



Statutory Document No. 152/06

THE PENSION SCHEMES ACT 1995
**THE PENSION SCHEMES LEGISLATION (APPLICATION)
(AMENDMENT) ORDER 2006**

Approved by Tynwald *26th April 2006*

Coming into operation in accordance with Article 1

In exercise of the powers conferred on the Department of Health and Social Security by section 1 of the Pension Schemes Act 1995¹, and of all other enabling powers, the following Order is hereby made:-

Citation and commencement

1. This Order may be cited as the Pension Schemes Legislation (Application) (Amendment) Order 2006 and shall, subject to section 1(4) of the Pension Schemes Act 1995, come into force on 1st May 2006.

Amendment of Schedule 1 to the Pension Schemes Legislation (Application) (No. 4) Order 1997

2. (1) Amend Schedule 1 to the Pension Schemes Legislation (Application) (No. 4) Order 1997 (which sets out the Occupational Pension Schemes (Contracting-out) Regulations 1996² as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (2) of regulation 1 (interpretation of the Regulations) for the definition of “independent trade union” substitute, and insert in the appropriate place in the alphabetical order, the following definition –

““relevant trade union” means a trade union –

- (a) registered in accordance with the Trade Unions Act 1991³ (of Tynwald); and
- (b) recognised to any extent for the purpose of collective bargaining (within the meaning of section 32(2) of the Employment Act 1991⁴ (of Tynwald));”.

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¹ 2000 c.5.

² S.I. 1996/1172 (see S.D. 651/97).

³ 1991 c.20.

⁴ 1991 c.21.

(3) In the following provisions for “independent trade union” substitute “relevant trade union” –

- (a) in paragraph (5)(a) of regulation 3⁵ (notice by employers of intention to elect to contract-out); and
- (b) paragraph (1)(c) of regulation 63 (additional persons to whom information may be provided about guaranteed minimum pensions).

(4) In the following provisions for “independent trade unions” substitute “relevant trade unions” –

- (a) paragraphs (1)(d) and (2)(f)(iii) of regulation 3 (notice by employers of intention to elect to contract-out);
- (b) paragraph (5)(e)(iii) of regulation 9 (making of elections by employers to vary or surrender contracting-out certificates); and
- (c) paragraph (4) of regulation 12 (special provision for holding companies and subsidiaries).

(5) For regulation 4 substitute –

“Consultation with trade unions

4. (1) An employer who has given a notice under regulation 3 shall undertake consultations, if he has not already done so, about the matters covered by the notice with all relevant trade unions recognised in relation to the earners concerned.

(2) Any question whether an organisation is a relevant trade union recognised in relation to earners may be referred by the employer of those earners, or by the organisation, to the Employment Tribunal for determination.

(3) Any question whether an employer has complied with the requirements as to consultations specified in paragraph (1) may be referred by the employer, or by a relevant trade union recognised in relation to the earners concerned, to the Employment Tribunal for determination.

(4) In relation to the determination of either of the questions referred to in paragraph (2) or (3), the Employment Tribunal–

- (a) shall have jurisdiction in respect of an application for such a determination from any interested party and may make such declaration thereon (save as to costs) as it thinks fit; and
- (b) shall adopt the rules of procedure provided for at the time under section 75 of, and Schedule 4 to, the Employment Act 1991 (of Tynwald) or under any subsequent analogous provision.

(5) Section 79 of that Act (appeals on questions of law to the High Court of Justice of the Isle of Man) or any subsequent analogous provision shall have effect (with such modifications as the case requires) in relation to a determination by the Employment Tribunal of either of the questions mentioned in paragraph (2) or (3).”.

⁵ Paragraph (5) was substituted by paragraph 4(4) of Schedule 1 to the Personal and Occupational Pension Schemes (Miscellaneous Amendments) Regulations 1997 (S.I. 1997/786 see S.D. 207/00).

(6) For paragraph (6) of regulation 9 (making of elections by employers to vary or surrender contracting-out certificates) substitute -

“(6) An employer who has given such a notice as is mentioned in this regulation shall undertake consultations, if he has not already done so, about the matters covered by the notice with all relevant trade unions recognised in relation to the earners concerned and any question whether an employer has complied with this requirement may be referred to the Employment Tribunal for determination.

