

SCHEDULES

^{F1} SCHEDULE 6

PENSION COMPENSATION PROVISIONS

F1 mod. by SR 2005/171

Modifications etc. (not altering text)

- C1** Sch. 6 modified (1.8.2006) by Pension Protection Fund (Pension Sharing) Regulations (Northern Ireland) 2006 (S.R. 2006/282), **reg. 3(2)**
- C2** Sch. 6 modified by S.R. 2005/149, **reg. 13A** (as inserted (1.4.2009) by Pension Protection Fund (Miscellaneous Amendments) Regulations (Northern Ireland) 2009 (S.R. 2009/78), **reg. 4**)
- C3** Sch. 6 modified by S.R. 2005/149, **reg. 024(02)** (as added (6.4.2010) by The Pension Protection Fund (Miscellaneous Amendments) Regulations (Northern Ireland) 2010 (S.R. 2010/80), **regs. 1(b), 4(4)**)
- C4** Sch. 6 modified by S.R. 2005/149, **reg. 23(2)** (as substituted (24.7.2014) by The Pensions (2012 Act) (Transitional, Consequential and Supplementary Provisions) Regulations (Northern Ireland) 2014 (S.R. 2014/204), **regs. 1(1), 59(4)(c)**)
- C5** Sch. 6 modified by S.R. 2005/149 **reg. 27(2)** (as added (24.2.2018) by The Pension Protection Fund (Compensation) (Amendment) Regulations (Northern Ireland) 2018 (S.R. 2018/26), **regs. 1, 2(6)**)
- C6** Sch. 6 modified by S.R. 2005/149 **reg. 28(1)** (as added (2.10.2018) by The Pension Protection Fund (Pensionable Service) and Occupational Pension Schemes (Investment and Disclosure) (Amendment and Modification) Regulations (Northern Ireland) 2018 (S.R. 2018/165), **regs. 1(2), 2(3)**)

Active members who have not attained normal pension age at assessment date

11.—(1) Compensation is payable in accordance with this paragraph where a person who, under the admissible rules, is (immediately before the assessment date) an active member of the scheme has not, before that date, attained normal pension age in respect of his rights under the admissible rules of the scheme to a pension.

(2) If the active member survives to attain normal pension age in respect of that pension (“the pension”), he is entitled to periodic compensation in respect of the pension commencing at that age and continuing for life.

(3) The annual rate of the periodic compensation is 90% of the aggregate of—

(a) the protected notional pension, ^{F2}...

[^{F3}(aa) if the commencement of periodic compensation under this paragraph has been postponed for any period by virtue of paragraph 25A, the amount of the actuarial increase under that paragraph, and]

(b) any increases under paragraph 28 (annual increases in periodic compensation).

(4) In sub-paragraph (3) “the protected notional pension” means the aggregate of—

(a) the accrued amount, and

(b) the revaluation amount for the revaluation period (see paragraph 12).

(5) Subject to sub-paragraphs (6) and (7), the accrued amount is—

Changes to legislation: *The Pensions (Northern Ireland) Order 2005, Paragraph 11 is up to date with all changes known to be in force on or before 26 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) View outstanding changes*

AR × PE × PS

where—

AR is the active member's annual accrual rate in respect of the pension under the admissible rules, PE is the active member's annual pensionable earnings in respect of the pension under the admissible rules, and

PS is the active member's pensionable service in respect of the pension under the admissible rules in years (including any fraction of a year).

(6) If the accrual rates or pensionable earnings differ in respect of different parts of the active member's pensionable service relating to the pension, an amount is calculated in accordance with the formula in sub-paragraph (5) in respect of each of those parts and the accrued amount is the aggregate of those amounts.

For this purpose the references in sub-paragraph (5) to the active member's pensionable service, accrual rate and pensionable earnings are to be read as references to the part of his pensionable service in question and to his accrual rate and pensionable earnings in respect of that part.

(7) In any case where the Board is satisfied that it is not possible to identify one or more of the elements of the formula in sub-paragraph (5), the Board may, having regard to the admissible rules, determine how the accrued amount is to be calculated.

