

SCHEDULES

SCHEDULE 2

Section 47.

OTHER AMENDMENTS TO DO WITH PARTS 1 AND 2

Pension Schemes (Northern Ireland) Act 1993 (c. 49)

1. The Pension Schemes Act is amended as follows.

2. In section 79 (scope of provisions about revaluation of benefits excluding guaranteed minimum pensions), in subsection (4), for paragraph (a) (but not the “and” at the end) substitute—

“(a) it is not a scheme under which all the benefits that may be provided are money purchase benefits.”.

(3) In section 109 (disclosure of information about schemes to members etc), in subsection (9), for the definition of “relevant scheme” substitute—

““relevant scheme” means an occupational pension scheme under which all the benefits that may be provided are money purchase benefits.”.

4. In section 120 (duty of the Department for Employment and Learning to pay unpaid contributions to schemes), for subsection (3A) substitute—

“(3A) The sum payable under this section by virtue of subsection (3) shall be the lesser of the amounts mentioned in paragraphs (a) and (c) of that subsection in any case where the scheme is—

- (a) a defined contributions scheme,
- (b) a shared risk scheme under which all the benefits that may be provided are money purchase benefits, or
- (c) a shared risk scheme under which all the benefits that may be provided are money purchase benefits or collective benefits.”.

5.—(1) In section 176 (interpretation), subsection (1) is amended as follows.

(2) At the appropriate places insert—

““collective benefit” has the meaning given by section 8 of the Pension Schemes Act (Northern Ireland) 2016;”;

““defined benefits scheme” has the meaning given by section 2 of the Pension Schemes Act (Northern Ireland) 2016;”;

““defined contributions scheme” has the meaning given by section 4 of the Pension Schemes Act (Northern Ireland) 2016;”;

““shared risk scheme” has the meaning given by section 3 of the Pension Schemes Act (Northern Ireland) 2016;”.

(3) Omit the definition of “money purchase scheme”.

Pensions (Northern Ireland) Order 1995 (NI 22)

6. The 1995 Order is amended as follows.

7. In Article 37 (payment of surplus to employer) in paragraph (1A)—

(a) after “does not apply in the case of” insert “—

(a)”;

(b) at the end insert—

“(b) any payments out of funds held for the purposes of providing collective benefits under the scheme (but see section 24 of the Pension Schemes Act (Northern Ireland) 2016).”.

8. In Article 38 (power to defer winding up), in paragraph (3), for subparagraph (a) (but not the “or” at the end) substitute—

“(a) a scheme under which all the benefits that may be provided are money purchase benefits,”.

9. In Article 51 (annual increase in rate of pension), in paragraph (1)(a)(iii), for “is not a money purchase scheme” substitute “is not a defined contributions scheme”.

10. In Article 51A (restrictions on increase where annuity tied to investments), in paragraph (1), for “money purchase scheme” substitute “defined contributions scheme”.

11. In Article 73 (preferential liabilities on winding up), for paragraph (2) substitute—

“(2) This Article applies to a pension scheme that is—

(a) an occupational defined benefits scheme,

(b) an occupational shared risk scheme, or

(c) an occupational defined contributions scheme,

unless paragraph (2A) provides for the scheme to be exempt.

(2A) A scheme is exempt from this Article if it is—

(a) a scheme under which all the benefits that may be provided are money purchase benefits, or

(b) a prescribed scheme or a scheme of a prescribed description.”.

12. In Article 75 (employer debt where deficiency in assets on winding up etc), for paragraph (1) substitute—

“(1) This Article applies in relation to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme,

unless paragraph (1A) provides for the scheme to be exempt.

(1A) A scheme is exempt from this Article if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,
- (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
- (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—

- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
- (b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (1A),

the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”.

13.—(1) Article 85 (schedules of payments to money purchase schemes) is amended as follows.

(2) For paragraph (1) substitute—

“(1) This Article applies to an occupational pension scheme that is a scheme under which—

- (a) all the benefits that may be provided are money purchase benefits, or
- (b) all the benefits that may be provided are money purchase benefits or collective benefits,

other than a scheme falling within a prescribed class or description.”.

