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STATUTORY RULES OF NORTHERN IRELAND

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**2022 No. 192**

**The Occupational Pension Schemes (Collective Money Purchase Schemes) (Modifications and Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2022**

**Part 2**

**Amendments**

**Amendment of the Occupational Pension Schemes (Transfer Values) Regulations**

**3.—**(1) The Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996<sup>(1)</sup> are amended in accordance with paragraphs (2) to (9).

(2) In regulation 1(2) (interpretation) after the definition of “categories of benefits”<sup>(2)</sup> insert—  
““collective money purchase scheme” means a scheme or a section of a scheme which is a collective money purchase scheme for the purposes of Part 2 of the Pension Schemes Act 2021 (collective money purchase benefits: Northern Ireland);”.

(3) After regulation 2 (pre-1986 leavers) insert—

**“Collective money purchase scheme during winding-up**

**2A.—**(1) Chapter 1 of Part 4ZA<sup>(3)</sup> of the Act does not apply to a member of a collective money purchase scheme which is pursuing continuity option 1 within the meaning of sections 85 (continuity options) and 87 (continuity option 1: discharge of liabilities and winding up) of the Pension Schemes Act 2021, during the winding-up period for that scheme.

(2) In this regulation, “winding-up period” has the meaning given by paragraph 1(1) of Schedule 6 to the Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations (Northern Ireland) 2022 (continuity option 1: transfer out and winding up).”.

(4) In regulation 7(1)(a)<sup>(4)</sup> (manner of calculation and verification of cash equivalents – general provisions)—

(a) in head (i) omit “or”;

(b) in head (ii)—

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(1) S.R. 1996 No. 619; relevant amending provisions are S.R. 2008 No. 370, S.R. 2014 No. 204, S.R. 2015 No. 164, S.R. 2016 No. 158 and S.R. 2022 No. 121

(2) The definition of “categories of benefits” was inserted by regulation 2(c) of S.R. 2015 No. 164

(3) See paragraph 50 of Schedule 4 to the Pension Schemes Act 2015 (c. 8)

(4) Regulations 7 to 7E were substituted for regulations 7 and 8 by regulation 4 of S.R. 2008 No. 370 and regulation 7 was amended by regulation 31(3) of S.R. 2014 No. 204

- (i) for “money purchase benefits and cash balance benefits” substitute “cash balance benefits and money purchase benefits other than collective money purchase benefits, or”;
- (ii) for “regulation 7C,” substitute “regulation 7C;”;
- (c) after head (ii) add—
  - “(iii) for collective money purchase benefits, in accordance with regulation 7ZC;”;
- (d) for paragraph (5) substitute—
  - “(5) Where the cash equivalent relates to more than one of the benefits specified in paragraph (1)(a)(i) to (iii), the initial cash equivalent is to be calculated—
    - (a) for the portion falling within paragraph (1)(a)(i), in accordance with regulations 7A and 7B;
    - (b) for the portion falling within paragraph (1)(a)(ii), in accordance with regulation 7C; and
    - (c) for the portion falling within paragraph (1)(a)(iii), in accordance with regulation 7ZC(5).”.
- (5) In the heading to regulation 7C(6) (manner of calculation of initial cash equivalents for money purchase benefits and cash balance benefits not calculated by reference to final salary) after “money purchase benefits” insert “(other than collective money purchase benefits)”.
- (6) In regulation 7C(1)(7) after “money purchase benefits” insert “other than collective money purchase benefits”.
- (7) After regulation 7C insert—

**“Manner of calculation of initial cash equivalents for collective money purchase benefits**

- 7ZC.**—(1) For collective money purchase benefits, the initial cash equivalent is the realisable value of the member’s share at the date of calculation of the available assets of the collective money purchase scheme, and is to be calculated—
- (a) on an actuarial basis;
  - (b) using assumptions determined in accordance with this regulation; and
  - (c) in accordance with the scheme rules, to the extent that they are consistent with subparagraphs (a) and (b).
- (2) Having taken the advice of the actuary, the trustees must—
- (a) determine the economic, financial and demographic assumptions; and
  - (b) calculate the initial cash equivalent by using the assumptions so determined.
- (3) In determining the demographic assumptions, the trustees must have regard to—
- (a) the main characteristics of the members of the scheme; or
  - (b) where the members of the scheme do not form a large enough group to allow demographic assumptions to be made, the characteristics of a wider population sharing similar characteristics to the members.
- (4) The trustees must have regard to the scheme’s investment strategy when deciding what assumptions will be included in calculating the discount rates in respect of the member.

(5) Regulation 7ZC is inserted by paragraph (7) of this regulation

(6) The heading to regulation 7C was amended by regulation 31(6)(a) of [S.R. 2014 No. 204](#)

(7) Regulation 7C was amended by regulation 3(3) of [S.R. 2008 No. 388](#), regulation 31(6) of [S.R. 2014 No. 204](#), regulation 4(5) of [S.R. 2015 No. 164](#)

- (5) The trustees must determine the assumptions under this regulation with the aim that, taken as a whole, they should lead to the best estimate of the initial cash equivalent.
- (6) In this regulation, “the available assets of the collective money purchase scheme” has the meaning given by section 53(2) of the Pension Schemes Act 2021.”
- (8) In regulation 13(1)(8) (extension of time limits for payment of cash equivalents)—
- (a) for “section 95(2)(a) or, as the case may be, (b)” substitute “section 95(2)(a), (b) or, as the case may be, (c)(9)”;
  - (b) at the end of sub-paragraph (bb) omit “or”;
  - (c) after sub-paragraph (bb) insert—
    - “(bc) the scheme is, or within 3 months immediately before the end of that period has been, the subject of a pause order under section 95(5) of the Pension Schemes Act 2021 which contains a direction under section 95(5)(e) of that Act (no transfers etc of members’ rights); or”;
  - (d) in sub-paragraph (c) for “(ba) or (bb)” substitute “(ba), (bb) or (bc)”.
- (9) In Schedule 1 (information to be made available to members) after paragraph 3(10) add—
- “4. Where information is made available under this Schedule to a member of a collective money purchase scheme, the information to be made available to such a member also includes—
- (a) a statement that the Money and Pensions Service provides information about transfers that may assist the member in deciding whether to transfer;
  - (b) an explanation of any potential adverse consequences for the member of transferring before normal pension age;
  - (c) an explanation of the trustees’ duties under section 95A(11) (trustees’ further duties: collective money purchase benefits);
  - (d) an explanation that the member will not be able to transfer in the event of the scheme pursuing continuity option 1 within the meaning of sections 85 (continuity options) and 87 (continuity option 1: discharge of liabilities and winding up) of the Pension Schemes Act 2021.”

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(8) Regulation 13 was amended by regulation 4(3) of [S.R. 2005 No. 114](#), regulation 5 of [S.R. 2015 No. 164](#), Articles 27(2) and 33 of [S.R. 2016 No. 158](#) and regulation 24(2) of [S.R. 2022 No. 121](#)

(9) Section 95(2) was substituted by paragraph 59(2) of Schedule 4 to the Pension Schemes Act 2015 and amended by section 76(4) of the Pension Schemes Act 2021

(10) Paragraph 3 was added by regulation 7(b) of [S.R. 2008 No. 370](#)

(11) Section 95A was inserted by section 76(5) of the Pension Schemes Act 2021