
STATUTORY INSTRUMENTS

1996 No. 1536

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

Exemptions

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28.—(1) Section 56 (minimum funding requirement) does not apply—

- (a) to a public service pension scheme—
 - (i) under the provisions of which there is no requirement for assets related to the intended rate or amount of benefit under the scheme to be set aside in advance (disregarding requirements relating to additional voluntary contributions); or
 - (ii) which is made under section 7 of the Superannuation Act 1972⁽¹⁾ (superannuation of persons employed in local government service etc.) or section 2 of the Parliamentary and other Pensions Act 1987⁽²⁾ (power to provide for pensions for Members of the House of Commons etc.);
- (b) to any occupational pension scheme in respect of which any Minister of the Crown has given a guarantee or made any other arrangements for the purpose of securing that the assets of the scheme are sufficient to meet its liabilities;
- (c) to an occupational pension scheme which provides relevant benefits, but is neither an approved scheme nor a relevant statutory scheme;
- (d) to a section 615(6) scheme;
- (e) to a scheme with less than two members;
- (f) to a scheme—
 - (i) the only benefits provided by which (other than money purchase benefits) are death benefits, and
 - (ii) under the provisions of which no member has accrued rights (other than rights to money purchase benefits);
- (g) to a relevant lump sum retirement benefits scheme; or
- (h) to the scheme established by the Salvation Army Act 1963⁽³⁾.

(2) In this regulation—

“approved scheme” means a scheme which is approved or was formerly approved under section 590 or 591 of the Income and Corporation Taxes Act 1988⁽⁴⁾ or in respect of which an application for such approval has been duly made but has not been determined;

“lump sum benefits” does not include benefits paid by way of commuted retirement pension;

“relevant benefits” has the meaning given in section 612(1) of that Act;

(1) 1972 c. 11.
(2) 1987 c. 45.
(3) 1963 c. xxxii.
(4) 1988 c. 1.

“relevant lump sum retirement benefits scheme” means an approved scheme—

- (a) which has been categorised by the Commissioners of Inland Revenue for the purposes of its approval as a centralised scheme for non-associated employers;
- (b) which is not contracted-out; and
- (c) under the provisions of which the only benefits which may be provided on or after retirement (other than money purchase benefits derived from the payment of additional contributions by any person) are lump sum benefits which are not calculated by reference to any member’s salary;

“relevant statutory scheme” has the meaning given in section 611A of that Act⁽⁵⁾;

“section 615(6) scheme” means a scheme with such a superannuation fund as is mentioned in section 615(6) of that Act.

(3) Where a debt under section 75 arises at an applicable time (as defined in subsection (3) of that section) immediately before an insolvency event occurs in relation—

- (a) to a person who is at that time the sole employer in relation to the scheme; or
- (b) to persons who are at that time the only employers in relation to the scheme;

and (apart from this paragraph) section 56 would apply to the scheme then, except as provided in paragraph (5), that section shall not apply to the scheme.

(4) Where a scheme to which section 56 applies is being wound up, sections 57(1)(b) and (2) to (4) and 58 to 60 do not apply to it.

(5) Nothing in paragraph (3) or (4) shall affect any rights or obligations arising under sections 56 to 61 before the time mentioned in paragraph (3) or, as the case may be, the time when the scheme begins to be wound up, and—

- (a) if section 60(2) has applied in relation to the scheme; and
- (b) the employer has secured the increase required by that section by a method specified in Schedule 4,

those paragraphs do not affect the operation of that Schedule or anything done under it.

(5) Section 611A was inserted by Schedule 6 to the Finance Act 1989 (c. 26).