indirectly) to a pension credit, the reference in sub-paragraph (1)(c) to "normal pension age" is to be read as a reference to "normal benefit age".

(5) This paragraph does not apply in relation to a lump sum to which a person is entitled by reason of commuting any part of a pension under the scheme.

(6) This paragraph is subject to paragraph 30 (power of Department to change percentage rates by order).

Active members over normal pension age at assessment date

8.—(1) Compensation is payable in accordance with this paragraph where a person who, under the admissible rules, is (immediately before the assessment date) an active member of the scheme has, before that date, attained normal pension age in respect of his rights under the admissible rules of the scheme to a pension.

(2) The active member is entitled to periodic compensation in respect of that pension ("the pension") commencing at the assessment date and continuing for life.

(3) The annual rate of the periodic compensation is 100% of the aggregate of—

- (a) the protected notional pension, and
- (b) any increases under paragraph 28 (annual increases in periodic compensation).

(4) In sub-paragraph (3) "the protected notional pension" means the aggregate of—

- (a) the accrued amount, and
- (b) any increases in the pension to which the active member would have been entitled under the admissible rules (by virtue of the fact that the pension did not come into payment at

normal pension age) if he had ceased to be an active member of the scheme immediately before the assessment date.

(5) Subject to sub-paragraphs (6) and (7), the accrued amount is—

$AR \times PE \times PS$

where—

AR is the active member's annual accrual rate in respect of the pension under the admissible rules,

PE is the active member's annual pensionable earnings in respect of the pension under the admissible rules, and

PS is the active member's pensionable service in respect of the pension under the admissible rules in years (including any fraction of a year).

(6) If the accrual rates or pensionable earnings differ in respect of different parts of the active member's pensionable service relating to the pension, an amount is calculated in accordance with the formula in sub-paragraph (5) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in that sub-paragraph to the active member's pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(7) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (5), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

(8) This paragraph is subject to—

(a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund),

(b) paragraph 24 (commutation), and

(c) paragraph 30 (power of Department to change percentage rates by order).

9.—(1) This paragraph applies where the active member dies on or after the assessment date.

(2) Subject to sub-paragraph (4), the active member's widow or widower is entitled to periodic compensation commencing on the day following the member's death and continuing for life.

(3) The annual rate of the periodic compensation at any time is half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the active member would at that time have been entitled under paragraph 8 in respect of the pension had the member not died.

(4) The active member's widow or widower is not entitled to periodic compensation under this paragraph in such circumstances as may be prescribed.

(5) In this paragraph "the pension" and "the active member" are to be construed in accordance with paragraph 8.

10.—(1) Compensation is payable in accordance with this paragraph where an active member of the scheme has, before the assessment date, attained normal pension age in respect of his rights under the admissible rules of the scheme to a lump sum ("the scheme lump sum").

(2) The active member is entitled to compensation of an amount equal to 100% of the aggregate of—

(a) the accrued amount, and

- (b) any increases to which the active member would have been entitled under the admissible rules (by virtue of the fact that the lump sum was not paid at normal pension age) had the active member ceased to be an active member immediately before the assessment date.
- (3) The compensation is payable at the assessment date.
- (4) Subject to sub-paragraphs (5) and (6), the accrued amount is—

$AR \times PE \times PS$

where—

AR is the active member's annual accrual rate in respect of the scheme lump sum under the admissible rules,

PE is the active member's annual pensionable earnings in respect of the scheme lump sum under the admissible rules, and

PS is the active member's pensionable service in respect of the scheme lump sum, under the admissible rules, in years (including any fraction of a year).

(5) If the accrual rates or pensionable earnings differ in respect of different parts of the active member's pensionable service relating to the scheme lump sum, an amount is calculated in accordance with the formula in sub-paragraph (4) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in that sub-paragraph to the active member's pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(6) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (4), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

(7) This paragraph does not apply in relation to a lump sum to which a person is entitled by reason of commuting any part of a pension under the scheme.

(8) This paragraph is subject to—

- (a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund), and
- (b) paragraph 30 (power of Department to change percentage rates by order).

Active members who have not attained normal pension age at assessment date

11.—(1) Compensation is payable in accordance with this paragraph where a person who, under the admissible rules, is (immediately before the assessment date) an active member of the scheme has not, before that date, attained normal pension age in respect of his rights under the admissible rules of the scheme to a pension.

(2) If the active member survives to attain normal pension age in respect of that pension ("the pension"), he is entitled to periodic compensation in respect of the pension commencing at that age and continuing for life.

(3) The annual rate of the periodic compensation is 90% of the aggregate of—

- (a) the protected notional pension, and
- (b) any increases under paragraph 28 (annual increases in periodic compensation).

(4) In sub-paragraph (3) "the protected notional pension" means the aggregate of—

- (a) the accrued amount, and
- (b) the revaluation amount for the revaluation period (see paragraph 12).

(5) Subject to sub-paragraphs (6) and (7), the accrued amount is—

$AR \times PE \times PS$

where—

AR is the active member's annual accrual rate in respect of the pension under the admissible rules,

PE is the active member's annual pensionable earnings in respect of the pension under the admissible rules, and

PS is the active member's pensionable service in respect of the pension under the admissible rules in years (including any fraction of a year).

(6) If the accrual rates or pensionable earnings differ in respect of different parts of the active member's pensionable service relating to the pension, an amount is calculated in accordance with the formula in sub-paragraph (5) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in sub-paragraph (5) to the active member's pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(7) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (5), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

(8) This paragraph is subject to—

- (a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund),
- (b) paragraph 24 (commutation),
- (c) paragraph 26 (compensation cap), and
- (d) paragraph 30 (power of Department to change percentage rates by order).

12.—(1) This paragraph applies for the purposes of paragraph 11(4)(b).

(2) The revaluation period is the period which—

- (a) begins with the assessment date, and
- (b) ends with the day before the day on which the active member attains normal pension age in respect of the pension.

(3) The revaluation amount for the revaluation period is—

- (a) in a case where the revaluation period is less than one month, nil, and
- (b) in any other case, the revaluation percentage of the accrued amount.

(4) In sub-paragraph (3) “the revaluation percentage” means the lesser of—

- (a) the percentage increase referred to in paragraph 12(4)(a) of Schedule 7 to the Pensions Act 2004 (c. 35), and
- (b) the maximum revaluation rate.

(5) For the purposes of sub-paragraph (4)(b) “the maximum revaluation rate” in relation to the revaluation period is—

- (a) if that period is a period of 12 months, 5%, and
- (b) in any other case, the percentage referred to in paragraph 12(5)(b) of Schedule 7 to the Pensions Act 2004.

This is subject to paragraph 29 (power of Board to determine maximum revaluation rate etc.).

(6) In this paragraph “the active member”, “the accrued amount” and “the pension” are to be construed in accordance with paragraph 11.

13.—(1) This paragraph applies where the active member dies on or after the assessment date.

(2) Subject to sub-paragraph (4), the widow or widower of the active member is entitled to periodic compensation commencing on the day following the active member’s death and continuing for life.

(3) The annual rate of the periodic compensation at any time is—

- (a) where the active member died after attaining normal pension age, half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the member would at that time have been entitled under paragraph 11 in respect of the pension had the member not died, and
- (b) where the active member died before attaining normal pension age, half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the member would have been entitled at normal pension age under paragraph 11 if—
 - (i) normal pension age had been the member’s actual age immediately before the date of the member’s death, and
 - (ii) the member had not died.

(4) The active member’s widow or widower is not entitled to periodic compensation under this paragraph in such circumstances as may be prescribed.

(5) In this paragraph “the pension” and “the active member” are to be construed in accordance with paragraph 11.

14.—(1) Compensation is payable in accordance with this paragraph where immediately before the assessment date, under the admissible rules of the scheme, an active member of the scheme has not attained normal pension age in respect of his rights to a lump sum (“the scheme lump sum”).

(2) If the active member survives to attain normal pension age in respect of the scheme lump sum, he is entitled to compensation in respect of the scheme lump sum when he attains that age.

(3) The compensation is a lump sum equal to 90% of the protected amount.

(4) In sub-paragraph (3) “the protected amount” means the aggregate of—

- (a) the accrued amount, and
- (b) the revaluation amount for the revaluation period.

(5) Subject to sub-paragraphs (6) and (7), the accrued amount is—

$AR \times PE \times PS$

where—

AR is the active member’s annual accrual rate in respect of the scheme lump sum under the admissible rules,

PE is the active member’s annual pensionable earnings in respect of the scheme lump sum under the admissible rules, and

PS is the active member’s pensionable service in respect of the scheme lump sum, under the admissible rules, in years (including any fraction of a year).

(6) If the accrual rates or pensionable earnings differ in respect of different parts of the active member’s pensionable service relating to the scheme lump sum, an amount is calculated in accordance with the formula in sub-paragraph (5) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in that sub-paragraph to the active member's pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(7) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (5), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

- (8) Paragraph 12 applies for the purpose of determining the revaluation amount except that—
- (a) in that paragraph the references to the pension are to be read as references to the scheme lump sum, and
 - (b) in sub-paragraph (6) of that paragraph the reference to paragraph 11 is to be read as a reference to this paragraph.
- (9) This paragraph is subject to—
- (a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund),
 - (b) paragraph 26 (compensation cap), and
 - (c) paragraph 30 (power of Department to change percentage rates by order).

Deferred members who have not attained normal pension age at assessment date

15.—(1) Compensation is payable in accordance with this paragraph where, under the admissible rules of the scheme, a person who is a deferred member immediately before the assessment date has not attained normal pension age, in respect of his rights to a pension under the scheme, before that date.

(2) If that person (“the deferred member”) survives to attain normal pension age in respect of that pension (“the pension”), he is entitled to periodic compensation in respect of the pension commencing at that age and continuing for life.

- (3) The annual rate of the periodic compensation is 90% of the aggregate of—
- (a) the protected pension rate, and
 - (b) any increases under paragraph 28 (annual increases in periodic compensation).
- (4) In sub-paragraph (3) “the protected pension rate” means the aggregate of—
- (a) the accrued amount,
 - (b) the revaluation amount for the first revaluation period (see paragraph 16), and
 - (c) the revaluation amount for the second revaluation period (see paragraph 17).

(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the initial annual rate of the pension to which the deferred member would have been entitled in accordance with the admissible rules had he attained normal pension age when the pensionable service relating to the pension ended.

- (6) This paragraph is subject to—
- (a) paragraph 24 (commutation),
 - (b) paragraph 26 (compensation cap), and
 - (c) paragraph 30 (power of Department to change percentage rates by order).

16.—(1) This paragraph applies for the purposes of paragraph 15(4)(b).

(2) The first revaluation period is the period which—

- (a) begins with the day after the day on which the deferred member's pensionable service in respect of the pension ended, and
 - (b) ends with the day before the assessment date.
- (3) The revaluation amount for the first revaluation period is—
- (a) where that period is less than one month, nil, and
 - (b) in any other case, the amount determined in the prescribed manner.
- (4) In this paragraph “the deferred member” and “the pension” are to be construed in accordance with paragraph 15.

17.—(1) This paragraph applies for the purposes of paragraph 15(4)(c).

- (2) The second revaluation period is the period which—
- (a) begins with the assessment date, and
 - (b) ends with the day before the day on which the deferred member attains normal pension age in respect of the pension.
- (3) The revaluation amount for the second revaluation period is—
- (a) where that period is less than one month, nil, and
 - (b) in any other case the revaluation percentage of the aggregate of—
 - (i) the accrued amount, and
 - (ii) the revaluation amount for the first revaluation period (see paragraph 16).
- (4) In sub-paragraph (3) “the revaluation percentage” means the lesser of—
- (a) the percentage increase referred to in paragraph 17(4)(a) of Schedule 7 to the Pensions Act 2004 (c. 35), and
 - (b) the maximum revaluation rate.
- (5) For the purposes of sub-paragraph (4)(b) “the maximum revaluation rate”, in relation to the second revaluation period, is—
- (a) if that period is a period of 12 months, 5%, and
 - (b) in any other case, the percentage referred to in paragraph 17(5)(b) of Schedule 7 to the Pensions Act 2004.

This is subject to paragraph 29 (power of Board to determine maximum revaluation rate).

- (6) In this paragraph “the deferred member”, “the accrued amount” and “the pension” are to be construed in accordance with paragraph 15.

18.—(1) This paragraph applies where—

- (a) the deferred member dies on or after the assessment date, and
 - (b) the pension was attributable to the deferred member's pensionable service.
- (2) Subject to sub-paragraph (4), the widow or widower of the deferred member is entitled to periodic compensation commencing on the day following the deferred member's death and continuing for life.
- (3) The annual rate of the periodic compensation at any time is—
- (a) where the deferred member died after attaining normal pension age, half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the deferred member would at that time have been entitled under paragraph 15 in respect of the pension had the member not died,

- (b) where the deferred member died before attaining normal pension age, half of the annual rate of the periodic compensation (including any increases under paragraph 28) to which the deferred member would have been entitled at that time under paragraph 15 if—
 - (i) normal pension age had been the deferred member’s actual age immediately before the date of the deferred member’s death, and
 - (ii) the deferred member had not died.
- (4) The deferred member’s widow or widower is not entitled to periodic compensation under this paragraph in such circumstances as may be prescribed.
- (5) In this paragraph “the deferred member” and “the pension” are to be construed in accordance with paragraph 15.

19.—(1) Compensation is payable in accordance with this paragraph where, under the admissible rules of the scheme, a deferred member has not attained normal pension age in respect of his rights to a lump sum under the scheme (“the scheme lump sum”) before the assessment date.

(2) If the deferred member survives to attain normal pension age in respect of the scheme lump sum, he is entitled to compensation under this paragraph on attaining that age.

(3) The compensation is a lump sum equal to 90% of the protected amount.

(4) In sub-paragraph (3) “the protected amount” means the aggregate of—

- (a) the accrued amount,
- (b) the revaluation amount for the first revaluation period, and
- (c) the revaluation amount for the second revaluation period.

