These notes refer to the Pensions (No. 2) Act (Northern Ireland) 2008 (c.13) which received Royal Assent on 15 December 2008

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

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

PART 1 – Pension Scheme Membership for Jobholders

CHAPTER 1 – Employers' Duties

Section 20: Quality requirement: UK money purchase schemes

In order to be deemed a qualifying scheme, a United Kingdom occupational money purchase scheme must have rules that assure an employer contribution of at least 3% of qualifying earnings and total contributions paid by the employer and jobholder of at least 8% (including tax relief).

The Pensions Act (Northern Ireland) 2008 legislates for the repeal of contracting out arrangements for money purchase schemes currently provided for under the Pension Schemes (Northern Ireland) Act 1993. However, in the event that this has not occurred when the employer duties commence, *subsection (2)* enables regulations to be made to modify the contributions required for money purchase schemes with members whose employment is contracted-out of the State Second Pension Scheme.

Section 20 also contains a regulation-making power that allows the Department to set an amount below which trustees and employers could choose to decline to accept contributions. This could be used, for example, to enable schemes to not have to deal with such minor amounts of contributions which are uneconomic to administer.