

SCHEDULES

SCHEDULE 11

PENSION SHARING: AMENDMENTS

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

8. The Welfare Reform and Pensions (Northern Ireland) Order 1999 is amended as follows.

9.—(1) Article 44 (shareable state scheme rights) is amended as follows.

(2) After paragraph (1) insert—

“(1A) For the purposes of this Chapter, a person’s shareable state scheme rights are—

(a) the person’s shareable old state scheme rights;

(b) the person’s shareable new state scheme rights.”.

(3) In paragraph (2)—

(a) after “shareable” insert “old”;

(b) in sub-paragraph (b), after “55A” insert “or 55AA”.

(4) After paragraph (2) add—

“(3) For the purposes of this Chapter, a person’s shareable new state scheme rights are the person’s entitlement, or prospective entitlement, to the excess amount in a state pension under section 4 of the Pensions Act (Northern Ireland) 2015.

(4) “The excess amount”, in relation to a state pension under section 4 of the Pensions Act (Northern Ireland) 2015, means any amount by which the rate of the pension exceeds the full rate of the state pension (see section 3 of that Act).

(5) In determining the rate of a state pension under section 4 of the Pensions Act (Northern Ireland) 2015 for the purposes of this Chapter, ignore Schedule 6 to that Act (reduced rate elections: effect on rate of section 4 pension).”.

10. In Article 45 (activation of benefit sharing), in paragraph (1), for the words from the beginning to “shareable state scheme rights” substitute “Article 46 or 46A applies where any of the following has taken effect in relation to a person’s shareable state scheme rights”.

11.—(1) Article 46 (creation of state scheme pension debits and credits) is amended as follows.

(2) For paragraph (1) substitute—

“(A1) This Article applies if—

- (a) the transferor is in the old state pension system, or
- (b) the transferor is in the new state pension system but the transfer day was before 6 April 2016.

(1) Where this Article applies because of a relevant order or provision—

- (a) the transferor is subject, for the purposes of the relevant state pension legislation, to a debit of the appropriate amount, and
- (b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of that amount.”.

(3) In paragraph (2), after “shareable” insert “old”.

(4) In paragraph (3)(b), for “relevant” substitute “shareable old”.

(5) After paragraph (5) insert—

“(5A) The fact that a person who reaches pensionable age on or after 6 April 2016 is not entitled to a pension of the kind mentioned in Article 44(2)(a) or (b) does not affect the calculation under this Article of the appropriate amount by reference to the transferor’s prospective entitlement, immediately before the transfer day, to a pension of that kind.”.

(6) In paragraph (6), at the appropriate place insert—

““the relevant state pension legislation”—

- (a) in relation to a transferor or transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and
- (b) in relation to a transferor or transferee in the new state pension system, means Part 1 of the Pensions Act (Northern Ireland) 2015;”.

(7) At the end of the heading insert “: transferor in old state pension system or pension sharing activated before 6 April 2016”.

12. After Article 46 insert—

“46A Creation of debits and credits: transferor in new state pension system and sharing activated on or after 6 April 2016

(1) This Article applies if—

- (a) the transferor is in the new state pension system, and
- (b) the transfer day is 6 April 2016 or any later date.

(2) Where this Article applies because of a relevant order or provision—

- (a) the transferor is subject, for the purposes of section 14 of the Pensions Act (Northern Ireland) 2015, to a debit of the shared weekly amount, and
 - (b) the transferee is entitled, for the purposes of the relevant state pension legislation, to a credit of the shared weekly amount.
- (3) The shared weekly amount is the specified percentage of the excess amount of the transferor's state pension under section 4 of the Pensions Act (Northern Ireland) 2015 as at the transfer day.
- (4) For the purposes of calculating the shared weekly amount—
- (a) a transferor who is under pensionable age on the transfer day is to be treated as having reached pensionable age and to have become entitled to the state pension under section 4 of the Pensions Act (Northern Ireland) 2015 on the transfer day;
 - (b) a transferor who has reached pensionable age on the transfer day but who has not yet become entitled to the state pension under section 4 of the Pensions Act (Northern Ireland) 2015 is to be treated as having become entitled to the pension on that day.
- (5) In this Article—
- “the excess amount” has the meaning given by Article 44(4);
 - “relevant order or provision” means the order or provision by virtue of which this Article applies (see Article 45);
 - “the relevant state pension legislation”—
- (a) in relation to a transferee in the old state pension system, means Part 2 of the Contributions and Benefits Act, and
 - (b) in relation to a transferee in the new state pension system, means Part 1 of the Pensions Act (Northern Ireland) 2015;
- “specified percentage” means the percentage specified in the relevant order or provision for the purposes of paragraph (3);
 - “transfer day” means the day on which the relevant order or provision takes effect;
 - “transferor” means the person to whose rights the relevant order or provision relates;
 - “transferee” means the person for whose benefit the relevant order or provision is made.”.

13.—(1) Article 48 (interpretation) is amended as follows.

(2) The current text becomes paragraph (1).

(3) In that paragraph for the definition of “shareable state scheme rights” substitute—

“shareable state scheme rights”, and related expressions, have the meaning given by Article 44;”.

(4) After that paragraph add—

“(2) For the purposes of this Chapter—

- (a) a person is in the old state pension system if the person reached pensionable age before 6 April 2016 (or would have done so if the person had lived until pensionable age), and
- (b) a person is in the new state pension system if the person reached pensionable age on or after 6 April 2016 (or will do so if the person lives until pensionable age).”.