

**2008 No. 132**

**PENSIONS**

**The Occupational Pension Schemes  
(Employer Debt and Miscellaneous Amendments)  
Regulations (Northern Ireland) 2008**

*Made* - - - -

*18th March 2008*

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SCHEDULE 2 — Schedule to be substituted for Schedule 1A to the Employer  
Debt Regulations

SCHEDULE 3 — Schedules to be substituted for Schedule 1B to the Employer  
Debt Regulations

The Department for Social Development makes the following Regulations in exercise of the powers conferred by Articles 68(2)(e), 75(1)(b), (5) and (10), 75A(1) to (8), 115(1)(a) and (b), 116, 122(3) and 166(2) and (3) of the Pensions (Northern Ireland) Order 1995(a), and now vested in it(b), and Articles 2(5)(a), 64(2)(a) and (3)(a), 88(2)(q), 110(5), 211, 280(1)(b) and 287(1) to (3) of, and paragraph 2(d) of Schedule 1 to, the Pensions (Northern Ireland) Order 2005(c).

### **Citation and interpretation**

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Employer Debt and Miscellaneous Amendments) Regulations (Northern Ireland) 2008.

(2) In these Regulations “the Employer Debt Regulations” means the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005(d).

### **Commencement and transitional provisions**

2.—(1) Subject to the transitional provisions in paragraphs (3) to (8), these Regulations shall come into operation on 6th April 2008 (“the commencement date”).

(2) Notwithstanding those provisions, regulation 5(12) of the Employer Debt Regulations, as substituted by regulation 5 of these Regulations, shall apply when the amount of a debt arising under Article 75(2) or (4) (deficiencies in the assets) falls to be calculated after the commencement date.

(3) Paragraph (4) shall apply where before the commencement date—

(a) a person ceased to employ at least one active member in relation to a scheme at a time when at least one other person continued to employ persons in the description of employment to which the scheme related, and

(b) that event was not an employment-cessation event, under regulation 6(4) of the old Regulations (multi-employer schemes: general), in relation to the scheme.

(4) The definition of “employment-cessation event”, as contained in regulation 6(4) of the old Regulations, shall continue to apply after the commencement date, in the case of a person to whom paragraph (3) applies, until—

(a) immediately after such time as that person has ceased to employ persons in the description of employment to which the scheme relates at a time when at least one other person continues to employ such persons, or

(b) such time as that person employs an active member.

(5) The old Regulations shall continue to apply on and after the commencement date in relation to a debt arising under Article 75(2) or (4) where—

(a) the applicable time, in relation to the debt arising under Article 75(2) or (4), is before the commencement date, or

(b) the employment-cessation event occurred before the commencement date.

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(a) S.I. 1995/3213 (N.I. 22); Article 75 was amended by Article 248 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)) and is modified by S.R. 2005 No. 168; Article 75A was inserted by Article 249 of that Order; Article 116 was amended by paragraph 62 of Schedule 10 and Schedule 11 to that Order and paragraph 6 of Schedule 5 to the Pensions Act (Northern Ireland) 2008 (c. 1 (N.I.))

(b) See Article 8(b) of S.R. 1999 No. 481

(c) S.I. 2005/255 (N.I. 1)

(d) S.R. 2005 No. 168; relevant amending Regulations are S.R. 2005 No. 387 and S.R. 2007 No. 64

(6) The old Regulations shall continue to apply on and after the commencement date where a scheme commenced winding-up before the commencement date.

(7) Paragraph (8) shall apply where—

- (a) an agreement is entered into before, on or within 12 months after the commencement date on the basis that a scheme's apportionment rule will apply after the commencement date in relation to a specific employment-cessation event, or in relation to a debt arising as a result of the commencement of winding-up of the scheme;
- (b) the scheme's apportionment rule was in force before the date on which these Regulations were laid before the Assembly, and
- (c) the transaction to which the agreement related was considered before that date by the managing body of at least one of the parties to the agreement or of a connected or associated person of such a party.

(8) The old Regulations shall continue to apply on and after the commencement date in relation to that employment-cessation event, or in relation to the winding-up of the scheme, where the employment-cessation event, or the commencement of winding-up, takes place during the period of 12 months beginning on and including the commencement date.

(9) In paragraph (7)—

- (a) a "scheme's apportionment rule" means a scheme rule for the purposes of regulation 6(2)(b) of the old Regulations, which makes provision for the difference between the value of a scheme's assets and the amount of its liabilities to be apportioned among the employers in different proportions from those which would otherwise arise;
- (b) "managing body" means—
  - (i) in relation to a company or other corporate body, its board of directors or governing body;
  - (ii) in relation to a partnership, its partners;
  - (iii) in relation to an individual, that individual;
- (c) "connected or associated person" has the meaning given by Article 120.

(10) In this regulation—

- (a) any reference to a numbered Article is a reference to the Article of the Pensions (Northern Ireland) Order 1995 bearing that number;
- (b) references to the old Regulations are to the Employer Debt Regulations as they existed before the commencement date.

### **Application of the Employer Debt Regulations**

3. In regulation 1(2) of the Employer Debt Regulations (application) for sub-paragraph (a) substitute—

- “(a) any employer in relation to any debt which has arisen under Article 75(1) (deficiencies in the assets) to the trustees or managers of the scheme before that date;”.

### **Interpretation of the Employer Debt Regulations**

4.—(1) Regulation 2 of the Employer Debt Regulations (interpretation) shall be amended in accordance with paragraphs (2) to (5).

(2) In paragraph (1)—

- (a) after the definition of “the 2005 Order” insert—
  - ““actuarial valuation” has the same meaning as in Part IV of the 2005 Order;”;

- (b) after the definition of “the actuary” insert—
- ““amount A” means the amount calculated in accordance with paragraph 4 of Schedule 1A;
- “amount B” means the amount calculated in accordance with either sub-paragraph (2) or (3) of paragraph 5 of Schedule 1A;”;
- (c) after the definition of “the applicable time” insert—
- ““approved withdrawal arrangement” means an arrangement that meets the funding test and is approved by the Authority under regulation 7;
- “approved withdrawal arrangement share” means an amount that is—
- (a) a cessation employer’s share of the difference;
- (b) less than amount A, and
- (c) payable by a cessation employer pursuant to an approved withdrawal arrangement;
- “assessment period” has the meaning given in Article 116 of the 2005 Order;”;
- (d) after the definition of “the Board for Actuarial Standards”(a) insert—
- ““cessation employer” means an employer in relation to the scheme in respect of whom an employment-cessation event has occurred;
- “cessation expenses” are all expenses which, in the opinion of the trustees or managers of a scheme, are likely to be incurred by the scheme in connection with an employment-cessation event occurring to an employer in relation to the scheme;
- “the corresponding assets” means the assets transferred in connection with the transfer from the scheme in respect of any relevant transfer liabilities;”;
- (e) after the definition of “the Deficiency on Winding Up Regulations” insert—
- ““defined contribution employer” means an employer to whom all the liabilities attributable in relation to a scheme are liabilities in respect of money purchase benefits or in respect of supplementary benefits provided on an ancillary basis in the form of payments on death;
- “departing employer” means—
- (a) a cessation employer, or
- (b) an employer in respect of whom an insolvency event has occurred;”;
- (f) in the definition of “employer” after “and regulations” insert “6,”;
- (g) for the definition of “employment-cessation event” substitute—
- ““employment-cessation event”, in relation to a multi-employer scheme, means an event which is not a relevant event and which, subject to regulation 6A, occurs on the date on which—
- (a) an employer has ceased to employ at least one person who is an active member of the scheme, and
- (b) at least one other employer who is not a defined contribution employer continues to employ at least one active member of the scheme;”;
- (h) after the definition of “employment-cessation event” insert—
- ““frozen scheme” means a scheme which has ceased to have active members;
- “the guarantee time” means the earliest time when an event specified in paragraph 3 of Schedule 1A occurs;
- “guarantors” means such one or more of the parties to a withdrawal arrangement or an approved withdrawal arrangement as are specified in the arrangement as the persons who have given guarantees in relation to amount B for the purposes of the arrangement;

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(a) The definition of “the Board for Actuarial Standards” was inserted by paragraph 14(a)(i) of the Schedule to S.R. 2007 No. 64

“liability proportion” means “K/L” where—

- (a) “K” equals the amount of a scheme’s liabilities attributable to an employer in accordance with regulation 6(4), and
- (b) “L” equals the total amount of the scheme’s liabilities attributable to employment with the employers;

“liability share” means an amount equal to the liability proportion of the total difference between the value of the assets and the amount of the liabilities of the scheme;”;

- (i) for the definition of “multi-employer scheme” substitute—

““multi-employer scheme” means a scheme (or a section of a scheme treated pursuant to regulation 8 as a separate scheme) in relation to which there is more than one employer;”;

- (j) after the definition of “multi-employer scheme” insert—

““protected liabilities” has the same meaning as for the purposes of a valuation under Article 162 of the 2005 Order (valuations to determine scheme underfunding);

“recovery plan” means a recovery plan that complies with the requirements in Article 205 of the 2005 Order and the Scheme Funding Regulations;

“regulated apportionment arrangement” is an arrangement under the scheme rules that—

- (a) provides for the amount that would have been the employer’s liability share to be changed;
- (b) where the employer’s liability share is reduced, apportions all or part of the amount that would have been the employer’s liability share to one or more of the remaining employers;
- (c) may provide for when the amount apportioned is to be paid;
- (d) is entered into before, on or after the applicable time;
- (e) sets out the amount of an employer’s regulated apportionment arrangement share, and
- (f) meets the conditions in regulation 7A;

“regulated apportionment arrangement share” means the amount under a regulated apportionment arrangement that is an employer’s share of the difference;

