

CONSULTATION 2015 REGULATIONS – A SUMMARY:

PART 1 - PRELIMINARY

1. **Citation and commencement.** These regulations may be cited as the Public Service (Civil Servants and Others) Pension Regulations 2015, and will come into force 1 Apr 15.
2. **Establishment of scheme.** These regulations establish a scheme for the payment of pensions and other benefits to or in respect of members of the Northern Ireland Civil Service.
3. **Interpretation.** A full list of the definitions of terms used in the regulations.

PART 2 - GOVERNANCE

Chapter 1 – Scheme Manager and Scheme Pension Board

4. **Scheme Manager.** The Department of Finance and Personnel (DFP) is the responsible authority and scheme manager who is responsible for managing the scheme and any associated scheme.
5. **Delegation.** DFP may delegate any functions under the regulations.
6. **Establishment of NICS Pension Board.** A NICS pension board will be established and is responsible for assisting the scheme manager in securing compliance with these regulations and with any other legislation that relates to the governance or administration of this scheme or any connected scheme. DFP is still developing policy for the establishment of the board.
7. **Membership of NICS Pension Board.** The NICS pension board will consist of a Chair (appointed by the scheme manager) and between 6 and 16 other members, including a departmental finance director and equal numbers representing the employer and scheme members. Certain other criteria also apply as determined by the scheme manager.
8. **Conflict of interest; pension board.** The scheme manager must be satisfied that any person appointed to the board does not have a conflict of interest, and that board members must provide the scheme manager with any information the scheme manager reasonably requires to ensure there is no conflict of interest.
9. **Establishment of scheme advisory board.** A scheme advisory board will be established and will be responsible for advising the scheme manager in relation to the desirability of changes to the scheme. DFP is still developing policy for the establishment of the board.

10. **Membership of the scheme advisory board.** The scheme advisory board will consist of a Chair (appointed by the Department) and between 2 and 16 other members. Members of the scheme advisory board are to hold and vacate office in accordance with the terms of appointment.
11. **Conflict of interest; pension advisory board.** The Department of Finance and Personnel must be satisfied before appointing or approving the appointment, and during membership of the board, that any person appointed to the scheme advisory board does not have a conflict of interest. Board members or persons proposed to be appointed must provide the scheme manager with any information that the scheme manager reasonably requires to ensure there is no conflict of interest.

PART 3 - SCHEME MEMBERSHIP

Chapter 1 - Scheme Employment.

12. **Description of persons in scheme employment.** A person who is in permanent or fixed term employment as a civil servant or permanent or fixed term employment held by a Fair Deal eligible person. A person engaged under a contract for services or engaged locally overseas in not in a scheme employment.
13. **Eligible persons.** A person is eligible to be an active member of this scheme if they are in scheme employment on or after 1 April 2015 (and their Terms of Employment do not exclude them from the scheme). Excludes those persons with full protection under the previous scheme; who has a partnership pension account; or is a member of any other pension scheme and their employer pays contributions to that scheme. A person becomes an active member on their first day of scheme employment unless they choose to opt out.
14. **Service in 2 or more scheme employments.** If a person is in service in two or more scheme employments, eligibility criteria applies separately in relation to each employment.
15. **Fair Deal eligibility.** Members of this scheme who are compulsorily transferred out of the public sector, and who remain continuously employed on the delivery of the outsourced service or function, will remain eligible to be members of this scheme, subject to the eligibility criteria of the scheme. If a person ceases to meet conditions of eligibility, they cease to be a Fair Deal eligible person on the date they cease to meet the conditions of eligibility.

Chapter 2 - Pensionable Service.

16. **Application of Chapter.** If a person is in service in 2 or more scheme employments, the chapter applies separately in relation to each employment.
17. **Interpretation.** A full list of the definitions of terms used in the chapter.

18. **Automatic enrolment.** A person is automatically enrolled to become a member of the scheme on their first day in service.
19. **Opting into the scheme.** A person who is not in pensionable service under the scheme can require the employer to arrange for them to become an active member of an automatic enrolment scheme, with effect from the enrolment date. They do this by giving the scheme manager an 'opt-in notice'. If the person opts out of the scheme within 12 months after opting in, they may not opt in again for a period of 12 months.
20. **When does opt-in take effect?** Where a person does not have a partnership account, they become an active member of this scheme at the beginning of the first pay period beginning on or after the date on which the option is exercised, or any other date the scheme manager considers appropriate.

If the person has a partnership account, they become a member on the first date that is 1 April or 1 October; after the period of 3 months beginning with the date the option was exercised or any shorter period the scheme manager considers appropriate. When the person opts into the scheme, the partnership account must be closed immediately before they become an active member of the scheme.

21. **Automatic re-enrolment.** The process of automatic re-enrolment is the same as automatic enrolment. Once enrolled, the person becomes an active member of an automatic enrolment scheme and has the right to opt out. Employer is required to make arrangements for re-enrolment even if the person has not reached 22 years of age; has reached normal pension age or not met the earnings requirement under the Pensions Act (Northern Ireland) 2008.
22. **Opting out of the scheme.** A person opts out of this scheme in relation to service in scheme employment if they opt not to be an active member of this scheme or they open a partnership pension account in relation to that service.

A person may only exercise the option to leave the scheme by sending an "opt-out" notice to the scheme manager and is treated as having been exercised on the date the opt-out notice is received by the scheme manager. If the person is subject to a Fair Deal transfer, the option ceases to have effect on the Fair Deal transfer date.

23. **Opting out of the scheme before the end of one month.** A member of this scheme can opt out of the scheme before the end of one month from the first date of eligible service; before the end of one month after the automatic re-enrolment date (or within any longer period which the scheme manager considers appropriate).
24. **Opting out after one month.** A member of this scheme can opt out of the scheme more than one month after the first date of eligible service; more than one month after the automatic re-enrolment date. If the person exercises the option to opt out of the scheme, they cease to be in the scheme on the first day of the first pay period beginning on or after the option is exercised or first day of

any later pay period that the scheme manager considers appropriate. Certain other criteria are laid out within the full regulations.