(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the amount of the scheme lump sum to which the deferred member would have been entitled in accordance with the admissible rules had normal pension age been the actual age attained by the deferred member when the pensionable service relating to the lump sum ended.

(6) Paragraphs 16 and 17 apply in relation to this paragraph as if in those paragraphs—

- (a) references to the pension were to the scheme lump sum, and
- (b) “the deferred member” and “the accrued amount” had the same meaning as in this paragraph.

(7) This paragraph does not apply in relation to a lump sum to which a person is entitled by reason of commuting any part of a pension under the scheme.

(8) This paragraph is subject to—

- (a) paragraph 26 (compensation cap), and
- (b) paragraph 30 (power of Department to change percentage rates by order).

Compensation in respect of scheme right to transfer payment or contribution refund

20.—(1) Compensation is payable in accordance with this paragraph where—

- (a) a person’s pensionable service terminates on the commencement of the assessment period,
- (b) as a result, he has rights, under the admissible rules, to—
 - (i) a transfer payment calculated by reference to the value of benefits which have accrued to him under the scheme (“the protected transfer payment”), or
 - (ii) a cash payment calculated by reference to the amount of contributions made by him or on his behalf to the scheme (“the protected contribution repayment”),

- (c) Chapter 5 of Part IV of the Pension Schemes Act (early leavers: cash transfer sums and contribution refunds) does not apply to him, and
 - (d) he does not have relevant accrued rights to benefit (within the meaning of section 97AA(4) of that Act).
- (2) That person is entitled to compensation in the form of a lump sum in respect of the protected transfer payment or protected contribution repayment.
- (3) The amount of the compensation is 90% of the amount of the protected transfer payment or protected contribution repayment (whichever is the greater).
- (4) For the purposes of sub-paragraph (3), the amount of the protected transfer payment or protected contribution repayment is to be calculated in accordance with the admissible rules, which are to be applied for this purpose subject to any prescribed modifications.
- (5) The compensation is payable immediately after the transfer notice given under Article 144 is received by the trustees or managers of the scheme.
- (6) This paragraph is subject to paragraph 30 (power of Department to change percentage rates by order).
- (7) Regulations may modify any provision of paragraph 8, 10, 11 or 14 (compensation for persons who were active members immediately before assessment date) as it applies in the case of a person who is entitled to compensation under this paragraph.
- (8) Regulations may modify any provision of sub-paragraphs (1) to (6) as it applies in the case of a person who is entitled to compensation under paragraph 8, 10, 11 or 14.

Pension credit members who have not attained normal benefit age at assessment date

21.—(1) Paragraphs 15, 18 and 19 apply in relation to a pension credit member of the scheme who has not attained normal benefit age at the assessment date as they apply to a deferred member who has not attained normal pension age at that date, subject to the modifications in sub-paragraph (2).

- (2) The modifications are as follows—
- (a) in paragraph 15(1) and (2) the references to normal pension age are to be read as references to normal benefit age,
 - (b) in paragraph 15(4) for the words from “the aggregate of” to the end substitute “the accrued amount”,
 - (c) for paragraph 15(5) substitute—

“(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the initial annual rate of the pension which, under the admissible rules, the deferred member is entitled to receive at normal benefit age by virtue of his pension credit rights.”,
 - (d) for paragraph 18(1)(b) substitute—

“(b) the pension was attributable (directly or indirectly) to a pension credit to which the deferred pensioner became entitled under Article 26(1)(b) of the 1999 Order.”,
 - (e) in paragraph 19(1) and (2) the references to normal pension age are to be read as references to normal benefit age,
 - (f) in paragraph 19(4) for the words “from the aggregate of” to the end substitute “the accrued amount”,
 - (g) for paragraph 19(5) substitute—

“(5) In sub-paragraph (4) “the accrued amount” means an amount equal to the amount of the scheme lump sum which, under the admissible rules, the deferred member is entitled to receive at normal benefit age by virtue of his pension credit rights.”, and

- (h) paragraph 19(6) does not apply.

Survivors who do not meet conditions for scheme benefits at assessment date

- 22.**—(1) Compensation is payable in accordance with this paragraph where—
- (a) a member of the scheme has died before the assessment date,
 - (b) as a result of that death, a pension, which is attributable to the member’s pensionable service, is payable to that person’s widow or widower or any other person (“the survivor”) if conditions specified in the scheme rules are met, and
 - (c) the survivor first satisfies those conditions on or after that date.
- (2) The survivor is entitled to periodic compensation in respect of that pension (“the pension”)—
- (a) commencing if, and when, the pension would have become payable under the admissible rules, and
 - (b) continuing until such time as entitlement to the pension would have ceased under the admissible rules.
- (3) The annual rate of the periodic compensation is 100% of the aggregate of—
- (a) the initial rate of the pension which would have been payable in accordance with the admissible rules had the conditions mentioned in sub-paragraph (1)(c) been satisfied, immediately before the assessment date, and
 - (b) any increases under paragraph 28 (annual increases in periodic compensation).
- (4) This paragraph is subject to paragraph 30 (power of Department to change percentage rates by order).

Compensation in form of dependants' benefits

- 23.**—(1) Regulations may provide for compensation to be payable, in such circumstances as may be prescribed, to or in respect of—
- (a) partners of prescribed descriptions of persons of prescribed descriptions who were members of the scheme immediately before the assessment date,
 - (b) dependants of prescribed descriptions of persons of prescribed descriptions who—
 - (i) were members of the scheme, or had rights to benefits payable under the scheme rules in respect of a member, immediately before the assessment date,
 - (ii) became entitled to benefits under the scheme rules in respect of a member on or after the assessment date but before the time the trustees or managers of the scheme received a transfer notice under Article 144, or
 - (iii) have become entitled to compensation under paragraph 22 (survivors who do not meet conditions for scheme benefits at assessment date), in relation to the scheme.
- (2) Regulations may in particular—
- (a) provide for compensation in the form of periodic or lump sum payments,
 - (b) provide for periodic compensation to be payable for a prescribed period,
 - (c) apply paragraphs 28 and 29(2) (annual increases in respect of periodic compensation) in respect of compensation in the form of periodic payments (with or without modifications).

Commutation of periodic compensation

24.—(1) In prescribed circumstances, a person entitled to periodic compensation under paragraph 5, 8, 11 or 15 may opt to commute for a lump sum a portion of the periodic compensation with effect from the time it becomes payable.

(2) Except in such circumstances as may be prescribed, the portion commuted under sub-paragraph (1) must not exceed 25%.

(3) Any reduction required to be made under paragraph 26 (compensation cap) must be made before determining the amount of a person's periodic compensation which may be commuted under this paragraph.

(4) Where a person opts to commute any part of his periodic compensation under this paragraph, the lump sum payable under sub-paragraph (1) is the actuarial equivalent of the commuted portion of the periodic compensation calculated from tables designated for this purpose by the Board.

(5) The Board must publish in such manner as it considers appropriate the tables designated by it for the purposes of sub-paragraph (4).

(6) Regulations may prescribe the manner in which an option to commute periodic compensation under this paragraph may be exercised.

(7) This paragraph does not apply where—

- (a) before the assessment date, the person concerned has received benefits under the scheme rules which were in the form of a lump sum (otherwise than as a result of the commutation of any part of a pension) and were attributable to his own service under the scheme, or
- (b) immediately before the assessment date, the person concerned has rights to a lump sum under the admissible rules (otherwise than by commutation of any part of a pension) and those rights are attributable to such service.

(8) The Department may, by order, amend sub-paragraph (2) to substitute a different percentage for the percentage for the time being specified in that sub-paragraph.

Early payment of compensation

25.—(1) Regulations may prescribe circumstances in which, and conditions subject to which, a person may become entitled to—

- (a) periodic compensation under paragraph 11 or 15, or
- (b) lump sum compensation under paragraph 14 or 19,

before he attains normal pension age (or, in a case to which paragraph 21 applies, normal benefit age).

(2) The Board must determine the amount of the actuarial reduction to be applied to compensation where a person becomes so entitled by virtue of regulations under this paragraph.

(3) Where, by virtue of this paragraph, periodic compensation is payable to a person under paragraph 11 or 15 before that person attains normal pension age—

- (a) paragraph 12(2) applies as if the reference to the date on which the active member attains normal pension age were a reference to the date on which the compensation is payable by virtue of this paragraph, and
- (b) paragraph 17(2)(b) applies as if the reference to the date on which the deferred member attains normal pension age were a reference to the date on which the compensation is payable by virtue of this paragraph.

Compensation cap

- 26.—(1) Where—
- (a) a person becomes entitled to relevant compensation in respect of a benefit (“benefit A”) under the scheme, and
 - (b) sub-paragraph (2)(a) or (b) applies,
- the amount of the compensation must be restricted in accordance with sub-paragraph (3).
- (2) For the purposes of sub-paragraph (1)—
- (a) this paragraph applies if—
 - (i) the annual value of benefit A exceeds the compensation cap, and
 - (ii) paragraph (b)(i) does not apply, and
 - (b) this paragraph applies if—
 - (i) at the same time as the person becomes entitled to relevant compensation in respect of benefit A he also becomes entitled to relevant compensation in respect of one or more other benefits under the scheme or a connected occupational pension scheme (“benefit or benefits B”), and
 - (ii) the aggregate of the annual values of benefit A and benefit or benefits B exceeds the compensation cap.
- (3) Where the relevant compensation in respect of benefit A is required to be restricted in accordance with this sub-paragraph—
- (a) if that compensation is within sub-paragraph (4)(a), the protected pension rate for the purposes of paragraph 3(3)(a) is the cap fraction of the rate determined in accordance with paragraph 3(5);
 - (b) if that compensation is within sub-paragraph (4)(b), the protected notional pension for the purposes of paragraph 11(3)(a) is the cap fraction of the rate determined in accordance with paragraph 11(4);
 - (c) if that compensation is within sub-paragraph (4)(c), the protected amount for the purposes of paragraph 14(3) is the cap fraction of the amount determined in accordance with paragraph 14(4);
 - (d) if that compensation is within sub-paragraph (4)(d), the protected pension rate for the purposes of paragraph 15(3)(a) is the cap fraction of the rate determined in accordance with paragraph 15(4);
 - (e) if that compensation is within sub-paragraph (4)(e), the protected amount for the purposes of paragraph 19(3) is the cap fraction of the amount determined in accordance with paragraph 19(4).
- (4) For the purposes of this paragraph “relevant compensation” means—
- (a) periodic compensation under paragraph 3 (in a case to which sub-paragraph (7) of that paragraph applies),
 - (b) periodic compensation under paragraph 11,
 - (c) compensation under paragraph 14,
 - (d) periodic compensation under paragraph 15, or
 - (e) compensation under paragraph 19.
- (5) For the purposes of this paragraph, “the cap fraction” means—

CV

where—

C is the compensation cap, and

V is the annual value of benefit A or, in a case to which sub-paragraph (2)(b) applies, the aggregate of the annual values of benefit A and benefit or benefits B.

(6) For the purposes of this paragraph the “annual value” of a benefit in respect of which a person has become entitled to relevant compensation means—

- (a) if the relevant compensation is within sub-paragraph (4)(a) and neither paragraph (b) nor (c) applies, the amount of the protected pension rate for the purposes of paragraph 3(3)(a);
- (b) if the relevant compensation is within sub-paragraph (4)(a) and is in respect of a pension of which a portion has been commuted for a lump sum, the amount which would have been the protected pension rate for those purposes had that portion not been commuted;
- (c) if the relevant compensation is within sub-paragraph (4)(a) and the person became entitled to a relevant lump sum under the scheme at the same time as he became entitled to the pension to which that compensation relates, an amount equal to the aggregate of—
 - (i) the protected pension rate for the purposes of paragraph 3(3)(a), and
 - (ii) the annualised value of the relevant lump sum;
- (d) if the relevant compensation is within sub-paragraph (4)(b), the amount of the protected notional pension for the purposes of paragraph 11(3)(a);
- (e) if the relevant compensation is within sub-paragraph (4)(c), the annualised value of the protected amount for the purposes of paragraph 14(3);
- (f) if the relevant compensation is within sub-paragraph (4)(d), the amount of the protected pension rate for the purposes of paragraph 15(3)(a);
- (g) if the relevant compensation is within sub-paragraph (4)(e), the annualised value of the protected amount for the purposes of paragraph 19(3);

and for the purposes of determining the annual value of a benefit any reduction required to be made by this paragraph is to be disregarded.

(7) In this paragraph—

“annualised value” of a lump sum or amount means the annualised actuarially equivalent amount of that sum or amount determined in accordance with actuarial factors published by the Board;

“the compensation cap”, in relation to the person who becomes entitled to relevant compensation in respect of benefit A, means—

- (a) the amount specified by the Department by order, or
- (b) where the person—
 - (i) has not attained the age of 65, or
 - (ii) has attained the age of 66,

at the time he first becomes entitled to that compensation, that amount as adjusted by the Board in accordance with actuarial adjustment factors published by it;

and for the purposes of this paragraph, except in prescribed circumstances, the scheme is connected with another occupational pension scheme if the same person is or was an employer in relation to both schemes.

(8) For the purposes of sub-paragraph (6)(c) a lump sum under the scheme is a relevant lump sum if the person’s entitlement to the lump sum—

- (a) is attributable to his pensionable service, and

- (b) did not arise by virtue of any provision of the admissible rules of the scheme making special provision as to early payment of pension on grounds of ill health.
- (9) Regulations may provide for this paragraph to apply with prescribed modifications where a person becomes entitled to relevant compensation in respect of a benefit and he has previously—
 - (a) become entitled to relevant compensation in respect of a benefit or benefits under the scheme or a connected occupational pension scheme, or
 - (b) become entitled to one or more lump sums under the scheme or a connected occupational pension scheme.
- (10) Regulations may prescribe sums which are to be disregarded for the purposes of this paragraph.

