

SCHEDULES

SCHEDULE 5

PENSION CREDITS: MODE OF DISCHARGE

Modifications etc. (not altering text)

- C1** Sch. 5 modified (1.8.2006) by [Pension Protection Fund \(Pension Sharing\) Regulations \(Northern Ireland\) 2006 \(S.R. 2006/282\)](#), **reg. 2(2)(d)**

Disqualification as destination for pension credit

7.—(1) If a pension credit derives from a pension arrangement which is [^{F1}a registered pension scheme under section 153 of the Finance Act 2004,] an arrangement is disqualified as a destination for the credit unless—

- (a) it is also [^{F2}registered] for those purposes, or
- (b) it satisfies such requirements as the Department may prescribe by regulations.

(2) If the rights by reference to which the amount of a pension credit is determined are or include contracted-out rights or safeguarded rights, an arrangement is disqualified as a destination for the credit unless—

- (a) it is of a description prescribed by the Department by regulations, and
- (b) it satisfies such requirements as the Department may so prescribe.

(3) An occupational pension scheme is disqualified as a destination for a pension credit unless the rights to be acquired under the arrangement by the person entitled to the credit are rights whose value, when calculated in accordance with regulations made by the Department, equals the credit.

(4) An annuity contract or insurance policy is disqualified as a destination for a pension credit in such circumstances as the Department may prescribe by regulations.

(5) The requirements which may be prescribed under sub-paragraph (1)(b) include, in particular, requirements of the Inland Revenue.

(6) In sub-paragraph (2)—

“contracted-out rights” means such rights under, or derived from—

- (a) an occupational pension scheme contracted-out by virtue of section 5(2) or (3) of the Pension Schemes Act, or
- (b) a personal pension scheme which is an appropriate scheme for the purposes of that Act, as the Department may prescribe by regulations;

“safeguarded rights” has the meaning given by section 64A of the Pension Schemes Act.

F1 Words in Sch. 5 para. 7(1) substituted (6.4.2006) by [Taxation of Pension Schemes \(Consequential Amendments\) Order 2006 \(S.I. 2006/745\)](#), **art. 16(5)(a)**

Status: Point in time view as at 06/04/2006.

Changes to legislation: There are currently no known outstanding effects for the The Welfare Reform and Pensions (Northern Ireland) Order 1999, Cross Heading: Disqualification as destination for pension credit. (See end of Document for details)

F2 Word in Sch. 5 para. 7(1)(a) substituted (6.4.2006) by Taxation of Pension Schemes (Consequential Amendments) Order 2006 (S.I. 2006/745), **art. 16(5)(b)**

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