
STATUTORY INSTRUMENTS

2011 No. 1730

**The Pensions Act 2008 (Abolition of Protected Rights)
(Consequential Amendments) (No.2) Order 2011**

PART 2

Amendments coming into force immediately before, or on, 6th April 2012

Amendments to the Pension Schemes Act 1993

5.—(1) The Pension Schemes Act 1993⁽¹⁾ is amended as follows.

(2) In section 20(3) (transfer of accrued rights), for “sections 26 to 33” substitute “sections 31 and 33”.

(3) In section 31(2) (investment and resources of schemes), for “The scheme” substitute “A scheme which was an appropriate scheme or a money purchase contracted-out scheme immediately before the abolition date”.

(4) In section 33 (tax requirements to prevail over certification requirements)⁽²⁾—

(a) in the sidenote, for “certification requirements” substitute “requirements of section 31”, and

(b) for “sections 26 to 32” substitute “section 31”.

(5) In section 37 (alteration of rules of contracted-out schemes)⁽³⁾—

(a) in subsection (1), after “rules of a” insert “salary related”, and

(b) in subsection (3), after “section to a” insert “salary related”.

(6) Omit section 38 (alteration of rules of appropriate schemes).

(7) In section 39 (general power to make regulations), omit “, and Part II of that Schedule as respects personal pension schemes”.

(8) In section 42A (reduced rates of Class 1 contributions, and rebates)⁽⁴⁾—

(a) in subsection (3), at the beginning insert “Subject to subsection (5A),” and

(b) after subsection (5) insert—

“(5A) Where—

(a) a payment under subsection (3) is due in respect of an earner, and

(b) apart from this subsection, the payment would under regulations under subsection (3) be made to the earner,

(1) 1993 c.48.

(2) Section 33 was amended by S.I. 2006/745.

(3) Section 37 was substituted by section 151 of, and paragraph 39 of Schedule 5 to, the Pensions Act 1995 (c. 26).

(4) Section 42A was inserted by section 137 of the Pensions Act 1995 (c.26) and subsections (3) and (5) were amended by section 1 of, and paragraph 46 of Schedule 1 to, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2).

HMRC are not required to make the payment if they determine that the cost to them of administering the payment would exceed the amount of the payment.”.

(9) In section 43 (payment of minimum contributions to personal pension schemes), after subsection (6) insert—

“(6A) Where—

- (a) a payment under subsection (1) is due in respect of an earner, and
- (b) apart from this subsection, the payment would under regulations under subsection (3) be made to the earner,

HMRC are not required to make the payment if they determine that the cost to them of administering the payment would exceed the amount of the payment.”.

(10) In section 50 (powers of Inland Revenue to approve arrangements for scheme ceasing to be certified)(5)—

(a) in subsection (1)(6)—

- (i) omit “or a personal pension scheme”,
- (ii) for the words from “contracted-out” to “appropriate” substitute “salary related contracted-out”, and
- (iii) for paragraphs (a) and (b) substitute—

“(a) of earners’ accrued rights to guaranteed minimum pensions under the scheme or accrued rights to pensions under the scheme attributable to their service on or after the principal appointed day; and

(b) of the liability for the payment of such pensions in respect of persons who have then become entitled to receive them.”,

(b) in subsection (2), for the words from “contracted-out” to “appropriate” substitute “salary related contracted-out”,

(c) in subsection (4)—

- (i) omit “(other than a money purchase scheme)”,
- (ii) for “26 to 33” substitute “31 and 33”, and
- (iii) for “43 to 45” substitute “43 and 45”, and

(d) in subsection (6), for “which is not a money purchase contracted-out scheme”, substitute “to which subsection (1) applies”.

(11) In section 52 (supervision of schemes which have ceased to be certified)—

(a) in subsection (1)—

- (i) after “supervision of” insert “salary related”, and
- (ii) omit the words from “and section 54 shall apply” to the end,

(b) in subsection (2), after “as respects any” insert “salary related”, and

(c) omit subsections (2A)(b)(7) and (3).

(12) In section 53(3) (supervision: former contracted-out schemes)(8), omit “or (b)”.

(5) Section 50 was amended by section 1 of, and paragraph 51 of Schedule 1 to, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2).

(6) Subsection (1) was amended by section 151 of, and paragraph 45 of Schedule 5 to, the Pensions Act 1995 (c.26).

(7) Subsection (2A) was inserted by section 151 of, and paragraph 47(a) of Schedule 5 to, the Pensions Act 1995 (c.26).

(8) Subsection (3) was substituted by section 151 of, and paragraph 48 of Schedule 5 to, the Pensions Act 1995, and subsequently amended by section 1 of, and paragraph 52 of Schedule 1 to, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2).

