

*These notes refer to the Pensions Act (Northern Ireland)
2008 (c.1) which received Royal Assent on 11 February 2008*

Pensions Act (Northern Ireland) 2008

EXPLANATORY NOTES

SCHEDULES

Schedule 1 - State Pension: Consequential and Related Amendments

Part 1 - Category A and B retirement pensions: single contribution condition

Paragraphs 1 to 3 amend sections 44, 48A and 48B of the Contributions and Benefits Act to ensure that:

- people reaching state pension age before 6th April 2010 would continue to be entitled to the benefits identified in paragraph 5 of Schedule 3 to that Act on satisfaction by the contributor concerned of the two contribution conditions set out in that paragraph; and
- people who reach state pension age on or after 6th April 2010 would be entitled to a Category A pension on satisfaction of the single contribution condition in paragraph 5A of Schedule 3 to that Act (see *section 1(3)*); and
- in the case of Category B pensions, entitlement would be calculated by reference to paragraph 5A of Schedule 3 to that Act for people who are:
 - married to or in a civil partnership with someone who reaches pensionable age on or after 6th April 2010; or
 - the surviving spouse or civil partner of someone who died on or after 6th April 2010 and did not reach state pension age before that date.

Paragraph 4 amends section 60 of that Act to exclude cases where the single condition applies from the scope of that section because of the insertion of new section 60A.

Paragraph 5 inserts a new section 60A into that Act which applies to those cases where only the single contribution condition needs to be satisfied as set out in paragraph 5A of Schedule 3 to that Act.

New section 60A(1) provides that the section applies where a person does not satisfy the single contribution condition in order to be entitled to a Category A or B pension.

Subsection (2) provides a regulation-making power to allow a person who would have been entitled to benefit by virtue of paragraph 5A of Schedule 3 to that Act but for the fact that the contributor has not acquired the full 30 qualifying years nevertheless to be entitled to a prescribed proportion of a full basic state pension for each qualifying year the contributor has built up. The calculation for determining the pro-rata amount of basic state pension entitlement in these cases will be set out in regulations. This means that the 25% de minimis rule (see regulation 6(1) of the [Social Security \(Widow's Benefit and Retirement Pensions\) Regulations \(Northern Ireland\) 1979 \(S.R.1979 No. 243\)](#)), which applies to benefits calculated under paragraph 5 of Schedule 3 to that Act will not apply to the benefits to which this section applies.

Subsection (5) would allow the widow, widower or surviving civil partner of an employed earner who dies on or after 6th April 2010 as a result of an industrial injury or a prescribed disease or injury to inherit a Category B pension, even if the contribution condition set out at paragraph 5A of Schedule 3 to that Act is not satisfied by the deceased employed earner.

Subsection (6) provides that the reference to the single contribution condition in subsections (1) to (3) includes a reference to that condition as modified by regulations under paragraph 5A(4) of Schedule 3 to that Act (i.e. regulations modifying the condition for the purposes of persons who were insured under the National Insurance Act (Northern Ireland) 1948 or the National Insurance Act (Northern Ireland) 1966).

Part 2 - Category B retirement pension: removal of restriction on entitlement

Paragraph 6 omits section 54(3) of the Contributions and Benefits Act which currently prevents a spouse or civil partner from electing to cancel their Category A pension where this is already in payment without the consent of the other party to the marriage or civil partnership and *paragraph 8* omits paragraph 8(3) of Schedule 5 to that Act. These provisions become redundant by virtue of the amendments made to section 48A to that Act by *section 2*.

Paragraph 7 amends section 55(3) of that Act so that a person's entitlement to their Category B pension is no longer deemed to be deferred where the person's spouse or civil partner has not made a claim for their Category A pension.

Part 3 - Contributions credits for relevant parents and carers

Paragraph 9 inserts new subsection (5A) into section 22 of the Contributions and Benefits Act to make reference to the new arrangements in section 23A (see *section 3(1)*) which provide for the crediting of Class 3 contributions.

Paragraph 10 amends section 172 of that Act to provide that the first regulations made under section 23A(3)(c) will be subject to the confirmatory resolution procedure in the Assembly.

Paragraph 11 makes a consequential amendment to Part 1 of Schedule 1 to the Welfare Reform Act (Northern Ireland) 2007 so that the definition of “benefit” extends to contributions credits for relevant carers under section 23A of the Contributions and Benefits Act.

