
STATUTORY INSTRUMENTS

1996 No. 1435

PENSIONS

The Personal Pension Schemes (Appropriate Schemes and Disclosure of Information) (Miscellaneous Amendments) Regulations 1996

<i>Made</i>	- - - -	<i>3rd June 1996</i>
<i>Laid before Parliament</i>		<i>10th June 1996</i>
<i>Coming into force</i>	- -	<i>6th April 1997</i>

The Secretary of State for Social Security in exercise of powers conferred on him by sections 43(1) and (3), 45B, 113(1), 181(1) and 182(2) and (3) of the Pension Schemes Act 1993(1), and of all other powers enabling him in that behalf, by this instrument, which contains only regulations which are consequential upon sections 138 and 139 of the Pensions Act 1995(2) and is made before the end of the period of six months beginning with the coming into force of those enactments(3), hereby makes the following regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Personal Pension Schemes (Appropriate Schemes and Disclosure of Information) (Miscellaneous Amendments) Regulations 1996 and shall come into force on 6th April 1997.

(2) In these Regulations—

“the Appropriate Schemes Regulations” means the Personal Pension Schemes (Appropriate Schemes) Regulations 1988(4); and

“the Disclosure Regulations” means the Personal Pension Schemes (Disclosure of Information) Regulations 1987(5).

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- (1) [1993 c. 48](#). Section 43 is amended by section 151 of, and Schedule 5 paragraph 42 to the Pensions Act 1995. Section 45B was inserted by section 139 of the Pensions Act 1995. Section 181(1) is cited because of the meaning ascribed to the words “prescribed” and “regulations”.
- (2) [1995 c. 26](#).
- (3) See section 185(6) of the Pension Schemes Act 1993 and section 173(5) of the Social Security Administration Act [1992 \(c. 5\)](#) under which the requirement to consult does not apply where regulations are consequential upon a specified enactment and are made before the end of the period of six months beginning with the coming into force of that enactment.
- (4) S.I. [1988/137](#); relevant amending instruments are S.I. [1993/519](#) and [1994/1062](#).
- (5) S.I. [1987/1110](#); relevant amending instruments are S.I. [1988/474](#), [1992/1531](#) and [1994/1062](#).

Amendment of the Appropriate Schemes Regulations

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

(2) In regulation 1(2) (interpretation)—

(a) after the definition of “investment business” there shall be inserted—

““overseas arrangement” means a scheme or arrangement, other than an occupational pension scheme, which—

- (a) has effect, or is capable of having effect, so as to provide benefits on termination of employment or on death or retirement to or in respect of earners;
- (b) is not an appropriate personal pension scheme; and
- (c) is administered wholly or primarily outside the United Kingdom;

“overseas scheme” means an occupational pension scheme which is administered wholly or primarily outside the United Kingdom but does not include one which is contracted-out within the meaning of section 7(3) of the Act nor one to which section 53(6) of the Act applies;”;

(b) for the definition of “pensionable age” there shall be substituted—

““pensionable age” has the meaning given by the rules in paragraph 1 of Part I of Schedule 4 to the Pensions Act 1995;”.

(3) For regulation 14 (circumstances in which minimum contributions are not to be paid to schemes) there shall be substituted—

“14.—(1) Minimum contributions shall not be paid in respect of an earner for the tax year or any part of the tax year in which that earner—

- (a) reaches pensionable age; or
- (b) dies and in which he would have reached pensionable age.

(2) Where effect has been given to the earner’s protected rights under section 28 of the Act(7) (ways of giving effect to protected rights), minimum contributions shall not, except as provided by paragraphs (3) to (9) be paid in respect of the period during which the scheme was the earner’s chosen scheme.

(3) Where effect has been given to the earner’s protected rights by the making of a transfer payment to another appropriate scheme which has become the earner’s chosen scheme or a money purchase contracted-out scheme, the minimum contributions shall be paid to the trustees or managers of that scheme.

(4) Where effect has been given to the earner’s protected rights by the making of a transfer payment to a salary-related scheme or an overseas scheme or an overseas arrangement and the Secretary of State becomes aware, as a consequence of evidence in respect of the earner’s age being brought to his attention, that an additional amount of minimum contributions would have been payable had he been aware of that evidence, that additional amount of minimum contributions shall be paid to the trustees or managers of that scheme.

(5) Where effect has been given to the earner’s protected rights by the purchase of an annuity or by the provision by the scheme of a pension, and the amount of the minimum contributions in question is at least 10 times as great as the lower earnings limit for the tax year in which the Secretary of State becomes aware that minimum contributions are

(6) Section 7 was amended by section 136(1) of and paragraph 22 of Schedule 5 to the Pensions Act 1995. Section 53 was amended by paragraph 48 of Schedule 5 to the Pensions Act 1995.