(3) In paragraph (2)(a), after “members of the scheme” insert “in respect of money purchase benefits”.

(4) In the heading, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.

14. For the italic cross-heading above Article 85 substitute “Schemes providing money purchase benefits”.

15. In the heading to Article 86 (schedules of payments to money purchase schemes: supplementary), for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.

16.—(1) Article 87 (application of further provisions to money purchase schemes) is amended as follows.

(2) In paragraph (1), for “money purchase schemes” substitute “schemes under which all the benefits that may be provided are money purchase benefits and that are schemes”.

(3) In paragraph (2), for “money purchase schemes” substitute “schemes under which all the benefits that may be provided are money purchase benefits”.

17. In Article 121 (interpretation), in paragraph (1), at the appropriate places insert—

““collective benefit” has the meaning given by section 8 of the Pension Schemes Act (Northern Ireland) 2016;”,

““defined benefits scheme” has the meaning given by section 2 of the Pension Schemes Act (Northern Ireland) 2016;”,

““defined contributions scheme” has the meaning given by section 4 of the Pension Schemes Act (Northern Ireland) 2016;”,

““occupational”, in relation to a defined benefits scheme, shared risk scheme or defined contributions scheme, means an occupational pension scheme of that description;”,

““shared risk scheme” has the meaning given by section 3 of the Pension Schemes Act (Northern Ireland) 2016;”.

18.—(1) Article 122 (interpretation of Part 2: supplementary) is amended as follows.

(2) In paragraph (1), for sub-paragraph (a) (but not the “and” at the end) substitute—

“(a) the scheme is not a scheme under which all the benefits that may be provided are money purchase benefits.”.

(3) In paragraph (2), for sub-paragraphs (a) and (b) substitute “under which some but not all of the benefits that may be provided are money purchase benefits”.

Welfare Reform and Pensions (Northern Ireland) Order 1999 (NI 11)

19. In Article 35 of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (treatment in winding up), in paragraph (2A), for sub-paragraph (a) (but not the “or” at the end) substitute—

- “(a) a scheme under which all the benefits that may be provided are money purchase benefits.”.

Pensions (Northern Ireland) Order 2005 (NI 1)

20. The 2005 Order is amended as follows.

21.—(1) Article 2 (interpretation) is amended as follows.

(2) In paragraph (2)—

(a) at the appropriate places insert—

““collective benefit” has the meaning given by section 8 of the Pension Schemes Act (Northern Ireland) 2016;”;

““defined benefits scheme” has the meaning given by section 2 of the Pension Schemes Act (Northern Ireland) 2016;”;

““defined contributions scheme” has the meaning given by section 4 of the Pension Schemes Act (Northern Ireland) 2016;”;

““occupational”, in relation to a defined benefits scheme, shared risk scheme or defined contributions scheme, means an occupational pension scheme of that description;”;

““shared risk scheme” has the meaning given by section 3 of the Pension Schemes Act (Northern Ireland) 2016;”;

(b) omit the definition of “money purchase scheme”.

(3) In paragraph (4)—

(a) in sub-paragraph (a), after paragraph (ix) insert—

“(x) regulations made under Schedule 17 to the Pensions Act (Northern Ireland) 2015;

(xi) regulations made under Schedule 18 to the Pensions Act (Northern Ireland) 2015;

(xii) regulations made under Part 2 of the Pension Schemes Act (Northern Ireland) 2016.”;

(b) in sub-paragraph (b), after paragraph (vii) insert—

“(viii) regulations made under paragraph 16 of Schedule 17 to the Pensions Act (Northern Ireland) 2015;

(ix) regulations made under paragraph 6 of Schedule 18 to the Pensions Act (Northern Ireland) 2015;

(x) regulations made under section 34 of the Pension Schemes Act (Northern Ireland) 2016.”.

22. In Article 9 (improvement notices), in paragraph (7)—

(a) omit the “, or” at the end of sub-paragraph (e);

- (b) after sub-paragraph (f) insert “, or
- (g) the Pension Schemes Act (Northern Ireland) 2016.”.

23. In Article 13 (power of the Regulator to recover unpaid contributions), in paragraph (3)—

- (a) in paragraph (b) of the definition of “due date”, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”;
- (b) in paragraph (a) of the definition of “employer contribution”, for “to money purchase schemes” substitute “in respect of money purchase benefits under certain schemes”.