Increasing the compensation cap in line with earnings

27. Where, pursuant to paragraph 27 of Schedule 7 to the Pensions Act 2004, the Secretary of State makes an order under paragraph 26(7) of that Schedule, the Department may make a corresponding order for Northern Ireland.

Annual increase in periodic compensation

28.—(1) This paragraph provides for the increases mentioned in sub-paragraph (3)(b) of paragraphs 3, 5, 8, 11, 15 and 22.

(2) Where a person is entitled to periodic compensation under any of those paragraphs, he is entitled, on the indexation date, to an increase under this paragraph of—

- (a) the appropriate percentage of the amount of the underlying rate immediately before that date, or
- (b) where the person first became entitled to the periodic compensation during the period of 12 months ending immediately before that date, 1/12th of that amount for each full month for which he was so entitled.

(3) In sub-paragraph (2)—

“appropriate percentage” means the lesser of—

- (a) the percentage increase referred to in paragraph 28(3)(a) of Schedule 7 to the Pensions Act 2004, and
- (b) 2.5%;

“indexation date” means—

- (a) the 1st January next falling after a person first becomes entitled to the periodic compensation, and
- (b) each subsequent 1st January during his lifetime;

“underlying rate” means, in the case of periodic compensation under any of the paragraphs mentioned in sub-paragraph (1), the aggregate of—

- (a) so much of the amount mentioned in sub-paragraph (3)(a) of the paragraph in question as is attributable to post-1997 service, and
- (b) the amount within sub-paragraph (3)(b) of that paragraph immediately before the indexation date.

(4) Where paragraph 26(3) (compensation cap) applies to restrict the amount of periodic compensation under one of the paragraphs mentioned in sub-paragraph (1), the amount mentioned in sub-paragraph (3)(a) of the paragraph in question is attributable to post-1997 service and pre-1997

service in the same proportions as the amount so mentioned would have been so attributable had paragraph 26(3) not applied.

(5) Where a portion of periodic compensation under one of the paragraphs mentioned in sub-paragraph (1) has been commuted under paragraph 24—

- (a) for the purposes of sub-paragraph (2), the definition of “underlying rate” in sub-paragraph (3) applies as if the reference in paragraph (a) of the definition to the amount mentioned in sub-paragraph (3)(a) of the paragraph in question were a reference to that amount reduced by the commutation percentage, and
- (b) that amount (as so reduced) is attributable to post-1997 service and pre-1997 service in the same proportions as that amount would have been so attributable had no part of the periodic compensation been commuted.

(6) In this paragraph—

“post-1997 service” means—

- (a) pensionable service which is within paragraph 36(4)(a) and occurs on or after 6th April 1997; or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;

“pre-1997 service” means—

- (a) pensionable service which is within paragraph 36(4)(a) and occurred before 6th April 1997; or
- (b) pensionable service which is within paragraph 36(4)(b) and meets such requirements as may be prescribed;

“the commutation percentage”, in relation to periodic compensation, means the percentage of that compensation commuted under paragraph 24.

(7) But in this paragraph, in relation to any relevant pension credit amount, “post-1997 service” and “pre-1997 service” have such meanings as may be prescribed.

(8) In sub-paragraph (7), “relevant pension credit amount” means an amount mentioned in sub-paragraph (3)(a) of—

- (a) paragraph 3,
- (b) paragraph 5, or
- (c) paragraph 15 as it applies by virtue of paragraph 21,

which is attributable (directly or indirectly) to a pension credit.

(9) This paragraph is subject to paragraph 29 (Board’s power to alter rates of revaluation and indexation).

Board’s powers to alter rates of revaluation and indexation

29.—(1) The Board may determine the percentage that is to be the maximum revaluation rate for the purposes of paragraphs 12(4) and 17(4), and where it does so paragraphs 12(5) and 17(5) do not apply.

(2) The Board may also determine the percentage that is to be the appropriate percentage for the purposes of paragraph 28 (and where it does so the definition of “appropriate percentage” in paragraph 28(3) does not apply).

(3) Before making a determination under this paragraph the Board must—

- (a) consult such persons as it considers appropriate, and

- (b) publish details of the proposed determination in such manner as it considers appropriate and consider any representations made in respect of it.
- (4) The rate determined under this paragraph may be nil.
- (5) A determination under this paragraph may be expressed so as to have effect for a limited period.
- (6) A determination under sub-paragraph (2)—
 - (a) has effect in relation to future increases under paragraph 28 only, and
 - (b) may be expressed to have effect—
 - (i) in all cases (whether the entitlement to the periodic compensation first arose before or after the date the determination is made), or
 - (ii) only in cases where entitlement to the periodic compensation first arose on or after a date determined by the Board.
- (7) Notice of any determination under this paragraph must be published in such manner as the Board considers appropriate.

Department's powers to vary percentage paid as compensation

- 30.**—(1) The Department may, on the recommendation of the Board, by order provide that any of the provisions mentioned in sub-paragraph (2) is to have effect as if a different percentage were substituted for the percentage specified in the provision on the making of this Order (“the original percentage”).
- (2) The provisions are paragraphs 3(4)(a) and (b), 5(3), 7(2), 8(3), 10(2), 11(3), 14(3), 15(3), 19(3), 20(3) and 22(3) (percentage used to calculate periodic or lump sum compensation entitlement).
 - (3) Subject to sub-paragraph (4), an order under sub-paragraph (1) has effect only in respect of any period for which the Board has, under paragraph 29—
 - (a) reduced the maximum revaluation rate for the purposes of paragraphs 12(4) and 17(4) to nil, and
 - (b) reduced the appropriate percentage for the purposes of paragraph 28 to nil in all cases.
 - (4) Sub-paragraph (3) does not prevent an order under sub-paragraph (1) having effect to the extent that it provides for paragraph 3(4)(a), 11(3), 14(3), 15(3), 19(3) or 20(3) (provisions where the original percentage is 90%) to have effect as if for the original percentage there were substituted a higher percentage.
 - (5) Before making a recommendation for the purposes of sub-paragraph (1) the Board must—
 - (a) consult such persons as it considers appropriate, and
 - (b) publish details of the proposed recommendation in such manner as it considers appropriate and consider any representations made in respect of it.
 - (6) Subject to sub-paragraph (3), an order under this paragraph may have effect—
 - (a) for a limited period specified in the order;
 - (b) in relation—
 - (i) to all payments of compensation which fall to be made after such date as may be specified in the order (whether the entitlement to the periodic compensation first arose before or after that date), or
 - (ii) only to payments of compensation to which a person first becomes entitled after such a date.

(7) The date specified under sub-paragraph (6)(b)(i) or (ii) must not be earlier than the date of the order.

Special provision in relation to certain pensions in payment before the assessment date

- 31.**—(1) The powers conferred by this paragraph are exercisable in relation to cases where—
- (a) immediately before the assessment date, a person (“the pensioner”) is entitled to present payment of a pension under the scheme rules (“the pre-assessment date pension”), but
 - (b) the effect of disregarding rules within paragraphs (a) and (b) of paragraph 35(2) is that the pensioner is not entitled to compensation under paragraph 3(2) by reason of the pension or a part of the pension.
- (2) Regulations may provide—
- (a) for the pensioner to be treated, for the purposes of the pension compensation provisions, as entitled, immediately before the assessment date, to present payment of a pension under the admissible rules, and
 - (b) for the compensation payable under paragraph 3 in respect of that pension to be determined in the prescribed manner and, for this purpose, for any provision of this Schedule to be applied with such modifications as may be prescribed.
- (3) Regulations may also provide, in cases where—
- (a) the pensioner is not treated as entitled to present payment of a pension by virtue of regulations under sub-paragraph (2), but
 - (b) he is or may become entitled to compensation in respect of the pre-assessment date pension otherwise than under paragraph 3,
- for any provision of this Schedule to apply with such modifications as may be prescribed.

Short periods of service which terminate on commencement of assessment period

- 32.**—(1) This paragraph applies to a member of the scheme if—
- (a) his pensionable service terminates on the commencement of the assessment period, and
 - (b) as a result, he has rights, in relation to the scheme, under Chapter 5 of Part IV of the Pension Schemes Act (early leavers: cash transfer sums and contribution refunds).
- (2) Where this paragraph applies, for the purposes of this Schedule the member is to be treated as if, immediately before the assessment date, he—
- (a) had relevant accrued rights to benefits under the scheme (within the meaning of section 97AA(4) of that Act), and
 - (b) did not have any other rights to benefits (other than benefits attributable (directly or indirectly) to a pension credit) under the scheme.

Power to modify Schedule in its application to certain schemes

33. Where the scheme is a prescribed scheme or a scheme of a prescribed description, this Schedule applies with such modifications as may be prescribed.

Normal pension age

34.—(1) In this Schedule “normal pension age”, in relation to the scheme and any pension or lump sum under it, means the age specified in the admissible rules as the earliest age at which the

pension or lump sum becomes payable without actuarial adjustment (disregarding any admissible rule making special provision as to early payment on the grounds of ill health).

- (2) Where different ages are specified in relation to different parts of a pension or lump sum—
- (a) this Schedule has effect as if those parts were separate pensions or, as the case may be, lump sums, and
 - (b) references in relation to a part of the pension or lump sum to the normal pension age are to be read as references to the age specified in the

admissible rules as the earliest age at which that part becomes payable under the scheme without actuarial adjustment (disregarding any special provision as to early payment on grounds of ill health or otherwise).

(3) In any case where the Board is satisfied that it is not possible to identify the normal pension age from the admissible rules of the scheme, it may, having regard to those rules, determine how the normal pension age is to be determined.

Scheme rules, admissible rules etc.

35.—(1) In this Schedule, in relation to the scheme, each of the following expressions has the meaning given by this paragraph—

- “admissible rules”,
- “recent rule changes”, and
- “recent discretionary increase”.

- (2) “The admissible rules” means the scheme rules disregarding—
- (a) in a case where sub-paragraph (3) applies, the recent rule changes, and
 - (b) in any case, any scheme rule which comes into operation on, or operates by reference to, the winding up of the scheme or any associated event.

(3) This sub-paragraph applies if the combined effect of the recent rule changes and recent discretionary increases is such that, if account were taken of those changes and increases in calculating the protected liabilities in relation to the scheme at the relevant time, those protected liabilities would be greater than they would be if all those changes and increases were disregarded.

(4) In sub-paragraph (3) “the relevant time” means the time immediately before the assessment period which begins on the assessment date.

- (5) Subject to sub-paragraph (6), “recent rule changes” means—
- (a) changes to the scheme rules which took effect in the period of three years ending with the assessment date, or were made in that period and took effect by reference to an earlier time, and
 - (b) any scheme rules which come into operation on, or operate by reference to—
 - (i) an insolvency event in relation to the employer or any associated event, or
 - (ii) any prescribed event relating to the future of the employer as a going concern.

- (6) “Recent rule changes” does not include—
- (a) any scheme rules or changes attributable to paragraph 3 of Schedule 5 to the [Social Security \(Northern Ireland\) Order 1989 \(NI 13\)](#), section 125 of the Pension Schemes Act, Article 114 of the 1995 Order, Article 28(4) of the 1999 Order or Article 279 of this Order (overriding requirements),
 - (b) any statutory provision, or any scheme rules or changes which are required or reasonably necessary to comply with a statutory provision,

(c) any scheme rules or changes that come into operation on, or operate by reference to, the winding up of the scheme, or any associated event, and

(d) any scheme rules or changes of a prescribed description.

(7) “Recent discretionary increase” means an increase in the rate of any pension in payment or postponed pension under the scheme rules which took effect in the period mentioned in sub-paragraph (5)(a).

(8) For the purposes of sub-paragraph (7) an increase (“the relevant increase”) in the rate of a pension in payment or postponed pension is to be disregarded to the extent that it does not exceed—

(a) the amount by which the pension in question is required to be increased by virtue of—

(i) the admissible rules, or

(ii) sections 9(1) and 105 of the Pension Schemes Act (requirement to index and pay guaranteed minimum pensions), or

(b) if greater, the appropriate percentage of the rate of that pension.

(9) For the purposes of sub-paragraph (8)(a), no increase in the rate of a pension which is made at the discretion of the trustees or managers of the scheme, the employer or any other person is to be regarded as an increase required by virtue of the admissible rules.

(10) For the purposes of sub-paragraph (8)(b), “the appropriate percentage” is the percentage increase referred to in paragraph 35(10) of Schedule 7 to the Pensions Act 2004.

Accrual rate, pensionable service and pensionable earnings

36.—(1) In this Schedule, in relation to a member’s entitlement to benefits under the scheme, each of the following expressions has the meaning given by this paragraph—

“accrual rate”,

“pensionable earnings”, and

“pensionable service”.

(2) “Accrual rate” means the rate at which under the admissible rules rights to the benefits accrue over time by reference to periods of pensionable service.

(3) “Pensionable earnings” means the earnings by reference to which the benefits are calculated under the admissible rules.

(4) Subject to sub-paragraph (5), “pensionable service” means—

(a) actual service in any description of employment to which the scheme applies which qualifies the member for benefits under the scheme, and

(b) any notional service allowed in respect of the member under the admissible rules which qualifies the member for such benefits.

(5) The service within sub-paragraph (4)(b) does not include—

(a) service attributable (directly or indirectly) to a pension credit, or

(b) service of a prescribed description.

Other definitions

37.—(1) In this Schedule—

“deferred member”, in relation to the scheme, means a person who, under the admissible rules, has accrued rights other than—

- (a) an active member, or
- (b) a person who in respect of his pensionable service is entitled to the present payment of pension or other benefits;

“normal benefit age”, in relation to the scheme and a person with rights to a pension or lump sum under it attributable (directly or indirectly) to a pension credit, means the age specified in the admissible rules as the earliest age at which that pension or lump sum becomes payable without actuarial adjustment (disregarding any scheme rule making special provision as to early payment on grounds of ill health or otherwise);

“pension credit member”, in relation to the scheme, means a person who has rights under the scheme which are attributable (directly or indirectly) to a pension credit;

“pension credit rights”, in relation to the scheme, means rights to future benefits under the scheme which are attributable (directly or indirectly) to a pension credit;

“the scheme” is to be construed in accordance with paragraph 1.