(6A) Paragraphs (4) and (5) of regulation 4 shall have effect in relation to the determination of any question mentioned in paragraph (6) as they do in relation to the determination of either of the questions mentioned in paragraph (2) or (3) of that regulation.”.

(7) For sub-paragraph (ii) of paragraph (b) of regulation 19⁶ (circumstances in which a lump sum may be paid by a salary related contracted-out occupational pension scheme instead of a pension) substitute –

“(ii) in the case of a scheme which is a statutory scheme within the meaning of section 14(1) of the Income Tax (Retirement Benefit Schemes) Act 1978 (of Tynwald), under the regulations or rules governing that scheme as a statutory scheme.”.

Amendment of Schedule 5 to the Pension Schemes Legislation (Application) Order 1998

3. (1) Amend Schedule 5 to the Pension Schemes Legislation (Application) Order 1998⁷ (which sets out the Contracting-out (Transfer and Transfer Payment) Regulations 1996⁸ as they have effect in the Isle of Man) in accordance with the following paragraph.

(2) At the end of the heading to regulation 6 (transfer payments in respect of guaranteed minimum pensions to overseas schemes) add “or overseas arrangements”.

Amendment of the Schedule to the Pension Schemes Legislation (Application) (No. 2) Order 1998

4. (1) Amend the Schedule to the Pension Schemes Legislation (Application) (No. 2) Order 1998 (which sets out the Occupational Pension Schemes (Disclosure of Information) Regulations 1996⁹ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (2) of regulation 1 (interpretation of the Regulations) for the definition of “independent trade union” substitute, and insert in the appropriate place in the alphabetical order, the following definition –

““relevant trade union” means a trade union –

- (a) registered in accordance with the Trade Unions Act 1991 (of Tynwald); and
- (b) recognised to any extent for the purpose of collective bargaining (within the meaning of section 32(2) of the Employment Act 1991 (of Tynwald));”.

⁶ Regulation 19 was substituted by regulation 2(7) of the Occupational and Personal Pension Schemes (Contracting-out) (Miscellaneous Amendments) Regulations 2002 (S.I. 2002/681 see S.D. 151/03).

⁷ S.D. 23/98.

⁸ S.I. 1996/1462.

⁹ S.I. 1996/1655.

(3) In sub-paragraph (b) of paragraph (4) of regulation 2 (schemes to which those Regulations apply) for “an independent trade union” substitute “a relevant trade union”.

(4) In sub-paragraph (d) of paragraph (3) of regulation 3 (information about the constitution of the scheme) for “independent trade unions” substitute “relevant trade unions”.

Amendment of Schedule 4 to the Pension Schemes Legislation (Application) (No. 4) Order 1998

5. (1) Amend Schedule 4 to the Pension Schemes Legislation (Application) (No. 4) Order 1998¹⁰ (which sets out the Personal and Occupational Pension Schemes (Pensions Ombudsman) Regulations 1996¹¹ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (2) of regulation 1 (interpretation of the Regulations) –

- (a) omit the definition of “the 1995 Act”; and
- (b) for the definition of “administrator” substitute –

““administrator” –

- (a) in relation to an occupational pension scheme, means any person concerned with the administration of the scheme, other than a person responsible for the management of the scheme (as defined in section 146(3) of the 1993 Act for the purposes of Part X of that Act), and
- (b) in relation to a personal pension scheme, means any person concerned with the administration of the scheme, other than –
 - (i) a person responsible for the management of the scheme (as defined in section 146(3) of that Act for the purposes of that Part), or
 - (ii) a person who is or has been the employer of any member who is or has been an employed earner;”.

(3) For regulation 4 (complaints and disputes excluded from the jurisdiction of the Pensions Ombudsman) substitute –

“4. (1) The Pensions Ombudsman shall not investigate or determine any complaint or dispute which can be investigated by, or under arrangements made by, –

- (a) the Financial Supervision Commission,
- (b) the Insurance and Pensions Authority, or
- (c) the Isle of Man Office of Fair Trading,

other than a complaint or dispute relating to the management of a personal pension scheme.

