STATUTORY RULES OF NORTHERN IRELAND

2007 No. 181

PENSIONS

The Pension Protection Fund (Liability to pay a Contributions Equivalent Premium) Regulations (Northern Ireland) 2007

Made - - - -	*16th March 2007*
Coming into operation -	*6th April 2007*

The Department for Social Development makes the following Regulations in exercise of the powers conferred by Articles 119(4) and 287(2) of the Pensions (Northern Ireland) Order 2005(**a**).

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Pension Protection Fund (Liability to pay a Contributions Equivalent Premium) Regulations (Northern Ireland) 2007 and shall come into operation on 6th April 2007.

(2) In these Regulations—

"the Order" means the Pensions (Northern Ireland) Order 2005;

"the assessment date" means the date on which the assessment period in relation to the scheme or section of the scheme began;

"CEP" means a contributions equivalent premium within the meaning of section 51(**b**) of the Pension Schemes Act (payment of state scheme premiums on termination of certified status);

"segregated scheme" means a multi-employer scheme which is divided into two or more sections where—

(a) any contributions payable to the scheme by an employer in relation to the scheme or by a member are allocated to that employer's or that member's section, and

(b) a specified proportion of the assets of the scheme is attributable to each section of the scheme and cannot be used for the purposes of any other section.

(3) In these Regulations, references to a scheme include, in the case of a segregated scheme, any section of the scheme.

Liability to pay a CEP incurred before an assessment period begins

2.—(1) For the purposes of Article 119(4)(b)(ii) of the Order (restrictions on winding up, discharge of liabilities etc.), a prescribed liability is a liability of the trustees or managers of the scheme to pay a CEP which—

(**a**) S.I. 2005/255 (N.I. 1); Part III is modified in its application to partially guaranteed schemes, hybrid schemes and multi-employer schemes by, respectively, S.R. 2005 Nos. 55, 84 and 91 (as amended by S.R. 2005 Nos. 194 and 357)

(**b**) Section 51 was amended by Article 138(1) of, and paragraph 42 of Schedule 3 to, the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)), paragraph 63 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671), paragraph 7(2) of Schedule 2 to the Welfare Reform and Pensions Act 1999 (c. 30) and paragraph 3 of Schedule 1 to S.I. 2005/3029

(a) is incurred before the assessment date, and

(b) has not been discharged before that date.

(2) A scheme incurs a liability to pay a CEP before the assessment date if, before that date, the trustees or managers of the scheme were required, or elected, to pay a CEP and had not discharged that liability before the assessment date.

(3) Where paragraph (1) applies, the trustees or managers of the scheme may discharge the prescribed liability to pay a CEP during the scheme's assessment period.

Liability to pay a CEP incurred during an assessment period

3.—(1) For the purposes of Article 119(4)(b)(ii) of the Order, a prescribed liability is a liability of the trustees or managers of the scheme to pay a CEP which is incurred during the assessment period.

(2) A scheme incurs a liability to pay a CEP on, or after, the assessment date if, on that date or during the assessment period, the trustees or managers of the scheme elect to pay a CEP.

Sealed with the Official Seal of the Department for Social Development on 16th March 2007

(L.S.)

John O'Neill
A senior officer of the Department for Social Development

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make provision in relation to the liability to pay a contributions equivalent premium ("CEP") under section 51(2) of the Pension Schemes (Northern Ireland) Act 1993, when an assessment period (within the meaning of Article 116 of the Pensions (Northern Ireland) Order 2005 ("the Order")) has begun in relation to an occupational pension scheme. A CEP is payable where a member of such a scheme which has contracted-out of the state additional pension scheme leaves the occupational pension scheme.

Regulation 2 applies where, before an assessment period begins in relation to a scheme, the trustees or managers had already become liable to pay a CEP, but had not discharged their liability to do so. The trustees or managers may pay a CEP during the assessment period.

Regulation 3 applies where a member's service ceases during the assessment period. The trustees or managers may elect to pay a CEP in respect of the member.

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 under Article 289(1) of the Order does not apply by virtue of paragraph (2)(e) of that Article.

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