(2) For the purposes of this Schedule the accrued rights of a member of the scheme at any time are the rights (other than rights attributable (directly or indirectly) to a pension credit) which, in accordance with the admissible rules, have accrued to or in respect of him at that time to future benefits.

(3) In this Schedule references to a pension or lump sum under the admissible rules of the scheme, or a right to such a pension or lump sum, do not include a pension or lump sum, or right to a pension or lump sum, which is a money purchase benefit.

(4) In this Schedule references to “ill health” are to be construed in accordance with regulations under this sub-paragraph.

SCHEDULE 7

Article 182.

RESTRICTED INFORMATION HELD BY THE BOARD: CERTAIN PERMITTED DISCLOSURES TO FACILITATE EXERCISE OF FUNCTIONS

<i>Persons</i>	<i>Functions</i>
The Department.	Functions under— (a) the Charities Act (Northern Ireland) 1964 (c. 33), (b) Part III of the Pension Schemes Act, or (c) this Order.
The Department of Enterprise, Trade and Investment.	Functions under— (a) Part XV of the Companies Order, (b) the Insolvency Order, or (c) Part II of the Companies (No. 2) (Northern Ireland) Order 1990 (NI 10).
The Secretary of State.	Functions under— (a) Part XIV of the Companies Act 1985 (c. 6), (b) the Insolvency Act 1986 (c. 45), (c) Part III of the Companies Act 1989 (c. 40),

<i>Persons</i>	<i>Functions</i>
	(d) Part I of the Export and Investment Guarantees Act 1991 (c. 67) (apart from sections 5 and 6),
	(e) Part III of the Pension Schemes Act 1993 (c. 48),
	(f) Part V of the Police Act 1997 (c. 50),
	(g) the Financial Services and Markets Act 2000 (c. 8), or
	(h) the Pensions Act 2004 (c. 35), and functions of co-operating with overseas government authorities and bodies in relation to criminal matters.
The Bank of England.	Any of its functions.
The Financial Services Authority.	Functions under—
	(a) the legislation relating to friendly societies,
	(b) the Building Societies Act 1986 (c. 53), or
	(c) the Financial Services and Markets Act 2000.
The Charity Commissioners.	Functions under the Charities Act 1993 (c. 10).
The Pensions Regulator Tribunal.	Any of its functions.
The Pensions Ombudsman.	Functions under—
	(a) the Pension Schemes Act, or
	(b) the Pension Schemes Act 1993.
The Ombudsman for the Board of the Pension Protection Fund.	Any of his functions.
The Comptroller and Auditor General for Northern Ireland.	Any of his functions.
The Comptroller and Auditor General.	Any of his functions.
The Auditor General for Wales.	Any of his functions.
The Auditor General for Scotland.	Any of his functions.
The Commissioners of Inland Revenue or their officers.	Functions under—
	(a) the Income and Corporation Taxes Act 1988 (c. 1),
	(b) the Taxation of Chargeable Gains Act 1992 (c. 12),
	(c) Part III of the Pension Schemes Act,
	(d) Part III of the Pension Schemes Act 1993 (c. 48), or
	(e) the Income Tax (Earnings and Pensions) Act 2003 (c. 1).
The Commissioners of Customs and Excise.	Functions under any enactment.
The Official Receiver for Northern Ireland or the Official Receiver in England and Wales.	Functions under the enactments relating to insolvency.

<i>Persons</i>	<i>Functions</i>
An inspector appointed by the Department of Enterprise, Trade and Investment.	Functions under Part XV of the Companies Order.
An inspector appointed by the Secretary of State.	Functions under Part XIV of the Companies Act 1985 (c. 6).
A person authorised to exercise powers under— (a) section 447 of the Companies Act 1985, (b) Article 440 of the Companies Order, or (c) section 84 of the Companies Act 1989 (c. 40).	Functions under those sections or that Article.
A person appointed under— (a) section 167 of the Financial Services and Markets Act 2000 (c. 8), (b) section 168(3) or (5) of that Act, or (c) section 284 of that Act, to conduct an investigation.	Functions in relation to that investigation.
A body designated under section 326(1) of that Act.	Functions in its capacity as a body designated under that section.
A recognised investment exchange or a recognised clearing house (as defined by section 285 of that Act).	Functions in its capacity as an exchange or clearing house recognised under that Act.
A body corporate established in accordance with section 212(1) of that Act.	Functions under the Financial Services Compensation Scheme, established in accordance with section 213 of that Act.
The Panel on Takeovers and Mergers.	Functions under the City Code on Takeovers and Mergers and the Rules Governing Substantial Acquisitions of Shares for the time being issued by the Panel.
The General Insurance Standards Council.	Functions of regulating sales and advisory and service standards in relation to insurance.
A recognised professional body (within the meaning of Article 350 of the Insolvency Order).	Functions in its capacity as such a body under that Order.
A person on whom functions are conferred by or under Part 2, 3 or 4 of the Proceeds of Crime Act 2002 (c. 29).	The functions so conferred.
The Counter Fraud and Security Management Service established under the Counter Fraud and Security Management Service (Establishment and Constitution) Order 2002 (S.I. 2002/3039).	Any of its functions.
A recognised professional body (within the meaning of section 391 of the Insolvency Act 1986 (c. 45)). under that Act.	Functions in its capacity as such a body
The Gaming Board for Great Britain.	Functions under—

<i>Persons</i>	<i>Functions</i>
	(a) the Gaming Act 1968 (c. 65), or (b) the Lotteries and Amusements Act 1976 (c. 32).

SCHEDULE 8

Article 188.

REVIEWABLE MATTERS

1. The issue of a determination notice under Article 107 approving a notice issued under Article 106.
2. The failure to issue a determination notice under Article 107.
3. The issue of, or failure to issue, a notice under Article 106 by the Board by virtue of Article 108 (Board's duty where failure to comply with Article 106).
4. The issue of, or failure to issue—
 - (a) a scheme failure notice under paragraph (2) of Article 114 (scheme rescue not possible), or
 - (b) a withdrawal notice under paragraph (3) of that Article (scheme rescue has occurred).
5. Any direction given under paragraph (2) of Article 118 (directions during an assessment period) or any variation or revocation of such a direction under paragraph (4) of that Article.
6. The issue of a notice under Article 120(2) (power to validate contraventions of Article 119).
7. The making of a loan under Article 123(2) (loans to pay scheme benefits), the amount of any such loan or the failure to make such a loan.
8. The failure by the Board to obtain an actuarial valuation of a scheme under Article 127(2).
9. The approval of, or failure to approve, a valuation in respect of an eligible scheme under Article 128(2).
10. The issue of, or failure to issue, a withdrawal notice under or by virtue of—
 - (a) Article 130 (schemes which become eligible schemes), or
 - (b) Article 131 (new schemes created to replace existing schemes).
11. The issue of, or failure to issue, a withdrawal notice under Article 132 (no insolvency event has occurred or is likely to occur).
12. The issue of, or failure to issue, a determination notice under Article 136(3) (whether value of scheme assets less than aggregate of liabilities etc.).
13. The issue of, or failure to issue, a determination notice under Article 137(6) (authorisation to continue as closed scheme).
14. Any direction given under Article 138(7) (directions about winding up of scheme with sufficient assets to meet protected liabilities) and any variation or revocation of such a direction.
15. The failure by the Board to give a transfer notice under Article 144.
16. Any determination by the Board of a person's entitlement to compensation under the pension compensation provisions or the failure in any case to make such a determination.
17. Any failure by the Board to make a payment required by Article 147(4)(b) (adjustments to be made where Board assumes responsibility for a scheme).

18. Any determination by the Board under Article 164(3)(a) (the eligible schemes in respect of which the initial levy or the pension protection levy is imposed) or the failure to make such a determination.
19. The amount of the initial levy or any pension protection levy payable in respect of an eligible scheme determined by the Board under Article 164(3)(b).
20. The making of a fraud compensation payment under Article 165(1), the amount of any such payment or the failure to make such a payment.
21. The issue of, or failure to issue, a notice under Article 166(2) (scheme rescue not possible or having occurred in case of scheme which is not eligible etc.).
22. Any settlement date determined by the Board under Article 167(2) (recovery of value) or the failure to determine a settlement date under that provision.
23. Any determination by the Board under Article 167(4) (recovery of value: whether amount received in respect of particular act or omission) or the failure to make such a determination.
24. The making of a payment under Article 169(1) (interim payments), the amount of any such payment or the failure to make such a payment.
25. Any term or condition imposed by the Board—
 - (a) under Article 168(2) on the making of a fraud compensation payment; or
 - (b) under paragraph (4) of Article 169 (interim payments) on the making of a payment under paragraph (1) of that Article.
26. Any determination by the Board under Article 169(3)(b) (interim payments) that the amount of a payment was excessive.
27. Any date determined by the Board under Article 170(4) (earliest date for making a fraud compensation transfer payment).
28. Any determination by the Board under Article 170(6) (fraud compensation transfer payments: whether payment is received in respect of particular act or omission).
29. Any determination by the Board under Article 171(7)(a) (occupational pension schemes in respect of which any fraud compensation levy is imposed) or the failure to make such a determination.
30. The amount of any fraud compensation levy payable in respect of an occupational pension scheme determined by the Board under Article 171(7)(b).

SCHEDULE 9

Article 273.

DEFERRAL OF RETIREMENT PENSIONS AND SHARED ADDITIONAL PENSIONS

PART 1

PRINCIPAL AMENDMENTS OF CONTRIBUTIONS AND BENEFITS ACT

1. Schedule 5 to the Contributions and Benefits Act (increase of pension where entitlement is deferred) is amended as follows.
2. For the heading, substitute “PENSION INCREASE OR LUMP SUM WHERE ENTITLEMENT TO RETIREMENT PENSION IS DEFERRED”.

3. Before paragraph 1 insert—

“Choice between increase of pension and lump sum where pensioner’s entitlement is deferred

A1.—(1) Where a person’s entitlement to a Category A or Category B retirement pension is deferred and the period of deferment is at least 12 months, the person shall, on claiming his pension or within a prescribed period after claiming it, elect in the prescribed manner either—

- (a) that paragraph 1 (entitlement to increase of pension) is to apply in relation to the period of deferment, or
- (b) that paragraph 3A (entitlement to lump sum) is to apply in relation to the period of deferment.

(2) If no election under sub-paragraph (1) is made within the period prescribed under that sub-paragraph, the person is to be treated as having made an election under sub-paragraph (1)(b).

(3) Regulations—

- (a) may enable a person who has made an election under sub-paragraph (1) (including one that the person is treated by sub-paragraph (2) as having made) to change the election within a prescribed period and in a prescribed manner, if prescribed conditions are satisfied, and
- (b) if they enable a person to make an election under sub-paragraph (1)(b) in respect of a period of deferment after receiving any increase of pension under paragraph 1 by reference to that period, may for the purpose of avoiding duplication of payment—
 - (i) enable an amount determined in accordance with the regulations to be recovered from the person in a prescribed manner and within a prescribed period, or
 - (ii) provide for an amount determined in accordance with the regulations to be treated as having been paid on account of the amount to which the person is entitled under paragraph 3A.

(4) Where the Category A or Category B retirement pension includes any increase under paragraphs 5 to 6, no election under sub-paragraph (1) applies to so much of the pension as consists of that increase (an entitlement to an increase of pension in respect of such an increase after a period of deferment being conferred either by paragraphs 1 and 2 or by paragraph 2A).”.

4. For paragraph 1 (increase of pension where pensioner’s entitlement is deferred) substitute—

1.—(1) This paragraph applies where a person’s entitlement to a Category A or Category B retirement pension is deferred and one of the following conditions is met—

- (a) the period of deferment is less than 12 months, or
- (b) the person has made an election under paragraph A1(1)(a) in relation to the period of deferment.

(2) The rate of the person’s Category A or Category B retirement pension shall be increased by an amount equal to the aggregate of the increments to which he is entitled under paragraph 2, but only if that amount is enough to increase the rate of the pension by at least 1 per cent.”.

5.—(1) In paragraph 2 (calculation of increment), in sub-paragraph (5)(b), for “83 or” substitute “83A or”.

(2) In relation to any incremental period (within the meaning of Schedule 5 to the Contributions and Benefits Act) beginning before 6th April 2010, the reference in paragraph 2(5)(b) of that Schedule to section 83A of that Act is to be read as a reference to section 83 or 84 of that Act.

6. After paragraph 2 insert—

“2A.—(1) This paragraph applies where—

- (a) a person’s entitlement to a Category A or Category B retirement pension is deferred,
- (b) the pension includes an increase under paragraphs 5 to 6, and
- (c) the person has made (or is treated as having made) an election under paragraph A1(1)(b) in relation to the period of deferment.

(2) The rate of the person’s Category A or Category B retirement pension shall be increased by an amount equal to the aggregate of the increments to which he is entitled under sub-paragraph (3).

(3) For each complete incremental period in the person’s period of deferment, the amount of the increment shall be 1/5th per cent. of the weekly rate of the increase to which the person would have been entitled under paragraphs 5 to 6 for the period if his entitlement to the Category A or Category B retirement pension had not been deferred.”.

7.—(1) After paragraph 3 insert—

“Lump sum where pensioner’s entitlement is deferred

3A.—(1) This paragraph applies where—

- (a) a person’s entitlement to a Category A or Category B retirement pension is deferred, and
- (b) the person has made (or is treated as having made) an election under paragraph A1(1)(b) in relation to the period of deferment.

(2) The person is entitled to an amount calculated in accordance with paragraph 3B (a “lump sum”).

