
STATUTORY INSTRUMENTS

1996 No. 778 (C. 13)

PENSIONS

The Pensions Act 1995 (Commencement No. 3) Order 1996

Made - - - - *12th March 1996*

The Secretary of State for Social Security, in exercise of the power conferred on him by section 180(1) of the Pensions Act 1995(1) and of all other powers enabling him in that behalf, hereby makes the following Order:

Citation and interpretation

1.—(1) This Order may be cited as the Pensions Act 1995 (Commencement No. 3) Order 1996.

(2) In this Order, references to “the Act” are references to the Pensions Act 1995 and, except where the context otherwise requires, references to sections and Schedules are references to sections of, and Schedules to, the Act.

Appointed days

2.—(1) The day appointed for the coming into force of the provisions specified in Part I of the Schedule to this Order, for the purpose only of authorising the making of orders, is 13th March 1996.

(2) The day appointed for the coming into force of the provisions specified in Part II of the Schedule to this Order—

- (a) for the purpose only of authorising the making of regulations, is 13th March 1996; and
- (b) for all other purposes, is 1st April 1996.

(3) The day appointed for the coming into force of the provisions specified in Part III of the Schedule to this Order, is 6th April 1996.

(4) The day appointed for the coming into force of the provisions specified in Part IV of the Schedule to this Order, is 6th April 1996.

(5) The day appointed for the coming into force of—

- (a) the provisions specified in Part V of the Schedule to this Order, for the purpose only of authorising the making of regulations, is 6th April 1996;
- (b) sections 118 and 125, for the purpose only of authorising the making of regulations relating to those provisions of Part I of the Act specified in Part V of the Schedule to this Order, is 6th April 1996; and

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- (c) sections 21(3), 68 and 117, for the purpose only of any transitional provision contained in regulations made under sections 16 to 21 (member-nominated trustees and directors), is 6th October 1996.
- (6) The day appointed for the coming into force of section 149 (hybrid occupational pension schemes), for the purpose only of authorising the making of regulations, is 1st June 1996.
- (7) The day appointed for the coming into force of section 136 (new requirements for contracted-out schemes), insofar as not already in force, is 6th April 1997 and such day is designated as the principal appointed day for the purposes of Part III of the Act.

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

12th March 1996

Oliver Heald
Parliamentary Under-Secretary of State,
Department of Social Security

SCHEDULE

Article 2

PART I

PROVISIONS OF THE ACT COMING INTO FORCE ON 13TH MARCH 1996 FOR THE PURPOSE ONLY OF AUTHORISING THE MAKING OF ORDERS

Provisions of the Act	Subject matter
section 137(2) to (4)	reduced rates of Class 1 State scheme contributions in respect of members of salary related contracted-out schemes
section 137(1) and (5)	reduced rates of Class 1 State scheme contributions, and rebates, in respect of members of money purchase contracted-out schemes
section 138(5)	minimum contributions payable by the Secretary of State in respect of members of appropriate personal pension schemes

PART II

PROVISIONS OF THE ACT COMING INTO FORCE ON 13TH MARCH 1996 FOR THE PURPOSE ONLY OF AUTHORISING THE MAKING OF REGULATIONS AND ON 6TH APRIL 1996 FOR ALL OTHER PURPOSES

Provisions of the Act	Subject matter
section 140(2)	reduction in State benefits for members of money purchase contracted-out schemes and appropriate schemes
sections 142 to 144	interim arrangements giving effect to protected rights
section 146	discharge of protected rights on winding up: insurance policies

PART III

PROVISIONS OF THE ACT COMING INTO FORCE ON 1ST APRIL 1996

Provisions of the Act	Subject matter
section 1(1) to (4) and (6)	establishment of Occupational Pensions Regulatory Authority
section 2	reports by the Authority

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Provisions of the Act	Subject matter
Schedule 1, paragraphs 1 to 12, 14 to 17, 19 and 20 and section 1(5) insofar as it relates to those paragraphs	Occupational Pensions Regulatory Authority

PART IV

PROVISIONS OF THE ACT COMING INTO FORCE ON 6TH APRIL 1996

Provisions of the Act	Subject matter
section 119	calculations under regulations
section 120, insofar as not already in force	consultation about regulations
section 121, insofar as not already in force	Crown application
section 123(3)	meaning of “connected” and “associated” persons
section 124, insofar as not already in force	interpretation of Part I
section 148	Class 1 contributions where earner in more than one employment
section 174, insofar as not already in force	general provisions concerning regulations and orders
section 175, insofar as not already in force	Parliamentary control of regulations and orders
section 176	interpretation
Schedule 6, paragraph 9 and section 173 insofar as it relates to that paragraph	disclosure of information by the Secretary of State
in Schedule 7, Part III, the entry relating to section 48(2)(b) and (c) of the Pension Schemes Act 1993(2) and section 177 insofar as it relates to that entry	repeals

PART V

PROVISIONS OF THE ACT COMING INTO FORCE ON 6TH APRIL 1996 FOR THE PURPOSE ONLY OF AUTHORISING THE MAKING OF REGULATIONS

Provisions of the Act	Subject matter
section 10(2) and (3)	civil penalties
sections 16 to 21	member-nominated trustees and directors
section 27	trustee not to be scheme auditor or actuary
section 32	decisions by majority of trustees
section 33	investment powers: duty of care

(2) 1993 c. 48.