Part 4 - Category A and Category C retirement pensions: abolition of adult dependency increases

Paragraphs 12 to 16 remove references to adult dependency increases in sections 30B(3), 78(4), 88, 89(1) and (1A) and 114(4) of the Contributions and Benefits Act which are redundant following the abolition of those increases.

Paragraph 17 removes the redundant references to section 83(2) and (3) in section 145(3) of that Act which deals with circumstances in which a person is treated as being entitled to an adult dependency increase for the purposes of establishing entitlement to a Christmas bonus.

Paragraph 18 amends paragraphs 5 and 6 of Part 4 of Schedule 4 to that Act to remove redundant references to the rates at which adult dependency increases of Category A and C pensions are payable.

Part 5 - Up-rating of basic pension etc. and standard minimum guarantee by reference to earnings

Part 5 amends the Contributions and Benefits Act and the Administration Act consequential on the insertion of new section 132A into the Administration Act (see *section 5*).

Part 6 - Deemed earnings factors for purposes of additional pension

Part 6 contains consequential amendments relating to deemed earnings factors to ensure that the current provisions set out in section 22 of the Contributions and Benefits Act do not affect the new provisions inserted by *section 7*; that the current deemed earnings factors provisions in section 44A(1) to (4) apply only to tax years prior to 2010-11; and that the labour market attachment test will not apply to those on long-term incapacity benefit reaching state pension age on or after 6th April 2010.

Part 7 - Additional pension: simplified accrual rates

Paragraph 32 makes consequential amendments to section 172 of the Contributions and Benefits Act so that any order setting the upper accrual point will be subject to the confirmatory resolution procedure in the Assembly, and an order designating the flat rate introduction year will not be subject to any Assembly procedure (this is also the case for normal commencement orders).

Paragraphs 33 to 36 make consequential amendments to the Pension Schemes Act in connection with contracting-out arrangements for defined benefit pension schemes to cater for the introduction of the upper accrual point.

Part 8 - Increase in pensionable age for men and women

Paragraphs 37 to 40 amend the Contributions and Benefits Act consequential on the increase in pensionable age for men and women. The amendments take effect from 6th April 2024 (see *section 11(3)*).

Paragraph 37 will allow the upper age limit for widow's pension, which is currently 65, to align with rising state pension age. Widow's pension is only payable to women who were widowed before 9th April 2001, and was replaced by bereavement benefit for men and women bereaved after that date.

Paragraphs 38 and 39 relate to, respectively, the minimum age for entitlement to attendance allowance and the upper age limit for claiming disability living allowance (both 65). The amendments will align the present age thresholds with rising state pension age.

Paragraph 40 relates to the qualifying conditions for the Christmas bonus. Where entitlement to the payment is by virtue of entitlement to a war disablement pension, the person is additionally required to have reached the age of 65. The amendment will align the qualifying age with rising state pension age in these cases.

Paragraph 41, which amends the *State Pension Credit Act (Northern Ireland) 2002 (c. 14)*, aligns the qualifying age for entitlement to the savings credit element (currently 65) with rising state pension age.

Schedule 2 - Additional pension: simplified accrual rates

Part 1 - New Schedule 4B to the Contributions and Benefits Act

Paragraph 1 inserts new Schedule 4B into the Contributions and Benefits Act to provide for the new method of calculation of additional state pension.

Paragraph 1 of new Schedule 4B provides that the amount of additional state pension accrued for the years from the flat rate introduction year onwards is to be the aggregate of the appropriate amounts in respect of each year in which the pensioner was in contracted-in employment, calculated in accordance with Part 2 of that Schedule and the appropriate amounts in respect of each year in which the pensioner was in contracted-out employment, calculated in accordance with Part 3 of that Schedule.

Part 2 (paragraphs 2 to 5) sets out the calculation for the amount of additional state pension in respect of years of contracted-in employment.

Paragraph 2 provides that Part 2 applies to a tax year if the contracted-out condition is not satisfied for any tax week in the year.

Paragraph 3 provides that the appropriate amount for the year is to be either the flat rate amount where a person's total earnings factor does not exceed the low earnings threshold or, where there is a surplus earnings factor exceeding the low earnings threshold, the aggregate of the flat rate and earnings-related amounts.

Paragraph 4 provides that the “flat rate amount” of additional state pension will be the flat rate accrual amount (“FRAA”) - £72.80 initially and then as updated annually by an order made under section 130AA of the Administration Act.

