

**CIVIL SERVICE SUPPLEMENTARY (EARNINGS CAP) PENSION SCHEME
1995
AS IT APPLIES WITH EFFECT FROM 1st OCTOBER 2002**

THE RULES

1. Definitions

In this Scheme:

“the 1972 Section” means Section II of the PCSPS(NI);

“the 2002 Section” means Section I of the PCSPS(NI);

“active member” has the meaning given in section 121(1) of the Pensions (Northern Ireland) Order 1995 (treating the 1972 Section and the 2002 Section as if they were themselves each occupational pension schemes);

“civil service” means the civil service of the State or any of the employments or offices listed in Schedule 1 to the Superannuation (Northern Ireland) Order 1972;

“CSCS(NI)” means the Civil Service Compensation Scheme (Northern Ireland) made on 28th August 1996;

“the Department” means the Department of Finance and Personnel;

“the PCSPS(NI)” means “the principal civil service pension scheme” described in Article 4(10) of the Superannuation (Northern Ireland) Order 1972 from time to time in force under Article 3 of the Order;

“permitted maximum” has the same meaning as in section 590C of the Income and Corporation Taxes Act 1988;

“Scheme” means the Civil Service Supplementary (Earnings Cap) Pension Scheme 1995 laid before Parliament on 13th March 1995;

“Scheme actuary” means the actuary appointed by the Department for the time being to provide a consulting service on actuarial matters relevant to the Scheme.

2. Membership and application of this Scheme

(i) This Scheme applies to any person who has been appointed to the civil service on the basis that he will be pensionable under a supplementary pension scheme provided that the Department has given its consent in writing for the appointment to be made on that basis.

(ii) A person to whom this Scheme applies shall be treated as becoming a member of this Scheme on the date on which he begins the service in the civil service to which the appointment referred to in rule 2(i) hereof relates.

3. Members of the 2002 Section

The provisions of the 2002 Section shall have effect in relation to a person whose service in the appointment to which this Scheme relates is pensionable under the 2002 Section, subject to the following exceptions and modifications:

- (i) any reference in the 2002 Section to “final pensionable earnings” shall be construed for the purposes of this Scheme as meaning only that part of final pensionable earnings as defined in rule A.4(1) or A.4(2) of the 2002 Section (Meaning of “final pensionable earnings”) as the case may be (without reference to rule A.6 of the 2002 Section (Inland Revenue restrictions on final pensionable earnings)) which exceeds the permitted maximum;
- (ii) any reference in the 2002 Section to “amount of pension”, “annual pension”, “rate of pension”, “pension”, “pension benefits”, “preserved pension”, “accrued benefits” or “lump sum” and other similar or related expressions shall be construed for the purposes of this Scheme as referring only to such proportion of the pension, benefit or lump sum, as the case may be, as is attributable to that part of the final pensionable earnings as defined in rule A.4(1) or A.4(2) of the 2002 Section as the case may be (without reference to rule A.6 of the 2002 Section) which exceeds the permitted maximum;
- (iii) any reference in the 2002 Section to “reckonable service”, “old reckonable service”, “new reckonable service”, “basic reckonable service”, “qualifying service” and other similar or related expressions shall be construed for the purposes of this Scheme as meaning only such service from the date on which a person became a member of this Scheme;
- (iv) any reference in the 2002 Section to the “Scheme” shall be construed for the purposes of this Scheme as a reference to this Scheme except where the context otherwise requires;
- (v) any reference in the 2002 Section to the “1972 Section” shall be construed for the purposes of this Scheme as a reference to the 1972 Section as it applies for the purposes of this Scheme except where the context otherwise requires;
- (vi) the rules of the 2002 Section shall not apply for the purposes of this Scheme to the extent that such rules relate to service before 2nd March 1992 or to any act or event which took place before that date, and any reference in the 2002 Section to the date on which a person entered the civil service or joined the PCSPS(NI) shall be construed for the purposes of this Scheme as a reference to the date on which a person became a member of this Scheme;
- (vii) the references in rule A.3 of the 2002 Section (Meaning of “assumed pay”) to “pensionable earnings” shall be construed for the purposes of this Scheme as referring to only that part of pensionable earnings which exceeds the permitted maximum;

