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## EXPLANATORY NOTE

*(This note is not part of the Regulations.)*

These Regulations concern the requirements which must be satisfied before the employer may receive a payment or distribution of assets from an occupational pension scheme. The requirements are applicable only to exempt approved trust schemes.

Regulations 1 to 3 relate to citation, commencement, interpretation and application.

Regulations 4 to 6 relate to payments to the employer from surplus approved under Schedule 22 to the Income and Corporation Taxes Act 1988. Regulation 4 prescribes requirements for notifying members of any proposals to make such a payment. Regulation 5 prescribes the circumstances in which the Occupational Pensions Regulatory Authority (“the Authority”) must be satisfied that all the relevant requirements are met. In a case where the Authority have not confirmed that they are so satisfied, regulation 6 requires that confirmation be obtained from the Authority that the circumstances provided for in regulation 5 do not apply.

Regulations 7 to 10 make broadly similar provision in relation to proposals to exercise a power to distribute excess assets to the employer on the winding up of a scheme.

Regulation 10 relates to the requirement, in cases where the scheme prohibits distribution of excess assets to the employer, to increase benefits subject to prescribed limits before making such a distribution. The prescribed limits are the maximum benefits which may be provided by the scheme as an exempt approved scheme.

Regulation 11 makes provision for cases where the scheme rules require modification before a payment or distribution of assets to the employer may be made.

Regulations 12 and 13 provide for Articles 37, 76 and 77 of the Pensions (Northern Ireland) Order 1995 (“the Order”) to be modified in cases where a scheme has more than one employer.

Regulation 14 provides for exemptions from Articles 37 and 76 of the Order.

Regulation 15 provides for revocations and savings.

The Pensions (1995 Order) (Commencement No. 2) Order (Northern Ireland) 1996 ([S.R. 1996 No. 91 \(C. 4\)](#)) provides for the coming into operation of Articles 37, 69, 76 and 77 of the Order, for the purpose only of authorising the making of regulations, and Article 166 of the Order, in so far as it was not already in operation, on 6th April 1996. The Pensions (1995 Order) (Commencement No. 5) Order (Northern Ireland) 1996 ([S.R. 1996 No. 534 \(C. 25\)](#)) provides for the coming into operation of Article 122(2) to (4) of the Order, in so far as it was not already in operation, on 19th November 1996.

As these Regulations make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Social Security in relation to Great Britain, the requirement for consultation under Article 117(1) of the Order does not apply by virtue of paragraph (2)(e) of that Article.