Paragraph 5 provides that the “earnings-related amount” is calculated by:

- identifying the surplus earnings between the low earnings threshold and the upper accrual point; then
- multiplying that figure by the relevant amount under the last order under section 130 of the Administration Act; then
- multiplying that amount by 10%; then
- dividing that amount by 44.

Part 3 (paragraphs 6 to 10) sets out the calculation for the amount of additional state pension in respect of years of contracted-out employment.

Paragraph 6 provides that Part 3 applies to a tax year if the contracted-out condition is satisfied for each tax week in the year.

Paragraph 7 prescribes that the appropriate amount for the year is to be calculated by subtracting amount B from amount A.

Paragraph 8 provides that amount A is the “flat rate amount” of additional state pension, as updated annually under section 130AA of the Administration Act, where there is no surplus above the low earnings threshold.

Paragraph 9 provides that where there is a surplus exceeding the low earnings threshold, amount A is to be calculated by:

- identifying the assumed surplus for the relevant year between the low earnings threshold and the upper accrual point; then
- multiplying that figure by the relevant amount under the last order under section 130 of the Administration Act; then
- multiplying that amount by 10%; then
- dividing that amount by 44; then
- adding this amount to the flat rate amount for the year.

Paragraph 10(1) provides that amount B is to be calculated by:

- identifying the assumed surplus for the relevant year between the qualifying earnings factor and the upper accrual point; then
- multiplying that figure by the relevant amount under the last order under section 130 of the Administration Act; then
- multiplying that amount by 20%; then
- dividing that amount by the number of years in the pensioner’s working life.

Paragraph 10(2) provides that section 44B of the Contributions and Benefits Act is to be ignored in applying section 44(6) for the purposes of calculating amount B. This ensures that a person's actual earnings factors are used in the calculation thereby producing an amount by way of a top-up to the benefits provided by their private pension scheme.

Paragraph 11 allows the Department to make regulations so as to vary any of the calculations described above in circumstances where a person has a combination of contracted-in and contracted-out employment within a tax year, or where a contracted-out pension scheme makes arrangements to buy back the state scheme rights of its members.

Part 2 - Revaluation of flat rate accrual amount

Paragraph 2 inserts a new section 130AA into the Administration Act to provide that the Department may make a corresponding order for Northern Ireland where the Secretary of State for Work and Pensions makes an order under section 148AA of the Social Security Administration Act 1992. This will allow the flat-rate accrual amount to be updated in line with earnings.

Part 3 - Consequential amendments

Part 3 makes consequential amendments to the Contributions and Benefits Act.

Paragraph 3 amends section 39 to remove redundant references to Schedule 4A (which has no effect in the context of the benefits under section 39) and to omit subsection (3) of that section (which no longer has any legal effect).

Paragraph 5 inserts the necessary references into section 44 to refer to the new state second pension accrual regime introduced by the new Schedule 4B. The effect is that from the flat rate introduction year, those accruing state second pension for the purpose of their entitlement to a Category A pension will do so under the new rules.

Paragraph 6 inserts a new subsection (4) into section 46 to provide that the component of widowed parent's allowance relating to state second pension will continue to be calculated under the existing regime set out in section 45 (and Schedule 4A) after the flat rate introduction year rather than under the new regime introduced by *section 9* (and the new Schedule 4B).

Paragraphs 7 to 10 amend respectively sections 48A, 48B, 48BB and 48C to insert the necessary references to the new state second pension accrual regime introduced by the new Schedule 4B so that, from the flat rate introduction year, people bereaved after reaching state pension age will have their inherited state second pension entitlement in their Category B pension calculated under the new rules. The same will apply in respect of the state second pension component payable to bereavement allowance recipients.

Schedule 3 - Increase for pensionable age for men and women

This Schedule amends the provisions of the 1995 Order which specify the dates on which men and women reach state pension age (referred to as “pensionable age”).

Paragraphs 3 and 4 amend Schedule 2 to provide how and when state pension age is to be increased from age 65 to 68 and make consequential amendments. In the amended Schedule 2:

- paragraph 1(6) sets out how the first of the changes (from age 65 to 66) is to be phased in. These arrangements will apply to those who are due to reach age 65 in the period 6th April 2024 to 5th April 2025. The phasing arrangements mirror the existing approach used to phase in the increase in state pension age for women where each increase of one year is phased in over two years;
- paragraph 1(7) provides that the state pension age will be age 66 for those born in the period 6th April 1960 to 5th April 1968;
- paragraph 1(8) sets out how the change in state pension age from 66 to 67 is to be phased in for those born in the period 6th April 1968 to 5th April 1969;
- paragraph 1(9) provides that the state pension age will be age 67 for those born in the period 6th April 1969 to 5th April 1977;
- paragraph 1(10) sets out how the change in state pension age from 67 to 68 is to be phased in for those born in the period 6th April 1977 to 5th April 1978; and
- paragraph 1(11) provides that the state pension age will be age 68 for those born on or after 6th April 1978.