(viii) paragraphs (i) and (j) of rule A.8(1) of the 2002 Section (Qualifying service) shall apply to this Scheme in the following modified form:

“(i) in the case of an unreserved joiner, the qualifying service he is entitled to count under this Section under rules K.3, and

(j) in the case of a reserved joiner, the qualifying service he is entitled to count under this Section under rules L.3.”;

(ix) paragraphs (f) and (g) of rule A.9(1) of the 2002 Section (Reckonable service) shall apply to this Scheme in the following modified form:

“(f) in the case of an unreserved joiner, the reckonable service he is entitled to count under this Section under rules K.3, and

(g) in the case of a reserved joiner, the reckonable service he is entitled to count under this Section under rules L.3 and L.8.”;

(x) rule C.12(1) of the 2002 Section (Repayment of contributions) will apply to this Scheme as if “or (3)” had been deleted;

(xi) rules C.1 and C.2 of the 2002 Section (Contributions) shall apply to this Scheme so that contributions are due only in respect of that proportion of pensionable earnings which exceeds the permitted maximum;

(xii) (a) a person to whom this Scheme applies who ceases employment before reaching pension age shall be entitled under this Scheme to a pension under rule D.1 of the 2002 Section (Normal retirement) as it applies to this Scheme even if he does not satisfy any of the conditions in rule D.1(3) of the 2002 Section;

(b) notwithstanding rule 3(xii)(a) above, the conditions in rule D.1(3) of the 2002 Section shall not be disapplied for the purpose of rules C.12 (Repayment of contributions), D.3 (Early payment of pensions with actuarial reduction), E.1(2) and E.2(2) (Surviving spouses' pensions) of the 2002 Section as they apply to this Scheme;

(xiii) the following rules or parts of rules of the 2002 Section will not apply to this Scheme and any reference in the 2002 Section to any of the following rules or parts of rules, as the case may be, shall be construed as being of no effect for the purposes of this Scheme:

in rule A.5(2) (Adjustments for inflation in determining final pensionable earnings) the words “subject to rule A.6 (Inland Revenue restrictions on final pensionable earnings)”;

rule A.6 (Inland Revenue restrictions on final pensionable earnings);

rules A.8(1)(d),(e), (g), (h) and (3) (Qualifying service);

rules A.9(1)(b),(c) and (e) (Reckonable service);

rules B.1 to B.6 (Membership);

rule C.1(7) (Members' contributions);

rules C.4 to C.11 (Buying added years);

rules C.12(3), (4), (5) and (6) (Repayment of contributions);

rule C.13 (Inland Revenue limits on contributions);

in rule D.3(4) (Early payment of pensions with actuarial reduction) the words "Subject to paragraph (5)";

rule D.3(5) (Early payment of pensions with actuarial reduction);

rules D.8(4), (6), (8) and (9) (General option to exchange part of pension for lump sum);

rules D.9(4) and D.9(5) (Option for members in serious ill-health to exchange whole pension for lump sum);

rule D.12(5) (Election to allocate pension);

in rule D.12(6), the words "or (5)";

rule D.15 (Guaranteed minimum pensions etc.);

in rule E.1(4) (Surviving spouses' pensions), the words from "and paragraph (3)" to the end of the sentence;

in rule E.3(1) (Amount of pensions under rules E.1 and E.2: active members), the words "paragraph (2) and";

rules E.3(2) and (3) (Amount of pensions under rules E.1 and E.2: active members);

in rule E.5(2) (Amount of pension under rules E.1 and E.2: deferred members), the words from "rule E.3(2)" to "a deferred member) and";

rules E.10(5), (6) and (7) (Amount of children's pension under rule E.8: active members);

rules E.15(7) and (8) (Amount of lump sum benefit under rule E.14: active members);

rule E.21(6) (Pension debit members);

rule E.27 (Guaranteed minimum pensions for surviving spouses);

