

## 1986 No. 1716

## PENSIONS

**The Contracting-out (Requisite Benefits—Consequential Provisions) Regulations 1986**

<i>Made</i> - - - - -	3rd October 1986
<i>Laid before Parliament</i>	10th October 1986
<i>Coming into Operation</i>	1st November 1986

The Secretary of State for Social Services, in exercise of the powers conferred upon him by sections 66(7) and 99(1) and (3) of, and paragraph 9(3) of Schedule 16 to, the Social Security Act 1973(a), section 168(1) of, and Schedule 20 to, the Social Security Act 1975(b), sections 31(1), (2), (5) and (7), 32(2), 35(8), 38(1) and (1B), 45(1) and 52 of, and paragraphs 1 and 9 of Schedule 2 to, the Social Security Pensions Act 1975(c), sections 21(2) and 22(13) of the Social Security (Miscellaneous Provisions) Act 1977(d) and sections 84(1) and 89(1) of the Social Security Act 1986(e), and of all other powers enabling him in that behalf, by this instrument, which contains only provisions consequential on section 8 of the Social Security Act 1986, makes the following regulations:—

*Citation, commencement and interpretation*

1.—(1) These regulations may be cited as the Contracting-out (Requisite Benefits—Consequential Provisions) Regulations 1986 and shall come into operation on 1st November 1986.

(2) In these regulations—

“the Determinations Regulations” means the Occupational Pensions Board (Determinations and Review Procedure) Regulations 1976(f);

“the principal regulations” means the Occupational Pension Schemes (Contracting-out) Regulations 1984(g);

(a) 1973 c. 38. See definition of “prescribed” in section 99(1) and explanation of the meaning of “regulations” in section 99(3).

(b) 1975 c. 14. See definitions of “prescribe” and “regulations” in Schedule 20. Section 168(1) applies, by virtue of section 66(2) of the Social Security Pensions Act 1975 (c. 60), to the exercise of certain powers conferred by that Act.

(c) 1975 c. 60. Section 35(8) was amended by the Social Security Act 1985 (c. 53), section 4 and Schedule 3, paragraph 8; section 38(1) was substituted, and section 38(1B) inserted, by the Health and Social Security Act 1984 (c. 48), section 19.

(d) 1977 c. 5. Section 22(13) was amended by the Social Security Act 1980 (c. 30), section 20(1) and Schedule 4, paragraph 12.

(e) 1986 c. 50. See definition of “regulations” in section 84(1).

(f) S.I. 1976/185; the relevant amending instrument is S.I. 1981/129.

(g) S.I. 1984/380; the relevant amending instruments are S.I. 1985/1323, 1930.

“the Preservation Regulations” means the Occupational Pension Schemes (Preservation of Benefits) Regulations 1984 (a);

“the Transfer Regulations” means the Contracting-out (Transfer) Regulations 1985 (b);

and other expressions have the same meaning as in the Social Security Pensions Act 1975.

*Amendments of the Determinations Regulations*

2.—(1) The Determinations Regulations shall be amended in accordance with the provisions of this regulation.

(2) In regulation 4(2)(b), for the words “the requisite benefits of”, there shall be substituted the words “guaranteed minimum pensions under”.

*Amendments of the principal regulations*

3.—(1) The principal regulations shall be amended in accordance with the provisions of this regulation.

(2) The words “guaranteed minimum pensions” shall be substituted for the words “requisite benefits” in regulations 11(1)(a) and (b), 22(5)(b), 33A, 36(1)(c), (d) and (e) and (5)(a), 44(b) and (e)(i), 45(a) and 49(1), and for the words “the requisite benefits” in regulations 36(3)(a)(iii) and 37(2)(d).

(3) Sub-paragraph (b) of regulation 41(2) and the word “or” immediately preceding it, and regulation 46, are hereby revoked.

*Amendments of the Preservation Regulations*

4.—(1) The Preservation Regulations shall be amended in accordance with the provisions of this regulation.

(2) The words “guaranteed minimum pensions” shall be substituted for the words “requisite benefits” in regulation 12(4)(b)(i).

*Amendments of the Transfer Regulations*

5.—(1) The Transfer Regulations shall be amended in accordance with the provisions of this regulation.

(2) The words “guaranteed minimum pensions” shall be substituted for the words “requisite benefits” in the heading to regulation 2 and for the words “the requisite benefits” in regulation 2(1)(a).

(3) Regulation 4(5), and paragraph 3 of Schedule 1, are hereby revoked.

*Contracting-out certificates referring to requisite benefits*

6. Any reference to requisite benefits in a contracting-out certificate issued before 1st November 1986 shall be construed as a reference to guaranteed minimum pensions.

Signed by authority of the  
Secretary of State for Social Services.

*John Major,*  
Minister of State,  
Department of Health and Social Security.

3rd October 1986.

(a) S.I. 1984/614; the relevant amending instrument is S.I. 1985/1323.

(b) S.I. 1985/1323.

## EXPLANATORY NOTE

*(This Note is not part of the Regulations.)*

These regulations are all consequential on section 8 of the Social Security Act 1986 and are made before the end of the period of 12 months beginning with the commencement (on 1st November 1986) of that section. Consequently, by virtue of section 61(5)(b) of that Act, the provisions of section 61(2) and (3) of the Social Security Pensions Act 1975 (which require reference to the Occupational Pensions Board of, and a report by the Board on, proposals to make regulations for certain purposes of that Act) do not apply to them.

As a result of section 8, for an occupational pension scheme to be contracted-out it need no longer provide requisite benefits as such, but must still provide guaranteed minimum pensions.

The regulations substitute references to guaranteed minimum pensions for references to requisite benefits in existing regulations, and provide that any reference to requisite benefits in a contracting-out certificate issued before 1st November 1986 is to be construed as a reference to guaranteed minimum pensions.

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