Schedule 4 - Abolition of contracting-out for defined contribution pension schemes

Part 1

The amendments in this Part of the Schedule will take effect from the date on which money purchase occupational pension schemes and appropriate scheme certificates (i.e. contracting-out certificates for personal pension schemes) are cancelled by virtue of *section 13(1)* (“the abolition date”).

The Pension Schemes Act

Paragraph 2 amends section 3. As a result of the amendment of subsection (1) Her Majesty’s Revenue and Customs (HMRC) can no longer issue certificates stating that personal pension schemes are appropriate schemes. In addition, when read with the amendments to section 5, the effect is that HMRC can no longer issue a contracting-out certificate in respect of a money purchase occupational pension scheme. Subsections (4) to (6) are omitted to reflect the fact that appropriate scheme certificates can no longer be issued.

Paragraph 3 amends the definition of “contracted-out employment” in section 4(1) to reflect the fact that from the abolition date a money purchase occupational pension scheme can no longer be contracted-out in relation to an earner’s employment.

Paragraph 3(3) inserts a new subsection (1A) into section 4 which includes an amended definition of contracted-out employment by reference to a money purchase scheme and will only relate to periods of “contracted-out employment” before the abolition date. This definition is required because, although after the abolition date it will no longer be possible for an earner to be in contracted-out employment by reference to COMPS, such periods will continue to be relevant for the calculation of a person’s additional pension. The definition will also be needed during the period immediately after the abolition date for dealing with matters relating to periods before that date which are still outstanding at the date of abolition e.g. contracted-out rebates.

Paragraph 3(4) amends section 4(2) to reflect the fact that section 38A is being repealed.

Paragraph 4 omits section 5(3) and (5) and makes consequential amendments.

Paragraph 5 amends section 6(3)(a) to reflect the fact that the definition of “minimum contributions” is being repealed.

Paragraph 6 omits section 8 to reflect the fact that it will no longer be necessary for certificates to state whether a scheme is contracted-out by virtue of section 5(2) or (3), since it will only be possible for schemes to contract out by virtue of section 5(2).

Paragraph 9 inserts a new section 21A which applies to money purchase occupational pension schemes which ceased to be contracted-out as a result of *section 13(1)*, as well as to personal pension schemes which cease to be appropriate schemes as a result of the same provision. For as long as people have protected rights under such schemes, or are entitled to any benefit giving effect to such rights, section 21A(3) requires such schemes to continue to comply with sections 22 to 28 (which such schemes would currently be required to comply with in order to be contracted-out) and prescribed requirements (i.e. the requirements which are currently imposed in relation to COMPS and APPS under section 5(3)). It also ensures that the new limited requirements relating to giving effect to protected rights apply to any pension scheme to which protected rights have been transferred.

Paragraph 10 inserts a new section 23A to retain the rule which requires provision to be made from protected rights for a surviving spouse or civil partner and re-enacts (with some modifications) regulation-making powers under section 24 to make provision in relation to survivors’ benefits.

Paragraph 11 omits sections 24 to 25 to remove the existing rules applying to protected rights which will be replaced by the provisions of the new section 23A.

Paragraph 12 inserts a new section 28A to ensure that where the protected rights are being given effect to by an insurance policy, the policy must make the same provision as would a scheme to which sections 21A and 23A apply.

Paragraph 13 amends section 29 to include references to new section 21A.

Paragraph 14 amends section 29A so that it applies to personal pension schemes which cease to be contracted-out as a result of *section 13(1)*.

Paragraph 15 amends section 30 so that after the abolition date it will only apply to schemes contracted-out by virtue of satisfying section 5(2).

Paragraph 16 amends section 34 so that, rather than applying to appropriate schemes, it applies to personal pension schemes that were appropriate schemes. The prohibition on rule changes continues to apply for as long as there are people who have protected rights under the personal pension scheme or who are entitled to any benefit giving effect to such rights under the scheme.

