STATUTORY INSTRUMENTS

1987 No. 2019

BUILDING SOCIETIES

The Building Societies (Provision of Services) (No. 4) Order 1987

Made - - - -	*19th November 1987*
Laid before Parliament	*27th November 1987*
Coming into force	*18th December 1987*

The Building Societies Commission, in exercise of the powers conferred on it by section 34(2) and (8) of the Building Societies Act 1986(a) and of all other powers enabling it on that behalf, hereby makes the following Order:

Citation and commencement

1. This Order may be cited as the Building Societies (Provision of Services) (No. 4) Order 1987 and shall come into force on 18th December 1987.

Variation of Schedule 8 to the Building Societies Act 1986

2. Schedule 8 to the Building Societies Act 1986 (provision of services) shall be varied by the substitution, for the definition of "pension scheme" and "provision of pensions" in paragraph 7 of Part IV thereof, of the following definition –

""pension scheme" means –

(a) a retirement benefits scheme within the meaning of, and approved or capable of being approved by the Commissioners of Inland Revenue for the purposes of, Chapter II of Part II of the Finance Act 1970(b) (occupational pension schemes), or

(b) a personal pension scheme within the meaning of, and approved or capable of being approved by the Commissioners of Inland Revenue under, Chapter II of Part I of the Finance (No. 2) Act 1987(c) (personal pension schemes).

and the "provision of pensions" means the provision of benefits which are "money purchase benefits" within the meaning of the Social Security Act 1986(d) (or, in relation to Northern Ireland, the Social Security (Northern Ireland) Order 1986(e));".

(a) 1986 c.53; Schedule 8 was amended by S.I. 1987/172, 1670, 1848 and 1976. (b) 1970 c.24. (c) 1987 c.51.
(d) 1986 c.50. (e) S.I. 1986/1888 (N.I.18).

In witness whereof the common seal of the Building Societies Commission is hereto fixed, and is authenticated by me, a person authorised under paragraph 14 of Schedule 1 to the Building Societies Act 1986, on 19th November 1987.

L.S.

D. B. Severn
Secretary to the Commission

EXPLANATORY NOTE

(This note is not part of the Order)

The Order varies Schedule 8 to the Building Societies Act 1986 by amending the definition of pension schemes which building societies are empowered to establish so as to follow the definitions in taxation rather than social security legislation. This follows the Building Societies (Designation of Pension Companies) Order 1987 (S.I. 1987/1871), which empowered building societies to invest in or support companies acting as trustees of pension schemes as defined in taxation legislation.

An effect of the variation is that the power to establish personal as well as occupational schemes will apply to Northern Ireland. Societies also have a power under Schedule 8, by means of a subsidiary, to establish and manage unit trust schemes for provision of "money purchase benefit" pensions (ie pensions based on contributions to the scheme rather than average salaries). "Money purchase benefit" is a social security legislation definition, and this survives in relation to the unit trust power and is also extended by this Order to Northern Ireland.

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