

2010 No. 506

PENSIONS

**The Occupational Pension Schemes (Contracting-out) (Amount
Required for Restoring State Scheme Rights) Amendment
Regulations 2010**

<i>Made</i> - - - -	<i>24th February 2010</i>
<i>Laid before Parliament</i>	<i>5th March 2010</i>
<i>Coming into force</i> - -	<i>6th April 2010</i>

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 181(1) and 182(2) of, and paragraph 5(3C)(c) of Schedule 2 to, the Pension Schemes Act 1993(a), and by paragraph 5(3C)(c) and (4A) of Schedule 1 to the Pension Schemes (Northern Ireland) Act 1993(b) and now vested in the Secretary of State(c).

Consultation was not carried out because in the case of Great Britain the obligation to consult does not apply to regulations prescribing actuarial tables(d); and in the case of Northern Ireland there is no obligation to consult(e).

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights) Amendment Regulations 2010 and shall come into force on 6th April 2010.

(2) Regulations 2 and 3 apply if the effective date is on or after 6th April 2010.

(3) In paragraph (2) the “effective date” means—

(a) in the case of regulation 2, the date on which Her Majesty’s Revenue and Customs determine for the purposes of paragraph 5(3A) to (3E) of Schedule 2 to the Pension Schemes Act 1993 (resources of scheme insufficient on winding up) the extent to which

(a) 1993 c.48. Paragraph 5(3C) of Schedule 2 was inserted by section 141(2)(b) of the Pensions Act 1995 (c.26) and amended by paragraph 62(4)(c) of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c.2). Section 181(1) is cited because of the meaning it gives to “prescribed” and “regulations”. *See also* the Commissioners for Revenue and Customs Act 2005 (c.11) which transfers the functions of the Inland Revenue to Her Majesty’s Revenue and Customs.

(b) 1993 c.49. Paragraph 5(3C) of Schedule 1 was inserted 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”) and paragraph 5(4A) (which is cited for the meaning it gives to “regulations” and “prescribed”) was inserted by paragraph 77(5)(d) of Schedule 1 to the 1999 Order.

(c) *See* paragraph 5(4A) of Schedule 1 to the Pension Schemes (Northern Ireland) Act 1993, as inserted by paragraph 77(5)(d) of Schedule 1 to the 1999 Order.

(d) *See* section 185(2)(a) of the Pension Schemes Act 1993 as it applies to regulation 2.

(e) *See* section 180 of the Pension Schemes (Northern Ireland) Act 1993, as it applies to regulation 3, which sets out those powers under which there is an obligation to consult on regulations; paragraphs 5(3C)(c) and (4A) of Schedule 1 to that Act are not powers which impose an obligation to consult.

the resources of a scheme are insufficient to meet the liability for the cash equivalent of the member's rights under the scheme; and

- (b) in the case of regulation 3, the date on which Her Majesty's Revenue and Customs determine for the purposes of paragraph 5(3A) to (3E) of Schedule 1 to the Pension Schemes (Northern Ireland) Act 1993 (resources of scheme insufficient on winding up) the extent to which the resources of a scheme are insufficient to meet the liability for the cash equivalent of the member's rights under the scheme.

(4) This regulation, in so far as it relates to regulation 2, and regulation 2 apply to England, Wales and Scotland.

(5) This regulation, in so far as it relates to regulation 3, and regulation 3 apply to Northern Ireland.

Amendment of the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations 1998

2.—(1) The Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations 1998(a) (“the 1998 Regulations”) are amended as follows.

(2) For regulation 3(2)(a) (method of calculation where no election to pay a contributions equivalent premium may be made) substitute—

“(a) the amount of each factor shall be—

- (i) for Factors A to F2, the amount derived from the relevant Table in Schedule 1, being the amount shown for the factor in the column below the relevant tax year, in relation to the tax year in which the member was born, as specified in the first column of that Table;
- (ii) for Factors G to Q, the amount shown in the column below the relevant factor, in whichever of Tables 11 and 12 in Schedule 1 is applicable, in relation to the age attained by the member in the relevant tax year as specified in the first column of that Table.”.

