
EXPLANATORY NOTE

(This note is not part of the Regulations.)

These Regulations replace the Contracting-out (Transfer) Regulations (Northern Ireland) 1985 (“the 1985 Regulations”) which are, subject to transitional provisions, now revoked. The Regulations supplement changes introduced by the Pensions (Northern Ireland) Order 1995 (“the Order”) to Part III of the Pension Schemes (Northern Ireland) Act 1993 (“the 1993 Act”). They also consolidate and amend those provisions of the 1985 Regulations which remain relevant. In addition to minor and drafting amendments, the Regulations make the following changes of substance—

they provide for treating separately rights to guaranteed minimum pensions and rights earned in respect of any period from 6th April 1997 and make provision for the transfer of liability for the latter rights;

they set out revised conditions for the making of a transfer payment to an overseas scheme, and they no longer require the Occupational Pensions Board, which is being dissolved, to approve transfers.

Part I contains general provisions relating to citation, commencement and interpretation of the Regulations.

Part II makes provision for the circumstances in which and the conditions subject to which a transfer of or transfer payment in respect of an earner’s accrued rights to guaranteed minimum pensions (or the liability for the payment of guaranteed minimum pensions in respect of which entitlement has already arisen) may be made from one pension scheme to another or from an insurance policy or annuity contract to a pension scheme.

Part III makes provision for the circumstances in which and the conditions subject to which a transfer of liability may be made from a pension scheme or from an insurance policy or annuity contract to a pension scheme or arrangement in respect of rights to pensions which have accrued on or after the principal appointed day under a scheme contracted-out by virtue of section 5(2B) of the 1993 Act.

Part IV modifies Part III of the 1993 Act where a transfer or transfer payment has been made under Part II of the Regulations (or under certain provisions of the 1985 Regulations) to a scheme which is contracted-out under section 5(2) of the 1993 Act (a salary related contracted-out scheme) so as to ensure that the receiving scheme provides guaranteed minimum pensions in consequence of the transfer or transfer payment.

Part V contains consequential revocations and transitional provisions.

Section 8C of the 1993 Act (as inserted by Article 133(5) of the Order), one of the enabling provisions under which these Regulations are made, came into operation for the purpose of authorising the making of regulations on 6th April 1996, and comes into operation for all other purposes on 6th April 1997 by virtue of the Pensions (1995 Order) (Commencement No. 2) Order (Northern Ireland) 1996 (S.R. 1996 No. 91 (C. 4)).