

EXPLANATORY MEMORANDUM TO
THE OCCUPATIONAL PENSION SCHEMES
(DISCLOSURE OF INFORMATION) (AMENDMENT)
REGULATIONS (NORTHERN IRELAND) 2012

S.R. 2012 No. 331

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under sections 109(1), (2)(e) and (3) and 177(2) to (4) of the Pension Schemes (Northern Ireland) Act 1993 and is subject to the negative resolution procedure.

2. Purpose

- 2.1 These Regulations amend the Occupational Pension Schemes (Disclosure of Information) Regulations (Northern Ireland) 1997 (S.R. 1997 No. 98) (“the Disclosure Regulations”) to dovetail with the introduction of automatic enrolment on 1st October 2012. The changes are to ensure that the timescale within which the basic scheme information (specified in Schedule 1 to the Disclosure Regulations) is to be provided is aligned with the one month opt-out period for automatic enrolment.

3. Background

- 3.1 The Pensions (No. 2) Act (Northern Ireland) 2008 introduces a duty on employers to enrol eligible jobholders into a qualifying workplace pension and to make minimum contributions into it. Under the legislation, employers are able to choose the qualifying workplace pension scheme they adopt to discharge this duty. A qualifying scheme is a scheme which meets specific criteria, for example, an occupational pension scheme (including the National Employment Savings Trust (NEST) established on a UK-wide basis under the Pensions Act 2008) or a workplace personal pension scheme.
- 3.2 Any worker who has been automatically enrolled has the right to opt out if they wish. A worker who opts out within one month (“the opt-out period”) shall, in effect, be treated as if they had never been a member of the scheme and will be entitled to a refund of any contributions paid etc.
- 3.3 The Disclosure Regulations set out the basic information that the trustees of an occupational pension scheme are required to provide to prospective or new members within two months of joining the scheme. With the introduction of

automatic enrolment, this could mean that workers who are automatically enrolled may not receive this information before the opt-out period has expired.

- 3.4 These Regulations amend the Disclosure Regulations to cover the full range of scenarios whereby members could be admitted to a scheme. For example, they require the trustees of a scheme to provide persons who are subject to automatic enrolment, automatic re-enrolment and those who opt in to pension saving from 2012 with the basic scheme information before the expiry of the one month opt-out period.

4. Consultation

- 4.1 There is no requirement to consult on these Regulations.

5. Equality Impact

- 5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for these Regulations. As the amendments are of a technical nature, the proposals would have little implication for any of the section 75 categories. In light of this, the Department has concluded that the proposals would not have significant implications for equality of opportunity and considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

- 6.1 These Regulations do not require a Regulatory Impact Assessment as they have only a negligible impact on costs on business, charities or voluntary bodies.

7. Financial Implications

- 7.1 None for the Department.

8. Section 24 of the Northern Ireland Act 1998

- 8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that these Regulations –
- (a) are not incompatible with any of the Convention rights,
 - (b) are not incompatible with Community law,
 - (c) do not discriminate against a person or class of person on the ground of religious belief or political opinion, and
 - (d) do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The corresponding Great Britain Regulations are the Occupational Pension Schemes (Disclosure of Information) (Amendment) Regulations 2012 (S.I. 2012/1811) which come into force on 1st October 2012. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions provided for in section 87 of the Northern Ireland Act 1998.