Chapter 3 - Pensionable earnings

25. **Pensionable earnings.** Pensionable earnings means basic pay but can include any allowance granted on a permanent basis which the scheme manager determines to be permanent pensionable earnings and value of any benefit in kind which the scheme manager determines to be permanent pensionable earnings. All other earnings are also not pensionable unless specifically provided to the member on the basis that they are pensionable.
26. **Meaning of 'assumed pay'.** Assumed pay is granted in circumstances when the member is on secondment to a different employer under an arrangement when that employer pays for active membership to continue. Assumed pay also applies during sick leave on reduced pay, maternity/paternity leave, paid additional paternity leave, adoption leave, parental leave or when receiving statutory pay. Certain other criteria are laid out within the full regulations.

Chapter 4 - Deferred membership

27. **Deferred membership.** A member becomes a deferred member of this scheme if they cease to be an active member of this scheme in connection to the period of service before they reach normal pension age under the scheme; does not become a pensioner member of this scheme in connection to that period of service; and has at least 2 years or more qualifying service which may include any transferred-in service other than from another occupational pension scheme.

PART 4 - PENSION ACCOUNTS

Chapter 1 - Preliminary

28. **Description of accrued pension.** Describes an accrued pension for the purpose of the regulations.
29. **Description of full retirement pension.** Describes a full pension for the purpose of the regulations.
30. **Description of partial retirement pension.** Describes a partial retirement pension for the purpose of the regulations.

Chapter 2 - Calculation of adjustments

31. **Calculation of 'retirement index adjustment'.** The method by which the retirement index adjustment for an amount of accrued pension is calculated is shown in detail within the full regulations.

32. **Determination of “the age addition”.** Applies to every scheme year an active member’s account is open, after the scheme year in which the member reaches normal pension age under this scheme, other than the scheme year in which the account was established and scheme year immediately following that. Conditions in relation to effective pension age option or enhanced effective pension age option are laid out within the full regulations.
33. **Determination of “the assumed age addition”.** Applies where a deferred member’s account, full retirement account or partial retirement account is established under this Part for a member who reaches normal pension age under this scheme at least one month before the relevant last day.

Chapter 3 - Calculation of accrued pension.

34. **Calculation of amount of accrued pension for purpose of deferment or full retirement.** The method by which the amount of accrued pension is calculated is shown in detail within the full regulations. This includes accrued earned pension and any added pension.
35. **Calculation of amount of accrued pension for purpose of partial retirement.** The method by which the amount of accrued pension is calculated is shown in detail within the full regulations. This includes accrued earned pension and any added pension.

Chapter 4 - Pension accounts general

36. **Establishment of pension accounts: general.** The scheme manager must establish and maintain one or more pension accounts for each member. The pension account must be kept in a form that the scheme manager considers appropriate and specify the details required by these regulations.
37. **Closure and adjustment of pension accounts on transfer out.** Unless otherwise stated, all pension accounts must be closed if a transfer value payment or cash transfer sum is paid in respect of accrued rights under this scheme. Certain other criteria are laid out within the full regulations.

Chapter 5 - Active Member’s Account.

38. **Application of Chapter.** Applies to a continuous period of pensionable service under this scheme. For an active member with 2 or more continuous periods of pensionable service, this chapter applies separately to each of those periods of service.
39. **Establishment of an active member’s account.** The scheme manager must establish an active member’s account for each active member from their first day of pensionable service.
40. **Receipt of a transfer value payment.** If a transfer value payment is received from another pension scheme (other than a connected scheme), upon receipt

of the transfer value payment, the scheme manager must credit the active member's account with the amount of transfer pension.

41. **Receipt of a club transfer value payment.** Applies if a club transfer value payment is received from another pension scheme (other than a connected scheme). On receipt of the club transfer value payment, the scheme manager must credit the active member's account with the amount of transfer pension.
42. **Amount of pension for a scheme year.** For every scheme year, the active member's account must specify the amount of pension for that scheme year. The amount earned is 2.32% of the active member's pensionable earnings for that year. Added pension, transferred pension and club transfer earned pension will also be counted and full details are laid out in the full regulation.
43. **Opening balance, index adjustment and age addition.** For every scheme year in which the active member's account is open, the account must specify the opening balance for the scheme year, index adjustment for the opening balance and any age addition awarded at the beginning of the scheme year.

Each year after the first year of service, the active member's account must specify the opening balance for the scheme year, the index adjustment for that opening balance and if applicable age addition awarded at the beginning of the year.

44. **Closure of active member's account.** The scheme manager must close an active member's account when the scheme manager establishes a deferred member's account or full retirement account in relation to that period of service. Must re-establish an active member's account when the scheme manager closes a deferred member's account or full retirement account.

Chapter 6 - Deferred member's account

45. **Application of chapter.** Applies to a continuous period of pensionable service under this scheme. For a deferred member with 2 or more continuous periods of pensionable service, this chapter applies separately to each of those periods of service.
46. **Establishment of a deferred member's account.** When an active member ceases to be in pensionable service and becomes a deferred member, the scheme manager must close the active member's account and establish a pension account for the deferred member for that period of service.
47. **Provisional amount of deferred pension.** The deferred member's account must specify the provisional amount of the deferred pension including any relevant accrued pension; retirement index adjustment for that accrued amount; and the assumed age addition (if any) for the accrued amount. The retirement index adjustment is not applied if any transfer value payments or cash transfer sums were made in relation to that accrued pension before the end of the last active scheme year.

48. **Adjustment of provisional amount.** When a deferred member of this scheme becomes entitled to an immediate pension, the account must specify (if any) the late payment supplements, early payment reductions, any commutation and total of any allocation.
49. **Closure of deferred member's account after a gap in pensionable service not exceeding 5 years.** When a deferred member re-enters pensionable service under this scheme after a gap not exceeding 5 years after having left earlier service, the scheme manager must close the deferred member's account must be closed and treated as if it was never established. The scheme manager must re-establish the active member's account as if they had remained in pensionable service but received no pensionable earnings throughout.

Chapter 7 - Full retirement account

50. **Establishment of full retirement account.** When an active member retires and becomes entitled to an immediate pension on or after the Normal Pension Age, or is in receipt of an ill-health pension, the scheme manager must close the active member's account for that period of service and establish a pensioner member account for that period of service.

When an active member exercises the partial retirement option in respect of the whole of the member's accrued pension and becomes entitled to the payment of a full retirement pension, the scheme manager must close the active member's account, establish a pensioner member account for that period of earlier service; and establish a new active member's account for the member's continuing period of service as if it is the first day of pensionable service in scheme employment after the option date.

