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DRAFT STATUTORY INSTRUMENTS

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**2005 No.**

**The Pensions (Northern Ireland) Order 2005**

**PART VI**

**OCCUPATIONAL AND PERSONAL PENSION  
SCHEMES: MISCELLANEOUS PROVISIONS**

*Contracting out*

**Meaning of “working life” in Pension Schemes Act**

**259.** In section 176 of the Pension Schemes Act (general interpretation), in subsection (1) for the definition of “working life” substitute—

““working life”, in relation to a person, means the period beginning with the tax year in which the person attains the age of 16 and ending with—

- (a) the tax year before the one in which the person attains the age of 65 in the case of a man or 60 in the case of a woman, or
- (b) if earlier, the tax year before the one in which the person dies.”.

**Power to prescribe conditions by reference to Inland Revenue approval**

**260.** In section 5 of the Pension Schemes Act (requirements for certification of schemes: general), after subsection (5) insert—

“(5A) Regulations about pension schemes made under this Chapter may contain provisions framed by reference to whether or not a scheme—

- (a) is approved under Chapter 1 (retirement benefit schemes) of Part XIV of the Income and Corporation Taxes Act 1988, or is a relevant statutory scheme within the meaning of that Chapter, or
- (b) is approved under Chapter 4 (personal pension schemes) of that Part.”.

**Restrictions on commutation and age at which benefits may be received**

**261.—(1)** For section 17(1) of the Pension Schemes Act (commutation of guaranteed minimum pensions) substitute—

“(1) A scheme may, in such circumstances and subject to such restrictions and conditions as may be prescribed, provide for the payment of a lump sum instead of a pension required to be provided by the scheme in accordance with section 9 or 13.”.

(2) In section 13 of that Act (minimum pensions for widows and widowers), at the end add—

“(8) Where—

- (a) a lump sum is paid to an earner under provisions included in a scheme by virtue of section 17(1), and

- (b) those provisions are of a prescribed description,  
the earner shall be treated for the purposes of this section as having any guaranteed minimum under section 10 that he would have had but for that payment.”.
- (3) In section 24 of that Act (ways of giving effect to protected rights), in subsection (4) (provision of a lump sum)—
  - (a) after “provision of a lump sum” insert “, subject to such restrictions as may be prescribed,”;
  - (b) omit paragraphs (a) and (b);
  - (c) at the end add  
“; and
  - (e) such other conditions as may be prescribed are satisfied.”.
- (4) Omit subsections (4A) and (4B) of that section.
- (5) In subsections (3) and (5) of that section, for “, (4) or (4A)” substitute “or (4)”.
- (6) In subsection (8) of that section, in the definition of “the starting date” omit “, which must not be earlier than the member’s 60th birthday.”.
- (7) In section 25(1) of that Act (how a pension may comply with “the pension requirements” for the purposes of section 24)—
  - (a) in paragraph (a), for the words from “date” to “or on” substitute “date that is not later than the member’s 65th birthday, or on”;
  - (b) in paragraph (aa)(ii) omit the words from “and is not” to “75th birthday.”.