¹⁰ S.D. 341/98.

¹¹ S.I. 1996/2475.

(2) For the purposes of the investigation or determination of any complaint or dispute, the Pensions Ombudsman shall not make any findings of fact to the effect that a person responsible for the management of an occupational pension scheme has failed to comply with the requirements under Regulations made under the following provisions of the Retirement Benefits Schemes Act 2000 (of Tynwald) -

- (a) section 6(2)(e) (restriction on and regulation of investment and borrowing powers),
- (b) section 6(2)(f) (requirement to keep records), and
- (c) section 17(1)(a) and (b) (requirement to appoint scheme auditor and scheme actuary).”.

(4) In regulation 6 (interest payable on benefits under the scheme paid late, as directed by the Pensions Ombudsman) –

- (a) in paragraph (2) for the definition of “reference banks” substitute –
 - “(b) “reference banks” means the seven largest persons for the time being who –
 - (i) have permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits,
 - (ii) are incorporated in the United Kingdom and carrying on there a regulated activity of accepting deposits, and
 - (iii) quote a base rate applicable to sterling deposits.”; and
- (b) after paragraph (2) add –
 - “(3) Paragraph (2)(b) must be read with -
 - (a) section 22 of the Financial Services and Markets Act 2000;
 - (b) any relevant order under that section; and
 - (c) Schedule 2 to that Act.”.

(5) In paragraph (2) of regulation 7 (revocations) for “(Miscellaneous Amendments)” substitute “(Consequential Amendments)”.

Amendment of Schedule 2 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

6. (1) Amend Schedule 2 to the Pension Schemes Legislation (Application) (No. 2) Order 2001¹² (which sets out the Pensions on Divorce etc. (Provision of Information) Regulations 2000¹³ as they have effect in the Isle of Man) in accordance with the following paragraphs.

- (2) In paragraph (2) of regulation 1 (interpretation of the Regulations) –
 - (a) omit the definition of “the 1985 Regulations”; and

¹² S.D. 381/01.

¹³ S.I. 2000/1048.

(b) for the definition of “salary related occupational pension scheme” substitute –

““salary related occupational pension scheme” has the meaning given by regulation 1A of the Occupational Pension Schemes (Transfer Values) Regulations 1996¹⁴.”

(3) For paragraph (3) of regulation 3 (valuation of pension benefits) substitute –

“(3) Where the person with pension rights is a deferred member of an occupational pension scheme, the value of the benefits which he has under that scheme shall be taken to be—

- (a) in the case of an occupational pension scheme other than a salary related scheme, the cash equivalent to which he acquired a right under section 94(1)(a) of the 1993 Act¹⁵ (right to cash equivalent) on the termination of his pensionable service, calculated on the assumption that he has made an application under section 95 of that Act¹⁶ (ways of taking right to cash equivalent) on the date on which the request for the valuation was received; or
- (b) in the case of a salary related occupational pension scheme, the guaranteed cash equivalent to which he would have acquired a right under section 94(1)(aa) of the 1993 Act¹⁷ if he had made an application under section 95(1) of that Act, calculated on the assumption that he has made such an application on the date on which the request for the valuation was received.”.

(4) In paragraph (2) of regulation 4 (provision of information in response to a notification that a pension sharing order may be made) for sub-paragraph (c) substitute –

“(c) in the case of an occupational pension scheme, whether a cash equivalent of the member’s pension rights, if calculated on the date the notification referred to in paragraph (1)(a) was received by the trustees or managers of that scheme, would be reduced in accordance with the provisions of regulation 8(4), (4A) or (12) of the Occupational Pension Schemes (Transfer Values) Regulations 1996 (further provisions as to reductions of cash equivalents);”.

