



2016 CHAPTER 1

VALID FROM 01/08/2022

PART 1

CATEGORIES OF PENSION SCHEME

PROSPECTIVE

Introduction

^{F1} 1

Textual Amendments

F1 Ss. 1-7 omitted (1.8.2022) by virtue of [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(2)(d)(3) (c), [Sch. 11 para. 16\(a\)](#); S.R. 2022/197, art. 3(f)

PROSPECTIVE

Defined benefits scheme

2

Status: Point in time view as at 09/03/2018. This version of this Act contains provisions that are not valid for this point in time.
Changes to legislation: There are currently no known outstanding effects for the Pension Schemes Act (Northern Ireland) 2016. (See end of Document for details)

PROSPECTIVE

Shared risk scheme (sometimes known as “defined ambition”)

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PROSPECTIVE

Defined contributions scheme

4

PROSPECTIVE

Meaning of “pensions promise” etc

5

PROSPECTIVE

Treatment of a scheme as two or more separate schemes

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PROSPECTIVE

Interpretation of Part 1

^{F17}

Textual Amendments

F1 Ss. 1-7 omitted (1.8.2022) by virtue of Pension Schemes Act 2021 (c. 1), s. 131(2)(d)(3) (c), **Sch. 11 para. 16(a)**; S.R. 2022/197, art. 3(f)

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PART 2
COLLECTIVE BENEFITS

Introduction and nature of collective benefits

PROSPECTIVE

Introduction and definition

F28

Textual Amendments

F2 Ss. 8-35 omitted (1.8.2022) by virtue of [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(2)(d)(3) (c), [Sch. 11 para. 16\(b\)](#); S.R. 2022/197, art. 3(f)

PROSPECTIVE

Duty to set targets for collective benefits

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PROSPECTIVE

Policy about factors used to determine each benefit

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PROSPECTIVE

Power to impose requirements about factors used to determine each benefit

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PROSPECTIVE

Contributions

Payment schedule

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Overdue contributions and other payments

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PROSPECTIVE

Investment

Statement of investment strategy

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Investment performance reports

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Investment powers

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Restriction on borrowing by trustees or managers

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Investment powers: duty of care

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PROSPECTIVE

Valuation

Valuation reports

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Valuation process

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PROSPECTIVE

Dealing with deficits and surpluses

Policy for dealing with a deficit or surplus

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Power to impose requirements about dealing with a deficit or surplus

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Deficits attributable to an offence or the imposition of a levy

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Payment of amounts out of collective benefit funds

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PROSPECTIVE

Cash equivalents

Policy for calculating cash equivalent of benefits

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PROSPECTIVE

Winding up

Winding up

26

Requirement to wind up scheme in specified circumstances

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Policies about winding up

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PROSPECTIVE

Identifying assets

Working out which assets are available for the provision of which benefits

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PROSPECTIVE

Regulations under Part 2: general

Requirement to obtain actuarial advice

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Sub-delegation

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Publication of documents etc

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Enforcement

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Overriding requirements

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Interpretation of Part 2

PROSPECTIVE

Interpretation of Part 2

^{F2}**35**

Textual Amendments

F2 Ss. 8-35 omitted (1.8.2022) by virtue of Pension Schemes Act 2021 (c. 1), s. 131(2)(d)(3) (c); **Sch. 11 para. 16(b)**; S.R. 2022/197, art. 3(f)

PART 3

GENERAL CHANGES TO LEGISLATION ABOUT PENSION SCHEMES

Administration and governance

PROSPECTIVE

Pensions promise obtained from third party

^{F3}**36**

Textual Amendments

F3 S. 36 omitted (1.8.2022) by virtue of Pension Schemes Act 2021 (c. 1), s. 131(2)(d)(3)(c), **Sch. 11 para. 16(c)**; S.R. 2022/197, art. 3(f)

PROSPECTIVE

Duty to act in the best interests of members

^{F4}**37**

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Textual Amendments

- F4** S. 37 omitted (1.8.2022) by virtue of [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(2)(d)(3)(c), [Sch. 11 para. 16\(c\)](#); S.R. 2022/197, art. 3(f)

Disclosure of information about schemes

38.—(1) Section 109 of the Pension Schemes Act (disclosure of information about schemes to members etc) is amended as follows.

(2) In subsection (1)—

(a) in the opening words, for “the persons mentioned in subsection (2)” substitute “persons of prescribed descriptions”;

(b) in paragraph (ca), omit “to the member” and “by him”.

(3) Omit subsection (2).

(4) Before subsection (3) insert—

“(2A) In complying with requirements specified in the regulations, a person must have regard to any guidance prepared from time to time by the Department.”.

(5) For subsection (4) substitute—

“(4) Where the regulations specify requirements to be complied with in the case of an occupational pension scheme with respect to keeping recognised trade unions informed, the regulations must make provision for referring to an industrial tribunal any question whether an organisation is a recognised trade union.

(4A) For the purposes of subsection (4) a trade union is a recognised trade union in relation to an occupational pension scheme if it is an independent trade union recognised to any extent for the purposes of collective bargaining in relation to members and to prospective members of the scheme.”.

(6) In subsection (5), for “some or all of the persons mentioned in subsection (2)” substitute “persons of a prescribed description”.

(7) Omit paragraph 13 of Schedule 10 to the 2005 Order, which is no longer needed given subsection (3).