51. **Amount of full retirement pension.** The member's retirement account must specify the amount of full retirement pension earned from any relevant accrued earned pension (and added pension); the retirement index adjustment, plus any assumed age addition for the accrued amount.

The full retirement pension must specify for each amount of retirement pension; the early payment reduction; the commutation amount and the allocation amount.

52. **Closure of full retirement account.** The scheme manager must close the full retirement pension if the member re-enters service within 28 days after their last day of service. The scheme manager must stop paying the pension and recover any payment of pension or lump sum.

Chapter 8 - Partial retirement account

53. **Establishment of partial retirement account.** When an active member partially retires and becomes entitled to an immediate partial retirement pension, a pensioner member partial retirement account must be established.

The amount of each accrued pension for which a partial retirement option notice specifies, the option proportion is reduced by that option proportion. After that adjustment, Chapter 5 applies as if the amount of each description of accrued pension had always been reduced by the option proportion.

54. **Amount of partial retirement pension.** A pensioner members' partial retirement accounts must specify the amount of partial retirement pension earned from any relevant accrued pension; the retirement index adjustment, plus any assumed age addition. Where applicable, the partial retirement pension must specify for each amount of retirement pension; the early payment reduction; the commutation amount and the allocation amount.

Chapter 9 - Pension accounts for pension credit members

55. **Establishment of pension credit member's account.** The scheme manager must establish a pension account for each pension credit member, specifying the amount of credited pension, taking into account any early payment reduction or commutation amount. If a pension credit has derived rights from more than one pension debit member, a separate account is to be established for each different pension credit. The pension credit member's account must specify the amount of credited pension and if applicable, the early payment reduction; and commutation amount.
56. **Other pension accounts.** If a pension credit member of this scheme is also an active member, deferred member, or pensioner member of this scheme, the scheme manager must establish a pension credit member's account in addition to any other account established under this part of the regulations.

PART 5 - RETIREMENT BENEFITS

Chapter 1 - General

57. **Application of this part.** This part of the regulations applies to retirement benefits payable in respect to a continuous period of pensionable service.
58. **Qualifying service.** Qualifying service means the total of any continuous period of pensionable service on or after 1 Apr 15, where the member is an active member of this scheme; if a transfer payment received from another occupational pension scheme, the person's pensionable service under that scheme; and for a transition member with continuity of service, the person's pensionable service under that scheme before the closing date for that member.

None of the following counts as qualifying service: any pensionable service under this scheme in respect of the member's rights under this scheme which are extinguished; rights under the existing scheme that are extinguished; or any unauthorised absence from scheme employment.

Chapter 2 - Full retirement benefits.

59. **Entitlement to full retirement pension.** The immediate payment for life of a full retirement pension if the member has reached normal minimum pension age; has ceased to be in pensionable service under this scheme; and has claimed payment of full retirement pension.

If the member has not reached normal pension age under this scheme, they are not entitled unless they have at least 2 years qualifying service; a transfer payment other than from another occupation pension scheme has been received; or the employment of the member was transferred without the member's consent to a new employer and on the transfer the member ceased to be eligible to be an active member of this scheme. The conditions for claiming a full retirement pension is shown within the full regulations.

60. **Annual rate of full retirement pension (active member).** The method by which the rate of pension payable is calculated is shown within the full regulations.
61. **Annual rate of full retirement pension (deferred member).** The method by which the rate of pension payable is calculated is shown within the full regulations.
62. **Full retirement pension ceases to be payable.** A full retirement pension ceases to be payable if a member re-enters pensionable service within 28 days of their last day of service to which the pension is payable. The scheme manager must cease to pay the pension and recover any pension payment or lump sum made; close the full retirement account and re-establish the active member's account and treat it as if it had never been closed.

Chapter 3 - Partial retirement benefits

63. **Exercise of partial retirement option.** Where an active member of the scheme meets the criteria, as laid out within the full regulations, the member may opt to continue in pensionable service but claim payment of the whole or part of their accrued pensions for the period of continuous pensionable service before the pensionable earnings were reduced. The active member may not claim for payment of partial retirement option more than once.
64. **Partial retirement option notice.** A partial retirement option may only be exercised by giving notice to scheme manager, and in the 3 months after the pensionable earnings are reduced and on a date agreed between the member and scheme manager.

The option notice must specify whether the member claims the whole or part of the accrued pensions; and if claiming part payment only, a description of the accrued pension to be claimed and option proportion of each accrued pension against which payment is being claimed.

65. **Option proportion.** Sets out the option proportion of each of accrued pension against which payment is claimed. Unless the member is exercising a partial retirement option, the option proportion must be 100%. If the member is exercising a partial option notice, the option proportion lower than 100% may be specified for one description of accrued pension only. Full details are shown within the full regulations.
66. **Entitlement to partial retirement pension or full retirement pension.** The immediate payment for life a partial retirement pension if they claim part payment of their accrued pensions; or a full retirement pension if they claim the whole of their accrued pension.
67. **Annual rate of partial retirement pension.** The method by which the rate of partial retirement pension payable is calculated is shown within the full regulations.
68. **Annual rate of full retirement pension.** The method by which the rate of full retirement pension payable is calculated is shown within the full regulations.

Chapter 4 - Ill Health Benefits.

69. **Meaning of “permanent breakdown in health”.** The meaning of “permanent breakdown in health” is laid out within the full regulations.
70. **Meaning of “incapacity for employment” and “total incapacity for employment”.** The meaning of “incapacity for employment” and “total incapacity for employment” is laid out within the full regulations.
71. **Meaning of “lower tier payment threshold”.** The meaning of “lower tier payment threshold” is laid out within the full regulations.
72. **Meaning of “upper tier threshold”.** The meaning of “upper tier payment threshold” is laid out within the full regulations.
73. **Entitlement to ill-health pension.** An active member of this scheme who has not reached normal pension age under this scheme will be entitled to an immediate payment of an ill-health pension if certain conditions are met. The conditions are laid out within the full regulations.
74. **Provisional award of ill-health pension.** The provisional award of ill-health pension applies if the scheme medical adviser is unable to form an opinion on whether a member has suffered a permanent breakdown in health involving incapacity for employment or total incapacity for employment; and whether the member’s breakdown in health involves incapacity for employment or total incapacity for employment. The actions to be taken by the scheme medical adviser and scheme manager are laid out within the full regulations.

