



# Pension Schemes (Northern Ireland) Act 1993

## 1993 CHAPTER 49

### PART III

#### CERTIFICATION OF PENSION SCHEMES AND EFFECTS ON MEMBERS' STATE SCHEME RIGHTS AND DUTIES

#### CHAPTER I

#### CERTIFICATION

#### *Preliminary*

### **3 Issue of contracting-out and appropriate scheme certificates.**

- (1) Regulations shall provide for the [<sup>F1</sup>Department] to issue certificates stating—
  - (a) that the employment of an earner in employed earner's employment is contracted-out employment by reference to an occupational pension scheme;  
or
  - (b) that a personal pension scheme is an appropriate scheme;and in this Act a certificate under paragraph (a) is referred to as “a contracting-out certificate” and a certificate under paragraph (b) as “an appropriate scheme certificate”.
- (2) The regulations shall provide for contracting-out certificates to be issued to employers and to specify—
  - (a) the employments which are to be treated, either generally or in relation to any specified description of earners, as contracted-out employments; and
  - (b) the occupational pension schemes by reference to which those employments are to be so treated.

*Status: Point in time view as at 06/04/1997.*

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- [<sup>F2</sup>(2A) The regulations may provide, in the case of contracting-out certificates issued before the principal appointed day, for their cancellation by virtue of the regulations—
- (a) at the end of a prescribed period beginning with (and including) that day, or
  - (b) if prescribed conditions are not satisfied at any time in that period.
- but for them to continue to have effect until so cancelled; and the regulations may provide that a certificate having effect on and after that day by virtue of this subsection is to have effect, in relation to any earner’s service on or after that day, as if issued on or after that day.
- (2B) In this Act “the principal appointed day” means the day designated by an order under Article 1 of the Pensions (Northern Ireland) Order 1995 as the principal appointed day for the purposes of Part IV of that Order.]
- (3) An occupational pension scheme is a contracted-out scheme in relation to an earner’s employment if it is for the time being specified in a contracting-out certificate in relation to that employment; and references in this Act to the contracting-out of a scheme are references to its inclusion in such a certificate.
  - (4) A personal pension scheme is an appropriate scheme if there is in force an appropriate scheme certificate issued <sup>F3</sup> . . . in accordance with this Chapter that it is such a scheme.
  - (5) An appropriate scheme certificate for the time being in force in relation to a scheme shall be conclusive that the scheme is an appropriate scheme.
  - (6) Regulations shall provide that any question whether a personal pension scheme is or at any time was an appropriate scheme shall be determined by the [<sup>F1</sup>Department].
  - (7) Except in prescribed circumstances, no contracting-out certificate or appropriate scheme certificate shall have effect from a date earlier than that on which the certificate is issued.

#### Textual Amendments

- F1** Words in s. 3(1)(6) substituted (6.4.1996 for specified purposes and otherwise 6.4.1997) by S.I.1995/3213 (N.I. 22), art. 147, **Sch. 3 para. 15(a)**; S.R. 1996/91, art. 2(d), **Sch. Pt. IV**; S.R. 1997/192, **art. 2(b)**
- F2** S. 3(2A)(2B) inserted (6.4.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 133(1)**; S.R. 1996/91, art. 2(d)(h), **Sch. Pt. IV**
- F3** Words in s. 3(4) repealed (6.4.1997) by S.I. 1995/3213 (N.I. 22), arts. 147, 168, **Sch. 3 para. 15(b)**, **Sch. 5 Pt. III**; S.R. 1997/192, **art. 2(b)**

#### 4 Meaning of “contracted-out employment”, “guaranteed minimum pension” and “minimum payment”.

- (1) The employment of an earner in employed earner’s employment is “contracted-out employment” in relation to him during any period in which he is under pensionable age and—
  - (a) either—
    - [<sup>F4</sup>(i) his service in the employment is for the time being service which qualifies him for a pension provided by an occupational pension scheme contracted out by virtue of satisfying section 5(2) (in this Act referred to as “a salary related contracted-out scheme”),]

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- (ii) his employer makes minimum payments in respect of his employment to an occupational pension scheme which is contracted-out by virtue of satisfying section 5(3) (in this Act referred to as “a money purchase contracted-out scheme”); and
  - (b) there is in force a contracting-out certificate issued by the [<sup>F5</sup>Department] in accordance with this Chapter stating that the employment is contracted-out employment by reference to the scheme.
- (2) In this Act—
- “guaranteed minimum pension” means any pension which is provided by an occupational pension scheme in accordance with the requirements of sections 9 and 13 to the extent to which its weekly rate is equal to the earner’s or, as the case may be, the earner’s widow’s or widower’s guaranteed minimum as determined for the purposes of those sections respectively; and
- “minimum payment”, in relation to an earner’s employment in any tax week, means the rebate percentage of so much of the earnings paid to or for the benefit of the earner in that week as exceeds the current lower earnings limit but not the current upper earnings limit (or the prescribed equivalents if he is paid otherwise than weekly);
- [<sup>F6</sup>and for the purposes of this subsection “rebate percentage” means the appropriate flatrate percentage for the purposes of section 38A(2).]
- (3) Regulations may make provision—
- (a) for the manner in which, and time at which or period within which, minimum payments are to be made;
  - (b) for the recovery by employers of amounts in respect of the whole or part of minimum payments by deduction from earnings;
  - (c) for calculating the amounts payable according to a scale prepared from time to time by the Department or otherwise adjusting them so as to avoid fractional amounts or otherwise facilitate computation;
  - (d) for requiring that the liability in respect of a payment made in a tax week, in so far as the liability depends on any conditions as to a person’s age on retirement, shall be determined as at the beginning of the week or as at the end of it;
  - (e) for securing that liability is not avoided or reduced by the payment of earnings being made in accordance with any practice which is abnormal for the employment in respect of which the earnings are paid;
  - (f) without prejudice to paragraph (e), for enabling the Department, where it is satisfied as to the existence of any practice in respect of the payment of earnings whereby the incidence of minimum payments is avoided or reduced by means of irregular or unequal payments of earnings, to give directions for securing that minimum payments are payable as if that practice were not followed;
  - (g) for the intervals at which, for the purposes of minimum payments, payments of earnings are to be treated as made; and
  - (h) for this section to have effect, in prescribed cases, as if for any reference to a tax week there were substituted a reference to a prescribed period.
- (4) Any contracting-out certificate for the time being in force in respect of an employed earner’s employment shall be conclusive that the employment is contracted-out employment.

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<sup>F7</sup>(5) .....

#### **Textual Amendments**

- F4** S. 4(1)(a)(i) substituted (6.4.1996 for certain purposes otherwise 6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 133(2)**; S.R. 1996/91, **art. 2(d)(h)**, **Sch. Pt. IV**
- F5** Words in s. 4 substituted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 147**, **Sch. 3 para. 14(a)** Table; S.R. 1997/192, **art. 2(b)**
- F6** Words in s. 4(2) substituted (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 147**, **Sch. 3 para. 16(a)**; S.R. 1997/192, **art. 2(b)**
- F7** S. 4(5) repealed (6.4.1997) by S.I. 1995/3213 (N.I. 22), **art. 147**, 168, **Sch. 3 para. 16(b)**, **Sch. 5 Pt. III**; S.R. 1997/192, **art. 2(b)**

#### **Modifications etc. (not altering text)**

- C1** S. 4(2) modified (6.4.1997) by S.R. 1996/509, **reg. 6(2)**

**Status:**

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