STATUTORY INSTRUMENTS

1988 No. 830

PENSIONS

The Personal Pension Schemes (Miscellaneous Amendments) Regulations 1988

Made - - - -	*28th April 1988*
Laid before Parliament	*6th May 1988*
Coming into force	
regulations 1 and 3	*27th May 1988*
regulation 2	*1st July 1988*

The Secretary of State for Social Services, in exercise of the powers conferred upon him by section 166(1) to (3) of the Social Security Act 1975**(a)**, section 12(1) of, and paragraphs 2, 3 and 6 of Schedule 1 to, the Social Security Act 1986**(b)**, and of all other powers enabling him in that behalf, by this instrument, which is made before the end of a period of 12 months from the commencement of the enactments under which it is made, makes the following regulations:

Citation and commencement

1.—(1) These Regulations may be cited as the Personal Pension Schemes (Miscellaneous Amendments) Regulations 1988.

(2) These Regulations shall come into force as follows–

(a) this regulation and regulation 3, on 27th May 1988; and

(b) regulation 2 on 1st July 1988.

Amendment of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations 1987

2. After paragraph (6) of regulation 2 of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations 1987**(c)** (exceptions to section 12 of the Social Security Act 1986—voluntary contribution requirements) there shall be inserted the following paragraph–

" (6A) Section 12(1)(a) and (b) shall not apply to the rules of any scheme which provides that the only contributions payable in respect of a member shall be the minimum contributions payable by the Secretary of State in respect of that member under section 1 of the Act if–

(a) the scheme is an appropriate scheme under section 1(8) of the Act; and

(b) the member to whom the limitation applies is concurrently a member of an occupational pension scheme; and

(c) the scheme is currently the member's chosen scheme under section 1(9) of the Act; and

(d) the member has entered into a written agreement with the trustees or managers of the scheme that this regulation shall apply in his case.".

(a) 1975 c.14. Section 166(1) to (3A) applies to regulations made under the Social Security Act 1986 by virtue of section 83(1) of that Act.
(b) 1986 c.50.
(c) S.I. 1987/1108.

Amendment of the Personal Pension Schemes (Appropriate Schemes) Regulations 1988

3. The Personal Pension Schemes (Appropriate Schemes) Regulations 1988**(a)** shall be amended as follows–

(a) at the beginning of paragraph (1) of regulation 2 (forms of scheme which may be appropriate schemes) there shall be inserted the words "Subject to paragraph (1A) but";

(b) in sub-paragraph (c) of that paragraph for the words following "interest-bearing account" to the end there shall be substituted the words "(which expression includes shares in or deposits with a building society as defined in the Building Societies Act 1986)"**(b)**;

(c) after that paragraph there shall be inserted the following paragraph–

" (1A) The requirements of paragraph (1)(c) are satisfied if the rules of the personal pension scheme provide that, at the minimum, there shall be invested in the interest-bearing account any payments or rights which, under paragraph 7(2) of Schedule 1 to the Act or regulation 3 of the Personal and Occupational Pension Schemes (Protected Rights) Regulations 1987**(c)**, are those from which are derived protected rights.";

(d) after sub-paragraph (c) of regulation 3(3) (persons who and bodies which may establish schemes) there shall be added the following sub-paragraph–

"(d) subject to paragraph (4), a body corporate which is a subsidiary or holding company of an institution such as is mentioned in sub-paragraph (c) or a subsidiary of the holding company of such an institution ("holding company" and "subsidiary" being construed in accordance with section 736 of the Companies Act 1985**(d)** or Article 4 of the Companies (Northern Ireland) Order 1986**(e)**).";

(e) after paragraph (3) there shall be inserted the following paragraph–

" (4) Paragraph (3)(d) applies subject to the conditions that the rules of any appropriate scheme established by such a body require that the resources of the scheme be invested with an institution such as is mentioned in paragraph (3)(c), and further provide that the rights arising from such investment, in so far as they are attributable to the contributions made by or on behalf of a member, shall be held by that body on trust for that member.".

Signed by authority of the Secretary of State for Social Services.

Nicholas Scott
Minister of State,
Department of Health and Social Security

28th April 1988

(a) S.I. 1988/137.
(b) 1986 c.53.
(c) S.I. 1987/1117; the relevant amending instrument is S.I. 1988/474.
(d) 1985 c.6.
(e) S.I. 1986/1032 (N.I. 6).

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are all made under the Social Security Act 1986, and are made before the end of a period of 12 months from the commencement of the relevant provisions of that Act. Consequently, by virtue of section 61(5) of that Act, the provisions of section 61(2) and (3) of the Social Security Pensions Act 1975 (as amended by section 86(1) of, and paragraph 94 of Schedule 10 to, the Social Security Act 1986), which require reference to the Occupational Pensions Board of, and a report by the Board on, proposals to make regulations for certain purposes of both Acts, do not apply to them.

The Regulations amend the Personal Pension Schemes (Appropriate Schemes) Regulations 1987 to permit a company which is a holding company or a subsidiary, or a subsidiary of the holding company, of an institution authorised under the Banking Act 1987 (c.22) to establish appropriate personal pension schemes, and to provide that payments to an appropriate personal pension scheme taking the form of investments in an interest-bearing account need be invested in the scheme itself only if they are payments or rights giving rise to protected rights (regulation 3). The Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations 1987 are amended so as to exempt an appropriate personal pension scheme from the provisions of section 12(1)(a) and (b) of the Social Security Act, which prohibits any rule of a pension scheme prohibiting voluntary contributions by a member or limiting the amount of such contributions, in so far as it has rules which provide that if the member is also a member of an occupational pension scheme, and if he has so agreed in writing with the trustees or managers of the personal pension scheme, the only contributions shall be the minimum contributions payable in respect of him by the Secretary of State under section 1 of the Social Security Act 1986 (regulation 2).