Calculation of lump sum

3B.—(1) The lump sum is the accrued amount for the last accrual period beginning during the period of deferment.

(2) In this paragraph—

“accrued amount” means the amount calculated in accordance with sub-paragraph (3);
 “accrual period” means any period of seven days beginning with a prescribed day of the week, where that day falls within the period of deferment.

(3) The accrued amount for an accrual period for a person is—

$$(A + P) \times 52 \sqrt{1 + \frac{R}{100}}$$

where—

A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period of deferment, zero);

P is the amount of the Category A or Category B retirement pension to which the person would have been entitled for the accrual period if his entitlement had not been deferred;

R is—

- (a) a percentage rate 2 per cent. higher than the Bank of England base rate, or
- (b) such higher rate as may be prescribed in regulations under paragraph 7C(2).

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

- (a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or
- (b) if regulations so provide, at such other time as may be prescribed.

(5) For the purposes of the calculation of the lump sum, the amount of Category A or Category B retirement pension to which the person would have been entitled for an accrual period—

- (a) includes any increase under section 47(1) and any increase under paragraph 4 of this Schedule, but
- (b) does not include—
 - (i) any increase under section 83A or 85 or paragraphs 5 to 6 of this Schedule,
 - (ii) any graduated retirement benefit, or
 - (iii) in prescribed circumstances, such other amount of Category A or Category B retirement pension as may be prescribed.

(6) The reference in sub-paragraph (5)(a) to any increase under subsection (1) of section 47 shall be taken as a reference to any increase that would take place under that subsection if subsection (2) of that section and section 42(5) of the Pensions Act were disregarded.”.

(2) In relation to any accrual period (within the meaning of Schedule 5 to the Contributions and Benefits Act as amended by this paragraph) ending before 6th April 2010 the reference in paragraph 3B(5)(b) of that Schedule to section 83A of that Act is to be read as a reference to section 83 or 84 of that Act.

8. After paragraph 3B (inserted by paragraph 7) insert—

“Choice between increase of pension and lump sum where pensioner’s deceased spouse has deferred entitlement

3C.—(1) Subject to paragraph 8, this paragraph applies where—

- (a) a widow or widower (“W”) is entitled to a Category A or Category B retirement pension,
 - (b) W was married to the other party to the marriage (“S”) when S died,
 - (c) S’s entitlement to a Category A or Category B retirement pension was deferred when S died, and
 - (d) S’s entitlement had been deferred throughout the period of 12 months ending with the day before S’s death.
- (2) W shall within the prescribed period elect in the prescribed manner either—
- (a) that paragraph 4 (entitlement to increase of pension) is to apply in relation to S’s period of deferment, or

- (b) that paragraph 7A (entitlement to lump sum) is to apply in relation to S's period of deferment.
- (3) If no election under sub-paragraph (2) is made within the period prescribed under that sub-paragraph, W is to be treated as having made an election under sub-paragraph (2)(b).
- (4) Regulations—
 - (a) may enable a person who has made an election under sub-paragraph (2) (including one that the person is treated by sub-paragraph (3) as having made) to change the election within a prescribed period and in a prescribed manner, if prescribed conditions are satisfied, and
 - (b) if they enable a person to make an election under sub-paragraph (2)(b) in respect of a period of deferment after receiving any increase of pension under paragraph 4 by reference to that period, may for the purpose of avoiding duplication of payment—
 - (i) enable an amount determined in accordance with the regulations to be recovered from the person in a prescribed manner and within a prescribed period, or
 - (ii) provide for an amount determined in accordance with the regulations to be treated as having been paid on account of the amount to which the person is entitled under paragraph 7A.
- (5) The making of an election under sub-paragraph (2)(b) does not affect the application of paragraphs 5 to 6 (which relate to an increase in pension where the pensioner's deceased spouse had deferred an entitlement to a guaranteed minimum pension)."

9.—(1) Paragraph 4 (increase of pension where pensioner's deceased spouse has deferred entitlement) is amended as follows.

(2) For sub-paragraph (1) substitute—

“(1) Subject to paragraph 8, this paragraph applies where a widow or widower (“W”) is entitled to a Category A or Category B retirement pension and was married to the other party to the marriage (“S”) when S died and one of the following conditions is met—

- (a) S was entitled to a Category A or Category B retirement pension with an increase under this Schedule,
 - (b) W is a widow or widower to whom paragraph 3C applies and has made an election under paragraph 3C(2)(a), or
 - (c) paragraph 3C would apply to W but for the fact that the condition in sub-paragraph (1)(d) of that paragraph is not met.
- (1A) Subject to sub-paragraph (3), the rate of W's pension shall be increased—
- (a) in a case falling within sub-paragraph (1)(a), by an amount equal to the increase to which S was entitled under this Schedule, apart from paragraphs 5 to 6,
 - (b) in a case falling within sub-paragraph (1)(b), by an amount equal to the increase to which S would have been entitled under this Schedule, apart from paragraphs 5 to 6, if the period of deferment had ended immediately before S's death and S had then made an election under paragraph A1(1)(a), or
 - (c) in a case falling within sub-paragraph (1)(c), by an amount equal to the increase to which S would have been entitled under this Schedule, apart from paragraphs 5 to 6, if the period of deferment had ended immediately before S's death.”.

10.—(1) After paragraph 7 insert—

“Entitlement to lump sum where pensioner’s deceased spouse has deferred entitlement

7A.—(1) This paragraph applies where a person to whom paragraph 3C applies (“W”) has made (or is treated as having made) an election under paragraph 3C(2)(b).

(2) W is entitled to an amount calculated in accordance with paragraph 7B (a “widowed person’s lump sum”).

Calculation of widowed person’s lump sum

7B.—(1) The widowed person’s lump sum is the accrued amount for the last accrual period beginning during the period which—

- (a) began at the beginning of S’s period of deferment, and
- (b) ended on the day before S’s death.

(2) In this paragraph—

“S” means the other party to the marriage;

“accrued amount” means the amount calculated in accordance with sub-paragraph (3);

“accrual period” means any period of seven days beginning with a prescribed day of the week, where that day falls within S’s period of deferment.

(3) The accrued amount for an accrual period for W is—

$$(A + P) \times 52 \sqrt{1 + \frac{R}{100}}$$

where—

A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period mentioned in sub-paragraph (1), zero);

P is—

- (a) the basic pension, and
- (b) half of the additional pension,

to which S would have been entitled for the accrual period if his entitlement had not been deferred during the period mentioned in sub-paragraph (1);

R is—

- (a) a percentage rate 2 per cent. higher than the Bank of England base rate, or
- (b) such higher rate as may be prescribed in regulations made under paragraph 7C(2).

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

- (a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or
- (b) if regulations so provide, at such other time as may be prescribed.

(5) For the purposes of the calculation of the widowed person’s lump sum, the amount of Category A or Category B retirement pension to which S would have been entitled for an accrual period—

(a) includes any increase under section 47(1) and any increase under paragraph 4 of this Schedule, but

(b) does not include—

- (i) any increase under section 83A or 85 or paragraphs 5 to 6 of this Schedule,

- (ii) any graduated retirement benefit, or
- (iii) in prescribed circumstances, such other amount of Category A or Category B retirement pension as may be prescribed.

(6) The reference in sub-paragraph (5)(a) to any increase under subsection (1) of section 47 shall be taken as a reference to any increase that would take place under that subsection if subsection (2) of that section and section 42(5) of the Pensions Act were disregarded.

(7) In any case where—

- (a) there is a period between the death of S and the date on which W becomes entitled to a Category A or Category B retirement pension, and
- (b) one or more orders have come into force under section 132 of the Administration Act during that period,

the amount of the lump sum shall be increased in accordance with that order or those orders.”.

(2) In relation to any accrual period (within the meaning of Schedule 5 to the Contributions and Benefits Act) ending before 6th April 2010 the reference in paragraph 7B(5)(b) of that Schedule to section 83A of that Act is to be read as a reference to section 83 or 84 of that Act.

11. After paragraph 7B (inserted by paragraph 10) insert—

“Supplementary

7C.—(1) Any lump sum calculated under paragraph 3B or 7B must be rounded to the nearest penny, taking any 1/2p as nearest to the next whole penny.

(2) Where the Secretary of State makes regulations prescribing a percentage rate for the purposes of paragraphs 3B and 7B of Schedule 5 to the Great Britain Contributions and Benefits Act, the Department may make corresponding regulations for Northern Ireland.”.

12. For the heading immediately preceding paragraph 8 substitute “Married couples”.

13. In paragraph 8 (married couples)—

- (a) in sub-paragraph (3) for “the reference in paragraph 2(3) above” substitute “the references in paragraphs 2(3) and 3B(3) and (5)”, and
- (b) for sub-paragraph (4) substitute—

“(4) The conditions in paragraph 3C(1)(c) and 4(1)(a) are not satisfied by a Category B retirement pension to which S was or would have been entitled by virtue of W’s contributions.

(5) Where the Category A retirement pension to which S was or would have been entitled includes an increase under section 51A(2) attributable to W’s contributions, the increase or lump sum to which W is entitled under paragraph 4(1A) or 7A(2) is to be calculated as if there had been no increase under that section.

(6) In sub-paragraphs (4) and (5), “W” and “S” have the same meaning as in paragraph 3C, 4 or 7A, as the case requires.”.

14. After Schedule 5 to the Contributions and Benefits Act insert—

“SCHEDULE 5A

PENSION INCREASE OR LUMP SUM WHERE ENTITLEMENT
TO SHARED ADDITIONAL PENSION IS DEFERRED

Choice between pension increase and lump sum where entitlement to shared additional pension is deferred

1.—(1) Where a person’s entitlement to a shared additional pension is deferred and the period of deferment is at least 12 months, the person shall, on claiming his pension or within a prescribed period after claiming it, elect in the prescribed manner either—

- (a) that paragraph 2 (entitlement to increase of pension) is to apply in relation to the period of deferment, or
- (b) that paragraph 4 (entitlement to lump sum) is to apply in relation to the period of deferment.

(2) If no election under sub-paragraph (1) is made within the period prescribed under that sub-paragraph, the person is to be treated as having made an election under sub-paragraph (1)(b).

(3) Regulations—

- (a) may enable a person who has made an election under sub-paragraph (1) (including one that the person is treated by sub-paragraph (2) as having made) to change the election within a prescribed period and in a prescribed manner, if prescribed conditions are satisfied, and
- (b) if they enable a person to make an election under sub-paragraph (1)(b) in respect of a period of deferment after receiving any increase of pension under paragraph 2 by reference to that period, may for the purpose of avoiding duplication of payment—
 - (i) enable an amount determined in accordance with the regulations to be recovered from the person in a prescribed manner and within a prescribed period, or
 - (ii) provide for an amount determined in accordance with the regulations to be treated as having been paid on account of the amount to which the person is entitled under paragraph 4.

Increase of pension where entitlement deferred

2.—(1) This paragraph applies where a person’s entitlement to a shared additional pension is deferred and either—

- (a) the period of deferment is less than 12 months, or
- (b) the person has made an election under paragraph 1(1)(a) in relation to the period of deferment.

(2) The rate of the person’s shared additional pension shall be increased by an amount equal to the aggregate of the increments to which he is entitled under paragraph 3, but only if that amount is enough to increase the rate of the pension by at least 1 per cent.

Calculation of increment

3.—(1) A person is entitled to an increment under this paragraph for each complete incremental period in his period of deferment.

(2) The amount of the increment for an incremental period shall be 1/5th per cent. of the weekly rate of the shared additional pension to which the person would have been entitled for the period if his entitlement had not been deferred.

(3) Amounts under sub-paragraph (2) shall be rounded to the nearest penny, taking any 1/2p as nearest to the next whole penny.

(4) Where an amount under sub-paragraph (2) would, apart from this sub-paragraph, be a sum less than 1/2p, the amount shall be taken to be zero, notwithstanding any other provision of this Act, the Pensions Act or the Administration Act.

(5) In this paragraph “incremental period” means any period of six days which are treated by regulations as days of increment for the purposes of this paragraph in relation to the person and pension in question.

(6) Where one or more orders have come into force under section 132 of the Administration Act during the period of deferment, the rate for any incremental period shall be determined as if the order or orders had come into force before the beginning of the period of deferment.

(7) The sums which are the increases in the rates of shared additional pension under this paragraph are subject to alteration by order made by the Department under section 132 of the Administration Act.

Lump sum where entitlement to shared additional pension is deferred

4.—(1) This paragraph applies where—

- (a) a person’s entitlement to a shared additional pension is deferred, and
- (b) the person has made (or is treated as having made) an election under paragraph 1(1)(b) in relation to the period of deferment.

(2) The person is entitled to an amount calculated in accordance with paragraph 5 (a “lump sum”).

Calculation of lump sum

5.—(1) The lump sum is the accrued amount for the last accrual period beginning during the period of deferment.

(2) In this paragraph—

“accrued amount” means the amount calculated in accordance with sub-paragraph (3);

“accrual period” means any period of seven days beginning with a prescribed day of the week, where that day falls within the period of deferment.

(3) The accrued amount for an accrual period for a person is—

$$(A + P) \times 52 \sqrt{1 + \frac{R}{100}}$$

where—

A is the accrued amount for the previous accrual period (or, in the case of the first accrual period beginning during the period of deferment, zero);

P is the amount of the shared additional pension to which the person would have been entitled for the accrual period if his entitlement had not been deferred;

R is—

- (a) a percentage rate 2 per cent. higher than the Bank of England base rate, or
- (b) if a higher rate is prescribed for the purposes of paragraphs 3B and 7B of Schedule 5 to this Act, that higher rate.

(4) For the purposes of sub-paragraph (3), any change in the Bank of England base rate is to be treated as taking effect—

- (a) at the beginning of the accrual period immediately following the accrual period during which the change took effect, or
 - (b) if regulations so provide, at such other time as may be prescribed.
- (5) For the purposes of the calculation of the lump sum, the amount of the shared additional pension to which the person would have been entitled for an accrual period does not include, in prescribed circumstances, such amount as may be prescribed.
- (6) The lump sum must be rounded to the nearest penny, taking any 1/2p as nearest to the next whole penny.”.