75. **Annual rate of ill-health pension.** The method by which the annual rate of an ill-health pension is calculated is shown within the full regulations.
76. **Periodical review of entitlement to upper tier top up earned pension.** If the scheme member meets the upper tier payment threshold, the scheme medical officer must periodically review whether, as a result of the breakdown in health, the member remains incapable of gainful employment; and after carrying out the review, pass the results of the review to the scheme manager. The criteria for the review are laid out within the full regulations.
77. **Deferment of accrued earned pension attributable to a transfer payment.** Applies where a member of the scheme is entitled to an ill-health pension and whose account at the end of the last day of pensionable service specifies an amount of accrued earned pension attributable in whole or in part to a transfer payment received by the scheme 24 months before the last day.

If directed by the scheme manager, the member becomes a deferred member of the scheme in respect of the amount of accrued earned pension and a deferred member's account must be established. The amount of accrued earned pension must be specified as the provisional amount of deferred earned pension and that amount of accrued earned pension is not included in the calculation of the annual rate of full retirement earned pension.

78. **Deferment of added pension attributable to recent payments.** Applies where a member of the scheme is entitled to an ill-health pension and whose account at the end of the last day of pensionable service specifies an amount of accrued earned pension attributable in whole or in part to a lump sum payment for added pension made within 12 months before the relevant date.

The member becomes a deferred member of this scheme in terms of the amount of accrued added pension and a deferred member's account must be established. The amount of accrued added pension must be specified as the provisional amount of deferred added pension and the amount of accrued added pension is not included in the calculation of the annual rate of full retirement earned pension.

Chapter 5 - Payment options

79. **Options under this Chapter.** Sets out the options to buy out the early payment reduction; defer payment of a full retirement added pension; exchange part of a retirement pension for a lump sum; or exchange the whole of the member's accrued pensions for a lump sum.
80. **Exercising an option under this Chapter.** A member of this scheme may exercise an option by providing an option notice to the scheme manager.
81. **Option to buy out early payment reduction.** Where a member of this scheme becomes entitled to the immediate payment of a full retirement pension or partial retirement pension and has not reached normal pension age under this

scheme or, if applicable, effective pension age or enhanced effective pension age.

The member can opt to buy out the early payment reduction that would otherwise apply to the calculation of the annual rate of retirement pension. The cost must be met by special payment to this scheme either: the member; the member's employer; or both member and employer.

The employer may also make a payment to the member under the terms of the compensation scheme, in accordance with the compensation scheme or with the consent of the Department. If the employer makes the special payment, the amount of lump sum payable to the member under the compensation scheme is reduced by the amount of special payment; and if the amount of special payment is more than the lump sum payment payable to the member under the compensation scheme, any difference is not charged to the member. The cost of buying out the early payment reduction is an amount determined by the scheme manager after consulting the scheme actuary.

82. **Option to defer payment of added pension.** Where a member of this scheme becomes entitled to the immediate payment of a full retirement added pension and has not reached normal pension age under the scheme, they may opt to defer payment of the full retirement added pension.

If the member exercises this option to defer payment, they become a deferred member of this scheme in respect of the full retirement added pension and a deferred member's account must be established. The amount of full retirement added pension must be specified in the deferred member's account as the provisional amount of deferred added pension. The member is entitled to payment of the full retirement added pension of that description

83. **Option to commute part of pension.** Where a member of this scheme becomes entitled to the immediate payment of a retirement pension under this scheme, they can opt to exchange part of the pension for a lump sum. If they exercise the option, £1 of annual pension can be surrendered to generate £12 of lump sum, subject to an HMRC limit. The option criteria are laid out within the full regulations.
84. **Option to commute whole of member's pension (serious ill-health).** An active or deferred member may opt to exchanged, upon request, the whole of their pension for a lump sum, if they are expected to live for 12 months or less and evidence received from a scheme medical adviser confirms this is the case. The calculation criteria are laid out within the full regulations.

Chapter 6 - Allocation of part of pension.

85. **Allocation election.** Active or deferred members may elect to allocate a part of their annual pension (but not an ill-health pension) to another person (or persons) who is the member's spouse or civil partner; financially dependent or inter-dependent with the member. Certain criteria also apply which are laid out within the full regulations.

86. **Restriction on total amount of pension that may be allocated.** The total amount of pension that may be allocated must not exceed an amount equal to the annual rate of retirement pension that would be payable to the member. Certain other conditions apply and are laid out within the full regulations.
87. **Making an allocation election.** An election to allocate must be made by notice to the scheme manager and no later than the date advised by the scheme manager. The allocation election must specify the amount of retirement pension to be allocated; name of the beneficiary; be accompanied by a declaration that the member is in good health and that the beneficiary meets the conditions laid out in the regulations; and accompanied by a certificate from the scheme medical adviser that the member is in good health. Certain other criteria may also apply which is laid out within the full regulations.
88. **Effect of allocation.** An allocation election will cause the member's pension to be reduced accordingly and if the beneficiary survives the member, the beneficiary will become entitled on the member's death to the payment of a pension for life of an amount determined by the scheme manager.

If the member dies before the beneficiary, the beneficiary is entitled to a pension for life and the amount of the allocation is taken into account when calculating that pension. However, pension may be withheld if the member dies within 2 years of making the election to allocate or if the scheme manager is satisfied that a false health declaration was made when making the declaration. Certain other criteria may also apply and this is laid out within the full regulations.

89. **Adjustment of allocated benefits (members who have reached 75).** If the member dies after reaching age 75, any part of an allocated pension awarded to any other person will not qualify as a dependents' scheme pension. Benefits payable may then be reviewed and adjusted in such a manner as determined by the scheme manager.

PART 6 - BENEFITS FOR PENSION CREDIT MEMBERS

90. **Entitlement to pension credit member's pension.** A pension credit member may claim an immediate pension for life when they have reached their Normal Pension Age, the Pension Sharing Order takes effect and they have claimed payment of the pension.
91. **Claim for early payment.** If a pension credit member has reached normal minimum pension age; and has not reached normal pension age; they may give notice to the scheme manager, claiming early payment of a pension credit member's pension. An early payment reduction will be applied to the pension. A claim for early payment must state whether the member has opted to buy out the early payment reduction; and specify the date on which payment of the pension is claimed.

