
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations (Northern Ireland) 2015 (“the Advice Regulations”), which relate to the requirement in section 51 of the Pension Schemes Act 2015 (c. 8) (“the 2015 Act”) that the trustees or managers of a pension scheme must check that a member or survivor has received appropriate independent advice before carrying out certain transactions. The requirement applies to a member’s or survivor’s “safeguarded benefits”, meaning benefits which are neither money purchase benefits nor cash balance benefits (as defined in sections 51(8), 75 and 76(3) of the 2015 Act).

Regulation 4 inserts regulations 8A, 8B and 8C into the Advice Regulations, to require the trustees or managers of a pension scheme to provide specified information in writing (known as a “risk warning”) to members and survivors in certain circumstances. The requirement applies if the member or survivor has “safeguarded-flexible benefits” (safeguarded benefits which are also flexible benefits, as defined in section 74 of the 2015 Act) and takes certain actions, such as asking the scheme for information about how to transfer their benefits to a different scheme. Paragraph (5) of regulation 8A provides the Pensions Regulator with a power to impose financial penalties in respect of a failure by a trustee or manager to comply with that regulation.

An assessment of the impact of these Regulations is detailed in a Regulatory Impact Assessment, a copy of which is laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of the Assessment are available from the Department for Communities, Social Security Policy and Legislation Division, Level 8, Causeway Exchange, 1-7 Bedford Street, Belfast BT2 7EG or from the website: <https://www.communities-ni.gov.uk/articles/pension-information>. A copy of the Assessment is also annexed to the Explanatory Memorandum which is available alongside this Statutory Rule on the website: <http://www.legislation.gov.uk/nisr>