
STATUTORY RULES OF NORTHERN IRELAND

1996 No. 619

The Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996

Part IV

Receiving Schemes, Annuities and Arrangements

Requirements to be met by receiving schemes, annuities and arrangements

12.—(1) The prescribed requirements referred to in section 91(2)(a)(ii) and (b)(ii) (cash equivalent of member's rights in a scheme to be used for acquiring transfer credits or rights under another scheme or personal pension scheme) are that—

- (a) if the member's cash equivalent (or any portion of it to be used under section 91(2)(a) or (b)) is or includes the cash equivalent of accrued rights to guaranteed minimum pensions, then the scheme or personal pension scheme under whose rules transfer credits or rights are acquired is one to which those accrued rights may be transferred, or to which a transfer payment in respect of those accrued rights may be made, in accordance with regulation 2 of the Transfer Regulations;
- (b) if the member's cash equivalent (or any portion of it to be used under section 91(2)(a) or (b)) is or includes the cash equivalent of accrued section 5(2B) rights, then the scheme or personal pension scheme under whose rules transfer credits or rights are acquired is one to which a transfer of liability in respect of those accrued rights may be made in accordance with regulation 7 of the Transfer Regulations;
- (c) if the member's cash equivalent (or any portion of it to be used under section 91(2)(a) or (b)) is or includes the cash equivalent of protected rights, then the scheme or personal pension scheme under whose rules transfer credits or rights are acquired is one to which a transfer payment in respect of protected rights may be made in accordance with regulation 2 of the Protected Rights (Transfer Payment) Regulations (Northern Ireland) 1996(1); and
- (d) if the scheme from which rights are transferred or from which a transfer payment is made is of a kind described in any of sub-paragraphs (a) to (d) of paragraph (3), the scheme or personal pension scheme to which rights are transferred or to which a transfer payment in respect of rights is made is of a kind described in any of sub-paragraphs (a), (c) or (e) of that paragraph or otherwise satisfies requirements of the Commissioners of Inland Revenue.

(2) The prescribed requirements referred to in section 91(2)(c) (cash equivalent to be used for purchasing annuities) are that—

- (a) the annuity is provided by a policy of insurance or an annuity contract which satisfies the requirements of regulations 2, 3 and 4 of the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985(2);
 - (b) if the scheme from which rights are transferred is of a kind described in any of sub-paragraphs (a) to (d) of paragraph (3), the annuity satisfies requirements of the Commissioners of Inland Revenue.
- (3) The kinds of scheme mentioned in paragraphs (1)(d) and (2)(b) are—
- (a) a scheme which is approved by the Commissioners of Inland Revenue for the purposes of Chapter I of Part XIV of the Taxes Act;
 - (b) a scheme which is being considered for approval by the Commissioners of Inland Revenue for the purposes of Chapter I of Part XIV of the Taxes Act;
 - (c) a relevant statutory scheme as defined in section 611A(1) of the Taxes Act(3);
 - (d) a fund to which section 608 of the Taxes Act applies; and
 - (e) a scheme which is approved by the Commissioners of Inland Revenue under Chapter IV of Part XIV of the Taxes Act.
- (4) The prescribed circumstances referred to in section 91(5)(a) (except in prescribed circumstances section 91(2) to be construed as if paragraph (d) were omitted) are that a member of a scheme who has acquired a right to a cash equivalent under section 90(4) has required the trustees to use the cash equivalent for subscribing to a pension arrangement mentioned in paragraph (5)(a).
- (5) The prescribed requirements referred to in section 91(2)(d) (cash equivalent to be used for subscribing to pension arrangements not mentioned in section 91(2)(a) to (c)) are that the pension arrangement to which it is proposed to subscribe—
- (a) is an overseas arrangement or a self-employed pension arrangement;
 - (b) if it is an overseas arrangement and the cash equivalent is or includes the cash equivalent of accrued section 5(2B) rights, is one to which a transfer payment in respect of such rights may be made in accordance with regulation 11 of the Transfer Regulations; and
 - (c) if the scheme from which rights are transferred is of a kind described in any of sub-paragraphs (a) to (d) of paragraph (3), satisfies requirements of the Commissioners of Inland Revenue.
- (6) In this regulation—
- (a) “self-employed pension arrangement” means a personal pension scheme within the meaning of Chapter IV of Part XIV of the Taxes Act which is approved by the Commissioners of Inland Revenue under that Chapter but which is neither a personal pension scheme within the meaning of section 1 of the Act nor a contract or a scheme approved under Chapter III of Part XIV of the Taxes Act; and
 - (b) “overseas arrangement” has the same meaning as in the Transfer Regulations.

(2) S.R. 1985 No. 356; regulations 2, 3 and 4 were amended by regulation 3(2) to (4) of S.R. 1986 No. 362, regulation 4(2) of S.R. 1987 No. 284, regulation 6(2) to (4) of S.R. 1987 No. 292, regulation 4(1) of S.R. 1988 No. 214, regulation 4(2) of S.R. 1988 No. 109, regulation 3 of S.R. 1992 No. 304 and paragraph 4(4) and (6) to (8) of Schedule 2 to S.R. 1994 No. 300

(3) Section 611A was inserted by paragraph 15 of Schedule 6 to the Finance Act 1989 (c. 26)

(4) Section 90 was amended by Article 150 of the Pensions (Northern Ireland) Order 1995