
 S T A T U T O R Y I N S T R U M E N T S

1999 No. 3069
PENSIONS
**The Occupational Pension Schemes (Contracting-out)
 (Amount Required for Restoring State Scheme Rights)
 Amendment Regulations 1999**

<i>Made</i> - - - - -	<i>15th November 1999</i>
<i>Laid before Parliament</i>	<i>19th November 1999</i>
<i>Coming into force</i> - -	<i>10th December 1999</i>

The Secretary of State for Social Security, in exercise of the powers conferred by section 181(1) of, and paragraph 5(3C)(c) of Schedule 2 to, the Pension Schemes Act 1993(a), and by section 176(1) of, and paragraph 5(3C)(c) and (4A) of Schedule 1 to, the Pension Schemes (Northern Ireland) Act 1993(b) and now vested in him(c), and of all other powers enabling him in that behalf, having consulted such persons as he considers appropriate(d), hereby makes the following Regulations:—

Citation and commencement

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights) Amendment Regulations 1999, and shall come into force on 10th December 1999.

(2) In these Regulations, “the principal Regulations” means the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations 1998(e) and the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998(f).

Amendment of the principal Regulations

2.—(1) In regulation 4 of the principal Regulations (market level indicator)—

(a) in paragraph (a) for the words from “applicable” to the end of the paragraph there shall be substituted the words—

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- (a) 1993 c. 48; paragraph 5(3C) of Schedule 2 was inserted by section 141(2) of the Pensions Act 1995 (c. 26); section 181(1) is cited for the meanings it gives to “prescribed” and “regulations”.
- (b) 1993 c. 49; section 176(1) is cited for the meaning it gives to “prescribe”; sub-paragraph (3C) was inserted in paragraph 5 of Schedule 1 by Article 138(2)(b) of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I.22)) and amended by paragraph 77(5)(c) of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) (“the 1999 Order”); sub-paragraph (4A) (which is cited for the meanings it gives to “regulations” and “prescribed”) was inserted by paragraph 77(5)(d) of Schedule 1 to the 1999 Order.
- (c) See paragraph 77(5)(d) of Schedule 1 to the 1999 Order.
- (d) See section 185(1) of the Pension Schemes Act 1993, as amended by paragraph 46 of Schedule 3, and paragraph 80 of Schedule 5, to the Pensions Act 1995.
- (e) S.I. 1998/1397. See also section 1(2) of, and Schedule 2 to, the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2) (which transferred to the Commissioners of Inland Revenue the functions of the Secretary of State under those Regulations).
- (f) S.R. 1998 No. 208. See also Article 3(2) of, and Schedule 2 to, the 1999 Order (which effected a corresponding transfer of functions under S.R. 1998 No. 208).

“applicable—

- (i) where the effective date fell before 1st June 1999, to 15-year British Government Stocks with medium coupons, and
 - (ii) where the effective date falls on or after that date, to 15-year British Government Stocks;” and
- (b) in paragraph (b) for the words from “where x per cent.” to the end of the paragraph there shall be substituted the words—

“where—

- (i) the effective date fell before 6th April 1999, x per cent. is the net dividend yield, and
- (ii) if the effective date falls on or after that date, x per cent. is the actual dividend yield,

applicable on the effective date to the All Share Index compiled by the Financial Times and the Faculty of Actuaries and Institute of Actuaries;”.

(2) In Schedule 2 to the principal Regulations (Table for deriving the index number from 15-year gross redemption yield) before the first entry in the Table there shall be inserted the following entries:—

“3.96%	-	4.02%	1.44
4.03%	-	4.09%	1.43
4.10%	-	4.16%	1.42
4.17%	-	4.23%	1.41
4.24%	-	4.30%	1.40
4.31%	-	4.38%	1.39
4.39%	-	4.45%	1.38
4.46%	-	4.53%	1.37
4.54%	-	4.60%	1.36
4.61%	-	4.67%	1.35
4.68%	-	4.75%	1.34
4.76%	-	4.83%	1.33
4.84%	-	4.91%	1.32
4.92%	-	4.99%	1.31”.

Signed by authority of the Secretary of State for Social Security.

15th November 1999

Jeff Rooker
Minister of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations 1998 and the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998 (“the principal Regulations”) which provide for the determination by the Commissioners of Inland Revenue of the amount required for restoring, to members of occupational pension schemes which wind up insolvent, certain rights under the State retirement pension scheme.

Regulation 4 in the principal Regulations (which provides for the market level indicator which is to be used in the calculation of that amount) is amended to require the use of different investment indices relating to the yields of gilts and equities. The index to be used is determined by reference to the date on which the Commissioners of Inland Revenue determine that a scheme’s resources are insufficient to meet its liability for the cash equivalent of a member’s rights under the scheme.

Schedule 2 to the principal Regulations (which contains a Table for deriving an index number from the gross redemption yield of 15-year gilts) is amended to include in the Table entries for yields between 3.96 per cent. and 4.99 per cent.

STATUTORY INSTRUMENTS

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