These notes refer to the Pension Schemes Act (Northern Ireland) 2016 (c.1) which received Royal Assent on 15 January 2016

Pension Schemes Act (Northern Ireland) 2016

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 1 – Categories of Pension Scheme

Section 7: Interpretation of Part 1

This section defines the terms for the purposes of Part 1.

“Normal pension age”, in relation to retirement benefits, refers to the earliest age at which, or occasion on which, the pension scheme member is entitled to receive benefits from the scheme without adjustment for taking benefits early or late. If there is no such age or occasion, “normal pension age” will be the normal minimum pension age as defined by section 279(1) of the Finance Act 2004 – that is, before 6th April 2010, age 50, and on or after that date, age 55. A “fixed” normal pension age means a pension age (or other decumulation occasion) that cannot be changed except by an amendment to the scheme rules.

“Pension scheme” has the meaning given by section 1(5) of the Pension Schemes Act – that is, as “a scheme or other arrangements comprised in one or more instruments or agreements, having or capable of having effect so as to provide benefits to or in respect of people: on retirement; on having reached a particular age, or; on termination of service in an employment”.

“Retirement benefit” refers to the benefit that a member of a pension scheme receives, which can be provided either in the form of a “retirement income” or a “retirement lump sum”.

“Retirement income” is a pension or annuity payable to the member on reaching normal pension age. A “retirement lump sum” is a lump sum which is payable to the member on reaching normal pension age or made available for the provision of other retirement benefits on or after this time (this may include the purchase of an annuity).