
STATUTORY RULES OF NORTHERN IRELAND

2002 No. 410

The Occupational and Personal Pension Schemes (Disclosure of Information) (Amendment) Regulations (Northern Ireland) 2002

Amendment of the Stakeholder Pension Schemes Regulations

4.—(1) The Stakeholder Pension Schemes Regulations (Northern Ireland) 2000(1) shall be amended in accordance with paragraphs (2) and (3).

(2) In regulation 1(3) (interpretation)—

(a) after the definition of “beneficiary” there shall be inserted the following definition—

““contracted-out employment” shall be construed in accordance with section 4;”;

(b) after the definition of “dilution levy”(2) there shall be inserted the following definition—

““illustration date” means, in relation to any information provided, or to be provided, under regulation 18(5B), the date specified by the trustees or manager as the date by reference to which amounts are calculated for the purpose of providing the information;”;

(c) after the definition of “minimum payments” there shall be inserted the following definition—

““non-contributing member” means—

(a) in relation to an occupational pension scheme, a member who is neither in pensionable service under the scheme nor entitled to the present payment of benefits under the scheme;

(b) in relation to a personal pension scheme, a member in respect of whom no further contributions to the scheme are due or expected after the illustration date;”;

(d) after the definition of “qualifying scheme” there shall be inserted the following definition—

““relevant guidance” means the document entitled “Technical Memorandum TM1: Statutory Money Purchase Illustrations” which—

(a) is published, and from time to time revised, by the Faculty of Actuaries and the Institute of Actuaries, and

(b) is for the time being approved by the Department;”;

(e) after the definition of “reporting accountant” there shall be inserted the following definition—

““retirement date” means, in relation to a member—

(a) the date which he has specified to the trustees or manager, and which is acceptable under the rules of the scheme, for the purpose of regulation 18(5B),
or

(1) [S.R. 2000 No. 262](#); relevant amending regulations are [S.R. 2001 No. 119](#)

(2) Definition of “dilution levy” was inserted by regulation 2(3)(a) of [S.R. 2001 No. 119](#)

- (b) where no acceptable date has been specified for that purpose, the date specified by the trustees or manager as being the appropriate date for the purpose of regulation 18(5B);”.
- (3) In regulation 18 (disclosure of information to members)–
- (a) after paragraph (2)(3) there shall be inserted the following paragraphs–
- “(2A) Subject to paragraph (2B), a statement provided under paragraph (2) shall contain also the information mentioned in paragraph (5B).
- (2B) The requirement under paragraph (2A) to furnish the information mentioned in paragraph (5B) shall not apply–
- (a) in respect of a person who is in receipt of pension benefits under the scheme;
- (b) where the last day of the statement year referred to in paragraph (5)(b)(i)(4) is not more than 2 years before the member’s retirement date;
- (c) where, in relation to the member–
- (i) the value, determined by reference to the relevant guidance, of his accrued rights to money purchase benefits under the scheme was less than £5,000 on the illustration date in respect of which such information was last furnished to him;
- (ii) no contributions, including transfers of pension rights or pension credits, have been made to the scheme by him or on his behalf in respect of money purchase benefits since that date, and
- (iii) the trustees or manager previously gave notice to the member that no further such information would be furnished to him unless further contributions to the scheme in respect of money purchase benefits had first been made by him or on his behalf;
- (d) where, in relation to the member–
- (i) the value, determined by reference to the relevant guidance, of his accrued rights to money purchase benefits under the scheme is less than £5,000 on the first illustration date falling after 5th April 2003;
- (ii) no contributions, including transfers of pension rights or pension credits, have been made to the scheme by him or on his behalf after 5th April 2003, and
- (iii) no further contributions are, in the opinion of the trustees or manager, likely to be made to the scheme by him or on his behalf after that illustration date, or
- (e) where the last day of the statement year referred to in paragraph (5)(b)(i) is before 6th April 2003.
- (2C) Where paragraph (2B) applies but the trustees or manager of the scheme nevertheless choose to furnish the information described in paragraph (5B) and the amount comprising that information is calculated in accordance with paragraphs (5C) to (5F), that information shall be accompanied by the additional information specified in paragraph (5G)(a) and (c) to (k) as if the information had been provided under paragraph (5B).”;
- (b) after paragraph (5A)(5) there shall be inserted the following paragraphs–

(3) Paragraph (2) was substituted by regulation 13(2) of [S.R. 2001 No. 119](#)

(4) Paragraph (5)(b) was substituted by regulation 13(7)(b) of [S.R. 2001 No. 119](#)

(5) Paragraph (5A) was inserted by regulation 13(8) of [S.R. 2001 No. 119](#)

“(5B) The information referred to in paragraph (2A) is an illustration of the amount, calculated in accordance with paragraphs (5C) to (5F), of the pension an entitlement to which would be likely to accrue to the member, or be capable of being secured by him, at his retirement date in respect of rights that may arise under the scheme.