PART 2

CONSEQUENTIAL AMENDMENTS

The Contributions and Benefits Act

- 15.** The Contributions and Benefits Act is amended as follows.
- 16.** In section 62(1) (graduated retirement benefit)—
- (a) in paragraph (a), for “paragraphs 1 to 3” substitute “paragraphs A1 to 3B and 7C”, and
 - (b) after paragraph (b) insert—
 - “(c) for amending that section in order to make provisions corresponding to those of paragraphs 3C, 4(1) and (1A) and 7A to 7C of Schedule 5 to this Act enabling a widowed person to elect to receive a lump sum, rather than an increase in the weekly rate of retirement pension, in respect of the graduated retirement benefit of his or her deceased spouse.”.
- 17.** In section 121(1) (interpretation of Parts I to VI)—
- (a) before the definition of “beneficiary” insert—
 - ““Bank of England base rate” means—
 - (a) the rate announced from time to time by the Monetary Policy Committee of the Bank of England as the official dealing rate, being the rate at which the Bank is willing to enter into transactions for providing short term liquidity in the money markets, or
 - (b) where an order under section 19 of the Bank of England Act 1998 is in force, any equivalent rate determined by the Treasury under that section;”;
 - (b) for the definitions of “deferred” and “period of deferment” substitute—
 - ““deferred” and “period of deferment”—
 - (a) in relation to a Category A or Category B retirement pension, have the meanings given by section 55(3), and
 - (b) in relation to a shared additional pension, have the meanings given by section 55C(3);”.

The 1999 Order

- 18.** The 1999 Order is amended as follows.
- 19.** In Article 47, omit paragraph (2) (which amends provisions relating to the deferment of shared additional pensions and is superseded by Part 1 of this Schedule).

20. In Article 49(2) (power to make regulations preserving rights in respect of additional pensions), in sub-paragraph (b)—

- (a) after “increase of pension” insert “or payment of lump sum”, and
- (b) after “constituent element of an increase” insert “or of a lump sum”.

PART 3

TRANSITIONAL PROVISIONS

Widowers' entitlement to increase of pension or widowed person's lump sum

21. In the case of a widower who attains pensionable age before 6th April 2010, paragraphs 3C, 4 and 7A of Schedule 5 to the Contributions and Benefits Act (entitlement to increase of pension or widowed person's lump sum) shall not apply unless he was over pensionable age when his wife died.

Transitional provision

22.—(1) The Department may by regulations make such transitional provision as it thinks fit in connection with the coming into operation of this Schedule.

(2) Regulations under this paragraph may, in particular, modify the preceding provisions of this Schedule in relation to cases where the retirement pension or shared additional pension of a person is deferred and the period of deferment begins before 6th April 2005 and continues on or after that day.

(3) In this paragraph “deferred” and “period of deferment” are to be read in accordance with section 55 or 55C of the Contributions and Benefits Act, as the case requires.

SCHEDULE 10

Article 290.

MINOR AND CONSEQUENTIAL AMENDMENTS

The Matrimonial Causes (Northern Ireland) Order 1978 (NI 15)

1. After Article 27D of the Matrimonial Causes (Northern Ireland) Order 1978 (pensions: supplementary) insert—

“The Pension Protection Fund

27E.—(1) The matters to which the court is to have regard under Article 27(2) include—

- (a) in the case of sub-paragraph (a), any PPF compensation to which a party to the marriage is or is likely to be entitled, and
- (b) in the case of sub-paragraph (h), any PPF compensation which, by reason of the dissolution or annulment of the marriage, a party to the marriage will lose the chance of acquiring entitlement to,

and, accordingly, in relation to PPF compensation, Article 27(2)(a) shall have effect as if “in the foreseeable future” were omitted.

(2) Paragraph (3) applies in relation to an order under Article 25 so far as it includes provision made by virtue of Article 27B(4) which—

- (a) imposed requirements on the trustees or managers of an occupational pension scheme for which the Board has assumed responsibility in accordance with Chapter 3 of Part III of the Pensions (Northern Ireland) Order 2005 (pension protection) or any provision in force in Great Britain corresponding to that Chapter, and
 - (b) was made before the trustees or managers of the scheme received the transfer notice in relation to the scheme.
- (3) The order is to have effect from the time when the trustees or managers of the scheme receive the transfer notice—
- (a) as if, except in prescribed descriptions of case—
 - (i) references in the order to the trustees or managers of the scheme were references to the Board, and
 - (ii) references in the order to any pension or lump sum to which the party with pension rights is or may become entitled under the scheme were references to any PPF compensation to which that person is or may become entitled in respect of the pension or lump sum, and
 - (b) subject to such other modifications as may be prescribed.
- (4) Paragraph (5) applies to an order under Article 25 if—
- (a) it includes provision made by virtue of Article 27B(7) which requires the party with pension rights to exercise his right of commutation under an occupational pension scheme to any extent, and
 - (b) before the requirement is complied with the Board has assumed responsibility for the scheme as mentioned in paragraph (2)(a).
- (5) From the time the trustees or managers of the scheme receive the transfer notice, the order is to have effect with such modifications as may be prescribed.
- (6) Regulations may modify Article 27C as it applies in relation to an occupational pension scheme at any time when there is an assessment period in relation to the scheme.
- (7) Where the court makes a pension sharing order in respect of a person's shareable rights under an occupational pension scheme, or an order which includes provision made by virtue of Article 27B(4) or (7) in relation to such a scheme, the Board subsequently assuming responsibility for the scheme as mentioned in paragraph (2)(a) does not affect—
- (a) the powers of the court under Article 33 to vary or discharge the order or to suspend or revive any provision of it, or
 - (b) on an appeal, the powers of the appeal court to affirm, reinstate, set aside or vary the order.
- (8) Regulations may make such consequential modifications of any provision of, or made by virtue of, this Part as appear to the Lord Chancellor necessary or expedient to give effect to the provisions of this Article.
- (9) In this Article—
- “assessment period” means an assessment period within the meaning of Part III of the Pensions (Northern Ireland) Order 2005 (pension protection) (see Articles 116 and 143 of that Order) or an equivalent period under any provision in force in Great Britain corresponding to that Part;
 - “the Board” means the Board of the Pension Protection Fund;
 - “occupational pension scheme” has the same meaning as in the Pension Schemes (Northern Ireland) Act 1993;

“prescribed” means prescribed by regulations;

“PPF compensation” means compensation payable under Chapter 3 of Part III of the Pensions (Northern Ireland) Order 2005 (pension protection) or any provision in force in Great Britain corresponding to that Chapter;

“regulations” means regulations made by the Lord Chancellor;

“shareable rights” are rights in relation to which pension sharing is available under Chapter 1 of Part V of the Welfare Reform and Pensions (Northern Ireland) Order 1999 or any provision in force in Great Britain corresponding to that Chapter;

“transfer notice” has the same meaning as in Article 144 of the Pensions (Northern Ireland) Order 2005 or any corresponding provision in force in Great Britain.

(10) Regulations under this Article shall be subject to annulment in pursuance of a resolution of either House of Parliament in like manner as a statutory instrument and section 5 of the Statutory Instruments Act 1946 shall apply accordingly.”.

The Companies Order

2. In Article 442 of the Companies Order (provision for security of information obtained), for paragraph (1)(dg) substitute—

“(dg) for the purpose of enabling or assisting the Pensions Regulator to discharge the functions conferred on it by or by virtue of the Pension Schemes (Northern Ireland) Act 1993, the Pensions (Northern Ireland) Order 1995, the Welfare Reform and Pensions (Northern Ireland) Order 1999 or the Pensions (Northern Ireland) Order 2005 or any enactment in force in Great Britain corresponding to any of those provisions;

(dh) for the purpose of enabling or assisting the Board of the Pensions Protection Fund to discharge the functions conferred on it by or by virtue of Part III of the Pensions (Northern Ireland) Order 2005 or any provision in force in Great Britain corresponding to that Part.”.

The Matrimonial and Family Proceedings (Northern Ireland) Order 1989 (NI 4)

3.—(1) The Matrimonial and Family Proceedings (Northern Ireland) Order 1989 is amended as follows.

(2) In Article 22 (matters to which the court is to have regard in exercising its powers under Article 21)—

(a) in paragraph (3A)—

(i) in sub-paragraph (a) after “have” insert “and any PPF compensation to which a party to the marriage is or is likely to be entitled,”,

(ii) for sub-paragraph (b) substitute—

“(b) so far as relating to sub-paragraph (h) of that provision, include—

(i) any benefits under a pension arrangement which, by reason of the dissolution or annulment of the marriage, a party to the marriage will lose the chance of acquiring, and

(ii) any PPF compensation which, by reason of the dissolution or annulment of the marriage, a party to the marriage will lose the chance of acquiring entitlement to,” and

(b) in paragraph (7), after sub-paragraph (b) add

“, and

- (c) “PPF compensation” means compensation payable under Chapter 3 of Part III of the Pensions (Northern Ireland) Order 2005 (pension protection) or any provision in force in Great Britain corresponding to that Chapter.”.

(3) In Article 25 (application to orders under Articles 18 and 21 of certain provisions of Part III of the Matrimonial Causes (Northern Ireland) Order 1978), after paragraph (1)(be) insert—

- “(bf) Article 27E(2) to (10) (the Pension Protection Fund),”.

The Social Security Administration (Northern Ireland) Act 1992 (c. 8)

4. In section 116AA of the Social Security Administration (Northern Ireland) Act 1992 (disclosure of contributions, etc. information by Inland Revenue), in subsection (2)(d), for “Occupational Pensions Regulatory Authority” substitute “Pensions Regulator”.

The Pension Schemes Act

5. The Pension Schemes Act is amended as follows.

6. In section 49 (supervision: former contracted-out schemes), after subsection (1B) insert—

“(1C) But where a direction under subsection (1) conflicts with a freezing order made by the Regulatory Authority under Article 19 of the Pensions (Northern Ireland) Order 2005 in relation to the scheme then, during the period for which the freezing order has effect, the direction to the extent that it conflicts with the freezing order—

- (a) is not binding as described in subsection (1), and
- (b) is not enforceable as described in subsection (1B).”.

7.—(1) Section 52 (provision supplementary to section 51) is amended as follows.

(2) In subsection (4) for the words from the beginning to “another scheme,” substitute—

“(4) Where under the rules of the scheme, transfer credits have been allowed—

- (a) in respect of the earner’s rights under another scheme, or
- (b) in respect of the earner by reference to the payment of a cash transfer sum (within the meaning of Chapter 5 of Part IV) to the trustees or managers of the scheme by the trustees or managers of another occupational pension scheme,”.

(3) After subsection (7) add—

“(8) Where a premium under section 51 is payable by the Board of the Pension Protection Fund by virtue of a transfer under Article 145 of the Pensions (Northern Ireland) Order 2005 (effect of the Board assuming responsibility for an occupational pension scheme), then, subject to subsection (9), sections 51 to 64 apply with such modifications as may be prescribed in relation to that premium.

(9) A premium under section 51 in respect of an earner ceases to be payable if—

- (a) the liability to pay the premium is transferred to the Board of the Pension Protection Fund by virtue of Article 145 of the Pensions (Northern Ireland) Order 2005, and
- (b) prescribed requirements are met.”.

8. In section 57 (deduction of contributions equivalent premium from refund of scheme contributions), after subsection (9) insert—

“(9A) Where under section 97AH the trustees or managers of an occupational pension scheme may pay a contribution refund to a member of the scheme, the member is to be treated for the purposes of this section as being entitled to the contribution refund.”.

- 9.**—(1) Section 90 (right to cash equivalent) is amended as follows.
- (2) In subsection (2), for the definition of “the applicable rules” substitute—
- ““the applicable rules” means—
- (a) the rules of the scheme, except so far as overridden by a relevant legislative provision;
 - (b) the relevant legislative provisions, to the extent that they have effect in relation to the scheme and are not reflected in the rules of the scheme; and
 - (c) any provision which the rules of the scheme do not contain but which the scheme must contain if it is to conform with Chapter 1 of Part IV of this Act;”.
- (3) After that subsection insert—
- “(2A) For the purposes of subsection (2)—
- (a) “relevant legislative provision” means any provision contained in any of the following provisions—
 - (i) Schedule 5 to the Social Security (Northern Ireland) Order 1989 (equal treatment for men and women);
 - (ii) this Chapter or Chapter 2, 3 or 5 or regulations made under this Chapter or any of those Chapters;
 - (iii) Part IVA or regulations made under that Part;
 - (iv) section 106(1);
 - (v) Part II of the Pensions (Northern Ireland) Order 1995 (occupational pensions) or orders or regulations made or having effect as if made under that Part;
 - (vi) Article 28 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (pension debits: reduction of benefit);
 - (vii) any provision mentioned in Article 279(2) of the Pensions (Northern Ireland) Order 2005,
 - (b) a relevant legislative provision is to be taken to override any of the provisions of the scheme if, and only if, it does so by virtue of any of the following provisions—
 - (i) paragraph 3 of Schedule 5 to the Social Security (Northern Ireland) Order 1989;
 - (ii) section 125(1);
 - (iii) Article 114(1) of the Pensions (Northern Ireland) Order 1995;
 - (iv) Article 28(4) of the Welfare Reform and Pensions (Northern Ireland) Order 1999;
 - (v) Article 279(1) of the Pensions (Northern Ireland) Order 2005.”.
- 10.** In section 95 (trustees' duties after exercise of option)—
- (a) in subsection (4) after “circumstances,” insert “by direction,”, and
 - (b) in subsection (4A) for “in relation to applications for extensions under subsection (4)” substitute “requiring applications for extensions under subsection (4) to meet prescribed requirements”.
- 11.** In section 97J (time for compliance with transfer notice)—
- (a) in subsection (2) after “circumstances,” insert “by direction,”, and

- (b) in subsection (6)(a) for “in relation to applications under subsection (2)” substitute “requiring applications for extensions under subsection (2) to meet prescribed requirements”.

