
STATUTORY INSTRUMENTS

2016 No. 252

The Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016

Amendment of the Pensions Act 2014 (Savings) Order 2015

5.—(1) The Pensions Act 2014 (Savings) Order 2015⁽¹⁾ is amended as follows.

(2) In paragraph (3) of article 1 (citation, commencement and interpretation) for “and (3A)” substitute “, (3A) and (5A)”.

(3) In article 2 (savings)—

- (a) in paragraph (1) omit “, 37”;
- (b) in paragraph (2) omit sub-paragraph (i);
- (c) in paragraph (4) after “employment ended” omit “on or”; and
- (d) after paragraph (5) insert—

“(5A) Sections 55 to 68 of the 1993 Act (state scheme premiums)⁽²⁾ continue to have effect as if they had not been repealed by paragraph 37 of Schedule 13 to the 2014 Act (abolition of contracting-out for salary related schemes) for the purposes of allowing action to be taken by HMRC and the trustees or managers of a scheme in relation to the payment of a contributions equivalent premium in respect of an earner to whom section 55(2)(a) to (c) applied before the second abolition date.

(5B) Sections 56 to 68 of the 1993 Act additionally continue to have effect as if they had not been repealed by paragraph 37 of Schedule 13 to the 2014 Act insofar as necessary for the purposes of article 3 of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016 with the modifications specified in paragraphs (5C) to (5F).

(5C) In section 56 (provisions supplementary to s55)—

- (a) omit subsection (2);
- (b) in subsection (4) for the wording following paragraph (b) substitute—

“the earner’s length of service in employment for the purposes of article 3(3)(b) of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016 shall include any period of linked qualifying service which was contracted-out employment by reference to the other scheme.”;

(1) [S.I. 2015/1502](#) as amended by [S.I. 2015/2058](#).

(2) Sections 55 to 68 are repealed by paragraph 37 of Schedule 13 to the Pensions Act 2014, although sections 59 and 64-66 were repealed by paragraphs 18, 53 and 58 to 60 of Schedule 5 to the Pensions Act 1995. Sections 55 to 58, 60 to 63, 67 and 68 were amended by paragraphs 50 to 52, 54 to 57, and 61 of Schedule 5 to, the Pensions Act 1995, section 4(2) of the Magistrates’ Courts (Procedure) Act 1998 (c.15), paragraphs 54 to 58 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999, paragraph 7 of Schedule 2 to the Welfare Reform and Pensions Act 1999, paragraph 5 of Schedule 5 to the Child Support, Pensions and Social Security Act 2000 (c.19), paragraph 361 of Schedule 8 to the Courts Act 2003 (c.39), [S.I. 2005/2050](#) and paragraphs 1 and 26 of Schedule 4 to, and Part 6 of Schedule 7 to, the Pensions Act 2007.

- (c) in subsection (6) for “section 55(2A)” substitute “article 3(5) of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”;
 - (d) in subsection (7)—
 - (i) for “section 55” substitute “article 3 of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”; and
 - (ii) for “sections 55 to 68” substitute “sections 56 to 68”; and
 - (e) in subsection (8) for “section 55” substitute “article 3 of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”.
- (5D) In section 57 (elections to pay contributions equivalent premiums)—
- (a) for subsection (1) substitute—

“(1) Where the relevant person is required to make a contributions equivalent premium or elects to do so under article 3 of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016, the relevant person must notify HMRC in writing in such form as HMRC may reasonably require for the purpose of identifying the earner to whom the election relates.

(1A) Such notification must be given—

 - (a) where the circumstances specified in article 3(5)(d) of that Order apply, within the period of two years starting with the date the scheme began to be wound up; or
 - (b) where the circumstances specified in article 3(5)(a), (b) or (c) apply, within the period beginning one month before, and ending 6 months after, the date on which the earner’s service in employment in relation to the scheme or membership of the scheme ceased.

(1B) In this section the “relevant person” means—

 - (a) in a case where a transfer has been made in relation to the scheme under section 161 of the Pensions Act 2004 (effect of Board assuming responsibility for a scheme), the Board of the Pension Protection Fund (as defined in that Act); and
 - (b) in all other cases, the trustees or managers of the scheme.”;
 - (b) in subsection (2) for “prescribed person” substitute “relevant person”; and
 - (c) omit subsection (4).
- (5E) In section 58 (amount of premiums payable under s. 55) for “section 55(2)” substitute “article 3 of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”.
- (5F) In section 60 (effect of payment of premium on rights)—
- (a) in subsection (4) for “section 55(2A)(a) and (b), (d) and (e)” substitute “article 3(5)(a), (b) and (d) of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”; and
 - (b) in subsection (5) for “section 55(2A)(c)” substitute “article 3(5)(c) of the Pensions Act 2014 (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order 2016”.”.

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