



Pension Schemes (Northern Ireland) Act 1993

1993 CHAPTER 49

PART III

^{F1}[^{F1}SCHEMES THAT WERE CONTRACTED-OUT ETC.]
AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS ...

CHAPTER I

[^{F1}SCHEMES THAT WERE CONTRACTED-OUT: GUARANTEED
MINIMUM PENSIONS AND ALTERATION OF SCHEME RULES ETC.]

Preliminary

3 Issue of contracting-out ^{F1}... certificates.

[^{F2}[^{F3}(1) Regulations shall provide for HMRC to issue certificates stating that the employment of an earner in employed earner's employment is contracted-out employment by reference to an occupational pension scheme.]

[^{F3}(1A) In this Act such a certificate is referred to as “a contracting-out certificate”.]

(2) The regulations shall provide for contracting-out certificates to be issued to employers and to specify—

- (a) the employments which are to be treated, either generally or in relation to any specified description of earners, as contracted-out employments; and
- (b) the occupational pension schemes by reference to which those employments are to be so treated.

[^{F4}(2A) The regulations may provide, in the case of contracting-out certificates issued before the principal appointed day, for their cancellation by virtue of the regulations—

- (a) at the end of a prescribed period beginning with (and including) that day, or

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(b) if prescribed conditions are not satisfied at any time in that period.

but for them to continue to have effect until so cancelled; and the regulations may provide that a certificate having effect on and after that day by virtue of this subsection is to have effect, in relation to any earner’s service on or after that day, as if issued on or after that day.

(2B) In this Act “the principal appointed day” means the day designated by an order under Article 1 of the Pensions (Northern Ireland) Order 1995 as the principal appointed day for the purposes of Part IV of that Order.]

(3) An occupational pension scheme is a contracted-out scheme in relation to an earner’s employment if it is for the time being specified in a contracting-out certificate in relation to that employment; and references in this Act to the contracting-out of a scheme are references to its inclusion in such a certificate.

^{F5}(4)

^{F5}(5)

^{F5}(6)

(7) Except in prescribed circumstances, no contracting-out certificate ^{F6}... shall have effect from a date earlier than that on which the certificate is issued.

[^{F7}(8) References in this Act to a contracting-out certificate, a contracted-out scheme and to contracting-out in a context relating to a money purchase contracted-out scheme are to be construed in accordance with section 176A.]]

Textual Amendments

- F1** Words in s. 3 heading repealed (6.4.2012) by [Pensions Act \(Northern Ireland\) 2008 \(c. 1\), ss. 13\(4\), 21\(1\), Sch. 4 para. 2\(6\), Sch. 6 Pt. 6](#) (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F2** S. 3 repealed (6.4.2016) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\), Sch. 13 para. 5](#) (with savings until 6.4.2019 by S.R. 2016/106, arts. 1(1)(2), 2(1)(2))
- F3** S. 3(1)(1A) substituted for s. 3(1) (6.4.2012) by [Pensions Act \(Northern Ireland\) 2008 \(c. 1\), ss. 13\(4\), 21\(1\), Sch. 4 para. 2\(2\)](#) (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F4** S. 3(2A)(2B) inserted (6.4.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), [art. 133\(1\)](#); S.R. 1996/91, art. 2(d)(h), [Sch. Pt. IV](#)
- F5** S. 3(4)-(6) repealed (6.4.2012) by [Pensions Act \(Northern Ireland\) 2008 \(c. 1\), ss. 13\(4\), 21\(1\), Sch. 4 para. 2\(3\), Sch. 6 Pt. 6](#) (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F6** Words in s. 3(7) repealed (6.4.2012) by [Pensions Act \(Northern Ireland\) 2008 \(c. 1\), ss. 13\(4\), 21\(1\), Sch. 4 para. 2\(4\), Sch. 6 Pt. 6](#) (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F7** S. 3(8) added (6.4.2012) by [Pensions Act \(Northern Ireland\) 2008 \(c. 1\), ss. 13\(4\), 21\(1\), Sch. 4 para. 2\(5\)](#) (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2

[^{F8}3A Meaning of the first abolition date” and the second abolition date”

In this Act—

“the first abolition date” means 6 April 2012 (the date appointed for the commencement of section 13(1) of the Pensions Act (Northern Ireland) 2008 (abolition of contracting-out for defined contribution pension schemes));

“the second abolition date” means 6 April 2016 (the date on which section 53(3) of the Pensions Act (Northern Ireland) 2015 provides for the

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commencement of section 24(1) of that Act (abolition of contracting-out for salary related schemes)).

