

SCHEDULE 7

Collective money purchase benefits: amendments to subordinate legislation

Amendment of the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations

2.—(1) The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (Northern Ireland) 2010⁽¹⁾ are amended in accordance with sub-paragraphs (2) to (6).

(2) In regulation 32E⁽²⁾ (alternative requirements for a money purchase scheme)—

- (a) in paragraph (1) for “In relation to” substitute “Subject to paragraph (1A), in relation to”;
- (b) after paragraph (1) insert—

“(1A) In relation to a money purchase scheme—

- (a) to which section 20⁽³⁾ of the Act applies, and
- (b) which provides collective money purchase benefits,

the prescribed alternative requirement is the first, second or third set of requirements set out in paragraph (2), (3) or (4) or, in respect of any jobholders accruing rights to benefits under a collective money purchase scheme, the requirements set out in regulation 32EA.”.

(3) After regulation 32E insert—

“Alternative quality requirements for a collective money purchase scheme

32EA.—(1) In relation to—

- (a) a money purchase scheme to which section 20 of the Act (quality requirement: UK money purchase schemes) applies, under which all the benefits that may be provided are collective money purchase benefits;
- (b) a money purchase scheme to which section 20 of the Act applies, in respect of any jobholders accruing rights to benefits under a collective money purchase scheme, and
- (c) a hybrid scheme—
 - (i) to the extent that requirements within section 24(1)(a) of the Act (quality requirement: UK hybrid schemes) apply, and
 - (ii) in respect of any jobholders accruing rights to benefits under a collective money purchase scheme,

the prescribed alternative requirement is set out in paragraph (2).

(2) The requirement is, subject to paragraphs (3) and (4), that taking all relevant jobholders together, the contributions by, or on behalf of, or in respect of, those relevant jobholders over the certification period are of a total amount equal to at least the prescribed percentage (specified in paragraph (7)) of the applicable category of total relevant earnings for those jobholders (specified in paragraph (6)) over that period.

(3) Where there is or was, as the case may be, a difference in the rights to benefits accruing under a collective money purchase scheme for different groups of relevant jobholders over the certification period as regards all or any of the criteria set out in paragraph (4)(a), and

(1) [S.R. 2010 No. 122](#); relevant amending Regulations are [S.R. 2012 No. 237](#) and [S.I. 2019/193](#); see also paragraph 2 of Schedule 7 to [S.R. 2023 No. 117](#)

(2) Regulations 32A to 32K were inserted by regulation 2(3) of [S.R. 2012 No. 237](#) and regulation 32E was amended by regulation 29(2) of [S.I. 2019/193](#)

(3) Section 20 was amended by regulation 3(2) of [S.R. 2012 No. 120](#)

Changes to legislation: There are currently no known outstanding effects for the *The Occupational Pension Schemes (Collective Money Purchase Schemes) Regulations (Northern Ireland) 2024, Paragraph 2.* (See end of Document for details)

that difference (or those differences taken together) mean that there is or was as the case may be a material difference in the cost of providing those rights, the relevant jobholders for the purposes of paragraph (2) are the relevant jobholders in each such group.

(4) For the purposes of paragraph (3)—

(a) the criteria are—

- (i) the rate at which rights to benefits under a collective money purchase scheme accrue or accrued;
- (ii) the provision of survivor's benefits;
- (iii) the normal pension age;
- (iv) the definition of 'pensionable earnings' used by the scheme;
- (v) differences in the calculation or methodology applying to the revaluation and indexation of benefits;
- (vi) the calculation of service, and
- (vii) the terms for retirement before normal pension age, and

(b) whether a difference in cost is a material difference is to be determined by the actuary.

(5) Where, after the certification period begins (whether or not it has ended), a change is made to the benefits provided to the relevant jobholders under a collective money purchase scheme, the certification period is a period of 18 months commencing with the day on which that change takes effect.

