



# **Pension Schemes Act (Northern Ireland) 2016**

## CHAPTER 1

### PENSION SCHEMES ACT (NORTHERN IRELAND) 2016

#### PART 1

##### CATEGORIES OF PENSION SCHEME

1. Introduction
2. Defined benefits scheme
3. Shared risk scheme (sometimes known as “defined ambition”)
4. Defined contributions scheme
5. Meaning of “pensions promise” etc
6. Treatment of a scheme as two or more separate schemes
7. Interpretation of Part 1

#### PART 2

##### COLLECTIVE BENEFITS

###### *Introduction and nature of collective benefits*

8. Introduction and definition
9. Duty to set targets for collective benefits
10. Policy about factors used to determine each benefit

*Status: This is the original version (as it was originally enacted).*

11. Power to impose requirements about factors used to determine each benefit

*Contributions*

12. Payment schedule
13. Overdue contributions and other payments

*Investment*

14. Statement of investment strategy
15. Investment performance reports
16. Investment powers
17. Restriction on borrowing by trustees or managers
18. Investment powers: duty of care

*Valuation*

19. Valuation reports
20. Valuation process

*Dealing with deficits and surpluses*

21. Policy for dealing with a deficit or surplus
22. Power to impose requirements about dealing with a deficit or surplus
23. Deficits attributable to an offence or the imposition of a levy
24. Payment of amounts out of collective benefit funds

*Cash equivalents*

25. Policy for calculating cash equivalent of benefits

*Winding up*

26. Winding up
27. Requirement to wind up scheme in specified circumstances
28. Policies about winding up

*Identifying assets*

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

*Regulations under Part 2: general*

30. Requirement to obtain actuarial advice
31. Sub-delegation
32. Publication of documents etc
33. Enforcement

34. Overriding requirements

*Interpretation of Part 2*

35. Interpretation of Part 2

PART 3

GENERAL CHANGES TO LEGISLATION ABOUT PENSION SCHEMES

*Administration and governance*

36. Pensions promise obtained from third party
37. Duty to act in the best interests of members
38. Disclosure of information about schemes

*Early leavers*

39. Extension of preservation of benefit under occupational pension schemes
40. Revaluation of accrued benefits

*Indexation*

41. Collective benefits exempt from indexation
42. Regulatory own fund schemes exempt from indexation
43. Power to create other exemptions from indexation

*Independent trustees*

44. Removal of requirement to maintain register of independent trustees

*Rules about modification of schemes*

45. Rules about modification of schemes

*Pension sharing*

46. Pension sharing and normal benefit age

*Other amendments*

47. Other amendments to do with Parts 1 and 2

PART 4

GENERAL

48. Power to make consequential amendments
49. Regulations
50. Crown application

51. Interpretation
52. Commencement
53. Short title

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## SCHEDULES

### SCHEDULE 1 — EARLY LEAVERS: REVALUATION OF ACCRUED BENEFITS

1. The Pension Schemes Act is amended as follows.
2. Before section 79 insert— Overview and meaning of “the 2016...
3. In section 79, for subsection (1A) substitute—
4. For section 80 substitute— Old basis of revaluation: occupational pension...
5. After section 81 insert— Power to add revaluation methods for...
6. After section 82 insert— The revaluation methods The revaluation methods referred to in this Chapter are defined...
7. In section 181(2) (Assembly, etccontrol of regulations and orders) after...
8. In Schedule 2 (revaluation methods), before paragraph 1 insert — The...
9. Omit paragraphs 3A and 4 of that Schedule.
10. In paragraph 5(1) of that Schedule, for “if his pensionable...
11. Omit the following, which are no longer needed given the...

### SCHEDULE 2 — 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...
4. In section 120 (duty of the Department for Employment and...
5. (1) In section 176 (interpretation), subsection (1) is amended as...

#### *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...
8. In Article 38 (power to defer winding up), in paragraph...
9. In Article 51 (annual increase in rate of pension), in...
10. In Article 51A (restrictions on increase where annuity tied to...

11. In Article 73 (preferential liabilities on winding up), for paragraph...
12. In Article 75 (employer debt where deficiency in assets on...
13. (1) Article 85 (schedules of payments to money purchase schemes)...
14. For the italic cross-heading above Article 85 substitute “Schemes providing...
15. In the heading to Article 86 (schedules of payments to...
16. (1) Article 87 (application of further provisions to money purchase...
17. In Article 121 (interpretation), in paragraph (1), at the appropriate...
18. (1) Article 122 (interpretation of Part 2: supplementary) is amended...

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

19. In Article 35 of the Welfare Reform and Pensions (Northern...

*Pensions (Northern Ireland) Order 2005 (NI 1)*

20. The 2005 Order is amended as follows.
21. (1) Article 2 (interpretation) is amended as follows.
22. In Article 9 (improvement notices), in paragraph (7)—
23. In Article 13 (power of the Regulator to recover unpaid...
24. (1) Article 19 (freezing orders) is amended as follows.
25. In Article 34 (contribution notices where avoidance of employer debt),...
26. (1) Article 39 (financial support directions) is amended as follows....
27. In Article 48 (restoration orders where transactions at an undervalue),...
28. (1) Article 85 (codes of practice) is amended as follows....
29. In Article 110 (schemes eligible for pension protection), for paragraph...
30. For Article 200 (application of scheme funding rules in Part...
31. In Article 231 (representative of non-European scheme to be treated...
32. In Article 235 (pension protection on transfer of employment: form...
33. In Article 267 (duty of trustees or managers to act...
34. In Article 280 (modification of Pensions (Northern Ireland) Order 2005...

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

35. The Pensions (No2) Act (Northern Ireland) 2008 is amended as...
36. (1) Section 20 (quality requirement: UK money purchase schemes) is...
37. In section 21 (quality requirement: UK defined benefits schemes) for...
38. In section 23A (alternative quality requirements for UK defined benefits...
39. (1) Section 24 (quality requirement: UK hybrid schemes) is amended...
40. (1) Section 26 (quality requirement: UK personal pension schemes) is...
41. (1) Section 28 (certification that quality requirement or alternative requirement...
42. For the heading to section 29 substitute “Transitional periods for...
43. (1) Section 30 (transitional period for defined benefits and hybrid...
44. In section 35 (compliance notices), in subsection (5), for “a...
45. In section 38 (calculation and payment of contributions), in subsection...
46. (1) Section 78 (interpretation) is amended as follows.

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

47. (1) Schedule 17 to the Pensions Act (Northern Ireland) 2015...