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## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1991 (“the Preservation Regulations”) and the Occupational Pension Schemes (Charges and Governance) Regulations (Northern Ireland) 2015 (“the Charges and Governance Regulations”).

Regulation 2 amends the Preservation Regulations to provide for the circumstances in which, where a member of an occupational pension scheme has accrued rights to money purchase benefits without guarantees in the scheme, those rights can be transferred to another occupational pension scheme without the member’s consent. Such a transfer is permitted if the receiving scheme is a master trust, or other scheme, authorised under the Pension Schemes Act 2017 (c. 17) or any corresponding Northern Ireland legislation; if the transfer is made between schemes controlled by connected employers; or if the trustees of the transferring scheme have taken written advice from an appropriate independent adviser before making the transfer.

Regulation 3 amends the Charges and Governance Regulations to provide that restrictions on the charges that may be imposed on members continue to apply where members’ rights have been transferred without their consent from one occupational pension scheme to another, or from one arrangement to another within a scheme. A further amendment provides that restrictions on charges (excluding early exit charges) do not apply to members who are transferred without their consent from one non-default arrangement to another, and who selected an arrangement within the five years before the transfer.

As these Regulations, in so far as they are made under Schedule 18 to the Pensions Act (Northern Ireland) 2015, make in relation to Northern Ireland only provision corresponding to provision 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 paragraph 8 of Schedule 18 to that Act.

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>.