



2012 CHAPTER 3

Part 4

Money Purchase Benefits

Definition of money purchase benefits

27.—(1) In section 176 of the Pension Schemes (Northern Ireland) Act 1993 (interpretation), in the definition of “money purchase benefits” in subsection (1), for “which are not average salary benefits” substitute “which fall within section 176B”.

(2) After section 176A of that Act insert—

“176B Money purchase benefits: supplementary

(1) This section applies for the purposes of the definition of “money purchase benefits” in section 176(1).

(2) A benefit other than a pension in payment falls within this section if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purpose of its provision to or in respect of the member.

(3) A benefit which is a pension in payment falls within this section if—

- (a) its provision to or in respect of the member is secured by an annuity contract or insurance policy made or taken out with an insurer, and
- (b) at all times before coming into payment the pension was a benefit falling within this section by virtue of subsection (2).

(4) For the purposes of subsection (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.

(5) In this section references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004).".

(3) In section 78 of the Pensions (No. 2) Act (Northern Ireland) 2008 (interpretation) in the definition of "money purchase benefits" for "which are not average salary benefits" substitute "which fall within section 78A".

(4) After that section insert—

"78A Money purchase benefits: supplementary

(1) This section applies for the purposes of the definition of "money purchase benefits" in section 78.

(2) A benefit other than a pension in payment falls within this section if its rate or amount is calculated solely by reference to assets which (because of the nature of the calculation) must necessarily suffice for the purpose of its provision to or in respect of the member.

(3) A benefit which is a pension in payment falls within this section if—

- (a) its provision to or in respect of the member is secured by an annuity contract or insurance policy made or taken out with an insurer, and
- (b) at all times before coming into payment the pension was a benefit falling within this section by virtue of subsection (2).

(4) For the purposes of subsection (2) it is immaterial if the calculation of the rate or amount of the benefit includes deductions for administrative expenses or commission.

(5) In this section references to a pension do not include income withdrawal or dependants' income withdrawal (within the meaning of paragraphs 7 and 21 of Schedule 28 to the Finance Act 2004).".

(5) The amendments made by subsections (1) and (2) are to be regarded as having come into operation on 1 January 1997.

(6) The amendments made by subsections (3) and (4) are to be regarded as having come into operation at the same time as section 78 of the Pensions (No. 2) Act (Northern Ireland) 2008.

Transitional

28.—(1) The Department for Social Development may by regulations make transitional provision in relation to the coming into operation of the amendments in section 27.

- (2) That provision includes in particular—
- (a) provision disapplying the amendments in section 27 in relation to an occupational or personal pension scheme which is wound up before the coming into operation of that section;
 - (b) provision disapplying the amendments in section 27 to any extent, or as regards any period, in respect of an occupational or personal pension scheme in relation to which those amendments would otherwise have applied on the coming into operation of that section;
 - (c) provision modifying the application of any statutory provision in respect of an occupational or personal pension scheme in relation to which the amendments in section 27 apply on the coming into operation of that section;
 - (d) provision requiring trustees or managers of an occupational pension scheme in relation to which the amendments in section 27 apply on the coming into operation of that section to obtain an actuarial valuation of a description specified in the regulations.
- (3) In subsection (2)—
- (a) “occupational pension scheme” and “personal pension scheme” have the meanings given by section 1 of the Pension Schemes (Northern Ireland) Act 1993;
 - (b) “statutory provision” has the meaning given by section 1(f) of the Interpretation Act (Northern Ireland) 1954.

Consequential and supplementary

29.—(1) The Department for Social Development may by regulations make consequential or supplementary provision in relation to the amendments made by section 27.

(2) In Article 280 of the Pensions (Northern Ireland) Order 2005 (modification of Order) in paragraph (2) after sub-paragraph (b) insert—

“(ba) Part 4 (scheme funding).”.

Power to make further provision

30.—(1) The Department for Social Development may by regulations amend for any purpose the definition of “money purchase benefit” in the Pension Schemes (Northern Ireland) Act 1993 or the Pensions (No. 2) Act (Northern Ireland) 2008.

(2) Regulations under this section may in particular amend the provisions inserted by section 27.

(3) Regulations under this section may include transitional, consequential or supplementary provision.

Regulations

31.—(1) Regulations under this Part may—

- (a) make different provision for different cases (including different provision for pension schemes of different descriptions);
- (b) provide for a person to exercise a discretion in dealing with any matter;
- (c) amend any statutory provision (within the meaning of section 1(f) of the Interpretation Act (Northern Ireland) 1954);
- (d) have retrospective effect.

(2) Regulations under this Part which amend an Act of Parliament or Northern Ireland legislation—

- (a) must be laid before the Assembly after being made;
- (b) take effect on such date as may be specified in the regulations but (without prejudice to the validity of anything done thereunder or to the making of new regulations) cease to have effect upon the expiration of a period of 6 months from that date unless at some time before the expiration of that period the regulations are approved by a resolution of the Assembly.

(3) Any other regulations under this Part are subject to negative resolution.