
STATUTORY INSTRUMENTS

2006 No. 744

The Taxation of Pension Schemes (Consequential Amendments of Occupational and Personal Pension Schemes Legislation) Order 2006

PART 3

Amendment of Subordinate Legislation applicable to Northern Ireland

Amendment of the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations (Northern Ireland) 1997

33.—(1) Amend the Occupational Pension Schemes (Assignment, Forfeiture, Bankruptcy etc.) Regulations (Northern Ireland) 1997(1) as follows.

(2) In regulation 1(2) (interpretation)—

(a) omit the definition of “approved scheme”;

(b) in the appropriate alphabetical places, insert—

““the 2004 Act” means the Finance Act 2004(2);”;

““normal minimum pension age” has the meaning given by section 279(1) of the 2004 Act;”;

and

““registered scheme” means—

- (a) a scheme registered under section 153 of the 2004 Act;
- (b) a scheme which was formerly registered under section 153 of that Act, or
- (c) a scheme which was formerly approved under section 590 or 591 of the Income and Corporation Taxes Act 1988 immediately before the 6th April 2006.”.

(3) In regulation 2 (commutation of a pension under an occupational pension scheme)—

(a) for paragraph (1), substitute—

“(1) For the purposes of Article 89(5)(c)(ii) and (iii)(3) (inalienability of occupational pension does not apply to commutation in prescribed circumstances) the prescribed circumstances are where—

(a) any amount payable as a lump sum to—

- (i) the earner is permitted by the lump sum rule in section 166 of the 2004 Act and qualifies as a trivial commutation lump sum for the purposes of paragraph 7 of Part 1 of Schedule 29 to that Act, or

(1) S.R. (NI) 1997 No. 153; relevant amending Regulations are S.R. (NI) 1999 No. 309 and S.R. (NI) 2002 No. 109.

(2) 2004 c. 12.

(3) S.I. 1995/3213 (N.I. 22); Article 89 was amended by paragraph 46 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)).

- (ii) the earner’s widow, widower or surviving civil partner is permitted by the lump sum death benefit rule in section 168 of that Act and qualifies as a trivial commutation lump sum death benefit for the purposes of paragraph 20 of Part 2 of Schedule 29 to that Act, or
- (b) the scheme is being wound up and the aggregate amount of all benefits payable as a lump sum to—
 - (i) the earner is permitted by the lump sum rule in section 166 of that Act and qualifies as a winding-up lump sum for the purposes of paragraph 10 of Part 1 of Schedule 29 to that Act, or
 - (ii) the earner’s widow, widower or surviving civil partner is permitted by the lump sum death benefit rule in section 168 of that Act and qualifies as a winding-up lump sum death benefit for the purposes of paragraph 21 of Part 2 of Schedule 29 to that Act.”.
- (b) after paragraph (1A)(4) insert—
 - “(1B) There are also prescribed for the purposes of—
 - (a) Article 89(5)(c)(ii) the circumstances where the payment of a lump sum to a person is permitted in accordance with any of paragraphs (a) to (e) of the lump sum death benefit rule in section 168 of the 2004 Act;
 - (b) Article 89(5)(c)(iii) the circumstances where a person has reached normal minimum pension age but has not retired from the employment of the employer in relation to the scheme, the payment of a lump sum to the person is permitted in accordance with paragraph (a) or (g) of the lump sum rule in section 166 of the 2004 Act.”;
 - (c) omit paragraph (2);
 - (d) in paragraph (3) for “paragraph (1)(a)(ii)” substitute “paragraph (1)(b)”.
- (4) In regulation 8 (exemptions from the inalienability and forfeiture provisions)—
 - (a) in paragraph (3) for the word “approved” substitute the word “registered”; and
 - (b) after paragraph (5) add—
 - “(6) Article 89(1)(a) (inalienability of occupational pension) shall not apply to a scheme to the extent that it would prevent the making of any arrangement to effect a surrender of excess rights, at the option of the person in question, for the purposes of paragraph 12 of Schedule 36 to the 2004 Act (pension schemes etc: transitional provisions and savings).”.