92. **Annual rate of pension credit members' pension.** The method by which the rate of pension payable is calculated is shown within the full regulations.
93. **Option to buy out early payment reduction.** Where a pension credit member who claims early payment of their pension credit pension may opt to buy out the early payment reduction.
94. **Reduction in pension debit member's benefits.** The benefit to which a pension debit member is entitled is subject to the reduction to be made under Section 31 of the Welfare Reform and Pensions Act 1999.
95. **Pension credit member's rights.** If Pension Sharing regulations apply, the scheme manager must be satisfied that the requirements of the regulations have been met. Benefits that are attributable to a pension credit may not be aggregated with any other benefits to which the pension credit member is entitled. If a pension credit member is a dual capacity member, benefits are payable to or in respect of the member in each of their capacities.
96. **Option for pension credit member to commute part of pension.** Where a pension credit member becomes entitled to the payment of a pension credit member's pension under this scheme, they can opt to exchange part of the pension for a lump sum. If they exercise the option, £1 of annual pension can be surrendered to generate £12 of lump sum, subject to an HMRC limit. The option criteria are laid out within the full regulations.
97. **Option for pension credit member to commute whole pension (serious ill-health).** The pension credit member may opt to exchanged, upon request, the whole of a member's pension for a lump sum if the member is expected to live for 12 months or less and evidence received from a scheme medical adviser confirms this as the case. Calculation criteria for the lump sum is an amount equal to the total amount of pension credit member's pension multiplied by 5; and must be paid to the pension credit member as soon as is reasonably practicable after the option is exercised.

PART 7 - DEATH BENEFITS

Chapter 1 - Pensions for surviving adults.

98. **Surviving adults.** Means the member's surviving spouse, surviving civil partner or surviving nominated partner.
99. **Meaning of "surviving nominated partner".** The meaning of "surviving nominated partner" is laid out within the full regulations.
100. **Meaning of "surviving adult's pension".** The meaning of "surviving adult's pension" is laid out within the full regulations.
101. **Meaning of dependant's earned pension.** The meaning of "dependant's earned pension" is laid out within the full regulations.

102. **Meaning of dependant's lower tier earned pension.** The meaning of "dependant's lower tier earned pension" is laid out within the full regulations.
103. **Meaning of dependant's upper tiered earned pension.** The meaning of "dependant's upper tier earned pension" is laid out within the full regulations.
104. **Meaning of dependant's added pension.** The meaning of "dependant's added pension" is laid out within the full regulations.
105. **Entitlement to surviving adult's pension.** If an active member, deferred member or pensioner member dies leaving a surviving spouse or civil partner, they are entitled to a dependant's pension payable for life if certain conditions are met. The conditions are laid out within the full regulations.
106. **Annual rate of surviving adult's pensions payable on death of pensioner member.** The method by which the annual rate of a surviving adult's pension payable on the death of a pensioner member is calculated is shown within the full regulations.
107. **Annual rate of surviving adult's pensions payable on death of deferred member.** The method by which the annual rate of a surviving adult's pension payable on the death of a deferred member is calculated is shown within the full regulations.
108. **Annual rate of surviving adult's pensions payable on death of active member (death in service).** The method by which the annual rate of a surviving adult's pensions payable on death of active member (death in service) is calculated is shown within the full regulations.
109. **Reduction in pensions in cases of wide age disparity.** Where the surviving beneficiary is more than 12 years younger than the deceased member, the amount of pension is reduced. The method by which the pension is calculated is shown within the full regulations.

Chapter 2 - Pensions for eligible children

110. **Meaning of eligible child's pension".** The meaning of "eligible child's pension" is laid out within the full regulations.
111. **Meaning of eligible child.** The meaning of "eligible child" is laid out within the full regulations.
112. **Eligible child's pension.** To be eligible as a member's child, the child's mother is pregnant with the child at the time of the member's death. No pension is payable for any period before the child's birth.
113. **Annual rate of children's pensions.** The annual rate at which surviving children's pensions are calculated is shown within the full regulations.

Chapter 3 - Payment of pensions for surviving adults and eligible children.

114. **Payment of pensions under this part.** Is payable from the day after the date of the member's death. If an active member, deferred member or pensioner member dies leaving a surviving eligible child aged under 18, the eligible child's pension must be paid to the surviving adult if the child is in the care of the surviving adult, or in any other case to the child's guardian
115. **Suspension and recovery of pensions paid under this part.** If on the member's death, a pension has been awarded and paid but it later appears to the scheme manager that the member or person's to whom the pension has been paid has made any false declaration or deliberately suppressed material fact is discovered, the scheme manager may cease payment and recover any payment already made where the scheme manager considers it appropriate to do so.
116. **Provisional awards of eligible child's pensions; later adjustments.** After the death of an active, deferred or pensioner member and a pension is paid on the basis that the recipient is an eligible child, and subsequently they are found not be an eligible child, or if other eligible children are discovered, or a child born after the member's death is an eligible child, the scheme manager may make adjustments to the amount of pension for each eligible child, or make recoveries as deemed appropriate.
117. **Adjustment of benefits to comply with FA 2004 where members die over 75.** If a member of this scheme dies after reaching the age of 75; and any part of a pension to which any person becomes entitled on the death would not qualify as a dependants' pension for the purpose of section 167 of FA 2004. The scheme manager may adjust the benefit payable to the person.
118. **Guaranteed minimum pensions for surviving spouses and civil partners.** "Guaranteed minimum" means that no pension would be payable to the surviving spouse or civil partner less than the guaranteed minimum as defined by the Pension Schemes (Northern Ireland) Act 1993 (minimum pensions for earners, widows and widowers). Other criteria apply and these are set out within the full regulations.
119. **Payment of lump sum death benefits.** Payable in respect of an active, deferred or pensioner member of this scheme who dies; or a pension credit member of this scheme who dies before any benefits attributable (directly or indirectly) to a pension credit become payable. A lump sum death benefit is not payable if a pensioner member, who is not also an active member of the scheme, dies more than 5 years after the member's full retirement pension or ill-health pension becomes payable or a member who has reached 75. Payment of a lump sum death