12. In section 107A (monitoring of employers' payments to personal pension schemes) omit subsection (10).

13. In section 109 (disclosure of information about schemes to members etc.), after subsection (2) (d) add—

- “(e) persons of prescribed descriptions.”.

14. After that section insert—

“Disclosure of information about transfers etc.

109A. Regulations may provide that, where—

- (a) a payment is made out of an occupational pension scheme to the trustees or managers of another occupational pension scheme, and
- (b) transfer credits are allowed to a member of that other scheme in respect of the payment,

the trustees or managers of the first scheme must, in prescribed circumstances and in the prescribed manner, provide to the trustees or managers of the other scheme prescribed information relating to the payment.”.

15. In section 119 (interpretation of Chapter 2 of Part VII) omit—

- (a) the definition of “occupational pension scheme” in subsection (2), and
- (b) subsection (3).

16. In section 120 (duty of Department for Employment and Learning to pay unpaid contributions), after subsection (5) add—

“(6) In this section “on his own account”, in relation to an employer, means on his own account but to fund benefits for, or in respect of, one or more employees.”.

17. In section 125(1) (overriding requirements)—

- (a) for “and IV” substitute “, IV and V”; and
- (b) after “under” insert “any of those Chapters or”.

18. In section 126(b), (extra-statutory requirements), for “or IV” substitute “, IV or V”.

19. In section 142 (functions of the Pensions Ombudsman)—

(a) for subsection (1)(f) substitute—

“(f) any dispute, in relation to a time while Article 22 of the Pensions (Northern Ireland) Order 1995 (circumstances in which the Regulatory Authority may appoint an independent trustee) applies in relation to an occupational pension scheme, between an independent trustee of the scheme appointed under Article 23(1) of that Order and either—

- (i) other trustees of the scheme, or
- (ii) former trustees of the scheme who were not independent trustees appointed under Article 23(1) of that Order, and”;

(b) after subsection (6) insert—

“(6A) For the purposes of subsection (6)(c)—

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: The Pensions (Northern Ireland) Order 2005 No. 255

- (a) a description of complaint may be framed (in particular) by reference to the person making the complaint or to the scheme concerned (or to both), and
- (b) a description of dispute may be framed (in particular) by reference to the person referring the dispute or to the scheme concerned (or to both).”, and
- (c) in subsection (8), in paragraph (a) of the definition of “independent trustee” for the words from “Article 23(1)(b)” to the end substitute “Article 23(1) of the Pensions (Northern Ireland) Order 1995 (appointment of independent trustee by the Regulatory Authority)”.

20. In section 145 (procedure on investigation by Pensions Ombudsman), in subsection (6)—

- (a) for paragraph (b) substitute—
 - “(b) the Board of the Pension Protection Fund,
 - (ba) the Ombudsman for the Board of the Pension Protection Fund.”;
- (b) at the end add—
 - “(m) a person who, in a member State other than the United Kingdom, has functions corresponding to functions of the Pensions Ombudsman.”.

21.—(1) Section 154A (other disclosures by the Department) is amended as follows.

(2) In subsection (1), for the words from “any information” to “the Pensions (Northern Ireland) Order 1995” substitute “any regulated information”.

(3) In the Table in that subsection—

- (a) in the entry for the Regulatory Authority in the second column of the Table for the words from “or the” to the end substitute “, the Pensions (Northern Ireland) Order 1995, the Welfare Reform and Pensions (Northern Ireland) Order 1999 or the Pensions (Northern Ireland) Order 2005 or any enactment in force in Great Britain corresponding to any of them.”, and
- (b) for the entry for the Pensions Compensation Board substitute—

“The Pensions Ombudsman.	Functions conferred by or by virtue of this Act or any enactment in force in Great Britain corresponding to it.
The Board of the Pension Protection Fund.	Functions conferred by or by virtue of Part III of the Pensions (Northern Ireland) Order 2005 or any enactment in force in Great Britain corresponding to that Part.
The Ombudsman for the Board of the Pension Protection Fund.	Functions conferred by or by virtue of Part III of the Pensions (Northern Ireland) Order 2005 or any enactment in force in Great Britain corresponding to that Part.”.

(4) After that subsection insert—

“(1AA) In subsection (1) “regulated information” means information received by the Department in connection with its functions under—

- (a) this Act;
- (b) the Pensions (Northern Ireland) Order 1995, or
- (c) the Pensions (Northern Ireland) Order 2005 or the Pensions Act 2004,

other than information supplied to it under section 235(2) of, or paragraph 2 of Schedule 10 to, the Pensions Act 2004 (supply of information for retirement purposes etc.).”.

22. In section 164(4) (penalties for contravention of regulations) after “the provision” insert “to be required by notice in writing”.

23. In section 170 (levies)—

(a) for subsection (8) substitute—

“(8) An amount payable by a person on account of a levy imposed under this section shall be a debt due from him to the Department, and an amount so payable shall be recoverable by the Department accordingly or, if the Department so determines, by the Regulatory Authority on its behalf.”, and

(b) in subsection (9) for “subsections (1) and (4)” substitute “subsection (1)”.

24. In section 173 (power to make regulations as to the persons to be regarded as trustees or managers of schemes for certain purposes), in paragraph (b) for “to 26C” substitute “to 26”.

25.—(1) Section 174 (linked qualifying service) is amended as follows.

(2) In subsection (1)(a)—

(a) for “the rules of a scheme” substitute “Chapter 4 or 5 of Part IV or under the rules of a scheme”,

(b) for sub-paragraph (i) substitute—

“(i) there was made a transfer of his rights (including any transfer credits allowed) under that scheme, or a transfer payment in respect of those rights, to, or to the trustees or managers of, another scheme applying to him in the later period of service;”,

(c) for “and” at the end of sub-paragraph (ii), substitute “or”, and

(d) after that sub-paragraph add—

“(iii) a cash equivalent (within the meaning of Chapter 4 of Part IV) or cash transfer sum (within the meaning of Chapter 5 of that Part) was paid in respect of him to the trustees or managers of another scheme applying to him in the later period of service; and”.

(3) In subsection (1)(b), after “second scheme,” insert “or the payment to the trustees or managers of that scheme,”.

26. In section 176(1) (general interpretation), in the definition of “transfer credits”, for the words following “by reference to” substitute

(a) “a transfer to the scheme of, or transfer payment to the trustees or managers of the scheme in respect of, any of his rights (including transfer credits allowed) under another occupational pension scheme or a personal pension scheme, other than rights attributable (directly or indirectly) to a pension credit, or

(b) a cash transfer sum paid under Chapter 5 of Part IV in respect of him, to the trustees or managers of the scheme;”.

27. In section 178(3) (sub-delegation), after “93(1)” insert “, 97AF(1)”.

The 1995 Order

28. The 1995 Order is amended as follows.

29. In Article 4 (suspension orders), in paragraphs (3) and (5) for “class” substitute “description”.

- 30.** In Article 7 (appointment of trustees)—
- (a) in paragraph (1) omit “a trustee of such a scheme ceases to be a trustee”, and
 - (b) in paragraph (2) for “Article 23(1)(b)” in both places substitute “Article 23(1)”.
- 31.** In Article 9 (removal and appointment of trustees: property), after “exercise” insert “by order”.
- 32.** In Article 10 (civil penalties), in paragraph (5)(a) omit “as a trustee of a trust scheme”.
- 33.** In Article 15(4) (failure to comply with Authority’s direction) for “Articles 3 and 10 apply” substitute “Article 10 applies”.
- 34.** In Article 22 (circumstances in which independent trustee provisions apply), in paragraphs (1) and (3) for “to 26A”, in each place, substitute “to 26”.
- 35.** In Article 25 (appointment and powers of independent trustees: further provisions)—
- (a) in paragraph (1) for “Article 23(1)(b)” substitute “Article 23(1)”,
 - (b) in paragraph (2)—
 - (i) after “a scheme” insert “and there is an independent trustee of the scheme appointed under Article 23(1)”, and
 - (ii) omit from “but if” to the end,
 - (c) in paragraph (3) for “, no independent trustee of the scheme may” substitute “and there is an independent trustee of the scheme appointed under Article 23(1), the independent trustee may not”, and
 - (d) in paragraph (4)—
 - (i) for “Article 23(1)(b)” substitute “Article 23(1)”, and
 - (ii) after “person” insert “(within the meaning of Article 23(3))”.
- 36.** In Article 26 (insolvency practitioner or official receiver to give information to trustees), in paragraph (1) after “a scheme” insert “by virtue of paragraph (1) of that Article”.
- 37.** Omit Articles 26A to 26C.
- 38.** In Article 28 (consequences of prohibition on trustee being auditor of scheme etc.) omit paragraph (4).
- 39.** In Article 29 (persons disqualified for being trustees), in paragraph (5) for “class” substitute “description”.
- 40.** In Article 30 (persons disqualified: consequences)—
- (a) in paragraph (2), after “exercise” insert “by order”, and
 - (b) omit paragraphs (7) and (8).
- 41.** Omit Article 30A (accessibility of register of disqualified trustees).
- 42.** In Article 32 (decisions of trustees by a majority)—
- (a) in paragraph (4) for “, 16(3)(b) and 25(2)” substitute “and 25(2) and Article 218(6) of the Pensions (Northern Ireland) Order 2005”, and
 - (b) in paragraph (5) for “Articles 3 and 10 apply” substitute “Article 10 applies”.
- 43.** In Article 34 (powers of investment and delegation) in paragraph (1) after “subject to” insert “Article 36(1) and to”.
- 44.—**(1) Article 38 (power to defer winding up) is amended as follows.

- (2) In paragraph (2)—
- (a) in sub-paragraph (a) after “scheme” insert “(other than those due to be paid before the determination is made)”, and
 - (b) in sub-paragraph (b) omit “new”.
- (3) After paragraph (3) add—
- “(4) This Article also does not apply in relation to a trust scheme where the trustees are required to wind up, or continue the winding up of, the scheme under Article 138(1) of the Pensions (Northern Ireland) Order 2005 (requirement to wind up certain schemes with sufficient assets to meet protected liabilities).”.
- 45.** In Article 40 (restriction on employer-related investments), in paragraph (4) for “Articles 3 and 10 apply” substitute “Article 10 applies”.
- 46.** In Article 41 (provision of documents for members)—
- (a) for paragraph (3) substitute—

“(3) The documents referred to in paragraph (1)(b) are—

 - (a) any statement of funding principles prepared or revised under Article 202 of the Pensions (Northern Ireland) Order 2005,
 - (b) any valuation or report prepared by the actuary under Article 203 of that Order,
 - (c) any certificate given by the actuary under Article 204 or 206 of that Order.”, and
 - (b) in paragraph (5B) for “Articles 3 and 10 apply to any trustee, and Article 10 applies” substitute “Article 10 applies to any trustee, and”.
- 47.** In Article 47 (professional advisers), in paragraphs (3), (8) and (11) for “Articles 3 and 10 apply to any trustee, and Article 10 applies” substitute “Article 10 applies to any trustee, and”.
- 48.** In Article 49 (other responsibilities of trustees, employers, etc.)—
- (a) in paragraph (6) for “Articles 3 and 10 apply” substitute “Article 10 applies”, and
 - (b) in paragraph (10)—
 - (i) omit sub-paragraph (a) and the word “and” immediately after it, and
 - (ii) in sub-paragraph (b) for “such steps” substitute “reasonable steps to secure compliance”.
- 49.** In Article 49A (record of winding up decisions) omit paragraph (4).
- 50.** In Article 68 (power of trustees to modify schemes by resolution), in paragraph (2)—
- (a) in sub-paragraph (b), for “Article 16(1) or 17(2)” substitute “Article 218 of the Pensions (Northern Ireland) Order 2005”, and
 - (b) for sub-paragraph (c) substitute—

“(c) to enable the scheme to comply with such terms and conditions as may be imposed by the Board of the Pension Protection Fund in relation to any payment made by it under Article 168 or 169 of the Pensions (Northern Ireland) Order 2005.”.
- 51.** In Article 69 (grounds for applying for modifications)—
- (a) in paragraph (2) for “about the manner of dealing with applications under this Article” substitute “requiring applications under this Article to meet prescribed requirements”,
 - (b) in paragraph (3) omit sub-paragraph (a),
 - (c) in paragraph (4)(a) omit “(a) or”, and

- (d) in paragraph (5)(a) omit “either of” and for “paragraph (3)(a) or (b)” substitute “paragraph (3)(b)”.
- 52.** In Article 71A(4)(d) (power to make provision in relation to applications for the purposes of that Article)—
- (a) for “before such time as may be prescribed” substitute “before an application is made for the purposes of this Article”, and
 - (b) for “an application for the purposes of this Article” substitute “the application”.
- 53.** In Article 72A (reports to Authority about winding up) omit paragraph (9)(a) and the word “and” immediately after it.
- 54.** In Article 72C (duty to comply with directions for facilitating winding up) omit paragraph (2).
- 55.** In Article 73 (preferential liabilities on winding up), in paragraph (6), omit sub-paragraph (a) and the word “and” immediately after it.
- 56.** In Article 76 (excess assets on winding up)—
- (a) in paragraph (3), omit sub-paragraph (c) (but not the word “and” immediately after it),
 - (b) omit paragraph (5), and
 - (c) in paragraph (6), for “Articles 3 and 10 apply” substitute “Article 10 applies”.
- 57.** In Article 77 (excess assets remaining after winding up: power to distribute)—
- (a) omit paragraphs (2) and (3),
 - (b) in paragraph (4)—
 - (i) for the words from the beginning to “duty under paragraph (2)” substitute “Where this Article applies—”, and
 - (ii) in sub-paragraph (a) for “those assets” substitute “the undistributed assets”,
 - (c) in paragraph (5), for “Articles 3 and 10 apply” substitute “Article 10 applies”.
- 58.** In Article 85 (schedules of payments to money purchase schemes) omit paragraph (5)(a) and the word “and” immediately after it.
- 59.** In Article 86 (provision supplementary to Article 85) omit paragraph (4)(a) and the word “and” immediately after it.
- 60.** In Article 87 (application of further provisions to money purchase schemes)—
- (a) in paragraph (1)(a)—
 - (i) for “Articles 56 to 60” substitute “Part IV of the Pensions (Northern Ireland) Order 2005”, and
 - (ii) for “those Articles” substitute “that Part”, and
 - (b) in paragraph (2) omit “insolvency”.
- 61.** In Article 115 (powers to modify Part II of the 1995 Order)—
- (a) in paragraph (2) for “to 26C” substitute “to 26”, and
 - (b) omit paragraph (3).
- 62.** In Article 116 (calculations, etc. under regulations: sub-delegation), for “73(3)” substitute “73B(4)(a)”.
- 63.**—(1) Article 121 (interpretation of Part II) is amended as follows.
- (2) In paragraph (1), in the definition of “transfer credits”, for the words following “by reference to” substitute

- (a) “a transfer to the scheme of, or transfer payment to the trustees or managers of the scheme in respect of, any of his rights (including transfer credits allowed) under another occupational pension scheme or a personal pension scheme, other than pension credit rights, or
- (b) a cash transfer sum paid under Chapter 5 of Part IV of the Pension Schemes Act (early leavers) in respect of him, to the trustees or managers of the scheme,”.

