
STATUTORY RULES OF NORTHERN IRELAND

2016 No. 162

The Pensions (2015 Act) (Contributions Equivalent Premium) (Consequential Provision) and (Savings) (Amendment) Order (Northern Ireland) 2016

Payment of contributions equivalent premium in respect of earners in formerly contracted out schemes

3.—(1) Where a scheme ceases to be a contracted-out occupational pension scheme on the second abolition date, the relevant person may, upon the occurrence of a relevant event, elect to pay a premium in respect of a relevant member and must do so if paragraph (6) applies.

(2) A premium paid under paragraph (1) is to be known as a “contributions equivalent premium”.

(3) A “relevant member” is a member who—

- (a) was serving in contracted-out employment by reference to the scheme immediately prior to the second abolition date, and
- (b) at the date of the relevant event, has served for less than 2 years in that employment.

(4) A “relevant event” is an event which—

- (a) occurs before the member attains the scheme’s normal pension age or (if earlier) the end of the tax year preceding that in which the earner attains pensionable age, and
- (b) is of a description listed in paragraph (5).

(5) For the purposes of paragraph (4), a relevant event occurs when—

- (a) the member’s service in the employment ceases otherwise than on the member’s death;
- (b) the member ceases to be a member of the scheme otherwise than on the member’s death;
- (c) the member’s service in the employment ceases on the member’s death and the member dies leaving a widow, widower or surviving civil partner, or
- (d) the scheme begins to be wound up.

(6) This paragraph applies if—

- (a) at the date of the relevant event, the member has no accrued right to any benefit under the scheme, and
- (b) none of paragraphs (7), (8) and (9) applies.

(7) This paragraph applies where—

- (a) the member’s service in the employment ceases on the member’s death, and
- (b) the member leaves a surviving spouse or civil partner who is not entitled to any of the following benefits—

- (i) a widowed mother's allowance under section 37(1) of the Contributions and Benefits Act;
- (ii) a widow's pension under section 38(2) of the Contributions and Benefits Act;
- (iii) a widowed parent's allowance under section 39A(3) of the Contributions and Benefits Act;
- (iv) a bereavement allowance under section 39B(4) of the Contributions and Benefits Act (bereavement allowance where no dependent children), or
- (v) a bereavement support payment under section 29 of the Pensions Act (Northern Ireland) 2015.

(8) This paragraph applies where the member is a woman who has made, or is treated as having made, an election under regulations made under section 19(4)(5) of the Contributions and Benefits Act (general power to regulate liability for contributions), which has not been revoked, that her liability in respect of primary Class 1 contributions shall be at a reduced rate.

(9) This paragraph applies where, on the termination of pensionable service, the member elects to acquire a right to a cash transfer sum in accordance with section 97AB(1)(a)(6) of the Pension Schemes Act (right to cash transfer sum and contribution refund).

(1) Section 37 was amended by paragraph 72 of Schedule 24, and Schedule 30, to the Civil Partnership Act 2004 (c. 33), paragraph 28 Schedule 1 to the Child Benefit Act 2005 (c. 6) and section 46 of the Welfare Reform Act (Northern Ireland) 2007 (c. 2 (N.I.))

(2) Section 38 was amended by paragraph 73 of Schedule 24, and Schedule 30, to the Civil Partnership Act 2004

(3) Section 39A was inserted by Article 52(2) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)) and amended by paragraph 74 of Schedule 24, and Schedule 30, to the Civil Partnership Act 2004, paragraph 29 Schedule 1 to the Child Benefit Act 2005 and section 47 of the Welfare Reform Act (Northern Ireland) 2007

(4) Section 39B was inserted by Article 52(2) of the Welfare Reform and Pensions (Northern Ireland) Order 1999 and amended by paragraph 75 of Schedule 24, and Schedule 30, to the Civil Partnership Act 2004

(5) Section 19(4) was amended by paragraph 24(4) of Schedule 1 to the National Insurance Contributions Act 2002 (c. 19)

(6) Section 97AB was inserted by Article 241 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1))