
STATUTORY INSTRUMENTS

1996 No. 1536

The Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996

Preliminary

Citation and commencement

1. These Regulations may be cited as the Occupational Pension Schemes (Minimum Funding Requirement and Actuarial Valuations) Regulations 1996 and shall come into force on 6th April 1997.

Interpretation

2.—(1) Unless the context otherwise requires, in these Regulations—

“the commencement date” means 6th April 1997;

“disclosure valuation” means an actuarial valuation required by regulation 8 of the Occupational Pension Schemes (Disclosure of Information) Regulations 1986(1);

“the effective date” —

- (a) in relation to a minimum funding valuation, has the meaning given in section 56(5);
- (b) in relation to a valuation obtained under regulation 30, means the date as at which the assets and liabilities are valued;
- (c) in relation to a disclosure valuation, means the date as at which the valuation was made;

“equities” means investments falling within paragraph 1, 2, 4 or 5 of Schedule 1 to the Financial Services Act 1986(2);

“gilt-edged securities” means investments falling within paragraph 3 or 10 of Schedule 1 to the Financial Services Act 1986;

“minimum funding valuation” means an actuarial valuation required by section 57(1)(a) or 57(2);

“the relevant date” means—

- (a) in relation to a minimum funding valuation, the effective date; and
- (b) in relation to a certificate under section 57(1)(b) or a certificate under section 58 of the rates of contributions shown in a schedule of contributions, the date the certificate is signed;

“the schedule period” has the meaning given in regulation 16(3);

“scheme” in the cases mentioned in paragraphs 1 and 4 to 6 of Schedule 5 (sectionalised and partly approved or guaranteed schemes) must be construed in accordance with those paragraphs (and “employer” and “member” must be construed accordingly);

(1) S.I.1986/1046.

(2) 1986 c. 60.

“serious shortfall valuation”, in relation to a scheme, means a minimum funding valuation for the scheme as a result of which section 60 (serious underprovision) applies;

“the transitional period” means the period of 5 years beginning with the commencement date.

(2) Unless the context otherwise requires—

(a) expressions used in these Regulations have the same meaning as if they were used in Part I of the Pensions Act 1995⁽³⁾; and

(b) in these Regulations any reference to a section shall be construed as a reference to a section of that Act.

(3) References in these Regulations to the guidance in GN 27 are to the mandatory guidelines on minimum funding requirement (GN 27), prepared and published by the Institute of Actuaries and the Faculty of Actuaries⁽⁴⁾ and approved for the purposes of these Regulations by the Secretary of State, with such revisions as have been so approved—

(a) in the case of guidance applicable in relation to a minimum funding valuation, as at the date of signing of the valuation; and

(b) in the case of guidance applicable to a certificate under section 57(1)(b) or a certificate under section 58 of the rates of contributions shown in a schedule of contributions, as at the relevant date.

(4) References in these Regulations to a relevant insolvency event occurring in relation to the employer have the same meaning as in section 75 (but see paragraph 1(2) of Schedule 4).

(5) In regulations 3 to 28 and in Schedules 1 to 4, the expression “these Regulations” does not include regulation 30.

⁽³⁾ 1995 c. 26.

⁽⁴⁾ Copies of GN 27 may be obtained from the Faculty of Actuaries, 40–44 Thistle Street, Edinburgh EH2 1EN.