(8) This paragraph is subject to—

(a) paragraph 20 (compensation in respect of scheme right to transfer payment or contribution refund),

[^{F4}(aa) paragraph 22A (calculation of compensation on and after 1st January 2024),]

(b) paragraph 24 (commutation),

[^{F5}(ba) paragraph 25E (terminal illness lump sum),]

(c) ^{F6}... and

(d) paragraph 30 (power of Department to change percentage rates by order).^{F7}

F2 Word in Sch. 6 para. 11(3)(a) omitted (27.3.2013) by virtue of [Pensions Act \(Northern Ireland\) 2012 \(c. 3\)](#), s. 34(3), [Sch. 4 para. 23\(5\)\(a\)](#); S.R. 2013/83, art. 2(b)(ii)

F3 Sch. 6 para. 11(3)(aa) inserted (27.3.2013) by [Pensions Act \(Northern Ireland\) 2012 \(c. 3\)](#), s. 34(3), [Sch. 4 para. 23\(5\)\(b\)](#); S.R. 2013/83, art. 2(b)(ii)

F4 Sch. 6 para. 11(8)(aa) inserted (31.12.2023) by [The Pensions \(Pension Protection Fund Compensation\) \(Northern Ireland\) Regulations 2023 \(S.I. 2023/1312\)](#), regs. 1(2), [3\(7\)\(a\)](#)

F5 Sch. 6 para. 11(8)(ba) inserted (1.4.2009) by [Pensions \(No. 2\) Act \(Northern Ireland\) 2008 \(c. 13\)](#), ss. 100, 118(1), [Sch. 6 para. 4](#); S.R. 2009/147, [art. 2\(a\)\(i\)\(b\)](#)

F6 Sch. 6 para. 11(8)(c) omitted (31.12.2023) by virtue of [The Pensions \(Pension Protection Fund Compensation\) \(Northern Ireland\) Regulations 2023 \(S.I. 2023/1312\)](#), regs. 1(2), [3\(7\)\(b\)](#)

F7 mod. by SR 2005/149

Changes to legislation:

The Pensions (Northern Ireland) Order 2005, Paragraph 11 is up to date with all changes known to be in force on or before 26 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.

[View outstanding changes](#)

Changes and effects yet to be applied to the whole Order associated Parts and Chapters:

Whole provisions yet to be inserted into this Order (including any effects on those provisions):

- Sch. 6 para. 21(2)(c)-(cc) substituted for (b)(c) by [2008 c. 13 \(N.I.\) Sch. 6 para. 11](#)
- art. 2(4)(b)(viii)-(x) inserted by [2016 c. 1 \(N.I.\) Sch. 2 para. 21\(3\)\(b\)](#)
- art. 19(1A) inserted by [2016 c. 1 \(N.I.\) Sch. 2 para. 24\(3\)](#)
- art. 19(10A) inserted by [2016 c. 1 \(N.I.\) Sch. 2 para. 24\(5\)](#)
- art. 34(1)-(1B) substituted for art. 34(1) by [2016 c. 1 \(N.I.\) Sch. 2 para. 25](#)
- art. 34(7)(da) inserted by [2021 c. 1 Sch. 8 para. 3\(2\)](#)
- art. 39(1)-(1B) substituted for art. 39(1) by [2016 c. 1 \(N.I.\) Sch. 2 para. 26\(2\)](#)
- art. 48(1)-(1B) substituted for art. 48(1) by [2016 c. 1 \(N.I.\) Sch. 2 para. 27](#)
- art. 75(1)(a)(iib) inserted by [2021 c. 1 Sch. 8 para. 8\(2\)](#)
- art. 110(1)-(1B) substituted for art. 110(1) by [2016 c. 1 \(N.I.\) Sch. 2 para. 29](#)
- art. 191(5) added by [2008 c. 13 \(N.I.\) Sch. 9 para. 6](#)
- art. 267(4)(f) and word inserted by [2021 c. 1 Sch. 6 para. 20\(b\)](#)