“relevant accounts” means the audited accounts for the scheme that comply with the requirements imposed under Article 41(a) (provision of documents for members);

“the relevant transfer deduction” means the amount of the relevant transfer liabilities less the value of the corresponding assets;

“the relevant transfer liabilities” means the liabilities attributable to a departing employer that are transferred after the applicable time to an occupational or personal pension scheme or are otherwise secured;

“schedule of contributions” means the most recent schedule of contributions that is adopted in relation to the scheme for the purposes of Part IV of the 2005 Order;

“scheme apportionment arrangement” means an arrangement under the scheme rules that—

- (a) provides for the employer to pay a scheme apportionment arrangement share instead of the employer’s liability share;

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(a) Article 41 was amended by paragraph 10(1) of Schedule 5 to the Child Support, Pensions and Social Security Act (Northern Ireland) 2000 (c. 4 (N.I.)), paragraph 46 of Schedule 10 and Schedule 11 to the Pensions (Northern Ireland) Order 2005 and paragraph 22 of the Schedule to S.R. 2005 No. 434

- (b) where that amount is less than the employer's liability share, apportions all or part of the amount that would have been the employer's liability share to one or more of the remaining employers;
- (c) may provide for when the amount apportioned is to be paid;
- (d) is entered into before, on or after the applicable time;
- (e) sets out the amount of an employer's scheme apportionment arrangement share;
- (f) the trustees or managers consent to, and
- (g) meets the funding test;

“scheme apportionment arrangement share” means the amount under a scheme apportionment arrangement that is an employer's share of the difference;

“scheme's apportionment rule” means a scheme rule which makes provision for the difference between the value of a scheme's assets and the amount of its liabilities to be apportioned among the employers in different proportions from those which would otherwise arise;

“the Scheme Funding Regulations” means the Occupational Pension Schemes (Scheme Funding) Regulations (Northern Ireland) 2005(a);

“share of the difference” means the amount calculated as at the applicable time that is an employer's share of the total difference between the value of the assets and the amount of the liabilities of a scheme;

“statutory funding objective” has the same meaning as in Part IV of the 2005 Order;”;

- (k) after the definition of “the tax condition” insert—

““updated actuarial assessment” means—

- (a) the actuary's estimate of the solvency of the scheme (as defined in regulation 7(6) of the Scheme Funding Regulations) included in the most recent actuarial valuation of the scheme received by the trustees or managers under Article 203 of the 2005 Order, or
- (b) where the trustees or managers have not received a valuation of the scheme under that Article, the actuary's estimate of the solvency of the scheme included in the most recent actuarial valuation of the scheme received by the trustees or managers, which in the opinion of the actuary is appropriate to use,

adjusted to the applicable time to reflect the actuary's assessment of changes between the effective date of that valuation and the applicable time in the value of the scheme's assets and of the matters set out in regulation 7(6)(a)(i) and (ii) of the Scheme Funding Regulations;

“updated asset assessment” means an update (whether or not audited) of the value of the assets of the scheme identified in the most recent relevant accounts received by the trustees or managers which—

- (a) is prepared by the trustees or managers, and
- (b) estimates where they consider appropriate any alteration in the value of the assets of the scheme between the date by reference to which those accounts are prepared and the applicable time;”;

- (l) for the definition of ““withdrawal arrangement” and “approved withdrawal arrangement””(b) substitute—

““withdrawal arrangement” means an arrangement that meets the conditions specified in paragraph 1 of Schedule 1A and meets the funding test;

(a) S.R. 2005 No. 568 as amended by S.R. 2006 Nos. 65 and 297 and S.R. 2007 Nos. 64, 185 and 457

(b) The definition of ““withdrawal arrangement” and “approved withdrawal arrangement”” was added by regulation 2(2) of S.R. 2005 No. 387

“withdrawal arrangement share” means an amount that is—

- (a) a cessation employer’s share of the difference;
- (b) equal to or, where the employer agrees, greater than amount A, and
- (c) payable by a cessation employer pursuant to a withdrawal arrangement.”.

(3) For paragraph (3)(a) substitute—

“(3) In these Regulations references to BAS standards are to standards on winding up and scheme asset deficiency adopted or prepared, and from time to time revised, by the Board for Actuarial Standards.”.

(4) Omit paragraph (4) and insert—

“(4A) For the purposes of regulations 6B, 6C and 7, an arrangement relating to a scheme meets the funding test where the trustees or managers are reasonably satisfied that—

- (a) when the arrangement takes effect, the remaining employers will be reasonably likely to be able to fund the scheme so that after the applicable time it will have sufficient and appropriate assets to cover its technical provisions, taking account of any change in those provisions which will in the opinion of the trustees or managers be necessary as a result of the arrangement, and
- (b) in the case of a scheme apportionment arrangement under regulation 6B, the effect of the arrangement will not be to adversely affect the security of members’ benefits as a result of any—
  - (i) material change in legal, demographic or economic circumstances, as described in regulation 5(4)(d) of the Scheme Funding Regulations, that would justify a change to the method or assumptions used on the last occasion on which the scheme’s technical provisions were calculated, or
  - (ii) material revision to any existing recovery plan made in accordance with Article 205 of the 2005 Order.

(4B) For the purposes of paragraph (4A), where at the applicable time the trustees or managers of the scheme have not received its first actuarial valuation under Part IV of the 2005 Order, that paragraph shall apply as if for that paragraph there were substituted—

“(4A) For the purposes of regulations 6B, 6C and 7, an arrangement relating to a scheme meets the funding test where the trustees or managers are reasonably satisfied that, after taking account of the financial resources of the remaining employers, the arrangement is unlikely to adversely affect the security of the members’ benefits under the scheme.”.

(4C) The trustees or managers may consider that the test in paragraph (4A)(a) is met if in their opinion the remaining employers are able to meet the relevant payments as they fall due under the schedule of contributions for the purposes of Article 206 of the 2005 Order, taking into account any revision of that schedule that they think will be necessary when the arrangement takes effect.

(4D) In paragraphs (4A) and (4C), references to remaining employers may in relevant circumstances be read as referring only to the employer or employers to whom all or part of the liability share is apportioned under the scheme rules.”.

(5) After paragraph (5) insert—

“(6) For the purposes of these Regulations and notwithstanding section 39(2) of the Interpretation Act (Northern Ireland) 1954(b), where a period of time is expressed to begin on, or to be reckoned from, a particular day, that day shall be included in the period.”.

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(a) Paragraph (3) was substituted by paragraph 14(a)(ii) of the Schedule to S.R. 2007 No. 64  
(b) 1954 c. 33 (N.I.)



## Valuation of assets and liabilities

5. For regulation 5(a) of the Employer Debt Regulations (calculation of the value of scheme liabilities and assets: defined benefit schemes) substitute—

### “Calculation of the amount of scheme liabilities and value of scheme assets

5.—(1) The value of the assets which are to be taken into account for the purposes of Article 75(2) and (4)(b) shall be determined, calculated and verified by the trustees or managers.

(2) The liabilities which are to be taken into account for the purposes of Article 75(2) and (4) shall be determined by the trustees or managers and the amount of those liabilities shall be calculated and verified by the actuary.

(3) The assets of the scheme shall be valued and the amount of the liabilities shall be determined and calculated by reference to the same date.

(4) Subject to paragraph (15), the assets of a scheme to be taken into account by the trustees or managers are the assets attributable to the scheme in the relevant accounts, excluding—

- (a) any resources invested (or treated as invested by or under Article 40) in contravention of Article 40(1) (restriction on employer-related investments);
- (b) any amounts treated as a debt due to the trustees or managers under Article 75(2) or (4) or Article 207(3) of the 2005 Order (amounts due in accordance with a schedule of contributions) which are unlikely to be recovered without disproportionate cost or within a reasonable time;
- (c) where it appears to the actuary that the circumstances are such that it is appropriate to exclude them, any rights under an insurance policy, and
- (d) assets representing the value of any rights to money purchase benefits under the scheme,

and where arrangements are being made by the scheme for the transfer to or from it of any accrued rights and any pension credit rights, until such time as the trustees or managers of the scheme to which the transfer is being made (“the receiving scheme”) have received the assets of the full amount agreed by them as consideration for the transfer, it shall be assumed that any assets transferred in respect of the transfer of those rights are assets of the scheme making the transfer and not assets of the receiving scheme.

(5) An updated asset assessment may be used for the purposes of paragraph (4) if—

- (a) the trustees or managers, after consulting the cessation employer and other scheme employers, so decide, and
- (b) Article 75(4) applies by virtue of an employment-cessation event.

(6) The value to be given to the assets of a scheme by the trustees or managers is—

- (a) the value given to those assets in the relevant accounts or in the updated asset assessment less, in either case, the amount of the external liabilities;
- (b) in the case of any rights under an insurance policy taken into account notwithstanding paragraph (4)(c), the value the actuary considers appropriate in the circumstances of the case.