24.—(1) Article 19 (freezing orders) is amended as follows.

(2) In paragraph (1), for “which is not a money purchase scheme” substitute “unless it is excluded by paragraph (1A)”.

(3) After that paragraph insert—

“(1A) A scheme is excluded if—

- (a) all the benefits that may be provided under the scheme are money purchase benefits, and
- (b) the scheme does not provide for there to be a third party promise about the rate or amount of any benefit at a time before the benefit comes into payment (see paragraph (10A)).”.

(4) In paragraph (2), for “such a scheme” substitute “a scheme to which this Article applies”.

(5) After paragraph (10) insert—

“(10A) For the purposes of paragraph (1A)(b), a scheme provides for there to be a third party promise if the scheme—

- (a) requires the promise to be obtained from a third party, or
- (b) provides for the member to be given the option of requiring a promise to be obtained from a third party (whether or not the option is subject to conditions).”.

25. In Article 34 (contribution notices where avoidance of employer debt), for paragraph (1) substitute—

“(1) This Article applies in relation to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme,

unless paragraph (1A) provides for the scheme to be exempt.

(1A) A scheme is exempt from this Article if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,
- (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
- (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—

- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
- (b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (1A),

the scheme is to be treated for the purposes of this Article and Articles 34A to 38 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”.

26.—(1) Article 39 (financial support directions) is amended as follows.

(2) For paragraph (1) substitute—

“(1) This Article applies in relation to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme,

unless paragraph (1A) provides for the scheme to be exempt.

(1A) A scheme is exempt from this Article if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,
- (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
- (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—

- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
- (b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (1A),

the scheme is to be treated for the purposes of this Article and Articles 39A to 47 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”.

(3) In paragraph (2), for “such a scheme” substitute “a scheme to which this Article applies”.

27. In Article 48 (restoration orders where transactions at an undervalue), for paragraph (1) substitute—

“(1) This Article applies in relation to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme,

unless paragraph (1A) provides for the scheme to be exempt.

(1A) A scheme is exempt from this Article if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,
- (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
- (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—

- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
- (b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (1A),

the scheme is to be treated for the purposes of this Article and Articles 49 to 52 as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”.

28.—(1) Article 85 (codes of practice) is amended as follows.

(2) In paragraph (2)(i), for “money purchase schemes” substitute “certain schemes”.

(3) In paragraph (6), in the definition of “the pensions legislation”—

- (a) omit the “or” at the end of paragraph (c);
- (b) after paragraph (d) insert—

- “(e) Schedule 18 to the Pensions Act (Northern Ireland) 2015, or
- (f) the Pension Schemes Act (Northern Ireland) 2016.”.

29. In Article 110 (schemes eligible for pension protection), for paragraph (1) substitute—

“(1) Subject to the following provisions of this Article, in this Part references to an “eligible scheme” are to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme.

(1A) A scheme is not an eligible scheme if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,
- (c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or
- (d) a prescribed scheme or a scheme of a prescribed description.

(1B) Where—

- (a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and
- (b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (1A),

the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.”.

30. For Article 200 (application of scheme funding rules in Part 4), substitute—

“Pension schemes to which this Part applies

200.—(1) The provisions of this Part apply to a pension scheme that is—

- (a) an occupational defined benefits scheme,
- (b) an occupational shared risk scheme, or
- (c) an occupational defined contributions scheme,

unless paragraph (2) provides for the scheme to be exempt.

(2) A scheme is exempt from this Part if it is—

- (a) a scheme under which all the benefits that may be provided are money purchase benefits,
- (b) a scheme under which all the benefits that may be provided are collective benefits,

(c) a scheme under which all the benefits that may be provided are money purchase benefits or collective benefits, or

(d) a prescribed scheme or a scheme of a prescribed description.

(3) Where—

(a) some of the benefits that may be provided under a scheme are collective benefits and some are not, and

(b) the scheme does not fall within sub-paragraph (c) or (d) of paragraph (2),

the scheme is to be treated for the purposes of this Part as two separate schemes, one relating to the collective benefits and the other relating to the other benefits.