rule E.28 (Inland Revenue limits);

provision in relation to Part F (Transfers) is made in rule 3(xvi) of this Scheme;

rules G.1(5) and (6) (Application of Part G: general);

rules G.3 to G.7 (Treatment of separate periods of service: aggregation);

provision in relation to Part H (Abatement) is made in rule 3(xviii) of this Scheme;

rules J.3(3) and (4) (Forfeiture of benefits);

provision in relation to Part K (1972 Section leavers: unreserved joiners) is made in rule 3(xix) of this Scheme;

provision in relation to Part L (1972 Section leavers: reserved joiners) is made in rule 3(xx) of this Scheme;

Part M (Former members of the Principal Civil Service Pension Scheme or former members of schemes by-analogy to the Principal Civil Service Pension Scheme or to the PCSPS(NI));

(xiv) rule E.15(1) of the 2002 Section (Amount of lump sum benefit under rule E.14: active members) will apply to this Scheme as if “(6)” had been substituted for “(8)”;

(xv) rule E.16(1) of the 2002 Section (Amount of lump sum benefit under rule E.14: deferred members) will apply to this Scheme with the following modifications:

(a) in sub-paragraph (b) for “2xFPE minus NICSAVCLS” there shall be substituted “2xFPE”;

(b) at the end of the definition of “FPE”, for “, and” there shall be substituted a full stop; and

(c) the definition of “NICSAVCLS” shall be deleted;

(xvi)

(a) subject to sub-paragraph (b), Part F of the 2002 Section (Transfers) will apply to this Scheme but only to the extent that transfers into or out of this Scheme shall be made from or into retirement benefit schemes which have not received the approval of the Board of Inland Revenue under the Income and Taxes Act 1988 (as varied and amended from time to time) and which provide benefits in respect of earnings above the permitted maximum. A member of this Scheme who applies in accordance with this rule to bring a transfer value into this Scheme or for a transfer value to be paid from this Scheme shall be liable for any tax charge arising as a result of such transfer;

(b) the following rules in Part F of the 2002 Section shall not apply to this Scheme:

rule F.3(6) (Applications for transfer value payments);

rules F.5(5) and (6) (Calculating amounts of transfer value payments);

rules F.7(2)(c) and (d) and F.7(4) (Applications for acceptance of transfer value payment from another scheme);

rules F.8(2), (3) and (5) (Procedure for applications under rule F.7);

in rule F.9(1) (Acceptance of transfer value payments), the words “unless paragraph (4) applies”;

rule F.9(4) (Acceptance of transfer value payments);

rule F.10(3) (Calculation of transferred-in reckonable service);

rule F.11 (Public sector transfer arrangements);

rules F.14(1)(a) and (2)(c) (EU and overseas transfers);

- (c) references in the 2002 Section to Part F shall for the purposes of this Scheme be construed as references to Part F as varied by this paragraph (xvi);

(xvii) Part H of the 2002 Section (Abatement) will apply to this Scheme but with the following modifications:

- (a) “old service pension” shall be deemed to refer to the aggregate of the pension payable under the 2002 Section and the pension payable under this Scheme;

- (b) there shall be inserted after the last sentence of rule H.2(1):

“The reduction amount shall be applied first to the pension payable under this Scheme and to the extent that the amount to be deducted has not been satisfied, the remainder shall be deducted from the pension payable under the 2002 Section.”;

(xviii) rule J.5 of the 2002 Section (Commutation of small pensions) will apply to this Scheme with the following modifications:

- (a) there shall be substituted for paragraph (1):

“(1) Where the annual rate of any of the following pensions does not exceed an amount equal to the small pensions commutation maximum, the Scheme administrator may pay the person entitled to the pension a lump sum of such an amount as the Scheme actuary advises represents the capital value of the pension if that person consents.”;

- (b) paragraphs (5) and (6) shall be deleted;

- (c) there shall be substituted for the definition “the small pensions commutation maximum” in paragraph (7):

“ “the small pensions commutation maximum” means the amount calculated as such for the purpose of rule J.5 of the 2002 Section.”;