Amendment of Schedule 3 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

7. (1) Amend Schedule 3 to the Pension Schemes Legislation (Application) (No. 2) Order 2001 (which sets out the Pensions on Divorce etc. (Charging) Regulations 2000¹⁸ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (2)(e) of regulation 3 (charges recoverable in respect of the provision of basic information) for head (i) substitute –

“(i) section 93A¹⁹ or 94 of the 1993 Act;

¹⁴ See Schedule 1 to the Pension Schemes Legislation (Application) (No. 3) Order 2006.

¹⁵ Section 94(1)(a) was amended by section 154(1) of the Pensions Act 1995 (see article 4 of the Pensions Act 1995 (Application) (Amendment) Order 2006 (S.D. 17/06)).

¹⁶ Section 95 was amended by paragraph 3 of Schedule 6 to the Pensions Act 1995 (see article 25 of the Pensions Act 1995 (Application) (Amendment) Order 2006 (S.D. 17/06)).

¹⁷ Section 94(1)(aa) was inserted by section 154(2) of the Pensions Act 1995 (see article 4 of the Pensions Act 1995 (Application) (Amendment) Order 2006 (S.D. 17/06)).

¹⁸ S.I. 2000/1049.

¹⁹ Section 93A was inserted by section 153 of the of the Pensions Act 1995 (see article 4 of the Pensions Act 1995 (Application) (Amendment) Order 2006 (S.D. 17/06)).

- (ii) regulation 11(1) of the Occupational Pension Schemes (Transfer Values) Regulations 1996;”.

(3) In paragraph (2)(f) of regulation 9 (charges in respect of pension sharing activity – method of recovery) for head (i) substitute –

- “(i) regulation 7 of the Occupational Pension Schemes (Transfer Values) Regulations 1996;”.

Amendment of Schedule 4 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

8. (1) Amend Schedule 4 to the Pension Schemes Legislation (Application) (No. 2) Order 2001 (which sets out the Pension Sharing (Valuation) Regulations 2000²⁰ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (2) of regulation 1 (interpretation of the Regulations) for the definition of “scheme actuary” substitute –

““scheme actuary”, in relation to a scheme to which section 17(1)(b) of the Retirement Benefits Schemes Act 2000 (of Tynwald) applies, means the actuary mentioned in section 17(1)(b) of that Act;”.

(3) In paragraph (1)(b) of regulation 2 (rights under a pension arrangement which are not shareable) for head (iv) substitute –

“(iv) income withdrawal, that is a payment of income, under arrangements made in accordance with a personal pension scheme (within the meaning of Part 1 of the Income Tax Act 1989 (of Tynwald)), otherwise than by way of an annuity;”.

(4) In paragraph (1) of regulation 4 (occupational pension schemes: manner of calculation and verification of cash equivalents), in both places, for “section 47(1)(b) of the 1995 Act” substitute “section 17(1)(b) of the Retirement Benefits Schemes Act 2000 (of Tynwald) by virtue of regulations made under section 51(1)(d) of that Act”.

Amendment of Schedule 5 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

9. (1) Amend Schedule 5 to the Pension Schemes Legislation (Application) (No. 2) Order 2001 (which sets out the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000²¹ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In regulation 1 (interpretation of the Regulations) –

(a) in paragraph (2) -

(i) for the definition of “the reference banks” substitute –

““the reference banks” means the seven largest persons for the time being who –

²⁰ S.I. 2000/1052.

²¹ S.I. 2000/1053.

- (a) have permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits,
- (b) are incorporated in the United Kingdom and carrying on there the regulated activity of accepting deposits, and
- (c) quote a base rate in sterling;

and for the purpose of this definition the size of a person at any time is to be determined by the gross assets denominated in sterling of that person, together with any subsidiary (as defined in section 736 of the Companies Act 1985), as shown in the end of year accounts last published before that time;”, and

- (ii) for the definition of “scheme actuary” substitute –

““scheme actuary”, in relation to a scheme to which section 17(1)(b) of the Retirement Benefits Schemes Act 2000 (of Tynwald) applies, means the actuary mentioned in section 17(1)(b) of that Act;”, and

- (b) after paragraph (2) add -

“(3) The definition of “the reference banks” in paragraph (2) must be read with –

- (a) section 22 of the Financial Services and Markets Act;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

(3) In paragraph (1) of regulation 10 (calculation of the value of appropriate rights) for “section 47(1)(b) of the 1995 Act (professional advisers)” substitute “section 17(1)(b) of the Retirement Benefits Schemes Act 2000 (of Tynwald) (professional advisers) by virtue of regulations made under section 51(1)(d) of that Act”.