(7) For the purposes of paragraph (6), “external liabilities” means—

- (a) such liabilities of the scheme as are shown in the net assets statement in the relevant accounts and their amount shall be taken to be the amount shown in that statement in respect of them (and the liabilities in paragraph (8) are not to be included as external liabilities), or

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(a) Regulation 5 was amended by regulation 2(4) of S.R. 2005 No. 387

(b) Article 75 was amended by Article 248 of the Pensions (Northern Ireland) Order 2005 and is modified by S.R. 2005 No. 168



- (b) an estimate used for the purposes of an updated asset statement.
- (8) Subject to paragraphs (9), (13) and (15), the liabilities of a scheme to be taken into account by the trustees or managers are any liabilities—
- (a) in relation to a member of the scheme by virtue of—
    - (i) any right that has accrued to or in respect of him to future benefits under the scheme rules;
    - (ii) any entitlement to the present payment of a pension or other benefit which he has under the scheme rules, and
  - (b) in relation to the survivor of a member of the scheme, by virtue of any entitlement to benefits, or right to future benefits which he has under the scheme rules in respect of the member.
- (9) The liabilities of a scheme to be excluded from paragraph (8) are—
- (a) liabilities secured by an insurance policy the rights under which are excluded under paragraph (4)(c), and
  - (b) liabilities representing the value of any rights to money purchase benefits under the scheme.
- (10) For the purposes of paragraph (8)—
- (a) where arrangements are being made by the scheme for the transfer to or from it of accrued rights and any pension credit rights, until such time as the trustees or managers of the scheme to which the transfer is being made (“the receiving scheme”) have received the assets of the full amount agreed by them as consideration for the transfer, it shall be assumed that the rights have not been transferred;
  - (b) it shall be assumed that all pensionable service under the scheme ceased before the applicable time, and
  - (c) the following definitions shall apply—
    - “right” includes a pension credit right, and
    - “the survivor of a member” is a person who has survived the member and has any entitlement to benefit, or right to future benefits, under the scheme on account of the member.
- (11) The amount of the liabilities in respect of pensions and other benefits is to be calculated and verified by the actuary on the assumption that they will be discharged by the purchase of annuities of the kind described in Article 74(3)(c)(a) (discharge of liabilities: annuity purchase) and for this purpose the actuary must estimate the cost of purchasing annuities.
- (12) The actuary must estimate the cost of purchasing the annuities—
- (a) on terms the actuary considers consistent with those in the available market and which he considers would be sufficient to satisfy the scheme’s liabilities in respect of pensions and other benefits, or
  - (b) where the actuary considers that it is not practicable to make an estimate in accordance with sub-paragraph (a), in such manner as the actuary considers appropriate in the circumstances of the case.
- (13) The liabilities shall include all expenses (except the cost of the annuities) which, in the opinion of the trustees or managers of the scheme, are likely to be incurred in connection with the winding-up of the scheme.

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(a) Article 74(3)(c) was amended by Article 60 of S.I. 2002/1555

(14) An updated actuarial assessment may be prepared by the actuary for the purposes of paragraph (8) if—

- (a) the trustees or managers, after consulting the actuary and the cessation employer, so decide, and
- (b) Article 75(4) applies by virtue of an employment-cessation event.

(15) If at the applicable time the scheme has not commenced winding-up and a withdrawal arrangement or an approved withdrawal arrangement is in force before the applicable time, the amount B treated as a debt due under the arrangement shall be included as an asset of the scheme, provided that the trustees or managers are reasonably satisfied that, as at the applicable time, the guarantors have sufficient financial resources to be likely to pay amount B.

(16) For the purposes of paragraph (15), amount B shall be determined by the trustees or managers and calculated by the actuary as if it had become due at the applicable time.

(17) Where in these Regulations there is a reference to—

- (a) the amount of any liability being calculated or verified in accordance with the opinion of the actuary or as he thinks appropriate, or
- (b) the actuary preparing an updated actuarial assessment,

he must apply any relevant BAS standards in making that calculation or verification, or preparing that update.

(18) The amount of the liabilities of a scheme which are to be taken into account for the purposes of Article 75(2) and (4) must be certified by the actuary in the form set out in Schedule 1.

(19) This regulation is subject to regulations 6, 6C and 7.”.

### **Multi-employer schemes: general**

6. In regulation 6 of the Employer Debt Regulations (multi-employer schemes: general) for paragraphs (2) to (5) substitute—

“(2) For the purposes of paragraph (1), an employer’s share of the difference is the liability share unless the conditions are met for it being one of the following—

- (a) the scheme apportionment arrangement share;
- (b) the regulated apportionment arrangement share;
- (c) the withdrawal arrangement share, or
- (d) the approved withdrawal arrangement share.

(3) Where—

- (a) the withdrawal arrangement share applies, the modification of Article 75(4) in regulation 6C(2) shall apply when the withdrawal arrangement comes into force;
- (b) the approved withdrawal arrangement share applies, the modification of Article 75(4) in regulation 7(6) shall apply when the approved withdrawal arrangement comes into force.

(4) For the purposes of calculating the liability proportion for the purposes of the liability share, the liabilities attributable to employment with any employer (“Employer A”) shall be determined by the trustees or managers, after consulting the actuary and Employer A, as follows—

- (a) where a scheme apportionment arrangement (or before 6th April 2008, an exercise of a scheme apportionment rule) or a regulated apportionment arrangement has required certain liabilities to be apportioned to one or more employer in a particular way, those liabilities shall be so attributed;
- (b) subject to sub-paragraph (c), where liabilities to or in respect of any member arose as a result of pensionable service with more than one employer, the liabilities

attributable to Employer A in respect of any such member shall comprise only liabilities which arose during or as a result of pensionable service with Employer A (including any liabilities attributable to a transfer received by the scheme during that period or periods of pensionable service), and

(c) where any of the circumstances in paragraph (5) applies in respect of certain liabilities in respect of any member, those liabilities shall be attributable in accordance with the following sub-paragraphs applied in sequence—

(i) either—

(aa) if Employer A is the last employer of any member and the liabilities in respect of that member cannot be attributed to any employer, all of the liabilities to or in respect of any such member shall be attributable to Employer A, or

(bb) the liabilities in respect of any member which cannot be attributed to any employer shall be attributable in a reasonable manner to one or more employer (which may or may not include Employer A), or

(ii) if the trustees or managers are unable to determine whether or not Employer A is the last employer of any member and the liabilities in respect of that member cannot be attributed to any employer, the liabilities attributable to any such member shall not be attributable to any employer.

(5) The circumstances referred to in paragraph (4)(c) are—

(a) where the trustees or managers are unable to determine to whom liabilities in respect of any member should be attributed in accordance with paragraph (4)(b), paragraph (4)(c) shall apply in relation to those liabilities which cannot be attributed to any employer under paragraph (4)(b), or

(b) where the trustees or managers are able to determine to whom liabilities in respect of any member should be attributed in accordance with paragraph (4)(b), but to do so they expect disproportionate costs will be incurred by the scheme, paragraph (4)(c) shall apply in relation to those liabilities which cannot be attributed to any employer under paragraph (4)(b) except at disproportionate costs.

(6) Where an employer notifies the trustees or managers that a relevant transfer deduction shall apply to a departing employer's liabilities—

(a) the departing employer's liability share shall be reduced by the amount of the relevant transfer deduction, provided the relevant transfer liabilities and corresponding assets are transferred out during the period commencing with the applicable time and ending on the day that is 12 months later ("transfer out period"), and

(b) the liability share shall be calculated after the end of the transfer out period or if all transfers are completed on a date before the end of that period, after that date.

(7) For the purposes of paragraph (6), the relevant transfer deduction shall be determined by calculating the relevant transfer liabilities and the corresponding assets in accordance with regulation 5.

(8) The amount of the liabilities attributable to an employer under paragraph (4), the liability proportion, and the amount of the liability share shall be calculated and verified by the actuary in accordance with any relevant BAS standards and shall be certified by him in the form set out in Schedule 1."

## **Employment-cessation events, scheme apportionment arrangements, withdrawal arrangements and notifiable events**

7. After regulation 6 of the Employer Debt Regulations insert—

### **“Employment-cessation events: periods of grace**

**6A.**—(1) Where but for this regulation an employment-cessation event would have occurred in relation to an employer (“A”) and before, on, or as soon as possible and in any event within one month after, the cessation date A gives the trustees or managers of a relevant scheme (“the scheme”) a period of grace notice, A shall be treated for a period of grace as if he employed a person who is an active member of the scheme, but—

- (a) if by the last day of the period of grace A does not employ a person who is an active member of the scheme, A shall be treated as if the period of grace had not applied;
- (b) if at any time during the period of grace A no longer intends to employ any person who shall be an active member of the scheme, A must notify the trustees or managers of the scheme and A shall be treated as if the period of grace had not applied;
- (c) if at any time during the period of grace A employs an active member of the scheme (whether before or after giving the period of grace notice), A shall be treated as if an employment-cessation event had not occurred in relation to him on the cessation date which applied to the period of grace notice, or
- (d) if during the period of grace an insolvency event occurs in relation to A, A shall be treated as if the period of grace had not applied.

(2) Where in accordance with paragraph (1) an employer is treated for the period of grace as if he employed at least one person who is an active member of the scheme, he shall for the purposes of these Regulations be treated during that period as if he were an employer in relation to the scheme.

(3) For the purposes of this regulation, the following definitions shall apply—

“cessation date” means the date on which the employer ceases to employ at least one person who is an active member of the scheme and at least one other person who is not a defined contribution employer continues to employ at least one person who is an active member of the scheme;

“relevant scheme” means a scheme in relation to which A is not aware of any intention for it to become a frozen scheme during the period of grace;

“period of grace” means a period commencing on the cessation date and ending on the earlier of—

- (a) the day which is 12 months later, or
- (b) the day on which the employer employs a person who is an active member of the scheme;

“period of grace notice” means a notice in writing that an employer intends during the period of grace to employ at least one person who shall be an active member of the scheme.

### **Scheme apportionment arrangements**

**6B.**—(1) Before the trustees or managers of the scheme enter into a scheme apportionment arrangement, the funding test must be met in relation to it.

- (2) Paragraph (1) shall not apply where—
- (a) the employer’s scheme apportionment arrangement share will be higher than the liability share and the trustees or managers are satisfied that the employer is able to pay the scheme apportionment arrangement share, or
  - (b) at the date of the agreement the scheme had commenced winding-up, and the employer’s scheme apportionment arrangement share will be lower than his liability share and the trustees or managers are satisfied that—
    - (i) it is likely that the employer would be unable to pay the liability share if it applied, and
    - (ii) it is likely that the employer will be able to pay the scheme apportionment arrangement share.

