



Department for

Communities

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Ms Emer Boyle
Communities Committee Clerk
Room 430
Parliament Buildings
Ballymiscaw
Stormont
Belfast
BT4 3XX

Dear Emer,

**THE OCCUPATIONAL PENSION SCHEMES (PRESERVATION OF BENEFIT)
(AMENDMENT) REGULATIONS (NORTHERN IRELAND) 2026**

The Department for Communities proposes to make a Statutory Rule under powers conferred by the Pension Schemes (Northern Ireland) Act 1993. The Statutory Rule is subject to the negative resolution procedure before the Assembly.

Purpose of the Statutory Rule

The Rule makes a technical amendment to the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1991 to enable bulk transfers of defined contribution pension benefits to Collective Money Purchase (CMP) schemes without requiring individual member consent.

Detail

The Regulations amend the existing framework governing bulk transfers of pension benefits so that CMP schemes (schemes that pool members' savings to provide an income in retirement rather than individual pots) authorised under the Pension Schemes Act 2021 can receive transfers of members' accrued defined contribution benefits without their consent. In effect, this brings CMP schemes into line with authorised Master Trusts (large pension schemes run for multiple employers), which are already permitted to receive such transfers under existing legislation.

Regulation 12 of the Occupational Pension Schemes (Preservation of Benefit) Regulations (Northern Ireland) 1991 sets out the conditions under which trustees may transfer members' accrued rights without consent. These provisions are deliberately restrictive, reflecting the importance of protecting members where their pension savings are moved without their explicit agreement.

Under the current framework, transfers without consent are generally permitted only where the receiving arrangement meets specified safeguards, including where it is an authorised Master Trust, where the schemes are linked through connected employers, or where trustees have obtained appropriate independent advice.

Until now, CMP schemes have not been included within these provisions, despite being subject to their own statutory authorisation regime.

The amendment inserts a new provision into Regulation 12 so that transfers of money purchase benefits (also known as defined contribution or DC benefits) may also be made, without member consent, to schemes or sections that are authorised under Part 2 of the Pension Schemes Act 2021.

This means that, where a CMP scheme has successfully passed the legislative authorisation process and is under ongoing regulatory supervision, it is treated equivalently to a Master Trust for the purposes of bulk transfers.

The change is intended to ensure consistency in the treatment of bulk transfers by different schemes. CMP schemes operate on a pooled basis and are designed to deliver retirement incomes without requiring members to make complex decisions at retirement. They are subject to a robust authorisation and supervisory framework overseen by the Pensions Regulator, broadly comparable to that applying to Master Trusts.

On this basis, it is considered that authorised CMP schemes provide a sufficiently strong level of protection to allow transfers without consent, provided that all other statutory conditions are met. The amendment also responds to stakeholder feedback in GB that the previous position created an unnecessary inconsistency and could act as a barrier to scheme consolidation and innovation.

In practice, the amendment will give trustees greater flexibility to transfer members' defined contribution rights into authorised CMP schemes where this is judged to be in members' interests. It is expected to support the development of multi-employer CMP arrangements, including those involving unconnected employers, by removing a barrier to the consolidation of pension assets.

While the legal change is narrow and technical in nature, it is intended to facilitate a broader policy objective of encouraging efficient, well-governed pension provision capable of delivering improved outcomes through scale and long-term investment.

The ability to transfer without consent remains subject to important safeguards. In particular, the receiving scheme must be formally authorised under the Pension Schemes Act 2021 and must continue to meet strict governance, financial, and operational standards under the supervision of the Pensions Regulator. These requirements are intended to ensure that member interests are protected, even where individual consent is not obtained.

This amendment represents a targeted adjustment to existing transfer provisions, extending them to cover authorised CMP schemes. It aligns the treatment of CMP schemes with that of Master Trusts, removes an identified inconsistency in the regulatory framework, and

supports the continued development of collective pension provision while maintaining appropriate protections for members.

Previous engagement with the Committee

Similar provision was put in place previously for Master Trusts by the Occupational Pension Schemes (Preservation of Benefit and Charges and Governance) (Amendment) Regulations (Northern Ireland) 2018. These were made during a period when there was no sitting Assembly. Committee would have been made aware of these Regulations when the Assembly was restored in 2020.

Financial Implications

There is no impact on the public sector because CMP provision is restricted to private pension provision.

Consultation

There is no requirement to consult on the proposed Regulations. They make in relation to NI only provision corresponding to provision contained in regulations made by the Secretary of State for Work and Pensions in relation to GB.

Consideration by the Executive

Not applicable.

Equality Impact

In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on these legislative proposals. The Department has concluded that they would not have any significant implications for equality

of opportunity or good relations and considers that an Equality Impact Assessment is not necessary.

Regulatory Impact

The impact on business, charities or voluntary bodies is minimal and will mainly be felt by trustees of occupational pension schemes who are considering such transfers. These costs are incorporated into the Regulatory Impact Assessment prepared for the Occupational Pension Schemes (Collective Money Purchase Schemes) (Extension to Unconnected Multiple Employer Schemes and Miscellaneous Provisions) Regulations (Northern Ireland) 2026.

Rural Needs Impact

A Rural Needs Impact screening has been undertaken for this Statutory Rule, and the Department is satisfied that the Rule will not have any undue impact on rural communities. No negative impacts have been identified, and no mitigation measures are necessary.

Data Protection Impact

A Data Protection Impact Assessment screening has been undertaken for this Statutory Rule, and the Department is satisfied that there are no causes for concern with regards to the protection of the Department or the public's data. The legislative change simply extends provision already in place to also include CMP schemes. No mitigation measures are necessary.

Child Rights Impact

A Child Rights Impact Assessment has not been deemed necessary for this Statutory Rule as it is a technical amendment to legislation that will only impact those of working and retirement age.

Position in GB

The corresponding GB Statutory Instrument (the Occupational Pension Schemes (Preservation of Benefit) Amendment Regulations 2026) will come into force on 31 July 2026.

Proposed timing of consideration of the SL1

It has not been possible to submit the SL1 to the Committee in accordance with the minimum four-week timeframe as the proposals were only received from DWP in mid-May and officials have worked at pace to draft the corresponding Rule and submit it for legal scrutiny.

The Statutory Rule has still to be cleared by Departmental Solicitor's Office. It is therefore not possible to share a draft of the proposed Statutory Rule and Explanatory Memorandum at this stage. These will, however, be shared with the Committee once legal clearances have been secured. In order to maintain parity with GB in terms of the operational date, clearance by the Committee is requested by 2 July 2026.

In light of these circumstances the Minister has made the following statement:

“I am satisfied that ensuring the orderly making of this parity pensions legislation in line with DWP timeframes gives rise to exceptional circumstances which require deviation from the normal processes and timeframes set out in the

***Guidance for Departments on Delegated Legislation (SL1 Pre-Introductory Stage)
(November 2025).***

I would be grateful if the Committee would agree to approve the SL1 in the requested shortened timeframe in light of these exceptional circumstances. It is my intention to make the SR to align as closely as possible with the operational date for the corresponding DWP SI”.

Operational Date

In line with section 87 of the Northern Ireland Act 1998, the Rule should be made as soon as possible to come into operation on 31 July 2026 at the same time as the corresponding GB Instrument.

When the Rule together with an Explanatory Memorandum has been laid at the Assembly Business Office, the Business Office will submit copies to the Committee.

You will wish to bring this matter to the attention of the Communities Committee.

Yours sincerely,



Laura Coffey

Departmental Assembly Liaison Officer

Private Office

Cc: NI Human Rights Commission
Equality Commission for Northern Ireland
David Tarr DfC