(4) Regulations under paragraph (2)(d) may provide for exemptions from all or any of the provisions of this Part, but for the purposes of paragraph (3)

(b) a scheme falls within paragraph (2)(d) only if it is exempt from all of the provisions of this Part.”.

31. In Article 231 (representative of non-European scheme to be treated as trustee), in paragraph (3)—

(a) omit the “or” at the end of sub-paragraph (c);

(b) after sub-paragraph (d) insert “, or

(e) the Pension Schemes Act (Northern Ireland) 2016.”.

32. In Article 235 (pension protection on transfer of employment: form of protection), in paragraph (2)—

(a) in sub-paragraph (b), for “money purchase scheme” substitute “scheme under which all the benefits that may be provided are money purchase benefits”;

(b) in sub-paragraph (c), for “money purchase scheme” substitute “scheme under which all the benefits that may be provided are money purchase benefits”.

33. In Article 267 (duty of trustees or managers to act consistently with law of host EEA state), in paragraph (4)—

(a) omit the “or” at the end of sub-paragraph (c);

(b) after sub-paragraph (d) insert “, or

(e) the Pension Schemes Act (Northern Ireland) 2016.”.

34. In Article 280 (modification of Pensions (Northern Ireland) Order 2005 in relation to certain categories of schemes), in paragraph (4), for paragraph (a) of the definition of “hybrid scheme” (but not the “but” at the end) substitute—

“(a) which is not a scheme under which all the benefits that may be provided are money purchase benefits.”.

Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13)

35. The Pensions (No2) Act (Northern Ireland) 2008 is amended as follows.

36.—(1) Section 20 (quality requirement: UK money purchase schemes) is amended as follows.

(2) In subsection (1), for “A money purchase scheme” substitute “An occupational defined contributions scheme”.

(3) In the heading, for “money purchase schemes” substitute “occupational defined contributions schemes”.

37. In section 21 (quality requirement: UK defined benefits schemes) for “A defined benefits scheme” substitute “An occupational defined benefits scheme”.

38. In section 23A (alternative quality requirements for UK defined benefits schemes), in subsection (1), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”.

39.—(1) Section 24 (quality requirement: UK hybrid schemes) is amended as follows.

(2) In subsection (1)—

(a) for “A hybrid scheme” substitute “A shared risk scheme”;

(b) in paragraph (a), for “a money purchase scheme” substitute “an occupational defined contributions scheme”;

(c) in paragraph (b), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”;

(d) after paragraph (b) insert—

“(c) the requirements under section 26 for a personal pension scheme that is a defined contributions scheme, subject to any prescribed modifications.”.

(3) In subsection (2), for “hybrid scheme” substitute “shared risk scheme”.

(4) In the heading, for “hybrid schemes” substitute “shared risk schemes”.

40.—(1) Section 26 (quality requirement: UK personal pension schemes) is amended as follows.

(2) In subsection (1), after “personal pension scheme” insert “that is a defined contributions scheme”.

(3) Omit subsection (3) (requirement for all benefits to be money purchase benefits).

(4) In subsection (4), for “second condition” substitute “first condition”.

(5) In subsection (6), for “third condition” substitute “second condition”.

(6) In subsection (7), for “fourth condition” substitute “third condition”.

41.—(1) Section 28 (certification that quality requirement or alternative requirement is satisfied) is amended as follows.

(2) In subsection (3)—

- (a) in paragraph (a), for “a money purchase scheme” substitute “an occupational defined contributions scheme”;
- (b) in paragraph (b), after “a personal pension scheme” insert “that is a defined contributions scheme”;
- (c) for paragraph (c) substitute—
 - “(c) a shared risk scheme, to the extent that requirements within section 24(1)(a) or (c) apply.”.

(3) In subsection (3A)—

- (a) for paragraph (a) substitute—
 - “(a) an occupational defined contributions scheme that is within section 18(b);”;
- (b) for paragraph (c) substitute—
 - “(c) an occupational shared risk scheme that is within section 18(b), to the extent prescribed;”.

(4) In subsection (3B), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”.