Textual Amendments

F8 Ss. 3A, 3B inserted (6.4.2016) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\), Sch. 13 para. 6](#)

3B Meaning of “contracted-out scheme” and “appropriate scheme” etc.

- (1) This section applies for the interpretation of this Act.
- (2) An occupational pension scheme was “contracted-out” at a time if, at that time, there was in force a certificate under section 3 (as it then had effect) stating that the employment of an earner in employed earner's employment was contracted-out employment by reference to the scheme.
- (3) “Contracting-out certificate” means a certificate of the kind mentioned in subsection (2).
- (4) An occupational pension scheme was a “salary related contracted-out scheme” at a time if, at that time, the scheme was contracted-out by virtue of satisfying section 5(2) (as it then had effect).
- (5) An occupational pension scheme was a “money purchase contracted-out scheme” at a time if, at that time, the scheme was contracted-out by virtue of satisfying section 5(3) (as it then had effect).
- (6) A personal pension scheme was an “appropriate scheme” at a time if, at that time, there was in force a certificate issued under section 3(1)(b) (as it then had effect) stating that the scheme was an appropriate scheme.
- (7) “Appropriate scheme certificate” means a certificate of the kind mentioned in subsection (6).
- (8) An appropriate scheme certificate that was in force in relation to a scheme is to be taken as conclusive that the scheme was, at that time, an appropriate scheme.]

Textual Amendments

F8 Ss. 3A, 3B inserted (6.4.2016) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\), s. 53\(3\), Sch. 13 para. 6](#)

4 Meaning of “contracted-out employment”, “guaranteed minimum pension” and “minimum payment”.

- [^{F9}(1) In relation to any period before the second abolition date, the employment of an earner in employed earner's employment was “contracted-out employment” in relation to the earner during that period if—
- (a) the earner was under pensionable age;
 - (b) the earner's service in the employment was service which qualified the earner for a pension provided by a salary related contracted-out scheme; and

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- (c) there was in force a contracting-out certificate issued in accordance with this Chapter (as it then had effect) stating that the employment was contracted-out employment by reference to the scheme.]

[^{F10}(1A) In addition, in relation to any period before [^{F11}the first abolition date], the employment of an earner in employed earner's employment was “contracted-out employment” in relation to him during that period if—

- (a) he was under pensionable age;
- (b) his employer made minimum payments in respect of his employment to a money purchase contracted-out scheme, and
- (c) there was in force a contracting-out certificate issued in accordance with this Chapter (as it then had effect) stating that the employment was contracted-out employment by reference to the scheme.]

[^{F12}(1B) In the following provisions of this Act “earner”, in relation to a scheme, means a person who was an earner in contracted-out employment by reference to the scheme.]

(2) In this Act—

“guaranteed minimum pension” means any pension which is provided [^{F13}, by a scheme that was a salary related contracted-out scheme,] in accordance with the requirements of sections 9 and 13 to the extent to which its weekly rate is equal to the earner’s or, as the case may be, the earner’s [^{F14}widow's, widower’s [^{F15}, surviving same sex spouse’s] or surviving civil partner's] guaranteed minimum as determined for the purposes of those sections respectively; and

“minimum payment”, in relation to an earner’s employment in any tax week, means the rebate percentage of so much of the earnings paid to or for the benefit of the earner in that week as exceeds the current lower earnings limit but not [^{F16}the applicable limit] (or the prescribed equivalents if he is paid otherwise than weekly);

[^{F17}and for the purposes of this subsection “rebate percentage” means the appropriate flatrate percentage [^{F18}for the tax year in which the week falls as specified in an order made under section 38B (as it had effect before [^{F19}the first abolition date)]]].

[^{F20}(2A) In subsection (2) “the applicable limit” means—

- (a) in relation to a tax year before 2009–10, the upper earnings limit;
- (b) in relation to 2009–10 or any subsequent tax year, the upper accrual point.]

^{F21}(3)

[^{F22}(4) A contracting-out certificate that was in force in respect of an employed earner's employment is to be taken as conclusive that the employment was, at that time, contracted-out employment.]