- (4) For regulation 11 substitute –

“Qualifying agreements

11. (1) The requirements referred to in paragraph 6(2)(b) of Schedule 5 to the 1999 Act (requirements applying to annuity contracts or policies of insurance for the purpose of sub-paragraph (1) of that paragraph) are that the annuity contract is entered into or the insurance policy is taken out with an insurance company which is—

- (za) authorised under section 6 of the Insurance Act 1986 (of Tynwald) to carry on long term business (within the meaning of section 34 of that Act);
- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance; or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance.

- (2) Paragraph (1)(a) and (b) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

(5) In regulation 12 (requirements which pension arrangements must satisfy to qualify as destinations for pension credits) in sub-paragraph (iv) of paragraph (a) for “relevant statutory scheme” substitute “statutory scheme”.

Amendment of Schedule 6 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

10. (1) Amend Schedule 6 to the Pension Schemes Legislation (Application) (No. 2) Order 2001 (which sets out the Pension Sharing (Pension Credit Benefit) Regulations 2000²² as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In regulation 1–

(a) in paragraph (2) (interpretation of the Regulations) –

(i) for the definition of “the reference banks” substitute –

““the reference banks” means the seven largest persons for the time being who –

- (a) have permission under Part 4 of the Financial Services and Markets Act 2000 to accept deposits,
- (b) are incorporated in the United Kingdom and carrying on there the regulated activity of accepting deposits, and
- (c) quote a base rate in sterling;

and for the purpose of this definition the size of a person at any time is to be determined by the gross assets denominated in sterling of that person, together with any subsidiary (as defined in section 736 of the Companies Act 1985), as shown in the end of year accounts last published before that time;”;

(ii) in the appropriate place in the alphabetical order insert the following definition –

““statement of entitlement” means the statement of the amount of the cash equivalent of an eligible member’s pension credit benefit under a qualifying scheme referred to in section 101H(1) of the 1993 Act²³;”;

(b) after paragraph (2) add -

“(3) The definition of “the reference banks” in paragraph (2) must be read with –

²² S.I. 2000/1054.

²³ Section 101H was inserted into the Pension Schemes Act 1993 by section 37 of the Welfare Reform and Pensions Act 1999 (see article 2 of the Welfare Reform and Pensions Act 1999 (Application) (Amendment) Order 2006 (S.D. 14/06)).

- (a) section 22 of the Financial Services and Markets Act;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

(3) For paragraph (3) of regulation 5 (means of assuring pension credit benefit) substitute –

“(3) Where a transaction referred to in paragraph (1) applies, the insurance policy must be taken out, or the annuity contract must be entered into, with an insurance company which is—

- (za) authorised under section 6 of the Insurance Act 1986 (of Tynwald) to carry on long term business (within the meaning of section 34 of that Act);
- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance; or
- (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance.

(4) Paragraph (3)(a) and (b) must be read with—

- (a) section 22 of the Financial Services and Markets Act 2000;
- (b) any relevant order under that section; and
- (c) Schedule 2 to that Act.”.

(4) In paragraph (8) of regulation 10 (transfer of a person’s pension credit rights without their consent) in the definition of “relevant actuary” for “section 47 of the 1995 Act” substitute “section 17 of the Retirement Benefits Schemes Act 2000 (of Tynwald)”.

(5) As regulation 23 insert -

“Statements of entitlement

23. (1) Subject to paragraph (2), for the purposes of subsection (2)(a) of section 101H of the 1993 Act (salary related schemes: statements of entitlement), the prescribed period beginning with the date of the eligible member’s application under that section for a statement of entitlement is a period of 3 months.

