
STATUTORY INSTRUMENTS

1999 No. 1849

PENSIONS

**The Occupational Pension Schemes
(Investment, and Assignment, Forfeiture,
Bankruptcy etc.) Amendment Regulations 1999**

<i>Made</i>	- - - -	<i>29 June 1999</i>
<i>Laid before Parliament</i>		<i>1 July 1999</i>
<i>Coming into force</i>		
— <i>except for the purposes of regulation 2(4)</i>		<i>9 August 1999</i>
— <i>for the purposes of regulation 2(4)</i>		<i>3 July 2000</i>

The Secretary of State for Social Security, in exercise of powers conferred by sections 35(3), 40(1), 94(1), 124(1) and 174(1) and (2) of the Pensions Act 1995⁽¹⁾, and of all other powers enabling him in that behalf, having consulted such persons as he considered appropriate⁽²⁾, hereby makes the following Regulations:

Citation and commencement

1. These Regulations may be cited as the Occupational Pension Schemes (Investment, and Assignment, Forfeiture, Bankruptcy etc.) Amendment Regulations 1999 and shall come into force—

- (a) except for the purposes of regulation 2(4), on 9 August 1999; and
- (b) for the purposes of regulation 2(4), on 3 July 2000.

Amendment of the Occupational Pension Schemes (Investment) Regulations 1996

2.—(1) The Occupational Pension Schemes (Investment) Regulations 1996⁽³⁾ shall have effect with the following amendments.

(2) In regulation 2(2) (schemes to which regulation 5 does not apply) for sub-paragraph (a) substitute—

“(a) in which each of the members is a trustee of the scheme;”.

(1) 1995 c. 26; section 124(1) is cited for the meanings given to “prescribed” and “regulations”.

(2) See section 120 of the Pensions Act 1995.

(3) S.I.1996/3127; S.I. 1997/819 inserted regulation 1A to extend the meaning of “employer” for, among other things, the purposes of section 35 of the Pensions Act 1995, and substituted regulation 6(8).

- (3) In regulation 6 (investments to which restrictions do not apply)—
- (a) in paragraph (8)—
 - (i) after sub-paragraph (d) delete “and”; and
 - (ii) after sub-paragraph (e) insert—
 - “and
 - (f) the loan was made and the security given before 9 August 1999.”;
 - (b) after paragraph (8) insert—
 - “(8A) This regulation applies to any security given over a policy of insurance to secure obligations of the employer, or of any person who is connected with, or an associate of, the employer, where—
 - (a) the scheme provides benefits for any director of a company which is the employer;
 - (b) the policy is specifically allocated to the provision of benefits under the scheme for that director;
 - (c) the policy concerned is effected with an insurance company such as is mentioned in paragraph (2)(b)(i), (ii) or (iii) and the obligations secured are to the same insurance company;
 - (d) Inland Revenue requirements concerning the loan and the giving of the security have been satisfied; and
 - (e) the director mentioned in sub-paragraph (b) has agreed in writing to the security being given.”.
- (4) In Part III—
- (a) in the heading to that Part delete “EXEMPTIONS FROM AND MODIFICATION OF REQUIREMENT TO OBTAIN”;
 - (b) after regulation 11 insert—

“Additional content of statement of investment principles

11A. The matters prescribed for the purposes of section 35(3)(f) of the 1995 Act (other matters on which trustees must state their policy in their statement of investment principles) are—

- (a) the extent (if at all) to which social, environmental or ethical considerations are taken into account in the selection, retention and realisation of investments; and
- (b) their policy (if any) in relation to the exercise of the rights (including voting rights) attaching to investments.”.

Amendment of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997

3.—(1) The Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997(4) shall have effect with the following amendments.

- (2) In regulation 8(1) (exemptions from the inalienability and forfeiture provisions)—
- (a) delete “or wish to make”;
 - (b) for “section 91(1)(b)” substitute “section 91(1)”;

(c) for “prevent the directors' interest” to the end substitute—
“prevent enforcement of the security referred to in sub-paragraph (b) of that regulation 6(8).”.

(3) After regulation 8(1) insert—

“(1A) If a scheme is one the trustees of which have given or wish to give security in respect of which the conditions of regulation 6(8A) of the Occupational Pension Schemes (Investment) Regulations 1996 are met (investments to which restrictions do not apply), section 91(1) of the 1995 Act shall not apply to the extent that it would prevent that security being given or enforced.”.

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

29 June 1999

Stephen C. Timms
Minister of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend regulations made under the Pensions Act 1995 in relation to occupational pension schemes.

Regulation 1 relates to citation and commencement.

Regulations 2 and 3 amend, respectively,—

the Occupational Pension Schemes (Investment) Regulations 1996

the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations 1997

Regulations 2 and 3 amend provisions governing the schemes and investments to which restrictions on employer-related investment do not apply, in particular in relation to small schemes and to loans to employers (regulations 2(2) and (3) and 3).

Regulation 2(4) inserts, in relation to trust schemes, provision as to matters to be included in the statement of investment principles required under section 35 of the Pensions Act 1995. The statement must, in addition to the matters mentioned in section 35, cover the extent to which social, environmental or ethical considerations are taken into account in investment decision making, and any policy the trustees have relating to the exercise of rights attaching to investments.