42. For the heading to section 29 substitute “Transitional periods for certain schemes”.

43.—(1) Section 30 (transitional period for defined benefits and hybrid schemes) is amended as follows.

(2) In subsection (1), for “hybrid schemes” substitute “shared risk schemes”.

(3) In subsection (2)(b) and (c), for “a defined benefits scheme or a defined benefits member of a hybrid scheme” substitute “an occupational defined benefits scheme or a defined benefits member of a shared risk scheme”.

(4) In subsection (3)—

- (a) in the opening words, for “hybrid schemes” substitute “shared risk schemes”;
- (b) in the substituted subsection (2), for paragraphs (a) and (b) substitute—
 - “(a) an active member, with effect from the end of the transitional period for defined benefits and shared risk schemes, of an automatic enrolment scheme which is an occupational defined benefits scheme, or
 - (b) a defined benefits member, with effect from the end of that period, of an automatic enrolment scheme which is a shared risk scheme.”.

- (5) In subsection (4), for “hybrid schemes” substitute “shared risk schemes”.
- (6) In subsection (5)—
- (a) in the substituted subsection (2)(a), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”;
 - (b) in the substituted subsection (2)(a), for “hybrid scheme” substitute “shared risk scheme”;
 - (c) in the substituted subsection (2)(aa), for “hybrid scheme” substitute “shared risk scheme”;
 - (d) in the substituted subsection (2), for paragraph (b) substitute—
 - “(b) becomes an active member, with effect from the automatic enrolment date, of an automatic enrolment scheme which is—
 - (i) a personal pension scheme other than a shared risk scheme, or
 - (ii) an occupational pension scheme under which all the benefits that may be provided are money purchase benefits or collective benefits”;
 - (e) in the substituted subsection (2)(c), for “hybrid scheme” substitute “shared risk scheme”;
 - (f) in the substituted subsection (2)(d), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”;
 - (g) in the substituted subsection (2)(e), for “hybrid scheme” substitute “shared risk scheme”.
- (7) In subsections (8) and (9), for “hybrid schemes” substitute “shared risk schemes”.
- (8) In subsection (10)(a) and (b), for “hybrid scheme” substitute “shared risk scheme”.
- (9) In subsection (11)—
- (a) in paragraph (a), for “a defined benefits scheme” substitute “an occupational defined benefits scheme”;
 - (b) in paragraph (b), for “hybrid scheme” substitute “shared risk scheme”.
- (10) In the heading, for “hybrid schemes” substitute “shared risk schemes”.
- 44.** In section 35 (compliance notices), in subsection (5), for “a defined benefits scheme or a hybrid scheme” substitute “an occupational defined benefits scheme or a shared risk scheme”.
- 45.** In section 38 (calculation and payment of contributions), in subsection (2)(e), for “a money purchase scheme, a hybrid scheme or a personal pension scheme” substitute “a defined contributions scheme or a shared risk scheme”.
- 46.—(1)** Section 78 (interpretation) is amended as follows.

- (2) For the definition of “defined benefits scheme” substitute—
““defined benefits scheme” has the meaning given by section 2 of the Pension Schemes Act (Northern Ireland) 2016;”.
- (3) At the appropriate places insert—
““collective benefit” has the meaning given by section 8 of the Pension Schemes Act (Northern Ireland) 2016;”;
““defined contributions scheme” has the meaning given by section 4 of the Pension Schemes Act (Northern Ireland) 2016;”;
““occupational”, in relation to a defined benefits scheme, shared risk scheme or defined contributions scheme, means an occupational pension scheme of that description;”;
““shared risk scheme” has the meaning given by section 3 of the Pension Schemes Act (Northern Ireland) 2016;”.
- (4) Omit the following definitions—
“defined benefits”;
“hybrid scheme”;
“money purchase scheme”.

Pensions Act (Northern Ireland) 2015 (c. 5)

47.—(1) Schedule 17 to the Pensions Act (Northern Ireland) 2015 (automatic transfer of pension benefits etc) is amended as follows.

(2) In paragraph 1(2)(a) and (5)(a), for “money purchase scheme” substitute “scheme under which all the benefits that may be provided are money purchase benefits”.

(3) In paragraph 14(1) omit the definition of “money purchase scheme”.