(2) Where the trustees or managers of the scheme are for reasons beyond their control unable within the period referred to in paragraph (1) to obtain the information required to calculate the cash equivalent, the prescribed period is such longer period as they may reasonably require as a result of that inability, provided that such longer period does not exceed 6 months beginning with the date of the eligible member’s application.

(3) For the purposes of subsection (2)(b) of section 101H of the 1993 Act, the prescribed period is the period of 10 days (excluding Saturdays, Sundays, Christmas Day, New Year’s Day and Good Friday) ending with the date on which the statement of entitlement is provided to the eligible member.

(4) For the purposes of subsection (3) of section 101H of the 1993 Act, an eligible member who has made an application under section 101H(1) of the 1993 Act for a statement of entitlement may not, within a period of 12 months beginning on the date of that application, make any further such application unless the rules of the scheme provide otherwise or the trustees or managers allow him to do so.”

(6) In regulation 24 (manner of calculation and verification of cash equivalents) in paragraph (1), in both places, for “section 47(1)(b) of the 1995 Act” substitute “section 17(1)(b) of the Retirement Benefits Schemes Act 2000 (of Tynwald) by virtue of regulations made under section 51(1)(d) of that Act”.

(7) In regulation 27 (increases and reductions of cash equivalents before statement of entitlement has been sent to the eligible member) for paragraph (1) insert –

“(1) A cash equivalent referred to in section 101H of the 1993 Act shall not be reduced under this regulation once a statement of the value of that cash equivalent has been sent to the eligible member and a direction referred to in paragraph (2) shall not affect such a cash equivalent unless that direction is made before that cash equivalent.”.

(8) For paragraph (2) of regulation 29 (increases of cash equivalents on late payment) insert –

“(2) If the trustees or managers of a scheme, having received an application under section 101H of the 1993 Act, fail without reasonable excuse to do what is needed to carry out what the eligible member requires within 6 months of the valuation date, the eligible member’s cash equivalent, as calculated in accordance with regulations 24, 27 and 28, shall be increased by—

- (a) the interest on that cash equivalent calculated on a daily basis over the period from the valuation date to the date on which the trustees or managers carry out what the eligible member requires, at an annual rate of one per cent above base rate; or (if it is greater)
- (b) the amount, if any, by which that cash equivalent falls short of what it would have been if the valuation date had been the date on which the trustees or managers carry out what the eligible member requires.”.

Amendment of Schedule 7 to the Pension Schemes Legislation (Application) (No. 2) Order 2001

11. (1) Amend Schedule 7 to the Pension Schemes Legislation (Application) (No. 2) Order 2001 (which sets out the Pension Sharing (Safeguarded Rights) Regulations 2000²⁴ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In regulation 8 (insurance companies that may provide safeguarded rights by way of annuities) –

- (a) for paragraph (2) substitute –

“(2) The insurance company must be—

- (za) authorised under section 6 of the Insurance Act 1986 (of Tynwald) to carry on long term business (within the meaning of section 34 of that Act);

²⁴ S.I. 2000/1055.

- (a) a person who has permission under Part 4 of the Financial Services and Markets Act 2000 to effect or carry out contracts of long-term insurance; or
 - (b) an EEA firm of the kind mentioned in paragraph 5(d) of Schedule 3 to that Act, which has permission under paragraph 15 of that Schedule (as a result of qualifying for authorisation under paragraph 12 of that Schedule) to effect or carry out contracts of long-term insurance.”;
- (b) in paragraph (4) for the words from “Where the annuities” to “paragraph (2)(b)” substitute “Where the annuities are issued by an insurance company which is a friendly society, within the meaning given by section 116 of the Friendly Societies Act 1992”; and
- (c) after paragraph (4) add –
- “(5) Paragraph (2)(a) and (b) must be read with—
- (a) section 22 of the Financial Services and Markets Act 2000;
 - (b) any relevant order under that section; and
 - (c) Schedule 2 to that Act.”.

(3) In regulation 10 (payable age for pension credit benefit in salary related contracted-out schemes) for paragraph (b) substitute –

- “(b) in the case of a statutory scheme within the meaning of section 14(1) of the Income Tax (Retirement Benefit Schemes) Act 1978 (of Tynwald), is permitted under the regulations or rules governing the scheme as a statutory scheme.”.