120. **Nomination for lump sum death benefits.** A member may nominate one or more individuals; one or more incorporated or unincorporated bodies, or one or more individuals and one or more incorporated or unincorporated bodies to receive a lump sum death benefit. Nominations must be in writing to the scheme administrator, be signed and must specify how payments are to be apportioned where there are 2 or more nominees. Members may revoke or alter a nomination with a signed letter.
121. **Invalid nominations of individuals.** A nomination for lump sum death benefits is invalid if the individual nominated is the member's spouse or civil partner and is not the member's spouse or civil partner when the member dies; predeceases the member; or is convicted of the offence of murder of the member.
122. **Payment of lump sum death benefit to nominees or personal representatives.** If the scheme manager decides to pay all or part of the lump sum death benefit to the nominee; nominees; personal representatives; or both; the payment is made in the proportions the scheme manager considers appropriate.
123. **Members affected by court orders to former spouses and civil partners on death.** If the scheme manager is required under a court order to pay any part of a lump sum death benefit to the member's former spouse or civil partner. The method of calculating the lump sum differs and this is shown within the full regulations.
124. **Pension protection lump sum death benefit.** Lump sum death benefit is treated as a pension protection lump sum if the member has written to the scheme manager requesting that it be treated as such and certain other conditions are met.
125. **Recovery of payment.** The scheme manager may recover any lump sum death benefit if the person's nomination is subsequently found to be invalid, and/or where the scheme manager considers it appropriate to do so.
126. **Payment of pension instead of lump sum for members who have reached 75.** If a member dies after the age of 75 and before the fifth anniversary on the date on which the pension comes payable, the scheme manager may pay the pension to a nominated person or persons; personal representative's; or both nominees or personal representatives. Certain other criteria apply and these are laid out within the full regulations.

Chapter 5 - Amount of lump sum death benefits.

127. **Meaning of "final pay".** The meaning of "final pay" is laid out within the full regulations.
128. **Meaning of "annualised final pay".** The meaning of "annualised final pay" is laid out within the full regulations.

129. **Amount payable on death of active member (death in service).** Depending on the deceased member's circumstances, the method of calculating the lump sum differs and is shown within the full regulations.
130. **Amount payable on death of deferred member or pensioner member (death out of service).** Depending on the deceased member's circumstances, the method of calculating the lump sum differs and is shown within the full regulations.
131. **Amount payable on death of pension credit member.** Depending on the deceased member's circumstances, the method of calculating the lump sum differs and is shown within the full regulations.
132. **Amount payable under court order to former spouse or civil partner.** If on the death of a member, the scheme manager is required under a court order to pay any part of a lump sum death benefit to the member's former spouse or civil partner. The method of calculating the lump sum differs and this is shown within the full regulations.

PART 8 - CONTRIBUTIONS

133. **Rate of member's contributions.** The contributions to be paid by the member to this scheme in each pay period, based on the amount of the member's pensionable earnings for that pay period. The amount of member's pensionable earnings for a pay period includes an amount of arrears. The employee contribution rates from April 2015 for the Northern Ireland are set out within the full regulations.
134. **Amount of pensionable earnings.** Depending on the member's circumstances, the amount of pensionable earnings during the period may differ and is shown within the full regulations.
135. **Payment of members' contributions.** Members' contributions are to be deducted by the members' employer from the members' pensionable earnings in each pay period. Depending on the member's circumstances, payment may differ and is shown within the full regulations.
136. **Employers' contributions.** Each employer of an active scheme member must pay contributions to this scheme at a rate and at intervals set by the scheme manager after consultation with the scheme actuary. In addition, each employer must also pay annual administration charges and any other administrative charges as specified by the scheme manager. Criteria for an employer of a Fair Deal eligible person also apply and are laid out within the full regulations.
137. **Deductions of payments for extra pension under Schedule 1.** Schedule 1 within the full regulations covers the purpose of enabling deductions of payments for added pension; an effective pension age; and an enhanced effective pension age.

138. **Refund of all members' contributions and payments for extra pension made by a member.** All contributions and payments for extra pension made by the member are only refundable if the member: opts out of the scheme before their first month of pensionable service; or ceases to be in pensionable service under the scheme and has less than 2 years' qualifying service and a transfer payment from another occupational pension scheme has not been received by the scheme; and the member has not reached normal pension age under the scheme. Certain other criteria apply and this is set out within the full regulations.
139. **Refund of payments for extra pension made by the member.** If a member cancels an effective pension age option or enhanced effective pension age payment during the payment period covered by the regulations; has less than 2 years' qualifying service; and the member has not reached normal pension age under this scheme; the member is entitled to receive a refund of all payments made for extra pension less income tax payable. Certain other criteria apply and are laid out within the full regulations.

PART 9 - TRANSFERS

Chapter 1 - Preliminary

140. **Application of Part.** Part applies to transfer values; early leavers; cash transfer sums and contribution refunds, as conferred by or under Chapters 4 and 5 of the Pensions Scheme (Northern Ireland) 1993.
141. **Interpretation of Part.** A full list of the definitions of terms used in this Part of the regulations.

Chapter 2 – Transfers Out

142. **Transfer payments made to other schemes or pension arrangements.** A transfer payment may only be made in respect of the accrued rights of an active or deferred member of this scheme. Certain other criteria also are laid out within the full regulations.
143. **Application for a statement of entitlement.** An active or deferred member who applies for a transfer value payment may apply in writing to the scheme administrator for a statement of entitlement. Certain other criteria are laid out within the full regulations.
144. **Statement of entitlement.** The scheme manager must specify in a statement of entitlement the date upon which the cash equivalent is calculated. Certain other criteria are laid out within the full regulations.
145. **Request for a transfer payment to be made.** Where an active or deferred member of the scheme is provided with a statement of entitlement, they may request a transfer payment be made with regard to the member's accrued rights to benefits under this scheme.

They do this by giving notice to the scheme manager, specifying the pension scheme or other pension arrangement to which the transfer payment is made and meets the conditions set by the scheme manager. The member may withdraw the application for a transfer value payment may be withdrawn by writing to the scheme administrator, but a application will not be allowed to be withdrawn if an agreement has already been entered into with a third party.

146. **Calculating the amount of a transfer value.** The method by which the amount of transfer payment is calculated is shown within the full regulations.
147. **Effects of transfers-out.** If a transfer payment is made in respect of a member's accrued rights to benefits under this scheme, those rights are extinguished on transfer.