Provisions of the Act	Subject matter
section 35	investment principles
section 37	payment of surplus to employer
section 38	power to defer winding-up
section 40	restriction on employer-related investments
section 41	provision of documents for members
section 47	professional advisers
section 49	receipts, payments and records
section 50	resolution of disputes
section 51	annual increase in rate of pension
sections 56 to 61	minimum funding requirement
section 67	certification of detrimental amendments
section 68	power of trustees to modify schemes by resolution
section 69	grounds for applying to Authority for modification orders
section 73	preferential liabilities on winding up
section 74(2), (3) and (5)(b)	discharge of liabilities by insurance etc
section 75	deficiencies in the assets
section 76	excess assets on winding up
section 77	excess assets remaining after winding up: power to distribute
sections 87 to 89	money purchase schemes
sections 91 to 95	assignment, forfeiture, bankruptcy etc
section 136	new requirements for contracted-out schemes
section 137	State scheme contributions and rebates
section 139	money purchase and personal pension schemes: verification of ages
section 140(1)	reduction of State benefits for members of certified schemes
section 141	State scheme etc premiums and buyback into State scheme
sections 152 to 154	transfer values
section 155 but for the purpose only of authorising the making of regulations relating to section 113 of the Pension Schemes Act 1993	penalties for breach of regulations under the Pension Schemes Act 1993
Schedule 5, paragraph 21 (but only insofar as it relates to sections 11(5)(d), 34(2)(a), 50(4))	amendments relating to Part III of the Act

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Provisions of the Act	Subject matter
and 163(6) of the Pension Schemes Act 1993), paragraph 22(a) (but only insofar as it relates to section 7(1) of that Act), and paragraphs 28(a), 33(b), 34(a), 35, 37, 39, 45(b), 46, 48(c), 49(a), 65, 70(c) and 84 and section 151 insofar as it relates to the above mentioned paragraphs	
Schedule 6, paragraphs 4, 5 and 6(c) and (e) and section 173 insofar as it relates to those paragraphs	amendments relating to Part IV of the Act

EXPLANATORY NOTE

(This note is not part of the Order)

This Order provides for the coming into force of further provisions of the Pensions Act 1995 (“the Act”) on the following dates—

- 13th March 1996, for the purpose only of authorising the making of orders under the Pension Schemes Act 1993 specifying the reduction in the rates of State scheme contributions and rebates payable in respect of members of contracted-out occupational pension schemes and appropriate personal pension schemes;
- 13th March 1996, for the purpose only of authorising the making of certain regulations, in particular, under provisions relating to interim arrangements in relation to appropriate personal pension schemes and the discharge of protected rights by money purchase occupational pension schemes. The provisions in question are brought fully into force on 6th April 1996;
- 1st April 1996, for provisions relating to the establishment of the Occupational Pensions Regulatory Authority;
- 6th April 1996, for provisions relating to the disclosure of information by the Secretary of State, the aggregation of earnings in relation to Class 1 contributions and certain other general provisions of the Act;
- 6th April 1996, for the purpose only of authorising the making of certain regulations under Part I of the Act concerning the regulation of occupational pension schemes, under Part III of the Act concerning contracting-out and under Part IV of the Act concerning transfer values. Provision is also made for certain provisions relating to member-nominated trustees and directors to come into force, for transitional purposes only, on 6th October 1996;
- 1st June 1996, for the purpose only of authorising the making of regulations about contracting-out by “hybrid schemes”;
- 6th April 1997, insofar as not already in force, for section 136 of the Act (new contracting-out requirements) and that day is designated as the principal appointed day for the purposes of Part III of the Act.

NOTE AS TO EARLIER COMMENCEMENT ORDERS*(This note is not part of the Order)*

The following provisions have been brought into force by the Pensions Act 1995 (Commencement No. 1) Order 1995 (S.I. 1995/2548) (C.51) or the Pensions Act 1995 (Commencement No. 2) Order 1995 (S.I. 1995/3104) (C.71).

Provision	Date of Commencement	S.I. No.
Section 39	1st January 1996	1995/3104
Sections 62–66 (partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 90	2nd October 1995	1995/2548
Section 117 (partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 120 (partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 121 (partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 122 (partially)	1st January 1996	1995/3104
Section 124 (partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 156	2nd October 1995	1995/2548
Section 169	2nd October 1995	1995/2548
Section 172	2nd October 1995	1995/2548
Section 173 (partially)	2nd October 1995	1995/2548
Section 174 (partially)	2nd October 1995	1995/2548
(partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Section 175 (partially)	2nd October 1995	1995/2548
(partially)	4th December 1995	1995/3104
(partially)	1st January 1996	1995/3104
Schedule 3 (partially)	1st January 1996	1995/3104
Schedule 6, paragraph 1	2nd October 1995	1995/2548