### **Withdrawal arrangements**

**6C.**—(1) The trustees or managers may enter into a withdrawal arrangement, before, on or after the applicable time (which applies to an employment-cessation event), provided that—

- (a) the funding test is met, and
  - (b) they are satisfied that at the date of the agreement, the guarantors have sufficient financial resources to be likely to be able to pay amount B that would arise on that date (or pay the likely amount B).
- (2) When the withdrawal arrangement comes into force—
- (a) the cessation employer’s share of the difference shall for the purposes of regulation 6(2) be the withdrawal arrangement share, and
  - (b) Article 75(4)(a) shall apply as if amount B is treated as a debt due on the guarantee time and the guarantors who are party to the withdrawal arrangement shall be jointly liable unless the withdrawal arrangement provides that they shall be jointly and severally liable.
- (3) A relevant transfer deduction shall apply to a withdrawal arrangement share provided any transfer or transfers of the cessation employer’s relevant transfer liabilities and corresponding assets are completed on or before the date which is 12 months after the employment-cessation event.
- (4) Schedule 1A makes further provision in relation to withdrawal arrangements.

### **Notifiable events**

**6D.** Schedule 1B applies for the purposes of Article 64(2)(a) and(3)(a) of the 2005 Order (duty to notify the Regulator of certain events) so as to require notice of the events prescribed in that Schedule to be given to the Authority by the persons prescribed in relation to those events, unless the Authority direct otherwise.”.

### **Approved withdrawal arrangements and regulated apportionment arrangements**

**8.** For regulations 7(b) (multi-employer schemes: employment-cessation events and withdrawal arrangements), 7A (calculation of amounts due from cessation employer by virtue of regulation 7) and 7B (calculation of amounts due from guarantors by virtue of regulation 7) of the Employer Debt Regulations substitute—

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(a) Article 75 was amended by Article 248 of the Pensions (Northern Ireland) Order 2005 and is modified by S.R. 2005 No. 168  
(b) Regulation 7 was substituted with regulations 7, 7A and 7B by regulation 2(5) of S.R. 2005 No. 387

## **“Approved withdrawal arrangements**

7.—(1) If a cessation employer notifies the Authority in writing that he proposes to enter into an arrangement under this regulation and proposes to seek the Authority’s approval of the arrangement, the Authority may issue directions that—

- (a) a debt which may be treated as due under Article 75(4) is to be unenforceable for such period (“suspension period”) as the Authority may specify in the direction;
- (b) the suspension period is to be extended by such further periods as it specifies, and
- (c) if an approved withdrawal arrangement comes into force before the end of the suspension period, Article 75(4) is to apply with the modifications in paragraph (6).

(2) The Authority may not approve an arrangement under this regulation unless—

- (a) the amount the cessation employer proposes to pay as his approved withdrawal arrangement share is less than amount A;
- (b) the trustees have notified the Authority that the funding test is met, and
- (c) the Authority are satisfied that it is reasonable to do so having regard to such matters as the Authority consider relevant which may include the following—
  - (i) the potential effect of the employment-cessation event on the method or assumptions used to calculate the scheme’s technical provisions;
  - (ii) the financial circumstances of the proposed guarantors;
  - (iii) the amount of the cessation employer’s share of the difference under the liability share;
  - (iv) the amount the cessation employer proposes to pay as its approved withdrawal arrangement share (and, where there is likely to be a relevant transfer deduction, an estimate of the amount that the cessation employer will pay if the transfer is completed), and
  - (v) the effect of the proposed arrangement on the security of members’ benefits under the scheme.

(3) Approval by the Authority of an arrangement—

- (a) may be given subject to such conditions as the Authority consider appropriate, and
- (b) is to be given in a notice issued by the Authority.

(4) An arrangement may be approved by the Authority in advance of an employment-cessation event occurring (see paragraph 6 of Schedule 1A) or following the occurrence of such an event.

(5) An arrangement may be approved by the Authority where a departing employer notifies the trustees that a relevant transfer deduction shall apply to the proposed approved withdrawal arrangement share, but such approval shall cease to be effective if the transfer or transfers of the cessation employer’s liabilities are not completed on or before the date which is 12 months after the employment-cessation event or within such a longer period as the Authority approve.

(6) If the Authority issue the directions referred to in paragraph (1) and an approved withdrawal arrangement comes into force before the end of the suspension period (referred to in that paragraph)—

- (a) the cessation employer’s share of the difference shall for the purposes of regulation 6(2) be the approved withdrawal arrangement share, and
- (b) Article 75(4) shall apply as if amount B is treated as a debt due from the guarantors at the guarantee time for which (if there is more than one guarantor) they are jointly, or if the approved withdrawal arrangement provides, jointly and severally liable.

(7) The Authority may issue a direction that amount B under an approved withdrawal arrangement is not to be treated as a debt due from the guarantors under Article 75(4) and any such direction must be issued—

- (a) before the guarantee time, and
- (b) if the Authority consider that the approved withdrawal arrangement is no longer required.

(8) The Authority may issue a notice that they consider amount B (or the balance remaining) under an approved withdrawal arrangement should be paid but they may not issue such a notice unless they consider that it is reasonable for the guarantors to be required to pay that amount at that time.

(9) In forming an opinion for the purposes of paragraph (8), the Authority must have regard to such matters as they consider relevant including—

- (a) whether the guarantors have taken reasonable steps to comply with the approved withdrawal arrangement;
- (b) whether the guarantors have complied with their obligations under Schedule 1B, and
- (c) the guarantors' financial circumstances.

(10) Where the Authority consider that an arrangement no longer requires to be continued in force, they may issue a notice to the parties to that effect.

(11) Schedule 1A makes further provision in relation to approved withdrawal arrangements.

#### **Regulated apportionment arrangements**

**7A.**—(1) The conditions which apply to a regulated apportionment arrangement are as follows—

- (a) the arrangement applies to a trust scheme where—
  - (i) the trustees are of the opinion that there is a reasonable likelihood of an assessment period commencing in relation to the scheme within the following 12 months, or
  - (ii) an assessment period has already commenced in relation to the scheme and has not come to an end;
- (b) where an assessment period has not already commenced, the trustees of the scheme agree to the arrangement;
- (c) the arrangement and any amendments to the arrangement are approved by the Authority by a notice of approval, and
- (d) the Board of the Pension Protection Fund does not object to the arrangement.

(2) A notice of approval is a confirmation, issued by the Authority, that in their opinion in the circumstances described in the application it would be reasonable to issue a notice of approval.”.

#### **Single employer sections, multi-employer sections, etc.**

**9.** For regulation 8 (multi-employer schemes: sectionalised schemes) of the Employer Debt Regulations substitute—

#### **“Single employer sections, multi-employer sections, etc.**

**8.**—(1) Where Article 75 and these Regulations (apart from this regulation) apply to a scheme in relation to which there is more than one employer they shall apply to each of the following sections or parts of that scheme as if the section or part were a separate scheme—

- (a) a section of a segregated scheme with one employer in relation to the section;



- (b) a section of a segregated scheme with more than one employer in relation to the section;
  - (c) a death benefits section of a segregated scheme;
  - (d) a frozen section of a segregated scheme.
- (2) For the purposes of paragraph (1)—
- (a) subject to sub-paragraph (b), a “segregated scheme” means a scheme in relation to which there is more than one employer and which is divided into 2 or more sections where—
    - (i) any contributions payable to the scheme by an employer in relation to the scheme or by a member are allocated to that employer’s section, if more than one section applies to an employer to the section to which the employment relates, and any contributions to that employer’s or member’s section, and
    - (ii) 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;
  - (b) when determining whether a scheme is a segregated scheme there shall (for that purpose) be disregarded any provisions of the scheme which—
    - (i) permit contributions or transfers of assets to be used to provide death benefits;
    - (ii) permit any assets of a section of a scheme to be used for the purpose of another section in the event of the winding-up of the scheme or a section;
  - (c) a “death benefits section of a segregated scheme” shall mean a section—
    - (i) which provides death benefits only, and
    - (ii) to which contributions or transfers of assets may only be made for the purpose of providing death benefits;
  - (d) a “frozen section of a segregated scheme” shall mean a section—
    - (i) which applies only to members who are no longer in pensionable service in relation to the section (and a period of grace notice has not been given under regulation 6A and a period of grace under that regulation is not in progress), and
    - (ii) where the scheme rules have not been amended to prevent the scheme from otherwise being a segregated scheme.”.

**Former employers**

**10.** For regulation 9 of the Employer Debt Regulations (former employers) substitute—

**“Frozen schemes and former employers**

**9.—(1)** In the application of Article 75 to a scheme, subject to paragraph (3), references to employers include former employers.

(2) For the purposes of this regulation—

- (a) a “former employer” means any person who employed persons in the description of employment to which the scheme relates but at the relevant time has ceased to do so;
- (b) in relation to a frozen scheme, “freezing event” means the event in consequence of which the scheme became a frozen scheme (this is subject to regulation 6A);
- (c) “relevant time” means in relation to a scheme which is not a frozen scheme, the applicable time, and in relation to a frozen scheme, the time of occurrence of the freezing event.