Chapters 3 - Transfer In

148. **Application of Chapter.** Applies to an active member of this scheme who has accrued rights under another pension scheme.
149. **Interpretation of Chapter.** A full list of the definitions of terms used in this Part of the regulations.
150. **Request for acceptance of a transfer payment.** A member who has accrued rights under another pension scheme may request to transfer some or all of those accrued rights into this scheme. The transfer payment request must specify the pension scheme from which the transfer payment is requested to be made and the anticipated amount of the transfer payment. Certain other criteria are laid out within the full regulations.
151. **Transfer statement.** Applies to a request for a transfer payment from another pension scheme that is not a club scheme; and a request for added pension transfer payment added pension from another club scheme. Certain other criteria are laid out within the full regulations.
152. **Amount of transferred pension.** Depending on the member's circumstances, the amount of transferred pension may differ and is shown within the full regulations.
153. **Club transfer value statement.** Before making the transfer payment request, the scheme manager may require the member to ask for a statement of the amount of club transfer earned pension to which they would be entitled, if the transfer date falls within a period of 2 months beginning with the date of the statement. The amount of club transfer earned pension is calculated by the scheme manager in accordance with actuarial guidance.
154. **Amount of club transfer earned pension.** Depending on the member's circumstances, the amount of club transfer earned pension may differ and is shown within the full regulations.

Chapter 4 - Bulk transfers

155. **Bulk transfers out.** Applies where the rights of one or more active members are transferred to another occupational pension scheme. The transfer payment is the amount that the scheme manager considers to be appropriate under the special terms, after consulting with the scheme actuary. Upon transfer the member ceases to be eligible to be an active member of this scheme and becomes an active member of another occupational pension scheme. Certain other criteria are laid out within the full regulations.
156. **Bulk transfers in.** Applies if the rights of one or more persons are transferred from an occupational pension scheme into this scheme. The transfer payment from the former employee's scheme subject to the scheme manager agreeing the acceptance of transfer payments, after consulting with the scheme actuary. Upon transfer the member ceases to be eligible to be an active member of an occupational pension scheme and becomes an active member of this scheme. Certain other criteria are laid out within the full regulations.
157. **EU and overseas transfers.** Transfer arrangements conducted under the Communities Pension Scheme of the Institutions of the European Communities, or any other scheme for the provision of retirement benefits established outside the United Kingdom, shall be subject to such modifications as the scheme manager considers necessary.

PART 10 - ACTUARIAL VALUATIONS AND EMPLOYER COST CAP.

158. **Appointment of scheme actuary and actuarial valuations.** The Department of Finance and Personnel must appoint a scheme actuary to provide a consulting service on actuarial matters relevant to this scheme or connected scheme. The scheme actuary is responsible for carrying out valuations of the scheme and any connected scheme and preparing a report on the valuation. Certain other conditions and responsibilities of the Department and scheme administrator in respect of the scheme actuary are laid out within the full regulations.
159. **Employer cost cap.** The employer cost cap for this scheme is a percentage of pensionable earnings of members of this scheme. The policy is still under development and is not included in the consultation. Details will be published in due course.

PART 11 - SUPPLEMENTARY

Chapter 1 - Dual capacity members.

160. **Meaning of "dual capacity member".** The meaning of "dual capacity member" is laid out within the full regulations.

161. **Payment of benefits to or in respect of a dual capacity member.** For dual capacity members, benefits are payable as if the member were 2 or more members, unless indicated otherwise. Certain other criteria are laid out within the full regulations.

Chapter 2 - Payment of benefits: general

162. **Late payment of retirement index adjustment.** Nothing in the regulations requires any part of a pension attributable to a retirement index adjustment to be paid before the end of the last active scheme year.
163. **Commutation of small pensions.** If the pension entitlement of a single capacity member/member's beneficiary or total pension entitlement of a dual capacity member or beneficiary does not exceed the small pension commutation maximum, the scheme manager may pay the person a single lump sum advised by the scheme actuary. Certain other criteria apply and are laid out within the full regulations.
164. **Guaranteed minimum pensions.** If a member has a guaranteed minimum pension under section 14 of the Pension Scheme Act (Northern Ireland) 1993, no pension would be payable to a member under this scheme or weekly rate of pensions payable which would be less than the guaranteed minimum. Other criteria apply and these are set out within the full regulations.

Chapter 3 - Forfeiture and set off

165. **Forfeiture: offences committed by member.** If a member, deferred member or pensioner member is convicted of a relevant offence, the scheme manager may, if considered appropriate, withhold benefits payable to or in respect of a member of this scheme. The scheme manager may only withhold that part of a person's pension that exceeds any guaranteed minimum to which the person is entitled. The relevant criminal offence is laid out within the full regulations.
166. **Forfeiture: offences committed by a member's beneficiary.** If the beneficiary of a deceased member of this scheme is convicted of a relevant criminal offence, the scheme manager may withhold benefits payable to the beneficiary. The scheme manager may only withhold that part of a person's pension that exceeds any guaranteed minimum to which the person is entitled. The relevant criminal offence is laid out within the full regulations.
167. **Forfeiture: relevant monetary obligations and relevant monetary losses.** If a member of this scheme owes a relevant monetary debt or has caused a relevant monetary loss, the scheme manager may withhold benefits payable to the member under this scheme. The criteria for withholding benefits are laid out within the full regulations.
168. **Set-off.** The scheme manager may set-off a relevant monetary obligation against a member's entitlements to benefits under this scheme, with relevant monetary obligation meaning a debt owed by the member. The conditions

whereby the scheme manager may set off a relevant monetary obligation are laid out within the full regulations.

169. **Forfeiture and set-off: procedure and appeals.** If the scheme manager proposes to withhold benefits or apply a set-off against a person's entitlement to benefits, the scheme manager must notify the person in writing, showing the amount being withheld or set-off and the effect of withholding or set-off on the member's benefits under this scheme.

If the scheme manager proposes to withhold a person's benefits, the person may appeal against the scheme manager's proposal to the Civil Service Appeal Board.

Chapter 4 - Payment and deduction of tax.