Amendment of Schedule 1 to the Pension Schemes Legislation (Application) (No. 3) Order 2001

12. (1) Amend Schedule 1 to the Pension Schemes Legislation (Application) (No. 3) Order 2001²⁵ (which sets out the Pension Sharing (Consequential and Miscellaneous Amendments) 2000²⁶ as they have effect in the Isle of Man) in accordance with the following paragraphs.

(2) In paragraph (3)(a) of regulation 10 (amendment of regulation 4 of the Pension Sharing (Valuation) Regulations 2000) for omitted paragraph (2A)(b) of regulation 4 of the Pension Sharing (Valuation) Regulations 2000 insert –

- “(b) in the case of a salary related occupational pension scheme, the guaranteed cash equivalent to which he would have acquired a right under section 94(1)(aa) of the 1993 Act if he had made an application under section 95(1) of that Act.”.

(3) In regulation 12 (amendment of the Pension Sharing (Pension Credit Benefit) Regulations 2000) for omitted paragraph (5) substitute –

- “(5) In regulation 24 (manner of calculation and verification of cash equivalents), in paragraph (5) after “requirements of” insert “Chapter IV of Part IV of the 1993 Act (protection for early leavers - transfer values) and”.

²⁵ S.D. 561/01.

²⁶ S.I. 2000/2691.

Amendment of Schedule 2 to the Pension Schemes Legislation (Application) (No. 3) Order 2001

13. (1) Amend Schedule 2 to the Pension Schemes Legislation (Application) (No. 3) Order 2001 (which sets out the Sharing of State Scheme Rights (Provision of Information and Valuation) (No. 2) Regulations 2000²⁷ as they have effect in the Isle of Man) in accordance with the following paragraph.

(2) In regulation 2(1) (requirements imposed on the Department to supply pension information in connection with divorce) for “he” substitute “it”.

Made 24th February 2006

Stephen C Rodan
Minister for Health and Social Security

EXPLANATORY NOTE

(This note is not part of the Order)

1. This Order, which comes into force on 1st May 2006, amends certain United Kingdom Parliament Regulations relating to occupational and personal pension schemes which have effect in the Isle of Man.
- 2.1 The changes made are mainly as a consequence of –
 - the introduction of a requirement for salary related occupational pension schemes to provide to their members a written statement of entitlement of the cash equivalent of their accrued benefits under the scheme and a right to that amount if the member applies for it within a certain period of time; and
 - the passing of responsibility for certain regulatory functions from the Department of Health and Social Security to the Insurance and Pensions Authority.

²⁷ S.I. 2000/2914.

- 2.2 The opportunity has also been taken to correct a number of minor errors and to bring certain references up-to-date appearing in the text of the legislation.
3. The changes are made to the following Regulations –
- the Occupational Pension Schemes (Contracting-out) Regulations 1996 ([article 2](#));
 - the Contracting-out (Transfer and Transfer Payment) Regulations 1996 ([article 3](#));
 - the Occupational Pension Schemes (Disclosure of Information) Regulations 1996 ([article 4](#));
 - the Personal and Occupational Pension Schemes (Pensions Ombudsman) Regulations 1996 ([article 5](#));
 - the Pensions on Divorce etc. (Provision of Information) Regulations 2000 ([article 6](#));
 - the Pensions on Divorce etc. (Charging) Regulations 2000 ([article 7](#));
 - the Pension Sharing (Valuation) Regulations 2000 ([article 8](#));
 - the Pension Sharing (Implementation and Discharge of Liability) Regulations 2000 ([article 9](#));
 - the Pension Sharing (Pension Credit Benefit) Regulations 2000 ([article 10](#));
 - the Pension Sharing (Safeguarded Rights) Regulations 2000 ([article 11](#));
 - the Pension Sharing (Consequential and Miscellaneous Amendments) 2000 ([article 12](#)); and
 - the Sharing of State Scheme Rights (Provision of Information and Valuation) (No. 2) Regulations 2000 ([article 13](#)).