Paragraph 17 adds a new subsection (9) to section 38A which defines “appropriate flat-rate percentage” and “appropriate age-related percentage” in view of the fact that sections 38B and 41A are being repealed. Section 38A, which provides for the calculation of reduced rates of national insurance contributions, and rebates, for earners in COMPS, is retained during the period immediately after the abolition date so that HMRC can continue to deal with any matters in connection with reduced rates of national insurance contributions, and rebates, which are outstanding at the date of abolition.

Paragraph 18 omits section 38B which provides that an order made by the Secretary of State for Work and Pensions under section 42B of the *Pension Schemes Act 1993 (c. 48)* may make corresponding provision for Northern Ireland specifying percentages for the purposes of section 38A.

Paragraph 19 adds a new subsection (8) to section 39 to define “the earner’s chosen scheme”. This is necessary because the current definition is contained in section 40 which is being repealed.

Paragraph 20 omits section 40 which provides a mechanism for an earner to choose that contracted-out rebates (minimum contributions) must be made by HMRC to the earner’s chosen APPS and is no longer needed after abolition date.

Paragraph 21 adds a new subsection (5) to section 41 to define “appropriate age-related percentage”. This is necessary because the current definition is contained in section 41A which is being repealed.

Paragraph 22 omits section 41A which provides that an order made by the Secretary of State for Work and Pensions under section 45A of the *Pension Schemes Act 1993 (c. 48)* may make corresponding provision for Northern Ireland altering the rates of minimum contributions under section 41.

Paragraph 23 amends section 44A to reflect the fact that from the abolition date no further:

- contracted-out rebates in respect of COMPS will be made (although rebates resulting from pre-abolition periods of membership of a COMPS will continue to affect a person's entitlement to additional pension); and
- national insurance rebates in respect of APPS will be made (although rebates resulting from pre-abolition periods of membership of an APPS will continue to affect a person's entitlement to additional pension).

Paragraph 24 amends section 46 to extend HMRC's powers to schemes which cease to be COMPS or APPS as a result of *section 13(1)* and also makes various consequential amendments to reflect the fact that there will be no COMPS after the abolition date.

Paragraph 25 amends section 48 which provides for the continued supervision by HMRC of occupational pension schemes which used to be contracted-out and personal pension schemes which used to be APPS. The effect of the amendments is that the supervision requirements also apply to schemes which cease to be COMPS and APPS as a result of *section 13(1)*.

Paragraph 26 amends section 51(2)(a) to reflect the fact that after the abolition date COMPS cease to exist.

Paragraph 27 amends section 64A(5) by substituting a reference to a "money purchase contracted-out scheme" consequential upon the omission of section 5(3). The references in this subsection to rights under, or derived from, a COMPS or APPS are retained because safeguarded rights which arose pre-abolition and which are attributable to COMPS or APPS service will continue to include COMPS or APPS rights.

Paragraph 28 amends section 83(1) to restate the present position that the section only applies to occupational pension schemes contracted-out by virtue of satisfying section 5(2) but without doing so by referring to COMPS, which will not exist after the abolition date.

Paragraph 29 amends section 92(2) to reflect the fact that appropriate schemes will cease to exist from the abolition date. The effect of the amendment is that, where a transfer is made to a personal pension scheme which is unable or unwilling to accept a transfer payment for guaranteed minimum pensions or protected rights, the member will have a right to the balance of the cash equivalent after deduction of liabilities for guaranteed minimum pensions and/or protected rights.

Paragraph 30 amends section 152 to allow the Department or HMRC to give information to a former APPS for the purposes of Part 3.

Paragraph 31 amends section 159(2) to remove a reference to APPs that becomes redundant after the abolition date.

Paragraphs 32 and 33 amend sections 160 and 172 respectively to update references and to remove references to provisions which are being repealed.

Paragraph 34 amends section 176(1) to provide various new and amended definitions. Section 176(4) is amended to reflect the fact that section 40 is being repealed.

Paragraph 35 inserts a new section 176A which deals with the interpretation of references to money purchase contracted-out schemes or appropriate schemes after the abolition date. The definitions apply in respect of periods before the abolition date, and mirror the existing definitions of the same expressions in the Act. These definitions are required because, although COMPS and APPS will cease to exist from the abolition date, the definitions used in this section will continue to be relevant for the calculation of a person's additional pension, and, during the period immediately after the abolition date, for dealing with matters relating to periods before abolition which are still outstanding at the date of abolition (for example contracted-out rebates).

