



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 III

TERMINATION OF CONTRACTED-OUT OR APPROPRIATE SCHEME STATUS: STATE SCHEME PREMIUMS

State scheme premiums

51 Payment of state scheme premiums on termination of certified status.

- (1) If a scheme ceases to be a contracted-out scheme or an appropriate scheme (whether by being wound up or otherwise) a state scheme premium shall be payable—
 - (a) in respect of each earner whose accrued rights to guaranteed minimum pensions or protected rights under the scheme are not subject to approved arrangements and have not been disposed of so as to discharge the trustees or managers of the scheme under section 15 or 95;
 - (b) in the case of an occupational pension scheme other than a money purchase contracted-out scheme, in respect of each person who has then become entitled to receive a guaranteed minimum pension under the scheme and whose guaranteed minimum pension rights are not subject to approved arrangements; and
 - (c) in the case of a money purchase contracted-out scheme or a personal pension scheme, in respect of each person who has become entitled to receive a pension under the scheme giving effect to protected rights which are not subject to approved arrangements.

Status: Point in time view as at 07/02/1994. This version of this provision has been superseded.

Changes to legislation: *Pension Schemes (Northern Ireland) Act 1993, Section 51 is up to date with all changes known to be in force on or before 08 July 2024. There are changes that may be brought into force at a future date. Changes that have been made appear in the content and are referenced with annotations. (See end of Document for details)*

(2) Where—

- (a) an earner’s service in employment which is contracted-out by reference to an occupational pension scheme, which is not a money purchase contracted-out scheme, is terminated before he attains the scheme’s normal pension age or (if earlier) the end of the tax year preceding that in which he attains pensionable age; and
- (b) he has served for less than two years in employment which is contracted-out by reference to the scheme,

then if—

- (i) the earner’s service is terminated otherwise than by his death or by the scheme’s ceasing to be contracted-out and his period of service is not one in respect of which the scheme conforms to the appropriate extent with the preservation requirements; or
- (ii) the earner’s service is terminated by his death and he dies leaving a widow,

the prescribed person may elect to pay a premium under this subsection.

(3) The Department may by regulations provide that, in such cases and subject to such conditions as may be prescribed, if—

- (a) an earner in employment to which an occupational pension scheme which is not a money purchase contracted-out scheme applies has ceased (whether before or after the commencement of this subsection) to be in that employment before attaining normal pension age;
- (b) there has been a transfer from that scheme to another scheme of his accrued rights other than his accrued rights to guaranteed minimum pensions;
- (c) the scheme to which his accrued rights are transferred is neither a contracted-out scheme nor one which was formerly contracted-out and in respect of which the Board have duties under section 49 at the time of the transfer;
- (d) no premium under subsection (1)(a) is payable in respect of the earner; and
- (e) the circumstances in which by virtue of paragraphs (a) and (b) of subsection (2) a premium is payable under that subsection do not exist,

a state scheme premium may be paid under this subsection.

(4) Subject to subsection (5), where—

- (a) an earner’s service in contracted-out employment by reference to an occupational pension scheme which is not a money purchase contracted-out scheme is terminated before he attains pensionable age (otherwise than by his death);
- (b) no premium is payable in respect of the earner under subsection (1) or (2); and
- (c) the weekly rate of the guaranteed minimum pensions to which he has accrued rights under the scheme will fall to be determined in accordance with provisions included in the scheme by virtue of section 12(2) and (3),

a state scheme premium shall be payable in respect of the earner under this subsection.

(5) Subsection (4) does not apply if the provisions mentioned in paragraph (c) of that subsection conform with such additional requirements as may be prescribed.

(6) In this Act—

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- (a) a premium payable under paragraph (a) of subsection (1) in the case of an occupational pension scheme other than a money purchase contracted-out scheme is referred to as an “accrued rights premium”;
- (b) a premium payable under paragraph (b) of that subsection in such a case is referred to as a “pensioner’s rights premium”;
- (c) a premium payable under paragraph (a) or (c) of that subsection in the case of a money purchase contracted-out scheme is referred to as a “contracted-out protected rights premium”;
- (d) a premium payable under paragraph (a) or (c) of that subsection in the case of a personal pension scheme is referred to as a “personal pension protected rights premium”;
- (e) a premium under subsection (2) is referred to as a “contributions equivalent premium”;
- (f) a premium under subsection (3) is referred to as a “transfer premium”; and
- (g) a premium under subsection (4) is referred to as a “limited revaluation premium”.

Status:

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