- (3) A person shall not be included as a former employer if—
- (a) he is a defined contribution employer;
  - (b) before 19th December 1996, he ceased to be a person employing persons in the description or category of employment to which the scheme related and was not regarded as a “former participator” for the purposes of the Deficiency on Winding Up Regulations by virtue of regulation 6 of those Regulations (ceasing to participate: transitional provision);
  - (c) at a time before the relevant time, when the scheme had not commenced winding-up and the scheme continued to have active members, he—
    - (i) on or after 19th December 1996 and before 6th April 1997, ceased to be a person employing persons in the description or category of employment to which the scheme related and was not regarded as a “former participator” for the purposes of the Deficiency on Winding Up Regulations by virtue of regulation 6 of those Regulations;
    - (ii) on or after 6th April 1997 and before 6th April 2008, ceased to be a person employing persons in the description or category of employment to which the scheme related and one of conditions A to I is met, or
    - (iii) on or after 6th April 2008 and before the applicable time, ceased to be a person employing persons in the description or category of employment to which the scheme related or an employment-cessation event or insolvency event occurs in respect of him and one of conditions A to I is met, or
  - (d) in relation to a frozen scheme, at a time on or after 6th April 2008, after the freezing event, when the scheme had not commenced winding-up and before the applicable time, he ceased to be a person employing persons in the description or category of employment to which the scheme related, or an employment-cessation event or insolvency event occurred in respect of him and one of conditions A to I is met.

(4) In the application of regulation 6 to a frozen scheme which was a multi-employer scheme before the event as a result of which the scheme became a frozen scheme, in relation to a person who before the applicable time was a former employer under this regulation, an employment-cessation event shall be treated as having occurred where notice is given to the trustees or managers by such a person for the purposes of this paragraph.

(5) A notice given for the purposes of paragraph (4) must specify the date on which the employment-cessation event is to be treated as having occurred, being a date not earlier than 3 months before the date on which the notice is given, and not more than 3 months after that date.

(6) Condition A is that as a result of the employment-cessation event, insolvency event or assumption of his liabilities by another person, no debt arose under Article 75(2) or (4) (or, before 6th April 2005, under Article 75(1)).

(7) Condition B is that no debt was treated as becoming due from him under Article 75(2) or (4) (or, before 6th April 2005, under Article 75(1)).

(8) Condition C is that a debt was treated as becoming due from him under Article 75(2) or (4) (or, before 6th April 2005, under Article 75(1)) and has been paid by him before the applicable time.

(9) Condition D is that in accordance with a withdrawal arrangement a debt was treated as becoming due from him under Article 75(4) and has been paid by him before the applicable time.

(10) Condition E is that in accordance with an approved withdrawal arrangement a debt was treated as becoming due from him under Article 75(4) and has been paid by him before the applicable time.

(11) Condition F is that in accordance with a scheme apportionment arrangement a debt was treated as becoming due from him under Article 75(2) or (4) and has been paid by him before the applicable time.

(12) Condition G is that in accordance with a regulated apportionment arrangement a debt was treated as becoming due from him under Article 75(2) or (4) and has been paid by him before the applicable time.

(13) Condition H is that a debt was treated as becoming due from him and has not been paid solely because he was not notified of the debt, and of the amount of it, sufficiently in advance of the applicable time for it to be paid before that time.

(14) Condition I is that a debt was treated as becoming due from him under Article 75(2) or (4)(a) but at the applicable time it is excluded from the value of the assets of the scheme because it is unlikely to be recovered without disproportionate cost or within a reasonable time.

(15) For the purposes of paragraph (6), an “employment-cessation event” shall include circumstances where before 6th April 2005—

- (a) Article 75(1)(b) applied when a scheme was not being wound-up, and
- (b) an employer ceased to be a person employing persons in the description or category of employment to which the scheme related at a time when at least one other person continued to employ such persons(c).”.

### **Multi-employer money purchase schemes**

**11.**—(1) In regulation 11(1) of the Employer Debt Regulations (money purchase schemes: valuations etc.) for “regulations 5 and 7” substitute “regulation 5”.

(2) In regulation 12(1) of the Employer Debt Regulations (multi-employer money purchase schemes)—

- (a) in paragraph (1A), as substituted for regulation 10(1) of the Employer Debt Regulations, omit sub-paragraph (b) and the word “or” preceding it;
- (b) in paragraph (1B), as substituted for regulation 10(1) of the Employer Debt Regulations, omit sub-paragraph (b) and the word “and” preceding it.

### **Modification of schemes**

**12.** For regulation 16 of the Employer Debt Regulations (modification of schemes: apportionment of Article 75 debts) substitute—

#### **“Modification of schemes: apportionment of Article 75 debts**

**16.**—(1) This regulation applies to a trust scheme (whether or not a money purchase scheme) for the purposes of Article 68(2)(e) (power of trustees to modify schemes by resolution for prescribed purposes).

(2) The trustees of such a trust scheme, after consulting such employers in relation to the scheme as they think appropriate, may by resolution modify the scheme for the purposes of making provision for an employer’s share of the difference for the purposes of regulation 6(2) to be attributed in a different proportion from that which would otherwise apply by virtue of the liability share.”.

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(a) Article 75 was amended by Article 248 of the Pensions (Northern Ireland) Order 2005 and is modified by S.R. 2005 No. 168  
(b) That is, as it applied before it was amended by Article 248 of the Pensions (Northern Ireland) Order 2005  
(c) See the event described in Article 75(3)(b)(i) of the Pensions (Northern Ireland) Order 1995 as modified by regulation 4(3) of S.R. 1996 No. 585

### **Form of actuary's certificate**

13. For Schedule 1(a) to the Employer Debt Regulations (form of actuary's certificate) substitute the Schedule set out in Schedule 1 to these Regulations.

### **Withdrawal arrangements and approved withdrawal arrangements**

14. For Schedule 1A(b) to the Employer Debt Regulations (multi-employer schemes: employer-cessation events and approved withdrawal arrangements) substitute the Schedule set out in Schedule 2 to these Regulations.

### **Notifiable events, form of actuary's certificate etc.**

15. For Schedule 1B(c) to the Employer Debt Regulations (form of actuary's certificate: scheme funding basis debts in approved withdrawal arrangement cases) substitute the Schedules set out in Schedule 3 to these Regulations.

### **The Pensions Regulator's functions under the Employer Debt Regulations**

16.—(1) The following functions under the Employer Debt Regulations are regulatory functions of the Pensions Regulator for the purposes of Part II of the Pensions (Northern Ireland) Order 2005(d)—

- (a) the power to make a direction under regulation 7(1);
- (b) the power to issue a notice under regulation 7(3)(b);
- (c) the power to make a direction under regulation 7(7);
- (d) the power to issue a notice under regulation 7(8);
- (e) the power to issue a notice under regulation 7(10);
- (f) the power to issue a notice under regulation 7A(2).

(2) The Pensions Regulator may, if it thinks fit, delegate the functions specified in paragraph (1) to the Determinations Panel.

### **Amendment of the Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations**

17. In the Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations (Northern Ireland) 2005(e)—

- (a) in regulation 15(3)(f) (segregated schemes: notification of insolvency events, confirmation of scheme status etc.) omit sub-paragraph (a);
- (b) in regulation 62(3)(g) (non-segregated schemes: notification of insolvency events, confirmation of scheme status etc.) omit sub-paragraph (a).

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(a) Schedule 1 was amended by paragraph 14(b) of the Schedule to S.R. 2007 No. 64  
(b) Schedule 1A was inserted by regulation 2(8) of S.R. 2005 No. 387  
(c) Schedule 1B was inserted by regulation 2(8) of S.R. 2005 No. 387 and amended by paragraph 14(b) of the Schedule to S.R. 2007 No. 64  
(d) S.I. 2005/255 (N.I. 1)  
(e) S.R. 2005 No. 91; relevant amending Regulations are S.R. 2005 No. 357  
(f) Regulation 15 was substituted by regulation 3(3) of S.R. 2005 No. 357  
(g) Regulation 62 was substituted by regulation 3(4) of S.R. 2005 No. 357

### **Amendment of the Pension Protection Fund (Entry Rules) Regulations**

**18.** In regulation 2 of the Pension Protection Fund (Entry Rules) Regulations (Northern Ireland) 2005(a) (schemes which are not eligible schemes) for paragraph (4) substitute—

“(4) Paragraph (2) shall not apply in relation to an eligible scheme where before the beginning of an assessment period in relation to the scheme any of the following is in place—

- (a) a scheme apportionment arrangement under the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005(b);
- (b) a regulated apportionment arrangement under those Regulations;
- (c) a withdrawal arrangement under those Regulations;
- (d) an approved withdrawal arrangement under those Regulations.”.

### **Amendment of the Pensions Regulator (Financial Support Directions, etc.) Regulations**

**19.** In regulation 15(2) of the Pensions Regulator (Financial Support Directions, etc.) Regulations (Northern Ireland) 2005(c) (former employers)—

(a) for “condition A, AA, B” substitute “condition A, AA, AB, B”;

(b) for sub-paragraph (aa)(d) substitute—

“(aa) condition AA is that—

- (i) such a debt became due;
- (ii) under regulation 7 of the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 an approved withdrawal arrangement came into force and the debt treated as due, as a result of that arrangement, is the approved withdrawal arrangement share and the cessation expenses attributable to the employer within the meaning of those Regulations, and
- (iii) that debt has been paid;

(ab) condition AB is that—

- (i) such a debt became due;
- (ii) under regulation 6C of the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 a withdrawal arrangement came into force and the debt treated as due, as a result of that arrangement, is the withdrawal arrangement share and the cessation expenses attributable to the employer within the meaning of those Regulations, and
- (iii) that debt has been paid;”.

### **Amendment of the Occupational Pension Schemes (Scheme Funding) Regulations**

**20.** In Schedule 2 to the Occupational Pension Schemes (Scheme Funding) Regulations (Northern Ireland) 2005(e) (frozen or paid-up schemes) for paragraph 3 substitute—

“**3.**—(1) In the application of Part IV of the Order and these Regulations to a scheme which has no active members, references to the employer have effect as if they were references to the person who was the employer immediately before the occurrence of the event after which the scheme ceased to have any active members (“the freezing event”).