(3) For Tables 1 to 4 in Schedule 1(b) substitute the tables set out in the Schedule to these Regulations.

(4) In the headings to the tables in Schedule 1, for “Table 5” substitute “Table 11” and for “Table 6” substitute “Table 12”.

Amendment of the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998

3.—(1) The Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998(c) (“the 1998 Regulations”) are amended as follows.

(2) For regulation 3(2)(a) (method of calculation where no election to pay a contributions equivalent premium may be made) substitute—

“(a) the amount of each factor shall be—

- (i) for Factors A to F2, the amount derived from the relevant Table in Schedule 1, being the amount shown for the factor in the column below the relevant tax

(a) S.I.1998/1397; the relevant amending instruments are S.I. 2005/891 and 3164, and S.I.2007/366. *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).

(b) The tables in Schedule 1 were substituted by regulation 2(2) of, and Schedule 1 to, S.I.2007/366 where the effective date is on or after 6th April 2007.

(c) S.R.1998 No.208; the relevant amending instruments are S.I. 2005/891 and 3164, and S.I.2007/366. *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).

year, in relation to the tax year in which the member was born, as specified in the first column of that Table;

- (ii) for Factors G to Q, the amount shown in the column below the relevant factor, in whichever of Tables 11 and 12 in Schedule 1 is applicable, in relation to the age attained by the member in the relevant tax year as specified in the first column of that Table.”.

(3) For Tables 1 to 4 in Schedule 1(a) substitute the tables set out in the Schedule to these Regulations.

(4) In the headings to the tables in Schedule 1, for “Table 5” substitute “Table 11” and for “Table 6” substitute “Table 12”.

Signed by the authority of the Secretary of State for Work and Pensions.

Angela Eagle
Minister of State,
Department for Work and Pensions

24th February 2010

(a) The tables in Schedule 1 were substituted by regulation 3(2) of, and Schedule 1 to, S.I.2007/366 where the effective date is on or after 6th April 2007.

SCHEDULE

Regulations 2(3) and 3(3)

TABLES TO BE SUBSTITUTED IN SCHEDULE 1 TO THE 1998
REGULATIONS

TABLE 1

FACTOR A: MEN – EMPLOYMENT AFTER 5 APRIL 1997

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1946/47	18.15	-
1947/48	17.56	18.15
1948/49	17.20	17.56
1949/50	16.82	17.20
1950/51	16.44	16.82
1951/52	16.04	16.44
1952/53	15.64	16.04
1953/54	15.24	15.64
1954/55	14.82	15.24
1955/56	14.40	14.82
1956/57	13.97	14.40
1957/58	13.53	13.97
1958/59	13.10	13.53
1959/60	12.34	12.77
1960/61	11.60	12.02
1961/62	11.25	11.60
1962/63	10.90	11.25
1963/64	10.61	10.90
1964/65	10.33	10.61
1965/66	10.04	10.33
1966/67	9.76	10.04
1967/68	9.49	9.76
1968/69	8.99	9.26
1969/70	8.52	8.77
1970/71	8.26	8.52
1971/72	8.01	8.26
1972/73	7.76	8.01
1973/74	7.51	7.76
1974/75	7.26	7.51
1975/76	7.02	7.26
1976/77	6.86	7.02
1977/78	6.53	6.68
1978/79	6.21	6.36
1979/80	6.07	6.21
1980/81	5.93	6.07
1981/82	5.79	5.93
1982/83	5.66	5.79
1983/84	5.54	5.66

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1984/85	5.41	5.54
1985/86	5.29	5.41
1986/87	5.18	5.29
1987/88	5.06	5.18
1988/89	4.95	5.06
1989/90	4.84	4.95
1990/91	4.74	4.84
1991/92	4.63	4.74
1992/93	4.53	4.63
1993/94	4.43	4.53
1994/95	4.34	4.43
1995/96	-	4.34