Commencement Information

- I1** S. 38(1) in operation at 9.3.2018 for specified purposes by [S.R. 2018/43](#), [art. 2](#)
- I2** S. 38(4) in operation at 9.3.2018 by [S.R. 2018/43](#), [art. 2](#)

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Early leavers

PROSPECTIVE

Extension of preservation of benefit under occupational pension schemes

^{F5}**39**

Textual Amendments

F5 Ss. 39-45 omitted (1.8.2022 for specified purposes) by virtue of [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(2)(d)(3)(c), [Sch. 11 para. 16\(e\)](#); S.R. 2022/197, art. 3(f)

PROSPECTIVE

Revaluation of accrued benefits

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PROSPECTIVE

Indexation

Collective benefits exempt from indexation

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Regulatory own fund schemes exempt from indexation

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Power to create other exemptions from indexation

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PROSPECTIVE

Independent trustees

Removal of requirement to maintain register of independent trustees

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VALID FROM 01/08/2022

Rules about modification of schemes

PROSPECTIVE

Rules about modification of schemes

^{F5}**45**

Textual Amendments

F5 Ss. 39-45 omitted (1.8.2022 for specified purposes) by virtue of [Pension Schemes Act 2021 \(c. 1\)](#), s. 131(2)(d)(3)(c), [Sch. 11 para. 16\(e\)](#); S.R. 2022/197, art. 3(f)

Pension sharing

Pension sharing and normal benefit age

46.—(1) The Pension Schemes Act is amended as follows.

(2) In section 97B (interpretation) for the definition of “normal benefit age” substitute—

““normal benefit age”, in relation to a pension credit benefit for a member of a scheme, is the earliest age at which the member is entitled to receive the benefit without adjustment for taking it early or late (disregarding any special provision as to early payment on the grounds of ill-health or otherwise);

“normal pension age”, in relation to a benefit for a member of a scheme, means the earliest age at which the member is entitled to receive the benefit without adjustment for taking it early or late (disregarding any special provision as to early payment on the grounds of ill-health or otherwise);”.

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(3) In section 97C (basic principle as to pension credit benefit), for subsection (1) substitute—

“(1) The normal benefit age in relation to a pension credit benefit for a member of a scheme—

- (a) must not be lower than 60, and
- (b) must not be higher than the permitted maximum.

(1A) The “permitted maximum” is 65 or, if higher, the highest normal pension age for any benefit that is payable under the scheme to or in respect of any of the members by virtue of rights which are not attributable (directly or indirectly) to a pension credit.”.

Other amendments

Other amendments to do with Parts 1 and 2

47 Schedule 2—

- (a) contains amendments to do with Parts 1 and 2, and
- (b) replaces references to “money purchase scheme” so as to limit the number of different ways of categorising pension schemes.

Commencement Information

I3 S. 47 partly in operation; s. 47 in operation for certain purposes at 16.1.2016 see s. 52(1)(c)

PART 4

GENERAL

Power to make consequential amendments

48.—(1) The Department may by regulations make provision that is consequential on any provision made by this Act.

(2) Regulations under this section may amend, repeal, revoke or otherwise modify any statutory provision (whenever passed or made).

Regulations

49.—(1) A power to make regulations under this Act is exercisable by the Department.

(2) Subject to the following provisions of this section, any regulations made under this Act are subject to negative resolution.

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(3) The first regulations under section 8(3)(b), 9, 10, 11 or 21, or regulations under section 48 that amend, repeal or otherwise modify any relevant statutory provision (whether alone or with other provisions),—

- (a) must be laid before the Assembly after being made; and
- (b) take effect on such date as may be specified in the regulations, but (without prejudice to the validity of anything done thereunder or to the making of new regulations) cease to have effect upon the expiration of a period of six months from that date unless at some time before the expiration of that period the regulations are approved by a resolution of the Assembly.

(4) In this section “relevant statutory provision” means a statutory provision contained in—

- (a) an Act of the Parliament of Northern Ireland;
- (b) an Order in Council under Schedule 1 to the Northern Ireland Act 1974 or the Schedule to the Northern Ireland Act 2000;
- (c) an Act of the Assembly; or
- (d) an Act of the Parliament of the United Kingdom.

(5) Regulations under this Act may include incidental, supplementary, consequential, transitional, transitory or saving provision.

Crown application

50.—(1) In this section “the relevant provisions” means—

- (a) Part 2,
- (b) section 36, and
- (c) section 37.

(2) The relevant provisions apply to a pension scheme managed by or on behalf of the Crown as they apply to other pension schemes.

(3) Accordingly, references in those provisions to a person in the person's capacity as a trustee or manager of a pension scheme include the Crown, or a person acting on behalf of the Crown, in that capacity.

(4) References in the relevant provisions to a person in the person's capacity as an employer include the Crown, or a person acting on behalf of the Crown, in that capacity.

(5) Nothing in the relevant provisions applies to Her Majesty in Her private capacity (within the meaning of the Crown Proceedings Act 1947).

Interpretation

51 In this Act—

“the 1995 Order” means the Pensions (Northern Ireland) Order 1995;

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“the 2005 Order” means the Pensions (Northern Ireland) Order 2005;

“the Department” means the Department for Social Development;

“the Pension Schemes Act” means the Pension Schemes (Northern Ireland) Act 1993;

“statutory provision” has the meaning given by section 1(f) of the Interpretation Act (Northern Ireland) 1954.

Commencement

52.—(1) The following provisions come into operation on the day after this Act receives Royal Assent—

(a) section 46;

(b) this Part;

(c) paragraphs 22, 28, 31 and 33 of Schedule 2 (and section 47 so far as relating to those provisions).

(2) The other provisions of this Act come into operation on such day or days as the Department may by order appoint.

(3) The Department may by order make incidental, supplementary, consequential, transitional, transitory or saving provision in connection with the coming into operation of any provision of this Act.

Short title

53 This Act may be cited as the Pension Schemes Act (Northern Ireland) 2016.

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Changes to legislation:

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