
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend a number of sets of regulations related to the Pensions Act 1995.

Regulation 1 relates to citation and commencement.

Regulation 2 modifies the definition of a money purchase scheme to ensure that the provisions of Part I of the 1995 Act will apply to money purchase schemes that also provide salary related death benefits.

Regulation 3 introduces Schedule 1 which makes miscellaneous amendments.

Regulation 4 introduces Schedule 2 (which contains revocations) and makes transitional provision for state scheme premiums for personal pensions to be paid after 5th April 1997 in respect of periods ending before or with that date.

Schedule 1 to the Regulations contains miscellaneous amendments of the following sets of regulations—

the Personal Pension Schemes (Disclosure of Information) Regulations 1987

the Personal Pension Schemes (Transfer Values) Regulations 1987

the Occupational Pension Schemes (Preservation of Benefit) Regulations 1991

the Occupational Pension Schemes (Contracting-out) Regulations 1996

the Occupational Pensions Schemes (Member-nominated Trustees and Directors) Regulations 1996

the Protected Rights (Transfer Payment) Regulations 1996

the Contracting-out (Transfer and Transfer Payment) Regulations 1996

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

the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1996

the Occupational Pension Schemes (Disclosure of Information) Regulations 1996

the Occupational Pension Schemes (Scheme Administration) Regulations 1996

the Occupational Pension Schemes (Transfer Values) Regulations 1996

the Occupational Pension Schemes (Requirement to obtain Audited Accounts and a Statement from the Auditor) Regulations 1996

the Occupational Pension Schemes (Payments to Employers) Regulations 1996

the Personal and Occupational Pension Schemes (Pensions Ombudsman) Regulations 1996

the Occupational Pension Schemes (Modification of Schemes) Regulations 1996

the Occupational Pension Schemes (Winding Up) Regulations 1996

the Occupational Pension Schemes (Investment) Regulations 1996

the Occupational Pension Schemes (Deficiency on Winding Up etc.) Regulations 1996

The Schedule includes amendments which—

remove the additional requirements for contracted-out schemes in respect of employer-related investment for the period from April 1997 to April 2002;

clarify the position of contracted-out rights which have been the subject of two or more transfers;

harmonise the definitions of “section 9(2B) rights”;

allow employers to withdraw an opt-out arrangement at any time to enable member-nominated trustees to be appointed;

impose a requirement on schemes to disclose that a notional rate of return is being applied to protected rights within a contracted-out money purchase scheme or the contracted-out money purchase part of a contracted-out mixed benefit scheme;

remove the requirement on employers to make payments in respect of the deficit below 90per cent. revealed at a minimum funding valuation where the actuary is of the opinion that the funding level has recovered to 90per cent. or higher by the time he certifies the schedule of contributions;

Changes to legislation: *There are currently no known outstanding effects for the The Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1997. (See end of Document for details)*

modify the disclosure requirements for employer-related investments; and extend the special treatment of multi-employer schemes so that it covers schemes which, whilst generally run in sections which do not permit cross-subsidy, have a common arrangement for the payment of death benefits.

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

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