

SCHEDULE 2

Consequential Amendments

Amendment of the Personal Pension Schemes (Transfer Values) Regulations

1.—(1) The Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987⁽¹⁾ shall be amended in accordance with sub-paragraphs (2) to (4).

(2) In regulation 1(2) (interpretation)—

(a) omit the definition of “the Board for Actuarial Standards”⁽²⁾;

(b) after the definition of “cash equivalent” insert—

““initial cash equivalent” means the amount calculated in accordance with regulation 3(2) to (4);”;

(c) for the definition of ““money purchase benefits” and “personal pension scheme””⁽³⁾ substitute—

““personal pension scheme” has the same meaning as in section 1(1)⁽⁴⁾.”.

(3) For regulation 3⁽⁵⁾ (manner of calculation and verification of cash equivalents) substitute—

“Manner of calculation and verification of cash equivalents

3.—(1) Cash equivalents are to be calculated and verified by calculating the initial cash equivalent in accordance with this regulation and then making any increases or reductions in accordance with regulation 4.

(2) The initial cash equivalent is the realisable value of any benefits to which the member is entitled.

(3) The trustees must calculate that realisable value—

(a) in accordance with the scheme rules, and

(b) in a manner which is—

(i) approved by the trustees, and

(ii) consistent with Chapter IV of Part IV.

(4) The realisable value must include any increases to the benefits resulting from a payment of interest made in accordance with the scheme rules.”.

(4) For regulation 4⁽⁶⁾ (increases and reductions of cash equivalents) substitute—

“Increases and reductions of cash equivalents

4.—(1) Initial cash equivalents may or, as the case may be, must be increased or reduced in accordance with this regulation.

(1) [S.R. 1987 No. 290](#); relevant amending Regulations are [S.R. 1994 No. 300](#) and [S.R. 2007 No. 64](#)

(2) The definition of “the Board for Actuarial Standards” was inserted by paragraph 2(a) of the Schedule to [S.R. 2007 No. 64](#)

(3) The definition of ““money purchase benefits” and “personal pension scheme”” was amended by paragraph 15(2)(e) of Schedule 2 to [S.R. 1994 No. 300](#)

(4) Section 1 became section 1(1) by virtue of Article 216(2) of the Pensions (Northern Ireland) Order 2005 and the definition of “personal pension scheme” was substituted by paragraph (3) of that Article and amended by paragraph 23(2) of Schedule 20 to the Finance Act 2007 (c. 11)

(5) Regulation 3 was amended by paragraph 15(6) of Schedule 2 to [S.R. 1994 No. 300](#) and paragraph 2(b) of the Schedule to [S.R. 2007 No. 64](#)

(6) Regulation 4 was amended by paragraph 15(7) of Schedule 2 to [S.R. 1994 No. 300](#)

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(2) If the whole or any part of the benefits referred to in section 90(1)(b)(7) (right to cash equivalent) is or has been surrendered, commuted or forfeited before the trustees of the personal pension scheme do what is needed to comply with what the member requires, the initial cash equivalent must be reduced in proportion to the reduction in the total value of the benefits.

(3) If the trustees of a personal pension scheme fail without reasonable excuse to do what is needed to carry out what a member of the scheme requires within 6 months of the relevant date, that member's initial cash equivalent must be increased by—

- (a) the interest on that initial cash equivalent, calculated on a daily basis over the period from the relevant date to the date on which the trustees carry out what the member requires, at the same rate as that payable for the time being on judgment debts by virtue of Order 42, Rule 9(2) of the Rules of the Supreme Court (Northern Ireland) 1980⁽⁸⁾, or, if it is greater,
- (b) the amount, if any, by which that initial cash equivalent falls short of what it would have been if the relevant date had been the date on which the trustees carry out what the member requires.

(4) In a case where both paragraphs (2) and (3) fall to be applied to a calculation, paragraph (2) must be applied first.”.

(7) Section 90 was amended by Article 150 of the Pensions (Northern Ireland) Order 1995, paragraph 24 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999 and paragraph 9 of Schedule 10 to the Pensions (Northern Ireland) Order 2005

(8) [S.R. 1980 No. 346](#); the rate of interest was amended by [S.R. 1993 No. 143](#)