- (13) Omit section 54 (supervision: former appropriate personal pension schemes).
- (14) In section 96 (further provisions concerning exercise of option under section 95)—
- (a) in subsection (2)(9)—
 - (i) in paragraph (a) omit “or his protected rights”, and
 - (ii) in paragraph (b) omit “or protected”, and
 - (b) in subsection (3)(10)—
 - (i) in paragraph (a), omit “or the member’s protected rights; and”, and
 - (ii) omit paragraph (b).
- (15) In section 99(1) (trustees’ duties after exercise of option), omit “or give effect to such protected rights”.
- (16) In section 156(1) (information for purposes of contracting-out)(11), for “or appropriate scheme”, substitute “or a personal pension scheme which was an appropriate scheme before the abolition date”.
- (17) In section 159 (inalienability of guaranteed minimum pension and protected rights payments)—
- (a) in subsection (1)(a), after “scheme or” insert “entitled”,
 - (b) in subsection (4), for the words from “protected rights”, in the first place they occur, to “protected rights”, in the second place they occur, substitute “payments giving effect to protected rights under a personal pension scheme”, and
 - (c) in subsection (4A)(b)(12), omit “such rights or to”.
- (18) In section 164 (Crown employment), for subsection (2) substitute—
- “(2) A person who is employed by or under the Crown shall be treated as an employed earner for the purposes of—
- (a) sections 31 and 33, so far as they relate to personal pension schemes;
 - (b) sections 43 and 45;
 - (c) section 48, so far as it relates to minimum contributions;
 - (d) sections 117, 154 and 155;
 - (e) section 159, so far as it relates to protected rights payments; and
 - (f) sections 160 and 166.”.
- (19) In section 170 (decisions and appeals), as substituted by paragraph 131 of Schedule 7 to the Social Security Act 1998(13), in subsection (3), omit “or 54”.
- (20) In section 170 (determination of questions by Secretary of State), as remaining in force for purposes other than those specified in article 2(1)(b) of the Social Security Act 1998 (Commencement No. 8, and Savings and Consequential and Transitional Provisions) Order 1999(14), in subsection (7)(a)(15), omit “or appropriate scheme certificates”.

(9) Subsection (2) was amended by section 151 of, and paragraph 63 of Schedule 5 to, the Pensions Act 1995, by sections 18 and 88 of, and paragraph 3 of Schedule 2 to, and Part 1 of Schedule 13 to, the Welfare Reform and Pensions Act 1999 (c. 30).

(10) Subsection (3) was amended by section 151 of, and paragraph 63 of Schedule 5 to, the Pensions Act 1995 (c.26), and by S.I. 2005/2053.

(11) Section 156 was substituted by section 56 of, and paragraph 9 of Schedule 5 to, the Child Support, Pensions and Social Security Act 2000 (c.19).

(12) Subsection (4A) was inserted by section 122 of, and paragraph 41 of Schedule 3 to, the Pensions Act 1995 (c.26).

(13) 1998 c.14. This substitution was brought into force for certain purposes only by S.I. 1999/1958. Subsections (2) to (4) were subsequently substituted by section 16 of the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2).

(14) S.I.1999/1958.

(15) Subsection (7) was inserted by section 151 of, and paragraph 70(c) of Schedule 5 to, the Pensions Act 1995 (c.26).

(21) In section 177 (general financial arrangements), in subsection (3)(b), for sub-paragraph (ii) substitute—

“(ii) sections 31, 33, 117, 154 and 155;

(iii) section 159, so far as it relates to protected rights payments; and

(iv) sections 160 and 166.”.

(22) In section 181 (general interpretation)—

(a) in subsection (1), in the definition of “protected rights”, at the end add “, as it had effect immediately prior to the abolition date”, and

(b) in subsection (4)(16), omit “27, 28, 29,” and “32,”.

(23) In section 183(3) (sub-delegation)(17) omit “27(3),”.

(24) In Schedule 2 (certification regulations), omit Part 2 (personal pension schemes).

(16) Subsection (4) was amended by section 320 of, and Part 1 of Schedule 13 to, the Pensions Act 2004 (c.35).

(17) Subsection (3) was amended by sections 122 and 173 of, and paragraph 45 of Schedule 3 to, and paragraph 15(b) of Schedule 6 to, the Pensions Act 1995 (c.26), by section 84 of, and paragraphs 28 and 42 of Schedule 12 to, the Welfare Reform and Pensions Act 1999 (c.30), and by section 319 of, and paragraphs 9 and 32 of Schedule 12 to, the Pensions Act 2004 (c.35).