(3) In paragraph (4), after “(8)” insert “and to Articles 24, 138 and 198 of the Pensions (Northern Ireland) Order 2005”.

(4) In paragraph (5), after “(8)” insert “and to Articles 138 and 198 of the Pensions (Northern Ireland) Order 2005”.

The Deregulation and Contracting Out (Northern Ireland) Order 1996 (NI 11)

64. In Article 17 of the Deregulation and Contracting Out (Northern Ireland) Order 1996 (social security: amendments following certain orders), at the end of paragraph (2) add “the Pensions Act 2004”.

The 1999 Order

65. The 1999 Order is amended as follows.

66. In Article 3 (stakeholder pension schemes), in paragraph (6), after “members etc.)” insert “and of regulations under Article 214 of the Pensions (Northern Ireland) Order 2005 (combined pension forecasts)”.

67. In Article 4 (registration of stakeholder pension schemes)—

- (a) in paragraph (3) after “may” insert “by direction”, and
- (b) in paragraph (4) for the words from “Article 3” to “Order applies” substitute “Article 10 of the Pensions Order (civil penalties) applies to any trustee of a pension scheme which is or has been registered under this Article, and”.

68. In Article 9(2)(a) (providing for stakeholder pension schemes to be treated as personal pension schemes), after “is” insert “prescribed or is”.

69. In Article 35 (treatment in winding up)—

- (a) in paragraph (2), for “Article 56 of the Pensions Order” substitute “this Article”, and
- (b) after that paragraph insert—

“(2A) This Article applies to an occupational pension scheme other than—

- (a) a money purchase scheme, or
- (b) a prescribed scheme or a scheme of a prescribed description.”.

70.—(1) Paragraph 1 of Schedule 1 (application of statutory provisions relating to occupational trust schemes to certain stakeholder schemes) is amended as follows.

(2) In sub-paragraph (2), in paragraph (b)—

- (a) in sub-paragraph (i) for the words from “except” to the end substitute “except Articles 7(5A)(b), 8(1)(a) and (c) and (2), 11(3A) and (3B) and 15(1)”;
- (b) in sub-paragraph (ii) for “31” substitute “30”;
- (c) in sub-paragraph (iii) omit the words from “except” to the end;
- (d) for sub-paragraph (v) substitute—
“(v) Article 47 (professional advisers);”; and

- (e) in sub-paragraph (vii) for “Article 50” substitute “Articles 50 to 50B”.
 - (3) After that paragraph insert
 - “; and
 - (c) the following provisions of the Pensions (Northern Ireland) Order 2005—
 - (i) Article 2 (interpretation);
 - (ii) Article 62 (accessibility of register of prohibited trustees);
 - (iii) Chapters 4 and 5 of Part III (fraud compensation and information gathering); and
 - (iv) Articles 224 to 226 (requirements for knowledge and understanding).”
 - (4) In sub-paragraph (5), after “Pensions Order” insert “, and Article 2(2) of the Pensions (Northern Ireland) Order 2005.”.
 - (5) After sub-paragraph (5) add—
 - “(6) Chapters 4 and 5 of Part III of the Pensions (Northern Ireland) Order 2005 (as so applied) shall have effect with such modifications as the Department may prescribe by regulations.”.
- 71.**—(1) Schedule 5 (pension credits: mode of discharge) is amended as follows.
- (2) In paragraph 8(1)(b), for the words from “Article 56” to “related schemes)” substitute “Part IV of the Pensions (Northern Ireland) Order 2005 (scheme funding)”.
 - (3) After paragraph 13 insert—
 - “**13A.** The provisions of this Schedule are subject to—
 - (a) Article 73A(3) and (6) of the Pensions Order (prohibition on new members during winding up of scheme: exception for discharge of pension credit derived from the scheme), and
 - (b) Article 117(2) and (8) of the Pensions (Northern Ireland) Order 2005 (prohibition on new members during an assessment period in relation to a scheme: exception for discharge of pension credit derived from the scheme).”

SCHEDULE 11

Article 291.

REPEALS

Short Title	Extent of repeal
Pension Schemes (Northern Ireland) Act 1993 (c. 49).	Section 2. In section 24— <ul style="list-style-type: none"> (a) in subsection (4), paragraphs (a) and (b) and the word “and” at the end of paragraph (c), (b) subsections (4A) and (4B), and (c) in subsection (8), the words “, which must not be earlier than the member’s 60th birthday,” in the definition of “the starting date”.

Short Title	Extent of repeal
	In section 25(1)(aa)(ii), the words from “and is not” to “75th birthday,”.
	In section 30(1)(a)(ii), the words “or category”.
	Section 95(6).
	Section 97J(3).
	Section 107.
	Section 107A(10).
	Section 107B.
	In section 119, the definition of “occupational pension scheme” in subsection (2), and subsection (3).
	In section 125— (a) in subsection (2) the words from “and Chapter IV” to the end, and (b) subsection (3)(b).
	In section 127(b), the words “payable at any earlier time or”.
	In section 128, the words from “or the voluntary” to third “requirements”.
	Section 144(4)(ba) and (bb).
	Section 145(1), (1A) and (1B).
	In section 145(3)— (a) paragraph (ba), and (b) paragraph (d) and the word “and” immediately preceding it.
	In section 145(6)— (a) paragraph (c), and (b) the word “and” at the end of paragraph (k).
	Section 145(8).
	In section 147(1), paragraph (c) and the word “and” immediately preceding it.
	In section 147(3)— (a) paragraphs (ba) and (bb), and

Short Title	Extent of repeal
<p>Pensions (Northern Ireland) Order 1995 (NI 22).</p>	<p>(b) in paragraph (c) the words “any of paragraphs (a) to (bb)”.</p>
	<p>In section 154—</p>
	<p>(a) in subsection (6), the words “Subject to subsection (7)”, and</p>
	<p>(b) subsection (7).</p>
	<p>Section 164A.</p>
	<p>In section 170—</p>
	<p>(a) in subsection (1), paragraph (a) and the word “or” at the end of paragraph (b), and</p>
	<p>(b) subsections (4) to (7).</p>
	<p>Section 172(6)(b).</p>
	<p>In section 176—</p>
	<p>(a) in subsection (1) the definitions of “the register”, “the Registrar”, and “voluntary contributions requirements”,</p>
	<p>(b) in subsection (3), the words “section 2,”, and</p>
	<p>(c) in subsection (4), the word “2,”.</p>
	<p>In Schedule 8, paragraphs 5, 6 and 8(1).</p>
<p>Article 5.</p>	
<p>In Article 7(1), the words “a trustee of such a scheme ceases to be a trustee”.</p>	
<p>Article 7(4).</p>	
<p>In Article 10(5)(a), the words “as a trustee of a trust scheme”.</p>	
<p>Article 11(3).</p>	
<p>Article 13.</p>	
<p>Articles 16 to 21.</p>	
<p>In Article 22(1)(b), the word “or” at the end of head (i).</p>	
<p>In Article 25(2), the words from “but if” to the end.</p>	
<p>Articles 26A to 26C.</p>	
<p>Article 28(4).</p>	

Short Title	Extent of repeal
	In Article 29— (a) paragraphs (3), (4) and (5)(b), and (b) in paragraph (6), the words “or revocation made”.
	In Article 30— (a) in paragraph (2), sub-paragraph (b) and the word “or” immediately preceding it, and (b) paragraphs (7) and (8).
	Article 30A.
	Article 31.
	Article 36(2).
	In Article 38(2)(b), the word “new”.
	Article 41(2)(c).
	Article 48.
	In Article 49, paragraph (10)(a) and the word “and” immediately after it.
	Article 49A(4).
	In Article 51(1), the word “and” at the end of head (i) of sub-paragraph (a).
	In Article 54(3), the definition of “appropriate percentage”.
	Articles 56 to 61.
	In Article 63(4)(c), the words “or category”.
	In Article 69— (a) paragraph (3)(a), (b) in paragraph (4)(a), the words “(a) or”, and (c) in paragraph (5)(a), the words “either of” and “(a) or”.
	In Article 71A(4), sub-paragraphs (f) and (g).
	Article 72A(9)(a) and the word “and” immediately after it.
	Article 72B(7) and (8)(b).

Short Title	Extent of repeal
	Article 72C(2).
	Article 73(6)(a) and the word “and” immediately after it.
	<p>In Article 74—</p> <ul style="list-style-type: none"> <li data-bbox="801 573 1347 633">(a) in paragraph (2) the words “(including increases in pensions)”, <li data-bbox="801 638 1347 698">(b) in paragraph (4) the words “(including increases in pensions)”, and <li data-bbox="801 703 1347 763">(c) paragraph (5)(b) and the word “or” immediately preceding it.
	Article 75(9).
	<p>In Article 76—</p> <ul style="list-style-type: none"> <li data-bbox="801 889 1347 949">(a) paragraph (3)(c) (but not the word “and” immediately following it), and <li data-bbox="801 954 1347 987">(b) paragraph (5).
	Article 77(2) and (3).
	Articles 78 to 84.
	Article 85(5)(a) and the word “and” immediately after it.
	Article 86(4)(a) and the word “and” immediately after it.
	In Article 87(2), the word “insolvency”.
	Articles 94 to 112.
	<p>In Article 114(2)—</p> <ul style="list-style-type: none"> <li data-bbox="801 1480 1347 1541">(a) at the end of sub-paragraph (b), the word “or”, and <li data-bbox="801 1545 1347 1579">(b) sub-paragraph (c).
	Article 115(3).
	In Article 116, the word “56(3),”.
	<p>In Article 121(1)—</p> <ul style="list-style-type: none"> <li data-bbox="801 1767 1347 1827">(a) in the definition of “employer”, the words “or category”, <li data-bbox="801 1832 1347 1928">(b) the definitions of “member-nominated director”, “member-nominated trustee” and “minimum funding requirement”, <li data-bbox="801 1933 1347 2004">(c) in the definition of “pensionable service”, the words “or category”.

Short Title	Extent of repeal
	Article 131(3).
	Article 139(5).
	In Article 158(1), the word “and” at the end of sub-paragraph (a).
	In Article 167(3), the word “or” at the end of sub-paragraph (c).
	In Schedule 1, paragraphs 10, 13 and 36(a)(ii).
	In Schedule 2, paragraph 18(13) and (14).
	In Schedule 3, paragraph 56(d).
	In Schedule 4, paragraph 8(d).
Employment Rights (Northern Ireland) Order 1996 (NI 16).	In Article 86(3)(b), the words “or category”.
Bank of England Act 1998 (c. 11). Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (SI 1999 No. 671).	In Schedule 5, paragraph 72. In Schedule 1, paragraphs 81 and 82.
Welfare Reform and Pensions (Northern Ireland) Order 1999 (NI 11).	Article 4(5).
	Articles 6 and 7.
	Article 16.
	Article 35(1).
	In Article 43(1), in the definition of “pensionable service”, the words “or category”.
	Article 47(2).
	In Schedule 1—
	(a) paragraph 1(2)(a),
	(b) in paragraph 1(2)(b)(i) “, 13”,
	(c) in paragraph 1(2)(b)(iii), the words from “except” to the end,
	(d) paragraph 1(2)(b)(ix) and (xi) to (xiii), and
	(e) paragraphs 2 and 3.
	In Schedule 2, paragraphs 2(1)(a), 7 and 11 to 13.
	In Schedule 9, paragraphs 28(3), 33, 34 to 38, 42, 44 and 49.

Draft Legislation: This is a draft item of legislation. This draft has since been made as a UK Statutory Instrument: *The Pensions (Northern Ireland) Order 2005 No. 255*

Short Title	Extent of repeal
Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4).	<p>In section 38(7), the word “and” at the end of paragraph (c).</p> <p>Sections 39 to 42.</p> <p>Section 43(1), (2) and (4).</p> <p>Section 50.</p> <p>In Schedule 5—</p> <ul style="list-style-type: none"> (a) paragraph 3(3) and (4), (b) paragraph 8, (c) paragraph 9, and (d) paragraph 10(2), (3) and (4). <p>In Schedule 9, Part III(9).</p>

The repeals in sections 144, 145 and 147 of the Pension Schemes Act relate to those provisions as amended by section 50 of the 2000 Act to the extent that those amendments have been brought into operation for the purpose of making rules.