[^{F23}(5) Regulations shall provide for the determination by the [^{F24}Department] of any question whether an employment is to be treated as contracted-out employment or as to the persons in relation to whom, or the period for which, an employment is to be so treated.]

Textual Amendments

F9 S. 4(1) substituted (6.4.2016) by [Pensions Act \(Northern Ireland\) 2015 \(c. 5\)](#), s. 53(3), [Sch. 13 para. 7\(2\)](#)

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- F10** S. 4(1A) inserted (6.4.2012) by Pensions Act (Northern Ireland) 2008 (c. 1), ss. 13(4), 21(1), **Sch. 4 para. 3(3)** (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F11** Words in s. 4(1A) substituted (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 2**
- F12** S. 4(1B) inserted (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 7(3)**
- F13** Words in s. 4(2) substituted (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 7(4)**
- F14** Words in s. 4(2) substituted (5.12.2005) by The Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Schemes) (Surviving Civil Partners) Order (Northern Ireland) 2005 (S.R. 2005/433), art. 1(3), **Sch. 1 para. 2**
- F15** Words in s. 4(2) inserted (13.1.2020) by The Marriage (Same-sex Couples) and Civil Partnership (Opposite-sex Couples) (Northern Ireland) Regulations 2019 (S.I. 2019/1514), regs. 1(2), **68(2)** (with regs. 6-9)
- F16** Words in s. 4(2) substituted (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), **Sch. 7 para. 8(2)** (with s. 73)
- F17** Words in s. 4(2) substituted (6.4.1997) by S.I. 1995/3213 (N.I. 22), arts. 1(2), 147, **Sch. 3 para. 16(a)**; S.R. 1997/192, **art. 2(b)**
- F18** Words in s. 4(2) substituted (6.4.2012) by Pensions Act (Northern Ireland) 2008 (c. 1), ss. 13(4), 21(1), **Sch. 4 para. 3(4)** (with Sch. 4 Pt. 3); S.R. 2012/115, art. 2
- F19** Words in s. 4(2) substituted (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 2**
- F20** S. 4(2A) inserted (15.12.2008) by Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13), s. 118(2), **Sch. 7 para. 8(3)** (with s. 73)
- F21** S. 4(3) repealed (6.4.2015) by Pensions Act (Northern Ireland) 2008 (c. 1), s. 21(1), Sch. 4 para. 46, **Sch. 6 Pt. 7**; S.R. 2012/115, art. 2(2)(a)(iv)(b)
- F22** S. 4(4) substituted (6.4.2016) by Pensions Act (Northern Ireland) 2015 (c. 5), s. 53(3), **Sch. 13 para. 7(5)**
- F23** S. 4(5) omitted and repealed (6.4.1997) by S.I. 1995/3213 (N.I. 22), arts. 1(2), 147, 168, Sch. 3 para. 16(b), **Sch. 5 Pt. III**; S.R. 1997/192, **art. 2(b)**
- F24** Words in s. 4 substituted (6.4.1997) by S.I. 1995/3213 (N.I. 22), art. 147, Sch. 3 paras. 13, **14(a)** Table; S.R. 1997/192, **art. 2(b)**

Modifications etc. (not altering text)

- C1** S. 4(2) modified (6.4.1997) by S.R. 1996/509, **reg. 6(2)**

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Changes and effects yet to be applied to :

- specified provision(s) amendment to savings in S.R. 2016/106 for effects of 2015 c. 5 (N.I.), Sch. 13 by [S.R. 2016/162 art. 5](#)
- specified provision(s) savings for effects of 2015 c. 5 (N.I.), Sch. 13 by [S.R. 2016/106 art. 2](#)

Changes and effects yet to be applied to the whole Act associated Parts and Chapters:

- Act power to modify conferred by [S.I. 2005/255 \(N.I.\) art. 281\(3\)\(a\)\(i\)](#)

Whole provisions yet to be inserted into this Act (including any effects on those provisions):