- (xix) Part K of the 2002 Section (1972 Section leavers: unreserved joiners) will apply to this Scheme with the following modifications:

- (a) there shall be substituted for rule K.1(1) (Application of Part K: meaning of “unreserved joiner”):

“(1) This Part makes provision in relation to persons –

(a) who are active members of the 1972 Section immediately before 1st October 2002,

(b) who opt to become members of Section I of the PCSPS(NI) on the basis set out in Part K of Section I of the PCSPS(NI), and

(c) to whom this Scheme applies.”;

- (b) rule K.3 (Service credited from the 1972 Section) shall be renamed “Service credited to this Section as a consequence of a transfer of service from the 1972 Section”;

- (c) there shall be substituted for rules K.3(2) and (3):

“(2) The member may count as qualifying service a period equal in length to the period of qualifying service which the member was entitled to count under this Scheme immediately before 1st October 2002.

(3) The period of reckonable service which the member may count under this Section is calculated by multiplying the period of reckonable service in years (not exceeding 40 years) which the member is entitled to count under this Scheme immediately before 1st October 2002 by 0.92 or, in a case where paragraph (4) applies, the factor specified in that paragraph for that case.

This is subject to rule K.7 (treatment of preserved awards).”;

- (d) in rule K.3(4), there shall be substituted for “under the 1972 Section” the words “ under this Scheme immediately before 1st October 2002”;

- (e) there shall be substituted for rule K.3(7):

“(7) When an unreserved joiner becomes a member of the 2002 Section under Part K of the 2002 Section all rights in respect of him under this Scheme immediately before 1st October 2002 by reference to qualifying or reckonable service that is taken into account in calculating the reckonable service or qualifying service he is entitled to under this Section cease for the purposes of rule 4 of this Scheme.”;

(f) in K.7(2) the words from “, unless when” to the end of the paragraph shall be deleted;

(g) there shall be substituted for rule K.9(1)(a):

“(a) a member applied in writing before 1st October 2002 for this Scheme to accept a transfer value payment in respect of him,”;

(h) there shall be substituted for rule K.9(2)(a) and (b):

“(a) is first calculated in accordance with rule 4 of this Scheme, and

(b) is then reduced in accordance with rule K.3 as if it were reckonable service that the member was entitled to count under this Scheme before 1st October 2002.”;

(i) the following rules will not apply to this Scheme:

rule K.2 (Options for 1972 Section members to join this Section under Part K);

rules K.3(5) and (6) (Service credited from the 1972 Section);

rule K.4 (Treatment of added years: contributions paid before 1st October 2002);

rule K.5 (Treatment of added years: contributions paid on or after 1st October 2002);

rule K.6 (Treatment of added years: grants);

rules K.7(3) and (4) (Treatment of preserved awards);

rule K.10(1)(a) (Rights of certain unreserved joiners to earlier pension age);

(xx) Part L of the 2002 Section (1972 Section leavers: reserved joiners) will apply to this Scheme with the following modifications:

- (a) there shall be substituted for rule L.1(1) (Application of Part L: “reserved joiners”):

“(1) This Part makes provision in relation to persons –

(a) who are active members of the 1972 Section immediately before 1st October 2002,

(b) who opt to become members of Section I of the PCSPS(NI) on the basis set out in Part L of Section I of the PCSPS(NI), and

(c) to whom this Scheme applies.”;

- (b) there shall be substituted for rule L.3 (Service credited to this Section from the 1972 Section):

“L.3 Service credited to this Section as a consequence of a transfer of service from the 1972 Section

(1) On becoming a reserved joiner, a member becomes entitled –

(a) to count the period of qualifying service he was entitled to count immediately before 1st October 2002 under this Scheme as qualifying service under this Section, and

(b) to count the period of reckonable service he was entitled to count immediately before 1st October 2002 under this Scheme as reckonable service under this Section.

