
STATUTORY INSTRUMENTS

2005 No. 255

The Pensions (Northern Ireland) Order 2005

PART VI

**OCCUPATIONAL AND PERSONAL PENSION
SCHEMES: MISCELLANEOUS PROVISIONS**

Contracting out

Meaning of “working life” in Pension Schemes Act

259. In section 176 of the Pension Schemes Act (general interpretation), in subsection (1) for the definition of “working life” substitute—

““working life”, in relation to a person, means the period beginning with the tax year in which the person attains the age of 16 and ending with—

- (a) the tax year before the one in which the person attains the age of 65 in the case of a man or 60 in the case of a woman, or
- (b) if earlier, the tax year before the one in which the person dies.”.

Power to prescribe conditions by reference to Inland Revenue approval

260. In section 5 of the Pension Schemes Act (requirements for certification of schemes: general), after subsection (5) insert—

“(5A) Regulations about pension schemes made under this Chapter may contain provisions framed by reference to whether or not a scheme—

- (a) is approved under Chapter 1 (retirement benefit schemes) of Part XIV of the Income and Corporation Taxes Act 1988, or is a relevant statutory scheme within the meaning of that Chapter, or
- (b) is approved under Chapter 4 (personal pension schemes) of that Part.”.

Restrictions on commutation and age at which benefits may be received

261.—(1) For section 17(1) of the Pension Schemes Act (commutation of guaranteed minimum pensions) substitute—

“(1) A scheme may, in such circumstances and subject to such restrictions and conditions as may be prescribed, provide for the payment of a lump sum instead of a pension required to be provided by the scheme in accordance with section 9 or 13.”.

(2) In section 13 of that Act (minimum pensions for widows and widowers), at the end add—

“(8) Where—

- (a) a lump sum is paid to an earner under provisions included in a scheme by virtue of section 17(1), and

- (b) those provisions are of a prescribed description,
the earner shall be treated for the purposes of this section as having any guaranteed minimum under section 10 that he would have had but for that payment.”.
- (3) In section 24 of that Act (ways of giving effect to protected rights), in subsection (4) (provision of a lump sum)—
 - (a) after “provision of a lump sum” insert “, subject to such restrictions as may be prescribed,”;
 - (b) omit paragraphs (a) and (b);
 - (c) at the end add
“; and
 - (e) such other conditions as may be prescribed are satisfied.”.
- (4) Omit subsections (4A) and (4B) of that section.
- (5) In subsections (3) and (5) of that section, for “, (4) or (4A)” substitute “or (4)”.
- (6) In subsection (8) of that section, in the definition of “the starting date” omit “, which must not be earlier than the member’s 60th birthday,”.
- (7) In section 25(1) of that Act (how a pension may comply with “the pension requirements” for the purposes of section 24)—
 - (a) in paragraph (a), for the words from “date” to “or on” substitute “date that is not later than the member’s 65th birthday, or on”;
 - (b) in paragraph (aa)(ii) omit the words from “and is not” to “75th birthday,”.