170. **Scheme administrator.** Civil Service Pensions Branch within the Department of Finance and Personnel is appointed to be responsible for all functions imposed on the scheme administrator by or under Part 4 of the Finance Act 2004.
171. **Payment on behalf of members of lifetime allowance charge.** A member of this scheme may then request (in writing) for the scheme manager to pay the lifetime allowance charge on their behalf if a benefits crystallisation event takes place in relation to the member; and both the member and scheme administrator are jointly and severally liable. A written request from the member may only be made to the scheme manager before the event occurs and the scheme administrator may only comply with the request if the member pays the amount to the scheme administrator on or before the benefit crystallisation event occurs.
172. **Reduction of benefits where lifetime allowance charge payable.** Following a benefits crystallisation event where both the member and the scheme manager are liable, and if no request has been made (or if the scheme manager is unable to comply with any such received request) the scheme manager must then pay the lifetime allowance charge and the amount or value of benefits payable to the member must be reduced. Certain other criteria may also apply and are laid out in the full regulations.
173. **Information about payment of annual allowance charge.** The scheme manager must, no later than 31 July after the end of the tax year, provide a member with information about the payment of an annual allowance charge if the members total pension input for that tax year exceeds the amount of annual allowance for that tax year.
174. **Reduction of benefits where annual allowance charge paid by scheme manager.** If a member gives valid notice to the scheme manager of joint and several liability for an annual allowance charge, and the scheme manager satisfies the liability specified in the notice, the amount or value of the benefits payable to or in respect of the member must be reduced as appropriate. Certain other criteria also apply and are laid out in the full regulations.

Chapter 5 - General

175. **General prohibition on unauthorised payments.** Nothing in the regulations requires or authorises the making of any payment which would be an unauthorised payment for the purposes of Part 4 of the Finance Act 2004.
176. **Calculation of periods of membership and service.** For the purposes of this scheme, periods of membership and service are to be expressed in the first instance in whole years, then days. If, when periods of service or membership are aggregated and there is any excess part day over a number of whole days, that excess is to be rounded up to a full day.

If membership is referred to in years, days and part days are to be converted into years by dividing by 365 and rounded to 4 decimal places.

177. **Determination of questions.** Except as otherwise stated, any questions arising under this scheme are to be determined by the responsible authority (the scheme manager), whose decision on it is final.
178. **Evidence of entitlement.** The scheme manager may require any person who is receiving a pension under this scheme to provide evidence to establish their identity and the person's continuing entitlement to the payment of any amount. If such evidence is not provided the scheme manager may withhold the whole or any part of any benefits.
179. **Provision of benefit information statements to members.** The scheme manager must provide an annual benefit information statement to each active member of this scheme in accordance with section 14 of the Public Service Pensions Act (Northern Ireland) 2014. The information to be contained within the statement is laid out within the full regulations.
180. **Information to be provided by employers.** By the date specified by the scheme manager, an employer of a member of this scheme must provide the scheme manager with the requested information to enable the scheme manager or Department to fulfil its obligations as laid out in or under the legislation.

The criteria and conditions whereby the employer of a Fair Deal eligible person is required to provide information to the scheme manager is laid out within the full regulations.

181. **Protections for the scheme in relation to employers of Fair Deal eligible persons.** The criteria and conditions whereby an employer of a Fair Deal eligible person is required pay an amount into, or compensate, this scheme, as specified by the scheme manager, is laid out within the full regulations.
182. **Transitional provisions.** Whereby Schedule 2 of the full regulations has effect.

Schedule 1 Payments for Extra Pension (see Regulation 137).

Part 1. Covers interpretation and general provisions for payments of extra pension including: meaning of “amount of extra pension” and “overall amount of extra pension”; limits on elections; amount of accrued added pension not exceeding overall amount of extra pension; and actuarial advice. For full details, see Schedule 1 of the regulations.

Part 2. Covers payments for added pension including: exercising the added pension option; periodical payments for added pension; lump sum payments for added pension made by the member; and lump sum payments for added pension made by the employer or third party. For full details, see Schedule 1 of the regulations.

Part 3. Covers effective pension age payments including exercising the effective pension age option and making of effective pension age payments. For full details, see Schedule 1 of the regulations.

Part 4. Covers enhanced effective pension age payments including eligibility for enhanced effective pension age option; exercising the enhanced effective pension age option; and making enhanced effective pension age payments. For full details, see Schedule 1 of the regulations.

Schedule 2 Transitional provisions (see Regulation 182)

Part 1. Covers the general provisions including: interpretation; meaning of “tapered protection closing date”; active membership of the existing civil service scheme; active membership of an existing public service or public body pension scheme, continuity of service; and transitional members without continuity of service. For full details, see Schedule 2 of the regulations.

Part 2. Covers exceptions for full protection members of the existing scheme including: meaning of “full protection member” in the existing scheme; active member of the existing scheme; pre-fresh start prison officers; active member of an existing public service or existing public body pension scheme; Fair Deal eligible persons; exceptions for full protection member during the protection period; and full protection member not eligible to join this scheme. For full details, see Schedule 2 of the regulations.

Part 3. Covers exceptions for tapered protection members of the existing scheme including: meaning of “tapered protection member”; active member of the existing scheme; active member of an existing public service or existing public body pension scheme; Fair Deal eligible persons; exception for

tapered protection member during the protection period; and tapered protection member not eligible to join this scheme. For full details, see Schedule 2 of the regulations.

Part 4. Covers option for tapered protection members of the existing scheme, namely the option to begin pensionable service before the transition date. For full details, see Schedule 2 of the regulations.

Part 5. Covers payment of ill-health benefits to transition members with continuity of service; for transition member who has not reached normal pension age under the existing scheme; and transition member who has reached normal pension age under the existing scheme. For full details, see Schedule 2 of the regulations.

Part 6. Covers payment of death benefits in respect of transition members with continuity of service including: annual rate of surviving adult's pension payable under this scheme when a transition member dies in service; annual rate of eligible child's pension payable under this scheme when a transition member dies in service; death in service lump sum; and death out of service lump sum. For full details, see Schedule 2 of the regulations.

Part 7. Covers the transition provisions relating to the existing scheme including: pensionable service under the existing scheme; ill-health retirement certificate not given; deferred membership of the existing scheme; repayment of contributions under the existing scheme; and qualifying for retirement benefits under the existing scheme. For full details, see Schedule 2 of the regulations.

Part 8. Covers miscellaneous transition provisions including: declaration continuing to have effect and nomination under the existing scheme continuing to have effect. For full details, see Schedule 2 of the regulations.

Part 9. Covers transfer of final salary benefits including: acceptance of club transfer value payments and bulk transfers; and member of this scheme or the existing scheme. For full details, see Schedule 2 of the regulations.

Part 10. Covers the Civil Service Compensation Scheme. For full details, see Schedule 2 of the regulations.

Explanatory Note.

The explanatory note is not part of the regulations.