



# Pension Schemes (Northern Ireland) Act 1993

## 1993 CHAPTER 49

### PART III

#### CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

### CHAPTER III

#### TERMINATION OF CONTRACTED-OUT OR APPROPRIATE SCHEME STATUS: STATE SCHEME PREMIUMS

#### *Approval of arrangements for schemes ceasing to be certified*

#### **46 Powers of Board to approve arrangements for scheme ceasing to be certified.**

- (1) In the case of an occupational pension scheme or a personal pension scheme which is or has been certified as a contracted-out or, as the case may be, an appropriate scheme, the Board may, for the event of, or in connection with, its ceasing to be such a scheme, approve any arrangements made or to be made in relation to the scheme, or for its purposes, for the preservation or transfer—
  - (a) in the case of an occupational pension scheme other than a money purchase contracted-out scheme—
    - (i) of earners' accrued rights to guaranteed minimum pensions under the scheme;
    - (ii) of the liability for the payment of guaranteed minimum pensions under the scheme in respect of persons who have then become entitled to receive them;
  - (b) in the case of a money purchase contracted-out scheme or a personal pension scheme, of protected rights under the scheme.

*Status: Point in time view as at 06/04/1996.*

*Changes to legislation: Pension Schemes (Northern Ireland) Act 1993, Cross Heading: Approval of arrangements for schemes ceasing to be certified is up to date with all changes known to be in force on or before 24 June 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

- [<sup>F1</sup>(1A) The power of the Department to approve arrangements under this section—
- (a) includes power to approve arrangements subject to conditions, and
  - (b) may be exercised either generally or in relation to a particular scheme.
- <sup>F1</sup>(1B) Arrangements may not be approved under this section unless any prescribed conditions are met]
- (2) If the scheme ceases to be a contracted-out scheme or an appropriate scheme (whether by being wound up or otherwise) and the Board either—
    - (a) have withdrawn their approval of previously approved arrangements relating to it; or
    - (b) have declined to approve arrangements relating to it,
 the Board may issue a certificate to that effect.
  - (3) A certificate issued under subsection (2)(a) or (b) shall be cancelled by the Board if they subsequently approve the arrangements.
  - (4) Regulations may provide that where the [<sup>F2</sup>Department][<sup>F2</sup>has] approved arrangements under subsection (1) in respect of an occupational pension scheme (other than a money purchase scheme) any provision of this Part (other than sections 14, 15, 22 to 29 and 39 to 41) or Chapter III of Part IV or Chapter II of Part V shall have effect subject to such modifications as may be specified in the regulations.
  - (5) Any such regulations shall have effect in relation to arrangements whenever approved, unless they provide that they are only to have effect in relation to arrangements approved after they come into operation.
  - (6) It is hereby declared that an approval of arrangements relating to an occupational pension scheme which is not a money purchase contracted-out scheme may be withdrawn at any time, notwithstanding that the scheme has been wound up.
  - (7) For the purposes of this Chapter an earner’s accrued rights or, as the case may be, a person’s guaranteed minimum pension rights or protected rights are subject to approved arrangements if—
    - (a) the Board have approved arrangements under subsection (1) (either before or after the scheme ceased to be certified as contracted-out or, as the case may be, as an appropriate scheme) which operate as respects him and the rights in question, and
    - (b) they have not since withdrawn their approval of those arrangements.

#### Textual Amendments

- F1** S. 46(1A)(1B) inserted (6.4.1996 for certain purposes otherwise *prosp.*) by S.I. 1995/3213 (N.I. 22), arts. 1(2), 147, **Sch. 3 para. 37(b)**; S.R. 1996/91, art. 2(d), **Sch. Pt. IV**
- F2** Words in s. 46(4) substituted (6.4.1996 for certain purposes otherwise *prosp.*) by S.I. 1995/3213 (N.I. 22), arts. 1(2), 147, **Sch. 3 paras. 13, 14**, Table; S.R. 1996/91, art. 2(d), **Sch. Pt. IV**

## 47 Calculation of guaranteed minimum pensions preserved under approved arrangements.

- (1) This section applies where—

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- (a) an earner’s guaranteed minimum pension rights or accrued rights to guaranteed minimum pensions under a scheme [<sup>F3</sup>satisfy prescribed conditions], and
- (b) one or more of the five tax years ending with the tax year in which the scheme ceases to be contracted-out is a relevant year in relation to the earner.
- (2) Where this section applies then, except in such circumstances as may be prescribed, section 12(1) shall have effect, subject to the following provisions, that is to say—
- (a) any earnings factor shall be taken to be that factor as increased by the last order under Article 23 of the <sup>M1</sup>Social Security Pensions (Northern Ireland) Order 1975 or section 130 of the <sup>M2</sup>Social Security Administration (Northern Ireland) Act 1992 to come into operation before those five tax years; and
- (b) any relevant earnings factors derived from contributions or earnings in respect of any year (“the relevant contributions year”) shall be treated as increased by 12 per cent. compound for each of those five tax years, other than any of those years which—
- (i) constitutes or begins before the relevant contributions year, or
- (ii) begins after the final relevant year in relation to the earner.
- (3) Subsection (2) shall not apply in any case where its application would result in the amount of the guaranteed minimum being greater than it would have been apart from that subsection.
- (4) Regulations may provide that subsections (1) to (3) shall have effect with prescribed modifications in relation to a scheme which, immediately before it ceased to be contracted-out, contained provisions authorised by section 12(2).
- (5) In this section “relevant year” and “final relevant year” have the same meanings as in section 12.

#### Textual Amendments

**F3** Words in s. 47(1)(a) substituted (6.4.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), art. 147, **Sch. 3 para. 38**; S.R. 1996/91, art. 2(d), **Sch. Pt. IV**; S.R. 1997/192, **art. 2(b)**

#### Marginal Citations

**M1** S.I. 1975/1503 (N.I. 15).

**M2** 1992 c. 8.

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