
STATUTORY RULES OF NORTHERN IRELAND

2006 No. 155

The Pension Protection Fund (General and Miscellaneous Amendments) Regulations (Northern Ireland) 2006

PART 6

Miscellaneous amendments

Amendment of the Pension Protection Fund (Entry Rules) Regulations

21.—(1) The Pension Protection Fund (Entry Rules) Regulations (Northern Ireland) 2005⁽¹⁾ shall be amended in accordance with paragraphs (2) to (5).

(2) In regulation 1(2) (interpretation), for the definition of “tax approved scheme” there shall be substituted the following definition—

““tax registered scheme” means a pension scheme that is registered under Chapter 2 of Part 4 of the Finance Act 2004 (registration of pension schemes).”.

(3) In regulation 2(1) (schemes which are not eligible schemes)—

(a) in sub-paragraph (f)⁽²⁾, for “tax approved scheme” there shall be substituted “tax registered scheme”;

(b) at the end of sub-paragraph (m), “and” shall be inserted, and

(c) sub-paragraph (n) shall be omitted.

(4) In regulation 3(1) (schemes which cease to be eligible schemes), for sub-paragraph (a) there shall be substituted the following sub-paragraph—

“(a) the scheme has ceased to be a tax registered scheme, or”.

(5) In the Schedule (contents of accounts audited by the auditor of the scheme)—

(a) in paragraph 2(3)(a), “to which section 107 of the Pension Schemes Act (voluntary contributions) applies” shall be omitted, and

(b) in paragraph 5(b), for “regulation 6 of the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 1996 (investments to which restrictions on employer related investments do not apply)” there shall be substituted “regulation 13 of the Occupational Pension Schemes (Investment) Regulations (Northern Ireland) 2005⁽³⁾ (restrictions on employer-related investments)”.

Amendment of the Pension Protection Fund (Compensation) Regulations

22.—(1) The Pension Protection Fund (Compensation) Regulations (Northern Ireland) 2005⁽⁴⁾ shall be amended in accordance with paragraphs (2) to (6).

(1) S.R. 2005 No. 126; relevant amending regulations are S.R. 2005 No. 194

(2) Sub-paragraph (f) was amended by regulation 3(2)(b) of S.R. 2005 No. 194

(3) S.R. 2005 No. 569

(4) S.R. 2005 No. 149 as amended by S.R. 2005 No. 357

- (2) In regulation 1(2)(5) (interpretation)—
- (a) after the definition of “the Order” there shall be inserted the following definition—
- ““the 2004 Act” means the Finance Act 2004”;
- (b) in the appropriate place in alphabetical order there shall be inserted the following definitions—
- ““commutation period” means the period beginning with the day on which a trivial commutation lump sum or PPF trivial commutation lump sum is first paid to the member and ending 12 months after that day;
- “lump sum compensation” means—
- (a) any lump sum compensation payments made in relation to a person, payable under the pension compensation provisions as specified in Article 146(2) (the pension compensation provisions), or
- (b) any lump sum payments made in relation to a person, payable under Article 150 (duty to pay scheme benefits unpaid at assessment date etc.);
- “periodic compensation” means—
- (a) any periodic compensation payments made in relation to a person, payable under the pension compensation provisions specified in Article 146(2); or
- (b) any periodic payments made in relation to a person, payable under Article 150;
- “PPF compensation” means any payments made under the pension compensation provisions specified in Article 146(2) (the pension compensation provisions);
- “PPF trivial commutation lump sum” means a payment made under paragraph 24 of Schedule 6 (commutation of periodic compensation);
- “registered pension scheme” has the meaning given in section 150(2) of the 2004 Act (meaning of pension schemes);
- “standard lifetime allowance” means—
- (a) for the tax year 2006-07, the amount specified in section 218(2) of the 2004 Act (individual’s lifetime allowance and standard lifetime allowance), and
- (b) for each subsequent tax year the amount specified in the relevant order for that tax year made under section 218(3) of that Act;
- “tax year” has the meaning given in section 279(1) of the 2004 Act (other definitions);
- “trivial commutation lump sum” has the meaning given in paragraph 7 of Schedule 29 to the 2004 Act (trivial commutation lump sum);”.
- (c) for the definition of “relevant partner”(6) there shall be substituted the following definition—
- ““relevant partner” means a person of either sex who was not married to, or in a civil partnership with, the member—
- (a) who was living with the member as if that person and the member are husband and wife, or
- (b) in the case of two adults of the same sex, as if they were civil partners,

