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## 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 (“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). The Regulations also make transitional provision in connection with the coming into operation of those amendments.

Regulation 4 substitutes regulation 5 of the Advice Regulations, which provides an exception to the requirement to obtain advice. The effect of regulation 5 as substituted is that the exception applies where the “transfer value” (as defined in paragraph (2) of regulation 5) of the member’s or survivor’s safeguarded benefits under the scheme is £30,000 or less.

Regulation 6 makes transitional provision in relation to cases where the exception in regulation 5 of the Advice Regulations did not apply to a member or survivor prior to these Regulations coming into operation, but does apply as a result of the amendment made by regulation 4. If, between 1st October 2017 and 6th April 2018, the trustees or managers informed the member or survivor about the requirement to obtain appropriate independent advice, then within 20 days after the coming into operation of these Regulations they must inform the person that the requirement no longer applies. However, there is an exception if the trustees or managers provided specified information to the member or survivor in advance of the amendment coming into operation.

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>