

**2014 No.**

**PENSIONS**

**The Occupational Pension Schemes (Miscellaneous  
Amendments) Regulations 2014**

*Made* - - - - - \*\*\*  
*Laid before Parliament* \*\*\*  
*Coming into force* - - - - - *5th April 2014*

The Secretary of State for Work and Pensions makes the following Regulations in exercise of the powers conferred by sections 19(4)(c) and 182(2) of the Pension Schemes Act 1993(a) (“the 1993 Act”) and sections 47(5)(b), 89(2), 124(1) and 174(2) and (3) of the Pensions Act 1995 (“the 1995 Act”)(b).

In accordance with section 185(1) of the 1993 Act and section 120(1) of the 1995 Act the Secretary of State has consulted such persons as the Secretary of State considers appropriate.

**Citation and commencement**

1. These Regulations may be cited as the Occupational Pension Schemes (Miscellaneous Amendments) Regulations 2014 and shall come into force on 5th April 2014.

**Amendment of the Occupational Pension Schemes (Scheme Administration) Regulations 1996**

2.—(1) The Occupational Pension Schemes (Scheme Administration) Regulations 1996(c) are amended as follows.

(2) In regulation 4(d) (qualifications and experience or approval required for appointment as the auditor or actuary)—

- (a) at the beginning of paragraph (2)(d), insert “subject to paragraph (3),”;
- (b) after paragraph (2) insert—

“(3) Paragraph (2)(d) shall not apply in relation to a relevant scheme.

(4) For the purposes of paragraph (3) a scheme is a relevant scheme if—

- (a) it is a trust scheme which applies to earners in employments under different employers;
- (b) it has at least 500 participating employers; and

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(a) 1993 c. 48.  
(b) 1995 c. 26. Section 89(2) was amended by sections 319(1) and 320 of, and Schedule 12, paragraph 66(b) and Schedule 13 to, the Pensions Act 2004 (c. 35). Section 124(1) is cited for the meaning it gives to “prescribed” and “regulations”.  
(c) S.I. 1996/1715.  
(d) Regulation 4 was amended by S.I. 2008/948 and 2012/692.

- (c) at least two thirds of the participating employers are not associated or connected.
- (5) In paragraph (4) “associated” and “connected” shall be construed in accordance with—
- (a) sections 249 and 435 of the Insolvency Act 1986(a) (connected and associated persons); and
  - (b) section 74 of the Bankruptcy (Scotland) Act 1985(b) (associated persons).”.

### **Amendment of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997**

**3.**—(1) The Occupational Pension Schemes (Discharge of Liability) Regulations 1997(c) are amended as follows.

(2) In regulation 4(d) (conditions on which policies of insurance and annuity contracts may be commuted)—

- (a) in paragraph (1)(b) at the end, for “.” substitute “; or”;
- (b) after paragraph (1)(b) insert—
  - “(c) subject to paragraph (2A)—
    - (i) the benefits secured by the policy of insurance or annuity contract have become payable;
    - (ii) the earner has attained the age of 55 and requests or consents to the amount secured by the policy of insurance or annuity contract being paid as a lump sum; and
    - (iii) that payment does not exceed the amount for the time being permitted for a lump sum payment by the lump sum rule in section 166 of the Finance Act 2004(e) and qualifies as a pension commencement lump sum for the purposes of paragraph 1 of Part 1 of Schedule 29 to that Act.”; and
- (c) after paragraph (2) insert—
  - “(2A) The commutation referred to in paragraph (1)(c) does not apply to that part of the benefits which consist of the earner’s and the earner’s widow’s, widower’s or surviving civil partner’s guaranteed minimum pensions.”.

### **Amendment of the Occupational Pension Schemes (Employer Debt) Regulations 2005**

**4.** In regulation 10(3)(b)(i) of the Occupational Pension Schemes (Employer Debt) Regulations 2005(f) for “section 81(1)(c) of the 1995 Act” substitute “section 182(1)(b) of the 2004 Act”.

Signed by authority of the Secretary of State for Work and Pensions

*Steve Webb*  
Minister of State,  
Department for Work and Pensions

Date

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(a) 1986 c. 45. Section 45 was amended by Schedule 27 to the Civil Partnership Act 2004 (c. 33) and S.I. 2005/3129 and 2009/1941.  
 (b) 1985 c. 68. Section 74 was amended by Schedule 28 to the Civil Partnership Act 2004 and S.I. 1985/1925.  
 (c) S.I. 1997/784.  
 (d) Regulation 4 was amended by S.I. 2005/2050 and 2006/744.  
 (e) 2004 c. 12.  
 (f) S.I. 2005/678.

## **EXPLANATORY NOTE**

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

Regulation 2 amends regulation 4 of the Occupational Pension Schemes (Scheme Administration) Regulations 1996 (S.I. 1996/1715). The amendment provides that in relation to a relevant scheme a person shall not be prohibited from acting as a statutory auditor on the grounds of lack of independence as set out in section 1214 of the Companies Act 2006 (c. 46).

Regulation 3 amends regulation 4 of the Occupational Pension Schemes (Discharge of Liability) Regulations 1997 (S.I. 1997/784), which prescribes the conditions on which policies of insurance and annuity contracts may be commuted to provide a lump sum. The amendment ensures that commutation may take place if benefits secured by an insurance policy or annuity contract have become payable, the earner has attained the age of 55 and requests or consents to payment of a lump sum and the payment qualifies under the Finance Act 2004 (c. 12) as a pension commencement lump sum. However, commutation under this provision does not apply to benefits consisting of the guaranteed minimum pension (as defined in section 8(2) of the Pension Schemes Act 1993 (c. 48)) of an earner or their widow, widower or surviving civil partner.

Regulation 4 updates a reference in regulation 10(3) of the Occupational Pension Schemes (Employer Debt) Regulations 2005 (S.I. 2005/678) to take account of the repeal of section 81(1)(c) of the Pensions Act 1995 (c. 26) and its reenactment in section 182(1)(b) of the Pensions Act 2004 (c. 35).

[A full impact assessment has not been published for this instrument as it has only a negligible impact on the private, public and voluntary sectors.]