(5) Paragraph (2) was amended by regulation 8(2)(a) of [S.R. 2005 No. 357](#)

(6) The definition of “relevant partner” was inserted by regulation 8(2)(a)(iii) of [S.R. 2005 No. 357](#)

and, for the purposes of these Regulations, two adults of the same sex are to be regarded as living together as civil partners if they would have been regarded as living together as husband and wife were they instead two adults of opposite sex;”.

- (3) In regulation 17 (commutation of periodic compensation)—
- (a) in paragraph (1), for “specified in paragraph (2)” there shall be substituted “specified in paragraphs (2) and (3)”, and
 - (b) after paragraph (2) there shall be added the following paragraph—

“(3) Where a person makes an application to the Board to commute in accordance with regulation 18(1), that person must have attained the age of 60 and must not have attained the age of 75 on the date specified in regulation 18(2)(b).”.
- (4) For regulation 18 (circumstances in which the portion of compensation to be commuted may exceed 25 per cent) there shall be substituted the following regulation—

“Circumstances in which the portion of compensation to be commuted may exceed 25 per cent

18.—(1) The prescribed circumstances for the purposes of paragraph 24(2) of Schedule 6 (commutation of periodic compensation) are that the portion to be commuted is a PPF trivial commutation lump sum in accordance with paragraph (2).

- (2) A payment is a PPF trivial commutation lump sum if—
- (a) either—
 - (i) no trivial commutation lump sum or PPF trivial commutation lump sum has previously been paid to the person—
 - (aa) by a registered pension scheme, or
 - (bb) the Board, or
 - (ii) if such a lump sum has previously been paid; it was paid before the end of the commutation period;
 - (b) on the nominated date, the value of the member’s entitlement to PPF compensation and pension rights do not exceed the commutation limit;
 - (c) it is paid when all or part of the member’s standard lifetime allowance is available, and
 - (d) it extinguishes the member’s entitlement to PPF compensation.
- (3) The nominated date is—
- (a) the day within the period of three months ending with the first day of the commutation period nominated by the person, or
 - (b) if no day is nominated, the first day of the commutation period.
- (4) The commutation limit is 1% of the standard lifetime allowance on the nominated date.
- (5) The value of the member’s pension rights on the nominated date is the aggregate of—
- (a) the value of the member’s relevant crystallised pension rights on that date, and
 - (b) the value of the member’s uncrystallised rights on that date.
- (6) For the purposes of paragraph (5)—
- (a) relevant crystallised pension rights shall be calculated in accordance with paragraph 8 of Schedule 29 to the 2004 Act (trivial commutation lump sum); and
 - (b) a member’s uncrystallised rights shall be calculated in accordance with paragraph 9 of Schedule 29 to the 2004 Act.

(7) The value of the member’s entitlement to PPF compensation shall be calculated by adding any entitlement he may have to lump sum compensation and any entitlement he may have to periodic compensation.

(8) For the purposes of paragraph (7), the value of any entitlement to—

- (a) lump sum compensation, shall be the full amount of the lump sum compensation to which that member would be entitled on the nominated date, and
- (b) periodic compensation, shall be calculated by multiplying the annual periodic compensation to which that member would be entitled on the nominated date by 20.”.

(5) In regulation 19 (manner in which an option to commute may be exercised), paragraph (4) shall be omitted.

(6) In regulation 21(1)(a) (disregard of certain small payments in determining PPF compensation cap) for “Finance Act 2004” there shall be substituted “2004 Act”.

Amendment of the Pension Protection Fund (Valuation) Regulations

23. In regulation 5 of the Pension Protection Fund (Valuation) Regulations (Northern Ireland) 2005(7) (valuation of assets) “, less the amount of the external liabilities,” shall be omitted.