TABLE 2

FACTOR B1: MEN – EMPLOYMENT BEFORE 6 APRIL 1988 IN A CASE WHERE LIMITED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1946/47	12.97	-
1947/48	12.75	12.97
1948/49	12.53	12.75
1949/50	12.29	12.53
1950/51	12.05	12.29
1951/52	11.80	12.05
1952/53	11.54	11.80
1953/54	11.27	11.54
1954/55	11.00	11.27
1955/56	10.72	11.00
1956/57	10.43	10.72
1957/58	10.14	10.43
1958/59	9.84	10.14
1959/60	9.34	9.64
1960/61	8.85	9.14
1961/62	8.60	8.85
1962/63	8.36	8.60
1963/64	8.12	8.36
1964/65	7.88	8.12
1965/66	7.65	7.88
1966/67	7.42	7.65
1967/68	7.19	7.42
1968/69	6.80	7.02
1969/70	6.43	6.64
1970/71	6.22	6.43
1971/72	6.02	6.22

TABLE 3**FACTOR B2: MEN – EMPLOYMENT BEFORE 6 APRIL 1988 IN A CASE WHERE FULL OR FIXED REVALUATION APPLIES**

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1946/47	12.97	-
1947/48	12.78	12.97
1948/49	12.59	12.78
1949/50	12.38	12.59
1950/51	12.17	12.38
1951/52	11.94	12.17
1952/53	11.71	11.94
1953/54	11.47	11.71
1954/55	11.21	11.47
1955/56	10.95	11.21
1956/57	10.68	10.95
1957/58	10.41	10.68
1958/59	10.13	10.41
1959/60	9.65	9.93
1960/61	9.17	9.45
1961/62	8.94	9.17
1962/63	8.71	8.94
1963/64	8.48	8.71
1964/65	8.25	8.48
1965/66	8.02	8.25
1966/67	7.80	8.02
1967/68	7.58	7.80
1968/69	7.20	7.41
1969/70	6.83	7.04
1970/71	6.62	6.83
1971/72	6.42	6.62

TABLE 4**FACTOR C1: MEN – EMPLOYMENT AFTER 5 APRIL 1988 AND BEFORE 6 APRIL 1997 IN A CASE WHERE LIMITED REVALUATION APPLIES**

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1946/47	17.37	-
1947/48	16.98	17.37
1948/49	16.59	16.98
1949/50	16.19	16.59
1950/51	15.78	16.19
1951/52	15.37	15.78
1952/53	14.95	15.37
1953/54	14.52	14.95
1954/55	14.09	14.52
1955/56	13.66	14.09

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1956/57	13.22	13.66
1957/58	12.78	13.22
1958/59	12.34	12.78
1959/60	11.59	12.02
1960/61	10.86	11.28
1961/62	10.51	10.86
1962/63	10.16	10.51
1963/64	9.87	10.16
1964/65	9.58	9.87
1965/66	9.29	9.58
1966/67	9.01	9.29
1967/68	8.74	9.01
1968/69	8.25	8.52
1969/70	7.79	8.04
1970/71	7.54	7.79
1971/72	7.29	7.54
1972/73	7.04	7.29
1973/74	6.80	7.04
1974/75	6.56	6.80
1975/76	6.33	6.56
1976/77	6.16	6.33
1977/78	5.85	6.00
1978/79	5.55	5.69
1979/80	5.41	5.55
1980/81	5.27	5.41

TABLE 5

FACTOR C2: MEN – EMPLOYMENT AFTER 5 APRIL 1998 AND BEFORE 6 APRIL 1997 IN A CASE WHERE FULL OR FIXED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1946/47	17.37	-
1947/48	17.02	17.37
1948/49	16.67	17.02
1949/50	16.31	16.67
1950/51	15.93	16.31
1951/52	15.55	15.93
1952/53	15.17	15.55
1953/54	14.77	15.17
1954/55	14.37	14.77
1955/56	13.96	14.37
1956/57	13.54	13.96
1957/58	13.12	13.54
1958/59	12.70	13.12
1959/60	11.97	12.39
1960/61	11.26	11.67
1961/62	10.92	11.26
1962/63	10.58	10.92

