STATUTORY RULES OF NORTHERN IRELAND

2022 No. 83

PENSIONS

The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations (Northern Ireland) 2022

Made - - - -	*7th March 2022*
Coming into operation -	*6th April 2022*

The Department for Communities(**a**) makes the following Regulations in exercise of the powers conferred by sections 42 and 51(6) of, and paragraph 1(1) to (3) of Schedule 18 to, the Pensions Act (Northern Ireland) 2015(**b**).

Citation, commencement, application and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations (Northern Ireland) 2022 and shall come into operation on 6th April 2022.

(2) The amendments made by these Regulations apply to an occupational pension scheme in relation to the first charges year of that scheme which ends after 6th April 2022.

(3) For the purposes of paragraph (2), "charges year" has the meaning given in regulation 2(1) of the Occupational Pension Schemes (Charges and Governance) Regulations (Northern Ireland) 2015(**c**) (interpretation).

Amendment of the Occupational Pension Schemes (Charges and Governance) Regulations

2.—(1) The Occupational Pension Schemes (Charges and Governance) Regulations (Northern Ireland) 2015 are amended in accordance with paragraphs (2) to (4).

(2) In regulation 6 (limits on charges)—

(a) at the beginning of paragraph (4)(a) insert "subject to paragraphs (5) to (7),";

(b) after paragraph (4) add—

"(5) Subject to paragraph (6), the flat fee charge under paragraph (4)(a) may be imposed where the value of the member's rights under the default arrangement is more than £100.

(6) The flat fee charge under paragraph (4)(a) may only be imposed to the extent that it does not reduce the value of the member's rights under the default arrangement to less than £100.

(7) The value of the member's rights under the default arrangement for the purposes of paragraphs (5) and (6) includes the value of any rebate or refund which falls to be applied by virtue of regulation 6ZA.".

(**a**) *See* section 1(7) of the Departments Act (Northern Ireland) 2016 (c. 5 (N.I.))
(**b**) 2015 c. 5 (N.I.); *see* the definition of "administration charge" in paragraph 1(5) of Schedule 18 as amended by paragraph 15(2) of Schedule 11 to the Pension Schemes Act 2021 (c. 1)
(**c**) S.R. 2015 No. 309 to which there are amendments not relevant to these Regulations

(3) After regulation 6 insert—

"Imposition of more than one flat fee charge

6ZA.—(1) Paragraph (2) applies where more than one flat fee charge under regulation 6(4)(a) is imposed, under a single default arrangement, on a member in respect of a charges year.

(2) The trustees or managers must, as soon as practicable, restore the value of the member's rights under the default arrangement to the value it would have been if only one such charge had been imposed.

(3) When restoring the value of the member's rights under paragraph (2), the trustees or managers must have regard to—

(a) the restrictions on flat fee charges imposed by regulation 5(3)(b), and

(b) the limit specified in regulation 6(4)(a).".

(4) In regulation 7(5)(b)(ii) (assessment of charges) after "is imposed" insert "or where no such fee is imposed by virtue of the operation of regulation 6(5) and (6)".

Sealed with the Official Seal of the Department for Communities on 7th March 2022

(L.S.)

Anne McCleary
A senior officer of the Department for Communities

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations amend the Occupational Pension Schemes (Charges and Governance) Regulations (Northern Ireland) 2015 so as to prohibit an annual flat fee from being charged to members with rights in the default arrangement of certain occupational pension schemes which would reduce the value of those rights to less than £100. They also ensure that where more than one flat fee charge is imposed in respect of a member in a single charges year, the trustees or managers of the scheme must restore the member's rights under the default arrangement to the position they would have been in if only one such charge had been imposed.

As these Regulations make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Work and Pensions in relation to Great Britain, the requirement to consult does not apply by virtue of paragraph 8 of Schedule 18 to the Pensions Act (Northern Ireland) 2015.

An assessment of the cost to business of these Regulations is detailed in a Regulatory Impact Assessment, a copy of which has been laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of the Assessment are available from the Department for Communities, Social Security Policy, Legislation and Decision Making Services, Level 6, Causeway Exchange, 1-7 Bedford Street, Belfast BT2 7EG or from the website: https://www.communities-ni.gov.uk/articles/pension-information. A copy of the Assessment is also annexed to the Explanatory Memorandum which is available alongside this Statutory Rule on the website: http://www.legislation.gov.uk/nisr.

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