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(a) S.R. 2005 No. 126; relevant amending Regulations are S.R. 2005 No. 364

(b) S.R. 2005 No. 168

(c) S.R. 2005 No. 378; regulation 15(2) was amended by regulation 6(a) of S.R. 2005 No. 387

(d) Sub-paragraph (aa) was inserted by regulation 6(b) of S.R. 2005 No. 387

(e) S.R. 2005 No. 568

(2) A person shall cease to be treated as an employer under paragraph (1) if after the freezing event he ceases to be treated as a former employer under regulation 9 of the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005.”.

### **Revocations**

**21.** The following provisions are revoked—

- (a) regulations 2(2), (4), (5), (6) and (8), 3 and 6 of, and the Schedule to, the Occupational Pension Schemes (Employer Debt, etc.) (Amendment) Regulations (Northern Ireland) 2005**(a)**;
- (b) paragraph 14(a)(ii) and (b) of the Schedule to the Occupational and Personal Pension Schemes (Prescribed Bodies) Regulations (Northern Ireland) 2007**(b)**.

Sealed with the Official Seal of the Department for Social Development on 18th March 2008

(L.S.)

*John O'Neill*

A senior officer of the Department for Social Development

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**(a)** S.R. 2005 No. 387  
**(b)** S.R. 2007 No. 64

## SCHEDULE 1

Regulation 13

### Schedule to be substituted for Schedule 1 to the Employer Debt Regulations

“SCHEDULE 1 Regulation 5(18) and 6(8)

#### Actuary’s Certificate of Total difference between Scheme Assets and Liabilities and Liability share debt of Employer in a Multi- Employer Scheme [delete as appropriate]

Given for the purposes of regulation 5(18) and regulation 6(8) of the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 (“the Employer Debt Regulations”)

This certificate is subject to the Notes below

Name of scheme

Date used as the applicable time for purposes of calculations

#### **1 Comparison of value of scheme assets with amount of scheme liabilities**

In my opinion, at the applicable time, the value of the assets of the scheme was less than the amount of the liabilities of the scheme.

The amount of the total liabilities was [approximately]

The amount of the total difference between the value of the assets in scheme and the amount of the liabilities of the scheme was [approximately]

#### **2 Multi-Employer Schemes: Employer’s share of the difference on the liability share basis**

[name of Employer]’s debt was calculated on the liability share basis, where—

amount K was [£x];

amount L was [£y]; and

[Employer’s] debt (that is, Employer’s liability share [after the relevant transfer deduction][delete as appropriate]) was [£z].

#### **3 Valuation principles**

The scheme’s assets and liabilities are valued in accordance with Article 75(5) of the Pensions (Northern Ireland) Order 1995, regulations 5 and 6 of the Employer Debt Regulations and any relevant BAS standards.

#### **[4 Approximations**

With the agreement of the trustees or managers of the scheme, approximate calculations were used in arriving at the amount of the liabilities at [ ] [specify] above.] [Delete as appropriate]

Signature

Date

Name



Qualification

Address

Name of employer

(if applicable)

**Notes:**

The references to—

“applicable time” means the time as at which the value of the assets of a scheme and the amount of the liabilities are to be determined, calculated and verified for the purposes of Article 75 of the Pensions (Northern Ireland) Order 1995;

“liability proportion” means “K/L” where—

- (a) “K” equals the amount of a scheme’s liabilities attributable to an employer in accordance with regulation 6(4) of the Employer Debt Regulations; and
- (b) “L” equals the total amount of the scheme’s liabilities attributable to employment with the employers;

“liability share” means an amount equal to the liability proportion of the total difference between the value of the assets and the amount of the liabilities of the scheme;

“multi-employer scheme” means a scheme (or a section of a scheme treated pursuant to regulation 8 of the Employer Debt Regulations as a separate scheme) in relation to which there is more than one employer;

“relevant transfer deduction” means the amount of the relevant transfer liabilities less the value of the corresponding assets, by which the liability share is to be reduced by virtue of regulation 6(6)(a) of the Employer Debt Regulations;

“share of the difference” means the amount calculated as at the applicable time that is an employer’s share of the total difference between the value of the assets and the amount of the liabilities of the scheme.

The valuation of the amount of the liabilities of the scheme may not reflect the actual cost of securing those liabilities by the purchase of annuities [if the scheme were to have been wound-up on the date as at which the valuation is made] [delete if scheme had commenced winding-up on the applicable date].

The value of the assets was provided by the trustees or managers of the scheme.

The value of the assets was provided by the trustees or managers of the scheme by relying on an updated asset assessment, that they decided to use in accordance with the conditions in regulation 5(5) of the Employer Debt Regulations [delete as appropriate].

The liabilities were calculated and verified by relying on an updated actuarial assessment which the trustees or managers of the scheme decided to use in accordance with the conditions in regulation 5(14) of the Employer Debt Regulations [delete as appropriate].

Where approximate calculations are used in arriving at the amount of liabilities, the amount calculated on a more accurate basis may be significantly different.

In the case of multi-employer schemes:

The amount of the liabilities attributed to each of the employers was determined by the trustees or managers of the scheme in accordance with regulation 6(4) of the Employer Debt Regulations.

The liability share amount was reduced to reflect a relevant transfer deduction under regulation 6(6) of the Employer Debt Regulations [delete as appropriate].”

Schedule to be substituted for  
Schedule 1A to the Employer Debt Regulations

“SCHEDULE 1A      Regulations 6C(4) and 7(11)

Withdrawal Arrangements and Approved Withdrawal Arrangements

**Conditions for withdrawal arrangements and approved withdrawal arrangements**

1. The conditions a withdrawal arrangement, or a withdrawal arrangement after it has been approved by the Authority, must comply with are—

- (a) the trustees or managers, the cessation employer and the guarantor are parties;
- (b) it provides the date on which it is to come into force;
- (c) it provides that at or before the time specified the cessation employer will pay—
  - (i) in the case of a withdrawal arrangement, the withdrawal arrangement share, or
  - (ii) in the case of an approved withdrawal arrangement, the approved withdrawal arrangement share;
- (d) where the withdrawal arrangement share or approved withdrawal arrangement share shall be paid in instalments, the dates for payment of such instalments;
- (e) it provides that the guarantors shall pay an amount or amounts equal to amount B;
- (f) it provides that if an event specified in paragraph 3 occurs before amount B has been paid and while the agreement is still in force, the guarantors shall pay amount B;
- (g) it specifies whether amount B is calculated under either sub-paragraph (2) or (3) of paragraph 5;
- (h) specifies where there is more than one guarantor, whether the guarantors are jointly or jointly and severally liable;
- (i) provides details of any relevant transfer deduction which may apply, the anticipated relevant transfer liabilities, the anticipated corresponding assets and the anticipated time scale for finalisation of the relevant transfer deduction;
- (j) it provides that amounts payable under the withdrawal arrangement or approved withdrawal arrangement are payable to the trustees or managers of the scheme;
- (k) it provides that one or more parties to the withdrawal arrangement or approved withdrawal arrangement are to meet any expenses incurred by the parties in connection with one or both of the following—
  - (i) the making of the arrangement;
  - (ii) the making of any calculations by the actuary for the purpose of the arrangement;
- (l) the arrangement shall continue in force until—
  - (i) the winding up of the scheme is completed;
  - (ii) in the case of an approved withdrawal arrangement, the Authority issues a notice to the parties to the arrangement stating that the Authority considers that the arrangement is no longer required, or

- (iii) the arrangement is replaced by another arrangement that is in the case of an approved withdrawal arrangement approved by the Authority as an approved withdrawal arrangement,
- whichever occurs first.

### **Actuarial certificates**

2. The amount of the liabilities of a scheme which are to be taken into account—
- (a) for the purposes of a withdrawal arrangement share or an approved withdrawal arrangement share must be certified by the actuary in the form set out in Schedule 1C;
  - (b) to determine amount B under sub-paragraph (3) of paragraph 5 must be certified by the actuary in the form set out in Schedule 1D;
  - (c) to determine amount B under sub-paragraph (2) of paragraph 5 must be certified by the actuary after the guarantee time in the form set out in Schedule 1D.

### **Events for payment of amount B**

3. The events where amount B must be paid are—
- (a) the scheme commences winding-up;
  - (b) a relevant event occurs in relation to the last remaining employer in relation to the scheme (where the last remaining employer is the only employer remaining who has not had a relevant event);
  - (c) in the case of an approved withdrawal arrangement, the Authority issue a notice to the parties to the arrangement stating that they consider that amount B (or the balance remaining) should be paid, or
  - (d) the occurrence of the date on which the guarantors have agreed to pay, and the trustees or managers have agreed to receive, payment of amount B.

### **Calculation of amount A**

- 4.—(1) Amount A shall be equal to either of the following amounts—
- (a) where a relevant transfer deduction does not apply to a withdrawal arrangement share or an approved withdrawal arrangement share, the liability proportion of the scheme shortfall amount, or
  - (b) where a relevant transfer deduction applies to a withdrawal arrangement share or an approved withdrawal arrangement share, the liability proportion of the scheme shortfall amount minus the relevant transfer deduction.
- (2) For the purposes of sub-paragraph (1)(b), the relevant transfer deduction shall be determined by calculating the relevant transfer liabilities and the corresponding assets in accordance with regulation 5.
- (3) The scheme shortfall amount is the amount of the difference as at the applicable time between the value of the assets and the amount of the liabilities of the scheme determined, calculated and verified in accordance with sub-paragraph (4).
- (4) The scheme shortfall amount and, for the purposes of this paragraph, the relevant transfer deduction shall be determined, calculated and verified as follows—
- (a) where at the applicable time the trustees or managers of the scheme have received its first actuarial valuation under Part IV of the 2005 Order, in accordance with regulation 5, but that regulation shall apply as if—
    - (i) paragraph (11) provided the following—

“(11) The amount of the liabilities in respect of pensions and other benefits are to be calculated and verified by the actuary using the same methods and assumptions as

were set out in the most recent statement of funding principles under Part IV of the 2005 Order.”, and

(ii) paragraph (12) were omitted;

(b) where at the applicable time the trustees or managers of the scheme have not received its first actuarial valuation under Part IV of the 2005 Order, in accordance with sub-paragraph (5).

