
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision under the Pensions (No. 2) Act (Northern Ireland) 2008 (“the Act”) and are one of a package of measures which implement Part 1 of that Act.

Part 1 of the Regulations provides definitions. Parts 2, 3, 4 and 7 prescribe the arrangements an employer must make for a jobholder to become an active member of an automatic enrolment scheme with effect from the automatic enrolment date (Part 2), the automatic re-enrolment date (Part 3), the enrolment date (Part 4) or the date applicable to jobholders affected by the transitional period for defined benefit and hybrid schemes under section 30 of the Act (Part 7), as the case may be. The process is largely similar in each case. The same Parts also provide for opting out and refunds of contributions where a jobholder has been automatically enrolled, automatically re-enrolled or opts in, as the case may be. Part 3, in addition, prescribes the automatic re-enrolment dates.

Part 5 prescribes the arrangements an employer must make for a worker (on request) to become an active member of a pension scheme.

Part 6 enables an employer to postpone a person’s automatic enrolment date by 3 months provided an employer has an existing occupational money purchase or hybrid pension scheme or personal pension scheme under which the employer and jobholder contributions are at a specified greater level than the level of contributions normally required in relation to a qualifying scheme under the Act or the employer has an existing defined benefit scheme. Postponement may only apply as long as the jobholder’s postponement date, in relation to previous employment with the employer, has not been postponed in the last 12 months.

Part 8 makes provision for the period (3 months) within which an employer will not breach the duty in section 2 of the Act when moving jobholders between schemes.

Parts 2 to 8 also require the employer to provide the jobholder or worker, as the case may be, with certain information about the effect of sections 2 to 9 of the Act in relation to them.

Part 9 imposes a geographical restriction, the effect of which is to prescribe that only schemes established in the UK or an EEA State which fulfil certain requirements, may be used as automatic enrolment schemes for the purposes of the Act.

Part 10 provides that certain schemes which provide average salary benefits are excluded from being qualifying schemes for the purposes of the Act unless certain conditions are met.

Part 11 prescribes further requirements that apply to the test scheme described in section 23 of the Act. It also makes provision for an actuary or the employer to determine whether the pensions to be provided for the relevant members are broadly equivalent to, or better than, the pensions which would be provided for them under the test scheme and about how such determinations are to be made.

Part 12 contains modifications of the quality requirements under section 20 or 21 of the Act so as to reflect detailed characteristics of certain hybrid schemes.

Part 13 sets out the quality requirements applicable to non-UK schemes and the requirements which a non-UK scheme must meet if section 16(1)(b) of the Act is not to apply.

Part 14 sets the dates by which pension contributions must be paid by the employer to the scheme and makes provision related to the Pensions Regulator’s power to issue an unpaid contribution notice.

As these Regulations, in so far as they are made under Part II of the Pensions (Northern Ireland) Order 1995, make in relation to Northern Ireland only provision corresponding to provision

Status: This is the original version (as it was originally made).

contained in regulations made by the Secretary of State for Work and Pensions in relation to Great Britain, the requirement for consultation does not apply by virtue of Article 117(2)(e) of that Order.

An assessment of the cost to business of these Regulations is detailed in a Regulatory Impact Assessment, a copy of which has been laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of the Assessment are available from the Department for Social Development, Social Security Policy and Legislation Division, Level 1, James House, 2-4 Cromac Avenue, Gasworks Business Park, Ormeau Road, Belfast BT7 2JA or from the website: <http://www.dsdni.gov.uk/index/ssa/ssani-publications/ssani-pensions-publications.htm>. A copy of the Assessment is also annexed to the Explanatory Memorandum which is available alongside this Statutory Rule on the website: <http://www.opsi.gov.uk/legislation/northernireland/ni-srni.htm>.