- s. 21A inserted by [2008 c. 1 \(N.I.\) Sch. 4 para. 9](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 9 together with the inserted s. 21A were repealed (6.4.2012) by 2008 c. 13 (N.I.), ss. 85(2)(b), 118(1), Sch. 10 Pt. 3 (with s. 73); S.R. 2012/119, art. 2(a)(c))
- s. 21A repealed by [2008 c. 13 \(N.I.\) s. 85\(2\)\(b\) Sch. 10 Pt. 3](#) (This amendment not applied to [legislation.gov.uk](#). This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 9 together with the inserted s. 21A were repealed (6.4.2012) by 2008 c. 13 (N.I.), ss. 85(2)(b), 118(1), Sch. 10 Pt. 3 (with s. 73); S.R. 2012/119, art. 2(a)(c))
- s. 23A inserted by [2008 c. 1 \(N.I.\) Sch. 4 para. 10](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 10 together with the inserted s. 23A were repealed (6.4.2012) by 2008 c. 13 (N.I.), ss. 85(2)(b), 118(1), Sch. 10 Pt. 3 (with s. 73); S.R. 2012/119, art. 2(a)(c))
- s. 23A repealed by [2008 c. 13 \(N.I.\) s. 85\(2\)\(b\) Sch. 10 Pt. 3](#) (This amendment not applied to [legislation.gov.uk](#). Sch. 4 para. 10 together with the inserted s. 23A were repealed (6.4.2012) by 2008 c. 13 (N.I.), ss. 85(2)(b), 118(1), Sch. 10 Pt. 3 (with s. 73); S.R. 2012/119, art. 2(a)(c))
- s. 42(1A)(1B) inserted by [2008 c. 13 \(N.I.\) s. 82\(2\)](#)
- s. 42(1A) words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 7](#)
- s. 42A inserted by [2008 c. 13 \(N.I.\) s. 82\(3\)](#)
- s. 42A repealed by [2015 c. 5 \(N.I.\) Sch. 12 para. 79](#)
- s. 42A heading words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 8\(b\)](#)
- s. 42A(1)(c) words substituted by [2012 c. 3 \(N.I.\) Sch. 3 para. 8\(a\)](#)
- s. 67(1A) inserted by [2016 c. 1 \(N.I.\) s. 39\(2\)\(b\)](#)
- s. 78A inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 2](#)
- s. 79(1A)-(1AC) substituted for s. 79(1A) by [2016 c. 1 \(N.I.\) Sch. 1 para. 3](#)
- s. 80-80F substituted for s. 80 by [2016 c. 1 \(N.I.\) Sch. 1 para. 4](#)
- s. 81A inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 5](#)
- s. 82A82B inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 6](#)
- s. 90(2A)(a)(viii) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(2\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(a)(ix) inserted by [2015 c. 5 \(N.I.\) Sch. 18 para. 9\(2\)\(a\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(b)(vi) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(2\)\(b\)](#) (This amendment not applied to [legislation.gov.uk](#). S. 90 already substituted (3.3.2015 for specified

- purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 90(2A)(b)(vii) inserted by [2015 c. 5 \(N.I.\) Sch. 18 para. 9\(2\)\(b\)](#) (This amendment not applied to legislation.gov.uk. S. 90 already substituted (3.3.2015 for specified purposes, 6.4.2015 in so far as not already in force) by Pension Schemes Act 2015 (c. 8), s. 89(1)(b)(3)(b), Sch. 4 para. 54 (with s. 87))
- s. 97AI(7)(a)(x) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(4\)\(a\)](#)
- s. 97AI(7)(b)(viii) inserted by [2015 c. 5 \(N.I.\) Sch. 17 para. 19\(4\)\(b\)](#)
- s. 109(4)(4A) substituted for s. 109(4) by [2016 c. 1 \(N.I.\) s. 38\(5\)](#)
- s. 141(4)(5) added by [S.I. 2005/255 \(N.I.\) art. 251](#)
- s. 142(6A) inserted by [S.I. 2005/255 \(N.I.\) Sch. 10 para. 19\(b\)](#)
- s. 170A inserted by [2008 c. 13 \(N.I.\) Sch. 9 para. 1](#)
- s. 172(2)(b)(ii)-(ix) substituted for s. 172(2)(b)(ii) by [2008 c. 1 \(N.I.\) Sch. 4 para. 33](#) (This amendment not applied to legislation.gov.uk. Sch. 4 para. 33 repealed immediately before the "abolition date" (see [2008 c. 1 \(N.I.\)](#), s. 13) by S.R. 2012/124, art. 7(2))
- Sch. 2 para. A1 inserted by [2016 c. 1 \(N.I.\) Sch. 1 para. 8](#)
- Sch. 2 para. 3A omitted by [2016 c. 1 \(N.I.\) Sch. 1 para. 9](#)