

1988 No. 214

SOCIAL SECURITY

**The Personal and Occupational Pension Schemes
(Transfer to Self-employed Pension Arrangements)
Regulations (Northern Ireland) 1988**

Made 10th June 1988

Coming into operation 1st July 1988

The Department of Health and Social Services, in exercise of the powers conferred on it by paragraphs 13(2)(c), (2A) and (3) and 20 of Schedule 1A to the Social Security Pensions (Northern Ireland) Order 1975(a) and Article 18(1)(b) of the Social Security (Northern Ireland) Order 1986(b) and of all other powers enabling it in that behalf, hereby makes the following regulations:

Citation and commencement

1. These regulations may be cited as the Personal and Occupational Pension Schemes (Transfer to Self-employed Pension Arrangements) Regulations (Northern Ireland) 1988 and shall come into operation on 1st July 1988.

Amendment of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985

2. The Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985(c) shall be amended in accordance with paragraphs (a) to (d)—

- (a) in regulation 2(3)(a) and (c) for “Chapter II of Part II of the Finance Act 1970” there shall be substituted “Chapter I of Part XIV of the Income and Corporation Taxes Act 1988(d)”;
- (b) in regulation 2(3)(b) for “section 26(1) of the Finance Act 1970” there shall be substituted “section 612(1) of the Income and Corporation Taxes Act 1988”;
- (c) in regulation 2(3)(d) for “section 36 of the Finance Act 1980” there shall be substituted “section 608 of the Income and Corporation Taxes Act 1988”; and

(a) S.I. 1975/1503 (N.I. 15); Schedule 1A was inserted by paragraph 3 of Schedule 1 to the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)) and paragraph 13 of Schedule 1A was amended by paragraph 24(c) of Schedule 9 to the Social Security (Northern Ireland) Order 1986 (S.I. 1986/1888 (N.I. 18)). *See also* Article 2(3)

(b) S.I. 1986/1888 (N.I. 18)

(c) S.R. 1985 No. 358; relevant amending regulations are S.R. 1987 No. 285 and S.R. 1988 No. 127

(d) 1988 c. 1

(d) after regulation 2C there shall be inserted the following regulation—
“Use of cash equivalents for subscribing to self-employed arrangements

2D.—(1) For the purposes of paragraph 13(3) of Schedule 1A (except in prescribed circumstances paragraph 13(2) of that Schedule to be construed as if head (c) were omitted) the prescribed circumstances are that a member of a scheme who has acquired a right to a cash equivalent under paragraph 12 of that Schedule (a) in respect of rights which are not rights to a guaranteed minimum pension or protected rights has become, or proposes to become, a member of a self-employed pension arrangement.

(2) For the purposes of paragraph 13(2)(c) of Schedule 1A the prescribed requirements are that the other pension arrangement to which it is proposed to subscribe is a self-employed pension arrangement.

(3) In this regulation “self-employed pension arrangement” means a personal pension scheme within the meaning of Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 which is approved by the Inland Revenue under that Chapter; but which is neither a personal pension scheme within the meaning of the Social Security (Northern Ireland) Order 1986 nor a contract or a scheme approved under Chapter III of Part XIV of that Act.”.

Amendment of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987

3. The Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987 (b) shall be amended in accordance with paragraphs (a) to (c)—

(a) in regulation 2(a)(i) for “Chapter II of Part II of the Finance Act 1970” there shall be substituted “Chapter I of Part XIV of the Income and Corporation Taxes Act 1988”;

(b) in regulation 2(a)(ii) for “section 26(1) of the Finance Act 1970” there shall be substituted “section 612(1) of the Income and Corporation Taxes Act 1988”; and

(c) after regulation 2 there shall be inserted the following regulation—
“Use of cash equivalents for subscribing to self-employed pension arrangements

2A.—(1) For the purposes of paragraph 13(3) of Schedule 1A (except in prescribed circumstances paragraph 13(2) of that Schedule to be construed as if head (c) were omitted) the prescribed circumstances are that a member of a personal pension scheme who has acquired a right to a cash equivalent under paragraph 12 of that Schedule in respect of rights which are not protected rights has become, or proposes to become, a member of a self-employed pension arrangement.

