



# Pension Schemes Act 2015

## 2015 CHAPTER 8

### PART 4

#### PENSIONS FLEXIBILITIES

#### CHAPTER 4

##### TRANSFERS

##### *Northern Ireland*

#### **72 Reduction of cash equivalents: funded public service defined benefits schemes: Northern Ireland**

- (1) The Pension Schemes (Northern Ireland) Act 1993 is amended as follows.
- (2) In section 93 (calculation of cash equivalents), in subsection (1)—
  - (a) after “verified” insert “—  
(a)”;
  - (b) at the end insert “, and  
(b) where a designation has been made under section 93A, in accordance with regulations under section 93B.”
- (3) After section 93 insert—

#### **“93A Designation of funded public service defined benefits schemes**

- (1) The relevant Department may designate a funded public service defined benefits scheme as a scheme to which regulations under section 93B are to apply for a specified period of no more than 2 years.
- (2) The power under subsection (1) may be exercised only if the relevant Department considers that—

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*Changes to legislation:* There are currently no known outstanding effects for the Pension Schemes Act 2015, Section 72. (See end of Document for details)

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- (a) there is an increased likelihood of payments out of public funds, or increased payments out of public funds, having to be made into the scheme so that it can meet its liabilities, and
  - (b) the increased likelihood is connected with the exercise or expected future exercise of rights to take a cash equivalent acquired under section 90.
- (3) The power under subsection (1) may be exercised in relation to the whole or any part of a scheme.
- (4) In the application of subsection (2) to part of a scheme, paragraph (a) is to be read as if it referred to the scheme's liabilities relating to that part.
- (5) A designation under subsection (1)—
- (a) may be extended (on more than one occasion) for a period of no more than 2 years;
  - (b) may be revoked.
- (6) The relevant Department must give notice in writing of a designation or its extension or revocation to the trustees or managers of the scheme (except in a case where the relevant Department is the trustees or managers).
- (7) If the trustees or managers of a funded public service defined benefits scheme, or part of such a scheme, that is not designated under this section consider that the conditions in paragraphs (a) and (b) of subsection (2) are met in relation to the scheme or part they must notify—
- (a) the Department of Finance and Personnel, and
  - (b) (where relevant) each Northern Ireland department by whom, or with whose approval, the scheme was established.
- (8) If the trustees or managers of a scheme, or part of a scheme, that is designated under this section consider that the conditions in paragraphs (a) and (b) of subsection (2) are no longer met in relation to the scheme or part they must notify—
- (a) the Department of Finance and Personnel, and
  - (b) (where relevant) each Northern Ireland department by whom, or with whose approval, the scheme was established.
- (9) In this section—
- “funded public service defined benefits scheme” means a public service pension scheme that—
- (a) is a defined benefits scheme within the meaning given by section 34 of the Public Service Pensions Act (Northern Ireland) 2014, and
  - (b) meets its liabilities out of a fund accumulated for the purpose during the life of the scheme;
- “local authority” means a district council constituted under section 1 of the Local Government Act (Northern Ireland) 1972;
- “payment out of public funds” means a payment provided directly or indirectly—
- (a) out of the Northern Ireland Consolidated Fund, or
  - (b) by a local authority;

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“the relevant Department”, in relation to a funded public service defined benefits scheme, means either of the following—

- (a) the Department of Finance and Personnel, or
- (b) any Northern Ireland department by whom, or with whose approval, the scheme was established.

(10) The Department of Finance and Personnel may by regulations make modifications of the definition of “the relevant Department” in subsection (9).”

(4) After section 93A (inserted by subsection (3)) insert—

**“93B Reduction of cash equivalents in case of section 93A designated schemes**

- (1) The Department of Finance and Personnel may by regulations provide that where, under section 91(1), a member of a designated scheme requires the trustees or managers to use a cash equivalent for acquiring a right or entitlement to flexible benefits under the rules of another pension scheme the cash equivalent must be reduced by an amount determined in accordance with the regulations.
- (2) Regulations under subsection (1) may not require a reduction in cases where a scheme ceases to be a designated scheme before the date on which the trustees or managers do what is needed to carry out what the member requires.
- (3) Regulations under subsection (1) may produce the result (alone or in conjunction with regulations under section 93) that the amount by which a cash equivalent is to be reduced is such an amount that a member has no right to receive anything.
- (4) In subsection (1), “designated scheme” means a funded public service defined benefits scheme, or part of such a scheme, that (on the date of the application under section 91(1)) is designated under section 93A.”

**Commencement Information**

- II** S. 72 wholly in force; s. 72 in force at Royal Assent for specified purposes; s. 72 in force in so far as not already in force at 6.4.2015 see s. 89(1)(b)(3)(b)

**Changes to legislation:**

There are currently no known outstanding effects for the Pension Schemes Act 2015, Section 72.