(6) For the purposes of paragraph (2), the relevant earnings are the earnings which the scheme uses to determine pensionable earnings for the purposes of providing collective money purchase benefits to the relevant jobholders, provided that they must be equal to or more than those relevant jobholders' earnings in one of the following categories—

- (a) qualifying earnings;
- (b) basic pay;
- (c) basic pay in circumstances where, taking all the relevant jobholders together, the pensionable earnings of those jobholders constitute at least 85% of the earnings of those jobholders in the certification period;
- (d) earnings, or
- (e) basic pay above—
 - (i) the amount of the lower earnings limit specified for the purposes of section 5(1)(a)(i) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992(4) (earnings limits and thresholds for Class 1 contributions), or
 - (ii) the amount of the basic state pension specified in the first figure in section 44(4)(5) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 (Category A retirement pension).

(7) For the purposes of this regulation, the prescribed percentage is, in relation to the category of earnings described in—

- (a) paragraph (6)(a) and (c), 10%;
- (b) paragraph (6)(b), 11%;
- (c) paragraph (6)(d), 9%, and

(4) 1992 c. 7; section 5 was substituted by paragraph 1 of Schedule 10 to the Welfare Reform and Pensions Act 1999 (c. 30) and subsection (1) was amended by Schedule 2 to the National Insurance Contributions Act 2008 (c. 16)

(5) Section 44(4) was substituted by Article 64 of the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)) and amended by Article 4(3) of S.R. 2022 No. 143

(d) paragraph (6)(e), 13%.

(8) Where the scheme does not provide pension benefits payable on the death of a relevant jobholder, the respective percentages mentioned in paragraph (7) are to be reduced by 1%.”.

(4) In regulation 32G(1)(alternative requirements for a hybrid scheme) after “money purchase scheme” insert “or, in respect of any jobholders accruing rights to benefits under a collective money purchase scheme, the set of requirements set out in regulation 32EA”.

(5) In regulation 32H (scheme not to be treated as satisfying the relevant quality requirement in certain circumstances)—

(a) after paragraph (1) insert—

“(1A) Where—

- (a) a certificate has been given in relation to an employer and its relevant jobholders with respect to an alternative quality requirement under regulation 32EA;
- (b) the Regulator is of the view that, when the certificate was given, there were not reasonable grounds for a person to be of the opinion that the scheme was able to satisfy the requirement referred to in regulation 32EA(2), and
- (c) in relation to all or any part of the certification period, the requirement referred to in regulation 32EA(2) was not met,

the Regulator may give to the employer a notice as referred to in paragraph (8A).”;

(b) in paragraph (2) after “paragraph (5)” insert “or (8A)”;

(c) after paragraph (8) insert—

“(8A) The notice referred to is a notice requiring the employer, within the period specified in the notice, to pay to the trustees or managers of the scheme the shortfall between the contributions that are required to be paid by the employer and the relevant jobholders under the scheme, and the contributions that were required to be paid to meet the requirement in regulation 32EA(2) during the certification period.

(8B) A notice as referred to in paragraph (8A) may also require the employer, within a period specified in the notice, to amend the certificate, under regulation 32B, so that the certification period ends on a specified day, being a day before the last day of the certification period but not before the last day of the relevant payment period.

(8C) A notice as referred to in paragraph (8A) must be copied to the trustees or managers of the scheme.

(8D) Where a notice as referred to in paragraph (8A) has been given and the employer amends the certificate under regulation 32B(5) so that the certification period ends before the last day of the relevant payment period—

- (a) the relevant payment period shall be treated as though it ended on the last day of the new certification period;
- (b) the employer must, within a period of 2 weeks beginning with the day on which the certificate was amended, notify the Regulator in writing of the amendment, and
- (c) the Regulator may decide to alter the period, as set out in the notice as referred to in paragraph (8A), within which the employer must pay a shortfall of contributions as referred to in that paragraph.”;

(d) in paragraph (9) after “paragraph (8)(c)” insert “or (8D)(c)”;

(e) in paragraph (10) in the definition of “the relevant payment period” after “paragraph (5)” insert “or (8A)”.

(6) In regulation 32K(1) (interpretation)—

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- (a) before the definition of “alternative requirement” insert—
 - ““actuary” means an actuary appointed by the scheme or the employer;”;
- (b) in the definition of “alternative requirement” after “by regulation 32E,” insert “32EA,”;
- (c) after the definition of “certification period” insert—
 - ““collective money purchase scheme” has the meaning set out in section 52(2) of the Pension Schemes Act 2021;”.

Commencement Information

II Sch. 7 para. 2 in operation at 26.1.2024, see [reg. 1](#)

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