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1963/64	10.30	10.58
1964/65	10.02	10.30
1965/66	9.75	10.02
1966/67	9.48	9.75
1967/68	9.21	9.48
1968/69	8.73	8.99
1969/70	8.27	8.52
1970/71	8.02	8.27
1971/72	7.78	8.02
1972/73	7.53	7.78
1973/74	7.29	7.53
1974/75	7.05	7.29
1975/76	6.82	7.05
1976/77	6.66	6.82
1977/78	6.34	6.49
1978/79	6.03	6.17
1979/80	5.89	6.03
1980/81	5.76	5.89

TABLE 6

FACTOR D: WOMEN – EMPLOYMENT AFTER 5 APRIL 1997

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1950/51	22.05	-
1951/52	19.66	19.99
1952/53	18.36	18.70
1953/54	17.10	17.45
1954/55	15.88	16.23
1955/56	14.76	15.18
1956/57	14.34	14.76
1957/58	13.91	14.34
1958/59	13.48	13.91
1959/60	12.71	13.14
1960/61	11.96	12.38
1961/62	11.60	11.96
1962/63	11.25	11.60
1963/64	10.97	11.25
1964/65	10.69	10.97
1965/66	10.41	10.69
1966/67	10.13	10.41
1967/68	9.85	10.13
1968/69	9.35	9.62
1969/70	8.86	9.12
1970/71	8.60	8.86
1971/72	8.35	8.60
1972/73	8.09	8.35
1973/74	7.84	8.09
1974/75	7.59	7.84

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1975/76	7.35	7.59
1976/77	7.19	7.35
1977/78	6.85	7.00
1978/79	6.52	6.67
1979/80	6.38	6.52
1980/81	6.23	6.38
1981/82	6.09	6.23
1982/83	5.96	6.09
1983/84	5.83	5.96
1984/85	5.70	5.83
1985/86	5.57	5.70
1986/87	5.45	5.57
1987/88	5.33	5.45
1988/89	5.21	5.33
1989/90	5.10	5.21
1990/91	4.99	5.10
1991/92	4.88	4.99
1992/93	4.77	4.88
1993/94	4.66	4.77
1994/95	4.56	4.66
1995/96	-	4.56

TABLE 7

FACTOR E1: WOMEN – EMPLOYMENT BEFORE 6 APRIL 1988 IN A CASE WHERE LIMITED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1950/51	14.66	-
1951/52	13.46	13.74
1952/53	12.72	13.00
1953/54	11.98	12.27
1954/55	11.24	11.53
1955/56	10.48	10.75
1956/57	10.21	10.48
1957/58	9.93	10.21
1958/59	9.65	9.93
1959/60	9.15	9.43
1960/61	8.66	8.94
1961/62	8.43	8.66
1962/63	8.20	8.43
1963/64	7.97	8.20
1964/65	7.75	7.97
1965/66	7.53	7.75
1966/67	7.31	7.53
1967/68	7.10	7.31
1968/69	6.72	6.93
1969/70	6.35	6.55
1970/71	6.15	6.35

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1971/72	5.96	6.15

TABLE 8

FACTOR E2: WOMEN – EMPLOYMENT BEFORE 6 APRIL 1988 IN A CASE WHERE FULL OR FIXED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1950/51	14.66	-
1951/52	13.50	13.74
1952/53	12.81	13.07
1953/54	12.12	12.39
1954/55	11.43	11.70
1955/56	10.72	10.96
1956/57	10.46	10.72
1957/58	10.20	10.46
1958/59	9.93	10.20
1959/60	9.46	9.72
1960/61	8.98	9.25
1961/62	8.77	8.98
1962/63	8.55	8.77
1963/64	8.33	8.55
1964/65	8.12	8.33
1965/66	7.91	8.12
1966/67	7.70	7.91
1967/68	7.49	7.70
1968/69	7.11	7.32
1969/70	6.75	6.95
1970/71	6.55	6.75
1971/72	6.36	6.55