(5) Where sub-paragraph (4)(b) applies, the amounts or value of the assets and liabilities of a scheme and, for the purposes of this paragraph the relevant transfer deduction, must be determined, calculated and verified by the trustees or managers of the scheme and the Actuary at the applicable time in accordance with—

(a) regulations 3 (excluded assets), 4 (contribution notices, financial support directions and restoration orders), 5 (valuation of assets), 6 (valuation of protected liabilities) and 7 (alternative valuation of assets and protected liabilities in specific cases) of the Pension Protection Fund (Valuation) Regulations (Northern Ireland) 2005<sup>(a)</sup>, and

(b) guidance issued by the Board of the Pension Protection Fund.

(6) For the purposes of sub-paragraph (5), in the Pension Protection Fund (Valuation) Regulations (Northern Ireland) 2005—

(i) references to “Article 127 valuations” and provisions which relate to Article 127 valuations shall be disregarded;

(ii) references to “relevant time” shall be read as if they were references to “applicable time”;

(ii) references to “Article 162 valuations” shall be read as if they were references to a valuation for the purposes of Article 75(4).

### **Calculation of amount B**

5.—(1) Amount B must be calculated in accordance with either sub-paragraph (2) or (3).

(2) Where a withdrawal arrangement or approved withdrawal arrangement provides that amount B is to be calculated in accordance with this sub-paragraph, amount B is equal to the amount (if any) that would be the amount of the liability share due from the cessation employer under Article 75(4) if—

(a) the employment-cessation event had occurred at the guarantee time, and

(b) the cessation employer had not entered into a withdrawal arrangement or an approved withdrawal arrangement.

(3) Where the withdrawal arrangement or approved withdrawal arrangement provides that amount B is to be calculated in accordance with this sub-paragraph, amount B is equal to the amount of the liability share that would have been treated as due from the cessation employer under Article 75(4) if the cessation employer had not entered into a withdrawal arrangement or approved withdrawal arrangement, less the sum of—

(a) in the case of a withdrawal arrangement, the withdrawal arrangement share or in the case of an approved withdrawal arrangement, the approved withdrawal arrangement share;

(b) in the case of a withdrawal arrangement, if the amount that the withdrawal arrangement provides for the cessation employer to pay exceeds the withdrawal arrangement share, an amount equal to that excess.

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(a) S.R. 2005 No. 131; relevant amending Regulations are S.R. 2006 No. 155 and 2007 No. 193

### **Approval of withdrawal arrangements in advance**

6.—(1) A withdrawal arrangement may be approved by the Authority in advance of an employment-cessation event occurring in relation to an employer and for the purposes of approving a withdrawal arrangement prior to an employment-cessation event occurring in relation to an employer, references in this Schedule and regulation 7 to “cessation employer”, “approved withdrawal arrangement share”, “amount B”, “amount A”, “cessation expenses”, “guarantors” and “relevant transfer deduction” shall be read accordingly.

(2) Where an approved withdrawal arrangement has been approved prior to an employment-cessation event, regulation 7 shall apply as if—

- (a) following an employment-cessation event occurring in relation to the employer who is party to the approved withdrawal arrangement, the employer gave the notice required under regulation 7(1);
- (b) the Authority issued the directions under regulation 7(1);
- (c) at the time when the approved withdrawal arrangement comes into force regulation 7(6) applies and the approved withdrawal arrangement share and amount B are treated as debts due.

### **Replacement withdrawal arrangements**

7. Where a withdrawal arrangement is replaced with an amended withdrawal arrangement or an amended approved withdrawal arrangement, paragraph 1, regulation 6B and regulation 7 shall apply to the amended withdrawal arrangement or amended approved withdrawal arrangement as they applied to the original arrangement.”

## **SCHEDULE 3**

Regulation 15

### **Schedules to be substituted for Schedule 1B to the Employer Debt Regulations**

#### **“SCHEDULE 1B**

Regulations 6D and 7(9)

#### **Notifiable Events**

1.—(1) Where a withdrawal arrangement or an approved withdrawal arrangement is in force in relation to a scheme, each of the guarantors must give notice to the Authority if such an event as is mentioned in sub-paragraph (2) occurs in relation to that person.

(2) The events referred to in sub-paragraph (1) are—

- (a) any decision by the relevant person to take action which will, or is intended to, result in a debt which is or may become due—
  - (i) to the trustees of the scheme, or
  - (ii) if the Board of the Pension Protection Fund has assumed responsibility for the scheme in accordance with Chapter 3 of Part III of the 2005 Order, to the Board,  
not being paid in full;
- (b) a decision by the relevant person to cease to carry on business (including any trade or profession) in the United Kingdom or, if the relevant person ceases to carry on such business without taking such a decision, his doing so;

- (c) where applicable, receipt by the relevant person of advice that the person is trading wrongfully within the meaning of Article 178 of the Insolvency (Northern Ireland) Order 1989(a) (wrongful trading), or circumstances occurring in which a director or former director of the company knows that there is no reasonable prospect that the company will avoid going into insolvent liquidation within the meaning of that Article, and for this purpose Article 178(4) of that Order applies;
- (d) any breach by the relevant person of a covenant in an agreement between the relevant person and a bank or other institution providing banking services, other than where the bank or other institution agrees with the relevant person not to enforce the covenant;
- (e) any change in the relevant person’s credit rating, or the relevant person ceasing to have a credit rating;
- (f) where the relevant person is a company, a decision by a controlling company to relinquish control of the relevant person or, if the controlling company relinquishes such control without taking such a decision, its doing so;
- (g) two or more changes in the holders of any key relevant person posts within a period of 12 months;
- (h) where the relevant person is a company or partnership, the conviction of an individual, in any jurisdiction, for an offence involving dishonesty, if the offence was committed while the individual was a director or partner of the relevant person;
- (i) an insolvency event occurring in relation to the relevant person for the purposes of Part III of the 2005 Order (see Article 105 of that Order: insolvency event, insolvency date and insolvency practitioner).

(3) A notice under sub-paragraph (1) must be given in writing as soon as reasonably practicable after the relevant person becomes aware of the event.

(4) In this paragraph—

“control” has the meaning given in Article 4(10) of the Insolvency (Northern Ireland) Order 1989 and “controlling company” is to be read accordingly;

“director” has the meaning given in section 250 of the Companies Act 2006(b);

“key relevant person posts” means the Chief Executive and any director or partner responsible in whole or in part for the financial affairs of the relevant person.

2.—(1) The trustees or managers of a scheme must give notice to the Authority of any decision by them to take action which will, or is intended to, result in any entering into a scheme apportionment arrangement on or after the applicable time.

(2) A notice under sub-paragraph (1) must be given in writing as soon as reasonably practicable after the making of the decision.

3.—(1) No duty to which a person is subject under paragraph 1 or 2 is to be regarded as contravened merely because of any information or opinion contained in a notice under paragraph 1 or 2.

(2) Sub-paragraph (1) does not require any person to disclose protected items within the meaning of Article 283 of the 2005 Order (protected items)

(3) Article 10 (civil penalties) applies to any person who without reasonable excuse fails to comply with an obligation imposed on him under paragraph 1 or 2.

(a) S.I. 1989/2405 (N.I. 19); Article 178 was modified by Schedule 15 to the Building Societies Act 1986 (c.53) as amended by Article 381 of, and Part II of Schedule 9 to, the Insolvency (Northern Ireland) Order 1989 and by section 23 of, and Schedule 10 to, the Friendly Societies Act 1992 (c.40). Regulation 5 of S.R. 2004 No. 307 applies Article 178 to limited liability partnerships with modifications including that references to a company include references to such partnerships and references to a director include references to a member (see regulation 5(2)(a) and (b))

(b) 2006 c. 46

## SCHEDULE 1C

Paragraph 2(a)  
of Schedule 1A

### Actuary's Certificate for Withdrawal Arrangement Share or Approved Withdrawal Arrangement Share in Multi-Employer Scheme

Given for the purposes of paragraph 2(a) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 ("the Employer Debt Regulations")

This certificate is subject to the Notes below

Name of scheme

Date used as the applicable time for purposes of calculations

#### **1 Comparison of value of scheme assets with amount of scheme liabilities**

In my opinion, at the applicable time, the value of the assets of the scheme was less than the amount of the liabilities of the scheme.

The amount of the total liabilities was [approximately]

The amount of the total difference between the value of the assets in the multi-employer scheme and the amount of the liabilities was [approximately]

#### **2 Employer's withdrawal arrangement share or approved withdrawal arrangement share**

[name of Employer]'s [approved] withdrawal arrangement share [after the relevant transfer deduction] [delete as appropriate] was [ ]

In the case of an approved withdrawal arrangement share, the amount A which applied for the purposes of determining [name of Employer]'s approved withdrawal arrangement share was

#### **3 Valuation principles**

The value of the scheme's assets and the amount of the liabilities are valued in accordance with Article 75(5) of the Pensions (Northern Ireland) Order 1995, regulation 5, [regulation 6C(3), regulation 7(5)] [delete as appropriate] of, and paragraph 3 of Schedule 1 to, the Employer Debt Regulations, and with relevant BAS standards.