The 1995 Order

Paragraph 36 amends Article 146 to provide that schemes which provide both pensions capable of being contracted out by virtue of section 5(2) of the Pension Schemes Act and pensions satisfying the requirements mentioned in new section 21A(3) of that Act are to be treated as two separate schemes for the purposes of Part 3 of that Act.

The 1999 Order

Paragraph 37 omits Article 3(10) to remove the current condition that a stakeholder pension scheme which is a personal pension scheme must be an appropriate scheme and makes a consequential amendment. *Paragraph 38* makes a further consequential amendment.

Paragraph 39 amends the definition of "contracted-out rights" in paragraph 7(6) of Schedule 5 to remove a reference to a provision which is being repealed and to insert a new paragraph (ab).

The 2005 Order

Paragraph 40 omits Article 234(7) which is no longer needed after the abolition date.

Part 2

The intention is that the amendments in this Part are to be brought into operation at a date later than the abolition date to ensure that the existing statutory mechanisms for HMRC to deal with administrative matters concerning the contracted-out rebate and certification of schemes etc. can remain in place until any matters outstanding at the date of abolition of COMPS and APPS have been dealt with before the amendments are brought into operation.

The Contributions and Benefits Act

Paragraphs 41 and 44 amend section 4C and Schedule 1 respectively to reflect the abolition of COMPS and APPS.

Paragraphs 42 and 43 amend sections 8 and 9 respectively to remove references to section 38A of the Pension Schemes Act which is being repealed.

The Pension Schemes Act

Paragraph 46 omits section 4(3) which allows for regulations to be made in relation to the manner in which minimum payments are to be made etc. Minimum payments derive from the contracted-out rebate and are paid to a COMPS in respect of earners in contracted-out employment.

Paragraph 47 amends section 16(3) to omit a reference to sections that are being repealed.

Paragraph 48 omits section 27 which currently provides for the investment and resources of schemes.

Paragraph 49 omits section 36(b), which currently provides for contributions to be paid by HMRC in respect of earners who are members of COMPS and APPS.

Paragraph 50 omits section 38A, which provides for the calculation of national insurance rebates in respect of contracted-out employment in a COMP.

Paragraph 51 omits section 39, which provides for HMRC to make minimum contributions to an APP which is an earner's chosen scheme.

Paragraph 52 omits section 41, which provides for the calculation of minimum contributions.

Paragraph 53 omits section 41B, which provides a power to make regulations dealing with the verification of ages for the purpose of determining "appropriate age-related percentages", and provides a power to disclose information in connection with contracted-out rebates.

Paragraphs 54, 55 and 56 amend sections 46, 160 and 172 respectively to reflect the repeal of sections 38A, 39 and 41.

Paragraph 57 omits the definition of "minimum contributions" in section 176(1) and a reference to section 39 in section 176(4). Minimum contributions are made to APPS, and will therefore no longer be required.

Paragraph 59 amends Schedule 3 to reflect the fact that COMPS will no longer exist.

Part 3 - Savings

This Part allows HMRC to continue to:

- deal with COMPS and APPS certificates which are still outstanding at the abolition date; and

- cancel, vary etc. COMPS and APPS certificates retrospectively after the abolition date.

Schedule 5 - Removal of Department's role in approving actuarial guidance

This Schedule amends provisions which require actuarial guidance to have been approved by the Department.

Paragraphs 1 and 2 amend Articles 315C and 315F of the [Insolvency \(Northern Ireland\) Order 1989 \(NI 19\)](#) respectively to remove the requirement that guidance prepared by a prescribed person to calculate certain values relating to a pension scheme is to have been approved by the Department.

Paragraphs 3 and 4 amend the Pension Schemes Act. Section 8A is amended to remove the requirement for the Department's approval in the case of prescribed guidance to determine whether a pension scheme which has applied to contract out under section 5(2B) meets the statutory standard, and section 109 is amended to remove the requirement for the Department's approval in the case of prescribed guidance on the information to be given about schemes to members.

Paragraphs 5 and 6 amend the 1995 Order. Article 67D is amended to remove the power to make regulations to require prescribed guidance on calculating the actuarial value of an affected member's subsisting rights to have been approved by the Department. Article 116 is amended to remove the power to make regulations to require the prescribed guidance on valuing a scheme's assets and liabilities to have been so approved.

Paragraph 7 amends Article 209 of the 2005 Order to remove the power to make regulations to require the Department's approval in the case of prescribed actuarial guidance.