
STATUTORY INSTRUMENTS

2015 No. 1677

The Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015

PART 2

GENERAL PROVISIONS RELATING TO SCHEMES THAT WERE SALARY RELATED CONTRACTED-OUT SCHEMES

Payment of a contributions equivalent premium

12.—(1) A contributions equivalent premium which the trustees are required or have elected to pay is to be paid on or before—

- (a) the day six months after the date of termination of contracted-out employment in respect of which the premium is payable; or
- (b) the day one month after the day on which the Commissioners send to the trustees a notice certifying the amount of the premium payable,

whichever is the later.

(2) In a case to which regulation 8(1)(a) applies, the Board of the Pension Protection Fund (as defined in that regulation) (“the Board”) is to pay the contributions equivalent premium on or before—

- (a) the day six months after the date the assessment period (construed in accordance with section 132 of the 2004 Act) ended; or
- (b) the day one month after the day on which the Commissioners send to the Board a notice certifying the amount of the premium payable,

whichever is the later.

(3) On an application made to them for that purpose, the Commissioners may in any particular case or class of case extend the period within which a premium is to be paid under paragraph (1) or (2)—

- (a) if they are satisfied that the circumstances are such that payment of the premium could not reasonably be required to be made within the period specified in that paragraph, by a period not exceeding six months; ^{F1}...
- (b) if they are satisfied that to require earlier payment would be prejudicial to the interests of the earner in respect of whom the premium is payable or of the generality of the members of the scheme, by such further period as they consider reasonable^{F2}; and
- (c) if—
 - (i) the trustees are seeking to reach, or have reached, an agreement with the Commissioners as to the scheme’s liabilities for guaranteed minimum pensions or section 9(2B) rights of members through the scheme reconciliation service; and

(ii) as a result of doing so, the Commissioners and the trustees agree that a premium is payable,

by such further period as they consider reasonable.]

(4) Where the amount of any contributions equivalent premium which is payable does not exceed £17, the trustees are not liable to pay it and, accordingly, if it is not paid, it is to be treated as paid for the purposes of section 48A(2) (additional pension and other benefits) and section 60 (effect of payment of premiums on rights) of the 1993 Act.

(5) Any liability for a contributions equivalent premium is a liability to make payment out of the resources of the scheme.

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| F1 | Word in reg. 12(3) omitted (6.4.2017) by virtue of The Occupational Pension Schemes and Social Security (Schemes that were Contracted-out and Graduated Retirement Benefit) (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/354) , regs. 1(2), 4(5)(a) |
| F2 | Reg. 12(3)(c) and word inserted (6.4.2017) by The Occupational Pension Schemes and Social Security (Schemes that were Contracted-out and Graduated Retirement Benefit) (Miscellaneous Amendments) Regulations 2017 (S.I. 2017/354) , regs. 1(2), 4(5)(b) |

Changes to legislation:

There are currently no known outstanding effects for the The Occupational Pension Schemes (Schemes that were Contracted-out) (No.2) Regulations 2015, Section 12.