(5C) The amount referred to in paragraph (5B) shall be determined by reference to—

- (a) the relevant guidance, and
- (b) the assumptions about contributions specified in paragraph (5D) and about annuities specified in paragraphs (5E) and (5F), and such other assumptions as may be specified for the purpose in the relevant guidance,

having regard to the value of the member’s accrued rights to money purchase benefits under the scheme on the illustration date.

(5D) The assumptions about contributions referred to in paragraph (5C)(b) are—

- (a) where the calculation relates to the rights of a non-contributing member, that no contributions will be made to the scheme by him or on his behalf after the illustration date, and
- (b) in any other case, that, until the member’s retirement date—
 - (i) contributions to the scheme will be made by him or on his behalf;
 - (ii) the treatment of the scheme under sections 639 to 646A of the Income and Corporation Taxes Act 1988 (tax reliefs) as for the time being in force will continue, and
 - (iii) where a member is in contracted-out employment, sums will continue to be paid by the Inland Revenue in respect of him under section 38A(3) (which deals with age-related payments made to the scheme) or, as the case may be, section 39 (payment of minimum contributions to personal pension schemes) in the amounts to be determined by reference to the relevant guidance.

(5E) The assumptions about annuities referred to in paragraph (5C)(b) are—

- (a) that the rate of pension is to be increased annually by the relevant percentage specified in the relevant guidance, and
- (b) that, subject to paragraph (5F), irrespective of whether or not the member is married at the time when the information referred to in paragraph (5B) is furnished, the annuity will include provision for the payment, to a surviving spouse of the member, of a pension of an amount equal to one half of the pension which was payable to him immediately before his death.

(5F) Paragraph (5E)(b) does not apply where –

- (a) the trustees or manager decide to use a different assumption in substitution for that specified in paragraph (5E)(b) on the basis that the scheme records indicate that the member is not married, or
- (b) the trustees or manager and the member agree to use a different assumption.

(5G) The additional information which is to accompany the information provided under paragraph (5B) is—

- (a) a statement to the effect that the information provided under paragraph (5B)—
 - (i) is provided only for the purposes of illustration;
 - (ii) does not represent any promise or guarantee as to the amount of benefit which may be receivable by the member or a beneficiary under the scheme, and

- (iii) should not be regarded as the only consideration by reference to which the member should make decisions as to his pension arrangements;
- (b) a statement to the effect that the provision of the information mentioned in paragraph (5B) is required by law;
- (c) a statement specifying the means by which the person to whom the information relates may obtain from the trustees or manager further information about the information provided under paragraph (5B);
- (d) a statement to the effect that the information has been prepared by reference to the assumptions required by paragraph (5C) or specified in the relevant guidance;
- (e) a statement to the effect that certain general assumptions have been made about the nature of the investments made for the purposes of that person's money purchase benefits and their likely performance, which may not correspond with the investments actually made for those purposes, or their actual performance;
- (f) a statement to the effect that the amount referred to in paragraph (5B) is expressed in today's prices;
- (g) a statement to the effect that the actual amount of any pension payable to that person or beneficiary under the scheme will depend on considerations, including the actual performance of investments and the cost of buying an annuity at the time the pension becomes payable, which may be different from the assumptions made for the purpose of providing the information under paragraph (5B);
- (h) a statement specifying any assumptions made in relation to future contributions to the scheme;
- (i) a statement of the assumptions made in accordance with paragraphs (5D)(b)(iii) and (5E), or as mentioned in paragraph (5F);
- (j) a statement of the member's retirement date for the purpose of paragraph (5B), and
- (k) a statement of the illustration date used for the purpose of calculating the amount referred to in paragraph (5B)."