

Status: Point in time view as at 15/12/2008. This version of this provision has been superseded.
Changes to legislation: Pensions (No. 2) Act (Northern Ireland) 2008, Section 26 is up to date with all changes known to be in force on or before 11 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)



2008 CHAPTER 13

PART 1

PENSION SCHEME MEMBERSHIP FOR JOBHOLDERS

CHAPTER 1

EMPLOYERS' DUTIES

Quality requirements

Quality requirement: UK personal pension schemes

26.—(1) This section applies to a personal pension scheme if the operation of the scheme—

- (a) is carried on in such a way as to be a regulated activity for the purposes of the Financial Services and Markets Act 2000 (c. 8), and
- (b) is carried on in the United Kingdom by a person who is in relation to that activity an authorised person or an exempt person under section 19 of that Act.

(2) The scheme satisfies the quality requirement in relation to a jobholder if the following conditions are satisfied.

(3) The first condition is that all of the benefits that may be provided to the jobholder under the scheme are money purchase benefits.

(4) The second condition is that, in relation to the jobholder, there is an agreement between the provider of the scheme and the employer under which—

- (a) the employer must pay contributions in respect of the jobholder;

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- (b) the employer's contribution, however calculated, must be equal to or more than 3% of the amount of the jobholder's qualifying earnings in the relevant pay reference period.
- (5) In subsection (6), “shortfall” means the difference (if any) between—
- (a) the employer's contribution in respect of the jobholder under the agreement referred to in subsection (4), and
 - (b) 8% of the amount of the jobholder's qualifying earnings in the relevant pay reference period.
- (6) The third condition is that if there is a shortfall there is an agreement between the provider of the scheme and the jobholder under which the jobholder must pay contributions which, however calculated, are equal to or more than the shortfall.
- (7) The fourth condition is that, in relation to the jobholder, there are direct payment arrangements (within the meaning of section 107A of the Pension Schemes Act) between the jobholder and the employer.
- (8) The Department may by regulations provide that, where the scheme is an appropriate scheme within the meaning of section 3(4) of the Pension Schemes Act, subsections (4)(b) and (5)(b) have effect with prescribed modifications.
- (9) A scheme does not fail to satisfy the quality requirement under this section merely because the provider of the scheme may on any occasion refuse to accept a contribution below an amount prescribed for the purposes of this section on the grounds that it is below that amount.

Commencement Information

II S. 26 partly in force; s. 26 in force for certain purposes at Royal Assent see s. 118(2)

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