(2) For the purposes of paragraph 13(2)(c) of Schedule 1A the prescribed requirements are that the other pension arrangement to which it is proposed to subscribe is a self-employed pension arrangement.

(3) In this regulation “self-employed pension arrangement” means a personal pension scheme within the meaning of Chapter IV of Part XIV of

(a) Paragraph 12 is amended by paragraph 24(a) and (b) of Schedule 9 to the Social Security (Northern Ireland) Order 1986 and by paragraph 3 of Schedule 2 to the Social Security (Northern Ireland) Order 1988 (S.I. 1988/594 (N.I. 2))

(b) S.R. 1987 No. 290

the Income and Corporation Taxes Act 1988 which is approved by the Inland Revenue under that Chapter; but which is neither a personal pension scheme within the meaning of the Social Security (Northern Ireland) Order 1986 nor a contract or a scheme approved under Chapter III of Part XIV of that Act.”.

Consequential amendments

4.—(1) Regulation 2 of the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985(a) shall be amended as follows—

- (a) in paragraph (b) for “either or both” there shall be substituted “one or more”;
- (b) in paragraph (b)(i) at the end “and” shall be omitted;
- (c) in paragraph (b)(ii) for the full stop there shall be substituted “, and”;
- and
- (d) after (b)(ii) there shall be inserted the following sub-paragraph—

“(iii) in the case only of benefits which are not, and do not include, guaranteed minimum pensions, the award of rights to money-purchase benefits under a self-employed pension arrangement within the meaning of regulation 2D of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 or regulation 2A of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987.”.

(2) The Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987(b) shall be amended as follows—

- (a) in regulation 3(7) after “included” there shall be inserted “both” and at the end there shall be inserted “and a self-employed pension arrangement within the meaning of regulation 2D of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 or regulation 2A of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987”; and
- (b) in paragraph 9(c) of Schedule 4 and paragraph 3 of Schedule 6, in the substituted head (a) of sub-paragraph (5), after “appropriate scheme,” there shall be inserted “or of a self-employed pension arrangement within the meaning of regulation 2D of the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 or regulation 2A of the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987,”.

Sealed with the Official Seal of the Department of Health and Social Services on 10th June 1988.

(L.S.)

P. A. Conliffe

Assistant Secretary

(a) S.R. 1985 No. 356; relevant amending regulations are S.R. 1986 No. 362 and S.R. 1987 No. 292
 (b) S.R. 1987 No. 294; relevant amending regulations are S.R. 1988 No. 107

EXPLANATORY NOTE

(This note is not part of the Regulations.)

These regulations amend the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1985 and the Personal Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1987. They make provision for a member of an occupational or personal pension scheme who, on termination of his pensionable service under the scheme, has acquired a right under Part II of Schedule 1A to the Social Security Pensions (Northern Ireland) Order 1975 ("the Pensions Order") to a cash equivalent of his accrued rights under the scheme and who is, or is about to become, self-employed to require the trustees or managers of the scheme to use that cash equivalent to secure rights to money-purchase benefits under a self-employed pension arrangement. The right so to require does not extend to any part of the cash equivalent which represents guaranteed minimum pensions or protected rights. A "self-employed pension arrangement" is an arrangement which is a personal pension scheme for the purposes of Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 and which is approved by the Inland Revenue under that Chapter; but which is neither a personal scheme for the purposes of the Social Security (Northern Ireland) Order 1986 nor a contract or a scheme approved under Chapter III of Part XIV of that Act. The regulations also amend certain references to the income tax legislation to take account of the consolidation of that legislation.

Consequential amendments are made to the Occupational Pension Schemes (Discharge of Liability) Regulations (Northern Ireland) 1985 and the Personal and Occupational Pension Schemes (Modification of Enactments) Regulations (Northern Ireland) 1987 so as to permit the assignment or surrender of insurance or annuity contracts for the purpose of transfer to a self-employed pension arrangement, and to provide for references to an occupational or personal pension scheme in the provisions of Schedule 3 to the Pensions Order about alternatives to, and surrender of, short-service benefit to include references to a self-employed pension arrangement.