(2) When a reserved joiner becomes a member of the 2002 Section under Part L of the 2002 Section all rights in respect of him under this Scheme immediately before 1st October 2002 by reference to qualifying or reckonable service that is taken into account in calculating the reckonable service or qualifying service he is entitled to count under this Section cease for the purposes of rule 4 of this Scheme.”;

- (c) in rule L.6(2) the words from “, unless when” to the end of the paragraph shall be deleted;

- (d) there shall be substituted for rule L.8(a):

“(a) a member applied in writing before 1st October 2002 for this Scheme to accept a transfer value payment in respect of him,”;

(e) rule L.22 (Death benefits under Part L) will apply to this Scheme in the following modified form:

“Part E (death benefits) has effect in relation to a member who is a reserved joiner with the modifications in rules L.23 to L.33 and the modifications in rule 3(xiii) of this Scheme.”;

(f) in paragraph (b) of the definition of “assumed new service pension” in rule L.23(1) (Meaning of expressions relevant to death benefits – general), the words from “other than” to “2002” will not apply to this Scheme.”;

(g) rule L.33(1) of the 2002 Section (Lump sum death benefits) will apply to this Scheme with the following modifications:

(i) in sub-paragraph (b) for “2xFPE minus NICSAVCLS” there shall be substituted “2XFPE”;

(ii) at the end of the definition of “FPE” for “, and” there shall be substituted a full stop; and

(iii) the definition of “NICSAVCLS” shall be deleted;

(h) the following rules will not apply to this Scheme:

rule L.2 (Options for 1972 Section members to join this Section under Part L);

rule L.4 (Treatment of added years);

rule L.5 (Treatment of added years: grants);

rules L.6(3) and (4) (Treatment of preserved awards);

rule L.16(1)(a) (Rights of certain reserved joiners to earlier pension age);

in rule L.19(2) (Repayment to unmarried members of contributions for surviving spouses’ benefits), the last sentence;

rules L.19(4) to (8) (Repayment to unmarried members of contributions for surviving spouses’ benefits);

rule L.34 (Inland Revenue limits: value of lump sums);

rule L.35 (Transfers out: mixed transfer values).

4. Members of the 1972 Section

The provisions of the 1972 Section shall have effect in relation to a person whose service in the appointment to which this Scheme relates is pensionable under the 1972 Section, subject to the following exceptions and modifications:

- (i) subject to rule 4(x)(e) of this Scheme, any reference in the 1972 Section to “pensionable pay”, shall be construed for the purposes of this Scheme as meaning only that part of pensionable pay as defined in rule 1.6a of the 1972 Section which exceeds the permitted maximum;
- (ii) any reference in the 1972 Section to “amount of pension”, “annual rate of pension”, “rate of pension”, “pension”, “pension benefits”, “preserved pension”, “accrued pension benefit”, “lump sum”, “annual compensation payment” or “short service payment” and other similar or related expressions, shall be construed for the purposes of this Scheme as referring only to such proportion of the pension, payment, benefit, or lump sum, as the case may be, as is attributable to that part of the pensionable pay as defined in rule 1.6a of the 1972 Section which exceeds the permitted maximum;
- (iii) any reference in the 1972 Section to “reckonable or qualifying service” shall be construed for the purposes of this Scheme as meaning only that reckonable or qualifying service from the date on which a person became a member of this Scheme;
- (iv) the rules of the 1972 Section shall not apply for the purposes of this Scheme to the extent that such rules relate to service before 2nd March 1992 or to any act or event which took place before that date, and any reference in the 1972 Section to the date on which a person entered the civil service or joined the 1972 Section shall be construed for the purposes of this Scheme as a reference to the date on which a person became a member of this Scheme;
- (v) the following rules or parts of rules of the 1972 Section will not apply to this Scheme and any reference in the 1972 Section to any of the following rules or parts of rules as the case may be shall be construed as being of no effect for the purposes of this Scheme:

rule 1.1 (application of the 1972 Section);

rule 1.2 (application of section 9 of the 1972 Section);

rules 1.3b and 1.3c (admission to the 1972 Section);

rule 1.4 (coverage of the 1972 Section), except for the last sentence, which shall apply to this Scheme;

rules 1.4a to 1.4d (right to opt out of the 1972 Section);