(7) Section 28 was amended by section 142 and 146(2) of the Pensions Act 1995.

payable or would be payable, but for paragraph (2), those minimum contributions shall be paid (in the case of an annuity) to the insurance company from which the annuity has been purchased or (in the case of a pension) to the trustees or managers of the scheme.

(6) Where effect has been given to the earner's protected rights by the purchase of an annuity or by the provision by the scheme of a pension and—

- (a) the circumstances in paragraph (5) do not exist; and
- (b) minimum contributions are payable for the tax year or part of the tax year in which the earner died,

those minimum contributions shall be paid to the earner's widow or widower, or if the earner died unmarried, they may at the Secretary of State's discretion be paid to any person.

(7) Where effect has been given to the earner's protected rights by the purchase of an annuity or by provision by the scheme of a pension and—

- (a) the circumstances in paragraph (5) do not exist; and
- (b) the Secretary of State becomes aware, as a consequence of evidence in respect of the earner's age being brought to his attention, that an additional amount of minimum contributions would have been payable had he been aware of that evidence,

that additional amount of minimum contributions shall be payable for any tax year or part of a tax year before the tax year in which effect had been given to protected rights to the earner or the earner's widow or widower, or if the earner died unmarried, they may at the Secretary of State's discretion be paid to any person.

(8) Where effect has been given to the earner's protected rights by the provision of a lump sum, minimum contributions shall be payable to the earner or the earner's widow or widower, or if the earner died unmarried, they may at the Secretary of State's discretion be paid to any person.

(9) Where effect has been given to the earner's protected rights by the making of payments under an interim arrangement and the earner remains an employed earner, minimum contributions shall continue to be payable to the trustees or managers of the earner's chosen scheme.”.

(4) For regulation 17A (calculation of minimum contributions) there shall be substituted—

“**17A.**—(1) For the purposes of determining the appropriate age-related percentage for the purposes of section 45(1) of the Act(8), the Secretary of State may require an earner to send documentary evidence of his date of birth.

(2) For the purposes of section 45B(2)(b) of the Act(9) (information held as to the age to be disclosed by the Secretary of State to trustees or managers of an appropriate personal pension scheme and such other persons as may be prescribed) the prescribed person shall be the person who is responsible for administering the scheme.”.

Amendment of the Disclosure Regulations

3.—(1) The Disclosure Regulations shall be amended in accordance with the following provisions of this regulation.

(2) In regulation 5(2) (information to be made available to individuals) for the words “paragraphs 1 and 2” there shall be substituted “paragraphs 1, 2 and 12”.

(8) Section 45(1) is amended by section 138(2) of the Pensions Act 1995.

(9) Section 45B was inserted by section 139 of the Pensions Act 1995.

Status: This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

(3) In Schedule 2 (information to be made available to individuals) after paragraph 11 there shall be added—

“12. The date of birth used for determining the appropriate age-related percentage for the purposes of section 45(1) of the Act as disclosed to the trustees by the Secretary of State and the name and address of whom to contact should that date of birth be incorrect.”.

Transitional provision in respect of minimum contributions

4. For the purposes of paying minimum contributions in respect of an employed earner for any period up to and including the tax year 1996-1997, regulation 14 of the Appropriate Schemes Regulations shall continue to have effect as if regulation 2 of these Regulations had not come into force.

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

3rd June 1996

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations (“the Regulations”) contain regulations which are consequential upon sections 138 and 139 of the Pensions Act 1995 (c. 26) and are made before the end of the period of six months beginning with the coming into force of those sections and as a consequence there is no requirement to consult.

The Regulations amend the Personal Pension Schemes (Appropriate Schemes) Regulations 1988 (“the Appropriate Schemes Regulations”) and the Personal Pension Schemes (Disclosure of Information) Regulations 1987 (“the Disclosure Regulations”).

Regulation 2 amends the Appropriate Schemes Regulations to provide circumstances in which, except where provided, minimum contributions shall not be payable and makes miscellaneous amendments.

Regulation 3 amends the Disclosure Regulations so as to require trustees to disclose information relating to the date of birth used in determining the appropriate age-related percentage to scheme members.

Regulation 4 provides a transitional provision in the case of the payment of minimum contributions in respect of the period up to and including the tax year 1996-1997.

An assessment of the compliance cost of the measures arising from the Pensions Act 1995, including regulations, has been placed in the libraries of both Houses of Parliament. Copies can be obtained by post from the Department of Social Security, 11th Floor, Adelphi, 1-11 John Adam Street, London WC2N 6HT.