

2000 No. 750

PENSIONS

The Occupational Pension Schemes (Contracting-out) (Payment and Recovery of Remaining Balances) Regulations 2000

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| <i>Made</i> - - - - | <i>14th March 2000</i> |
| <i>Laid before Parliament</i> | <i>16th March 2000</i> |
| <i>Coming into force</i> - | <i>6th April 2000</i> |

The Secretary of State for Social Security, in exercise of powers conferred on him by sections 41(1D) and (1E), 42A(2C) and (2D) and 183(1) of the Pension Schemes Act 1993(a) and sections 37(1D) and (1E), 38A(2C) and (2D) and 178(1) of the Pension Schemes (Northern Ireland) Act 1993(b), by this instrument, which contains Regulations which are consequential upon sections 73 and 74 of, and Schedules 9 and 10 to, the Welfare Reform and Pensions Act 1999(c) and are made before the end of the period of 6 months beginning with the coming into force of those provisions(d), makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Occupational Pension Schemes (Contracting-out) (Payment and Recovery of Remaining Balances) Regulations 2000 and shall come into force on 6th April 2000.

(2) In these Regulations—

“the Act” means the Pension Schemes Act 1993;

“the Inland Revenue” means the Commissioners of Inland Revenue;

“the Northern Ireland Act” means the Pension Schemes (Northern Ireland) Act 1993.

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- (a) 1993 c. 48; section 41 was amended by paragraph 127 of Schedule 7 to the Social Security Act 1998 (c. 14) (“the 1998 Act”), and subsections (1D) and (1E) are inserted by paragraph 6 of Schedule 9 to the Welfare Reform and Pensions Act 1999 (c. 30) (“the 1999 Act”); section 42A was inserted by section 137(5) of the Pensions Act 1995 (c. 26) (“the 1995 Act”) and amended by paragraph 128 of Schedule 7 to the 1998 Act and paragraph 46 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) Act 1999 (c. 2), and subsections (2C) and (2D) are inserted by paragraph 7 of Schedule 9 to the 1999 Act; section 183(1) was amended by Schedules 5, 6 and 7 to the 1995 Act.
- (b) 1993 c. 49; section 37 was amended by paragraph 95 of Schedule 6 to the Social Security (Northern Ireland) Order 1998 (S.I. 1998/1506 (N.I. 10)) (“the 1998 Order”), and subsections (1D) and (1E) are inserted by paragraph 6 of Schedule 10 to the 1999 Act; section 38A was inserted by Article 134(4) of the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) (“the 1995 Order”) and amended by paragraph 96 of Schedule 6 to the 1998 Order and paragraph 52 of Schedule 1 to the Social Security Contributions (Transfer of Functions, etc.) (Northern Ireland) Order 1999 (S.I. 1999/671) and subsections (2C) and (2D) are inserted in that section by paragraph 7 of Schedule 10 to the 1999 Act; section 178(1) was amended by Schedules 3 and 5 to the 1995 Order.
- (c) 1999 c. 30.
- (d) See section 185 of the Pension Schemes Act 1993 (as amended by paragraph 46 of Schedule 3, paragraph 80 of Schedule 5, and Parts I and III of Schedule 7, to the Pensions Act 1995), under which the requirement to consult does not apply where Regulations which are consequential upon a specified enactment are made before the end of six months from the coming into force of that enactment. See also section 91(3) of the 1999 Act and S.I. 1999/3420 (C. 92).

Payments of amounts by Inland Revenue

2.—(1) A payment by the Inland Revenue of an amount referred to in-

- (a) subsection (1D) of section 41 of the Act or subsection (1D) of section 37 of the Northern Ireland Act (reduced rates for members of salary related contracted-out schemes - payment of remaining balance);
- (b) subsection (2C) of section 42A of the Act or subsection (2C) of section 38A of the Northern Ireland Act (reduced rates for members of money purchase contracted-out schemes - payment of remaining balance);

shall be made in accordance with paragraph (2) below.

(2) The payments shall be made

- (a) by automated credit transfer into a bank or building society account which relates to the secondary contributor and which accepts payments by automated credit transfer; or
- (b) in such other manner as the Inland Revenue may in their discretion approve.

(3) Where an amount to which paragraph (1) above applies would otherwise not be a whole number of pence, it shall be adjusted to the nearest whole number of pence, and any amount of a half penny or less shall be disregarded.

Recovery of amounts by Inland Revenue

3. Where the Inland Revenue are, by virtue of section 41(1E) or 42A(2D) of the Act or section 37(1E) or 38A(2D) of the Northern Ireland Act, entitled to recover an amount from a secondary contributor, that amount—

- (a) may, where the amount was originally paid by automated credit transfer under regulation 2(2)(a) above, be recovered in the same manner; or
- (b) may be recovered as a debt owed by the secondary contributor to the Inland Revenue.

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

14th March 2000

Jeff Rooker
Minister of State,
Department of Social Security

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations are made in exercise of powers inserted in sections 41 and 42A of the Pension Schemes Act 1993, and in sections 37 and 38A of the Pension Schemes (Northern Ireland) Act 1993, by Schedules 9 and 10 respectively to the Welfare Reform and Pensions Act 1999. As the Regulations are accordingly consequential upon enactments contained in that Act, and as they are made no later than six months after the coming into force of those enactments, the Regulations are not subject to the requirement for consultation under section 185 of the Pension Schemes Act 1993.

The Regulations make provision for the manner in which amounts are to be paid to a secondary contributor by the Inland Revenue in circumstances where the total amount of contributions due from that contributor under Part I of the Social Security Contributions and Benefits Act 1992 or Part I of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 is insufficient to enable him to reduce the contributions due in respect of particular primary contributors by the full amounts required under the sections mentioned above. Provision is also made for amounts to be adjusted so as to avoid the payment of trivial or fractional amounts.

The Regulations also provide for the manner in which the Inland Revenue may recover any amounts which they have paid to secondary contributors but which they were not required to pay.