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## EXPLANATORY NOTE

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

This Order brings into operation certain provisions of the Pension Schemes Act 2021 (“the Act”). The Order also contains a transitional provision in relation to section 54 of the Act (qualifying schemes).

Article 2 brings into operation paragraphs 27 to 31 of Schedule 8 to the Act (the Pensions Regulator: Northern Ireland) and section 117(b) of, and paragraph 16 of Schedule 8 to, the Act in so far as they relate to paragraphs 27 to 31 on 28th July 2022.

Section 117 of the Act introduces Schedule 8 to the Act, which contains minor and consequential amendments to primary legislation in consequence of the powers conferred on the Pensions Regulator (“the Regulator”).

Paragraphs 27 and 28 of Schedule 8 amend the Pensions (Northern Ireland) Order 2005 (“the 2005 Order”). Paragraph 27 adds further powers to the list in Part 1 of Schedule 1 to the 2005 Order (delegation) of the Regulator’s powers in relation to which the Department for Communities can make an order. Paragraph 28 adds a further power to the list in Part 4 of Schedule 2 to the 2005 Order (functions under this Order) of reserved regulatory functions exercisable by the Determinations Panel on behalf of the Regulator.

Paragraphs 29 to 31 of Schedule 8 amend the Pensions (No. 2) Act (Northern Ireland) 2008 (c. 13 (N.I.)). The amendments confer powers on the Regulator to issue penalty notices in the event of a failure to comply with a notice issued under Article 67A of the 2005 Order (interviews) relating to the Regulator’s functions under Part 1 of the Pensions (No. 2) Act (Northern Ireland) 2008 (pension scheme membership for jobholders).

Article 3 brings the provisions it lists into operation on 1st August 2022. Article 3(a) brings into operation the remainder of Part 2 of the Act (collective money purchase benefits: Northern Ireland), except paragraph 20 of Schedule 6. Paragraph 20 of Schedule 6 amends Article 267 of the 2005 Order (duty of trustees or managers to act consistently with law of host EEA state) which has been repealed. Part 2 of the Act sets out the legislative framework to establish and operate collective money purchase pension schemes.

Article 3(b), (c) and (d) brings provisions of Part 1 of Schedule 8 to the Act into operation which relate to the regime for collective money purchase schemes contained in Part 2 of the Act. Article 3(f) brings most of paragraph 16 of Schedule 11 to the Act (categories of pension schemes: repeal of provisions of Pension Schemes Act (Northern Ireland) 2016) into operation. Paragraph 16 of Schedule 11 repeals uncommenced provisions in Parts 1 to 3 of the Pension Schemes Act (Northern Ireland) 2016 (“the 2016 Act”) concerning collective benefits, the categorisation of pension schemes and related matters. Article 3(f) excludes the repeal of section 44 of the 2016 Act (removal of requirement to maintain register of independent trustees) from the commencement of paragraph 16 of Schedule 8 to the Act. Section 44 of the 2016 Act repeals the requirement for the Regulator to maintain a list of independent trustees which satisfy prescribed requirements.

Article 4 makes transitional provision. Article 4(1) provides that section 54 of the Act does not apply to a pension scheme established before 1st August 2022. Section 54 sets out the conditions for a pension scheme to be a qualifying scheme under the regime for collective money purchase benefits. Article 4(2) provides for a limited exception to Article 4(1), in the case of sections of a pension scheme established before 1st August 2022 where certain conditions are satisfied.

**Changes to legislation:**

There are currently no known outstanding effects for the The Pension Schemes Act 2021 (Commencement No. 5 and Transitional Provision) Order (Northern Ireland) 2022.