#### **[4 .Approximations**

With the agreement of the trustees or managers of the scheme, approximate calculations were used in arriving at the amount of the liabilities at [ ] [specify] above.] [delete as appropriate]

Signature

Date

Name

Qualification

Address

Name of employer

(if applicable)



**Notes:**

The references to—

“amount A” means the amount calculated in accordance with paragraph 4 of Schedule 1A to the Employer Debt Regulations;

“applicable time” means the time as at which the value of the assets of a scheme and the amount of the liabilities are to be determined, calculated and verified for the purposes of Article 75 of the Pensions (Northern Ireland) Order 1995;

“approved withdrawal arrangement share” means an amount that is—

- (a) a cessation employer’s share of the difference,
- (b) less than amount A, and
- (c) payable by a cessation employer pursuant to an approved withdrawal arrangement;

“multi-employer scheme” means a scheme (or a section of a scheme treated pursuant to regulation 8 of the Employer Debt Regulations as a separate scheme) in relation to which there is more than one employer;

“relevant transfer deduction” means, in relation to an approved withdrawal arrangement, the amount of the relevant transfer liabilities less the value of the corresponding assets by which the approved withdrawal arrangement share is to be reduced in accordance with regulation 7(5);

“share of the difference” means the amount calculated as at the applicable time that is an employer’s share of the total difference between the value of the assets and the amount of the liabilities of the scheme;

“withdrawal arrangement share” means an amount that is—

- (a) a cessation employer’s share of the difference,
- (b) equal to or greater than amount A, and
- (c) payable by a cessation employer pursuant to a withdrawal arrangement.

The value of the assets was provided by the trustees or managers of the scheme.

The value of the assets was provided by the trustees or managers of the scheme by relying on an updated asset assessment, that they decided to use in accordance with the conditions in regulation 5(5) of the Employer Debt Regulations [delete as appropriate].

The liabilities were calculated and verified by relying on an updated actuarial assessment which the trustees or managers of the scheme decided to use in accordance with the conditions in regulation 5(14) of the Employer Debt Regulations.

Where approximate calculations are used in arriving at the amount of liabilities, the amount calculated on a more accurate basis may be significantly different.

The withdrawal arrangement share amount was reduced to reflect a relevant transfer deduction under regulation 6C(3) of the Employer Debt Regulations [delete as appropriate].

The approved withdrawal arrangement share was calculated by reference to an amount A which was reduced to reflect where the Authority permitted, under regulation 7(5) of the Employer Debt Regulations, a relevant transfer deduction to apply [delete as appropriate].

**Actuary's Certificate for Amount B under a  
Withdrawal Arrangement or an Approved Withdrawal Arrangement  
in a Multi-Employer Scheme**

Given for the purposes of paragraph 2(b) or (c) of Schedule 1A to the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 ("the Employer Debt Regulations")

This certificate is subject to the Notes below

Name of multi-employer scheme

Date used for purposes of calculations

**1 Amount B**

For the purposes of [sub-paragraph (2)] [sub-paragraph (3)] [delete as appropriate] of paragraph 5 of Schedule 1A to the Employer Debt Regulations, the guarantors' amount B for the purposes of a withdrawal arrangement or an approved withdrawal arrangement was [ ]

**2 Valuation principles**

The value of the scheme's assets and the amount of the liabilities are valued in accordance with Article 75(5) of the Pensions (Northern Ireland) Order 1995, regulation 5 of, and paragraph 5(2) or (3) of Schedule 1A to, the Employer Debt Regulations and with relevant BAS standards.

Signature

Date

Name

Qualification

Address

Name of employer

(if applicable)

**Notes:**

The references to—

“amount B” means the amount calculated in accordance with paragraph 5(2) or (3) of Schedule 1A to the Employer Debt Regulations;

“approved withdrawal arrangement” means an arrangement that meets the conditions in paragraph 1 of Schedule 1A to the Employer Debt Regulations and is approved by the Authority under regulation 7 of those Regulations;

“guarantors” means such one or more of the parties to a withdrawal arrangement or an approved withdrawal arrangement who are specified in the arrangement as the persons who have given guarantees in relation to amount B for the purposes of the arrangement;

“withdrawal arrangement” means an arrangement that meets the conditions specified in paragraph 1 of Schedule 1A to the Employer Debt Regulations and meets the test in regulation 6C(1) of those Regulations.

The valuation of the amount of the liabilities of the scheme may not reflect the actual cost of securing those liabilities by the purchase of annuities [if the scheme were to have been wound-up on the date as at which the valuation is made] [delete if scheme had not commenced winding-up on the applicable date].

The value of the assets was provided by the trustees or managers of the scheme.

The value of the assets was provided by the trustees or managers of the scheme by relying on an updated asset assessment, that they decided to use in accordance with the conditions in regulation 5(5) of the Employer Debt Regulations [delete as appropriate].

The liabilities were calculated and verified by relying on an updated actuarial assessment which the trustees or managers of the scheme decided to use in accordance with the conditions in regulation 5(14) of the Employer Debt Regulations.

A relevant transfer deduction (as defined in regulation 2(1) of the Employer Debt Regulations) applied [delete as appropriate].”

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Occupational Pension Schemes (Employer Debt) Regulations (Northern Ireland) 2005 (“the Employer Debt Regulations”) which make provision where debts arise under Article 75 of the Pensions (Northern Ireland) Order 1995 (“the 1995 Order”) in respect of occupational pension schemes.

Regulation 1 provides for citation and interpretation.

Under regulation 2, the Regulations come into operation on 6th April 2008, subject to transitional provisions under which certain provisions of the existing Employer Debt Regulations are to remain applicable in specified circumstances after that date.

Regulations 3 and 4 amend the application and interpretation provisions of the Employer Debt Regulations.

Regulation 5 substitutes new provisions for regulation 5 of the Employer Debt Regulations. These provide for the determination and valuation of the assets and liabilities of a scheme for the purposes of Article 75 of the 1995 Order. Liabilities in respect of pensions and other benefits continue to be valued on the basis that the trustees or managers will provide for them by buying annuities. Liabilities are to be certified by the scheme’s actuary in accordance with Schedule 1 to the Employer Debt Regulations, which is also amended.

Regulations 6 to 9 deal with multi-employer schemes.

Regulation 6 amends regulation 6 of the Employer Debt Regulations, which makes general provision in respect of multi-employer schemes.

Regulation 7 inserts regulations 6A, 6B, 6C and 6D into the Employer Debt Regulations. Regulation 6A provides for a period of grace of up to 12 months where a cessation event would otherwise have occurred because an employer ceases to employ a person who is an active member of a scheme. Regulation 6B enables the trustees or managers of a scheme to enter into a scheme apportionment arrangement, under which an employer may pay an amount lower than his liability under Article 75 of the 1995 Order provided that a funding test is met. Regulation 6C sets out the conditions under which trustees or managers may enter into a withdrawal arrangement with a cessation employer. These include a funding test being met and the trustees being satisfied that guarantors are likely to be able to pay an amount calculated in accordance with Schedule 1A to the Employer Debt Regulations, which is also amended. Regulation 6D provides for the notification of certain events to the Pensions Regulator.

Regulation 8 replaces regulations 7, 7A and 7B of the Employer Debt Regulations with regulations 7 and 7A. Regulation 7 provides for approved withdrawal arrangements and sets out the circumstances for the Pensions Regulator to give its approval. Regulation 7A provides for regulated apportionment arrangements to be approved by the Pensions Regulator with the concurrence of the Board of the Pension Protection Fund.

Regulation 9 substitutes regulation 8 of the Employer Debt Regulations, providing for separate sections of a multi-employer scheme to be treated as separate schemes.

Regulation 10 substitutes regulation 9 of the Employer Debt Regulations, which reproduces the effect of the old regulation 9, but with necessary changes to deal with the new arrangements introduced by these Regulations.

Regulation 11 amends regulations 11 and 12 of the Employer Debt Regulations, making provision in connection with multi-employer money purchase schemes.

Regulation 12 substitutes regulation 16 of the Employer Debt Regulations, containing provisions for trustees to modify schemes to introduce rules providing for apportionment of debts under Article 75 of the 1995 Order.

Regulations 13, 14 and 15 introduce Schedules 1, 2 and 3, which substitute amended provisions for Schedules 1, 1A and 1B to the Employer Debt Regulations including amended actuarial certificates.

Regulation 16 specifies regulatory functions for the Pensions Regulator for the purposes of Part II of the Pensions (Northern Ireland) Order 2005.

Regulations 17, 18, 19 and 20 amend respectively the Pension Protection Fund (Multi-employer Schemes) (Modification) Regulations (Northern Ireland) 2005, the Pension Protection Fund (Entry Rules) Regulations (Northern Ireland) 2005, the Pensions Regulator (Financial Support Directions, etc.) Regulations (Northern Ireland) 2005 and the Occupational Pension Schemes (Scheme Funding) Regulations (Northern Ireland) 2005.

Regulation 21 contains consequential revocations.

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 117(1) of the 1995 Order and Article 289(1) of the Pensions (Northern Ireland) Order 2005 does not apply by virtue of paragraph (2)(e) of each of those Articles.

An assessment of the cost to business of these Regulations is detailed in a Regulatory Impact Assessment, copies of which have been laid in the Business Office and the Library of the Northern Ireland Assembly. Copies of the Assessment are available from the Department for Social Development, Social Security Policy and Legislation Division, Level 1, James House, 2-4 Cromac Avenue, Gasworks Business Park, Ormeau Road, Belfast, BT7 2JA.

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