TABLE 9

FACTOR F1: WOMEN – EMPLOYMENT AFTER 5 APRIL 1988 AND BEFORE 6 APRIL 1997 IN A CASE WHERE LIMITED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1950/51	21.11	-
1951/52	18.96	19.32
1952/53	17.63	18.00
1953/54	16.36	16.73
1954/55	15.13	15.50
1955/56	14.01	14.44
1956/57	13.58	14.01
1957/58	13.14	13.58
1958/59	12.70	13.14
1959/60	11.94	12.37

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1960/61	11.20	11.62
1961/62	10.84	11.20
1962/63	10.49	10.84
1963/64	10.20	10.49
1964/65	9.91	10.20
1965/66	9.63	9.91
1966/67	9.35	9.63
1967/68	9.07	9.35
1968/69	8.58	8.85
1969/70	8.10	8.36
1970/71	7.85	8.10
1971/72	7.59	7.85
1972/73	7.35	7.59
1973/74	7.10	7.35
1974/75	6.86	7.10
1975/76	6.62	6.86
1976/77	6.46	6.62
1977/78	6.13	6.29
1978/79	5.82	5.97
1979/80	5.68	5.82
1980/81	5.54	5.68

TABLE 10

FACTOR F2: WOMEN – EMPLOYMENT AFTER 5 APRIL 1988 AND BEFORE 6 APRIL 1997 IN A CASE WHERE FULL OR FIXED REVALUATION APPLIES

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1950/51	21.11	-
1951/52	19.01	19.32
1952/53	17.76	18.09
1953/54	16.56	16.89
1954/55	15.39	15.73
1955/56	14.32	14.72
1956/57	13.91	14.32
1957/58	13.50	13.91
1958/59	13.07	13.50
1959/60	12.34	12.75
1960/61	11.61	12.02
1961/62	11.27	11.61
1962/63	10.93	11.27
1963/64	10.65	10.93
1964/65	10.38	10.65
1965/66	10.11	10.38
1966/67	9.83	10.11
1967/68	9.57	9.83
1968/69	9.08	9.34
1969/70	8.61	8.86
1970/71	8.36	8.61

<i>Tax Year of Birth</i>	<i>Tax year of effective date</i>	
	<i>2010/11</i>	<i>2011/12</i>
1971/72	8.11	8.36
1972/73	7.86	8.11
1973/74	7.62	7.86
1974/75	7.38	7.62
1975/76	7.14	7.38
1976/77	6.98	7.14
1977/78	6.65	6.80
1978/79	6.34	6.48
1979/80	6.19	6.34
1980/81	6.05	6.19

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 (S.I. 1998/1397) and the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998 (S.R. 1998 No. 208). Those Regulations deal with the calculation of the amount required for restoring certain rights under the State retirement pension scheme of members of occupational pension schemes that are wound up underfunded (“the calculation”).

Regulation 2 amends the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations 1998 to substitute new tables into Schedule 1 to those Regulations setting out new actuarial factors to be used for the purposes of the calculation where the effective date (the date Her Majesty’s Revenue and Customs determine the extent to which the resources of the scheme are insufficient to meet its liabilities) is on or after 6th April 2010. Substitution of regulation 3(2)(a) is also required because the new tables are in a different format to those being substituted.

Regulation 3 makes corresponding amendments to the Occupational Pension Schemes (Contracting-out) (Amount Required for Restoring State Scheme Rights and Miscellaneous Amendment) Regulations (Northern Ireland) 1998.

A full regulatory impact assessment has not been produced for this instrument as no impact on the private or voluntary sectors is foreseen.

£5.50