rule 1.6b (pensionable pay in excess of the permitted maximum);

rule 1.19 (effect of additional voluntary contributions);

rules 2.23, 2.23a and 2.24 (added years);

rules 2.26, 2.27a and 2.28 (Prison Officers);

rule 3.10a (guaranteed minimum pensions and immediate payment after actuarial reduction) except for sub-paragraph (i) and the last three sentences of rule 3.10a which shall apply to this Scheme;

rules 3.12 and 3.13 (Prison Officers' preserved awards);

rules 3.26, 3.26a and 3.26b (change of grade);

rules 3.33 to 3.35 (re-employment);

rule 3.37(i) unless exceptions (a), (b) or (c) apply (re-employment);

rules 3.37a and 3.37b (re-employment);

rule 3.38 sub-paragraph (i) unless exceptions (a), (b) or (c) apply (re-employment);

in rule 3.38a(b), the words "either as a result of an election under rule 1.4(d) or in consequence of re-employment";

rule 3.38d (i) unless exceptions (a) or (b) apply (re-employment);

provision in relation to section 4 is made in rule 4(x) of this Scheme;

provision in relation to section 6 is made in rule 4(xi) of this Scheme;

Section 7 (rules 7.1 to 7.26) (purchase of added years);

Section 9 (transitional provisions);

Appendix 15 Containing the former section 11 rules in force before 1 October 2002;

- (vi) rule 1.2d shall be disapplied and any reference in the 1972 Section to the "scheme" shall be construed for the purposes of this Scheme as a reference to this Scheme except where the context otherwise requires;
- (vii) in rule 1.2e, there shall be substituted for "of the scheme" the words "of the PCSPS(NI)" and any reference to the "2002 Section" in the 1972 Section shall be construed for the purposes of this Scheme as a reference to the 2002 Section as it applies to this Scheme except where the context otherwise requires;
- (viii) (a) a person to whom this Scheme applies who resigns from the civil service or opts out of the PCSPS(NI) or this Scheme and who does not opt to transfer the whole or part of his accrued benefits out of this Scheme will be awarded a preserved pension and lump sum under this Scheme in respect of such part of his accrued pension benefits as is not

transferred even if he does not satisfy any of the conditions in rule 3.11(i), (ii) and (iii) of the 1972 Section;

(b) notwithstanding rule 4(viii)(a), the conditions in rule 3.11(i), (ii) and (iii) of the 1972 Section shall not be disapplied for the purpose of rules 3.4, 3.10a(i), 3.10b, 3.14, 3.14b, 3.14c, 3.15, 3.16 and 3.17, section 4 and section 6 of the 1972 Section as they apply to this Scheme;

(c) for the purpose of rules 3.28, 3.29, 3.30, 3.38, 3.38a, 3.38c and 3.38d of the 1972 Section as they apply to this Scheme, a pension awarded in accordance with rule 4(viii)(a) above shall be considered to be a preserved pension;

(ix) rule 3.28 of the 1972 Section will apply to this Scheme with the following modifications:

(a) in the first sentence, there shall be substituted for “under rule 3.1 or a preserved pension under rules 3.11 or 3.26a(ii)” the words “under this Scheme”;

(b) in the second sentence, there shall be substituted for “the pension in payment to him (including any increase under the Pensions (Increase) Act (Northern Ireland) 1971 as amended)” the words “the total pension in payment to him under the 1972 Section and under this Scheme (including, in each case, any increase under the Pensions (Increase) Act (Northern Ireland) 1971)”;

(c) after the second sentence, there shall be inserted:

“The amount by which the total pension in payment is to be reduced shall be applied first to the pension payable under this Scheme and to the extent that the amount to be deducted has not been satisfied, the remainder shall be deducted from the pension payable under the 1972 Section.”;

(x) as regards section 4 of the 1972 Section:

(a) (1) Part 1 shall apply only to male civil servants to whom this Scheme applies and in that part, “civil servant” means a male civil servant to whom this Scheme applies;

(2) Part 2 shall apply only to female civil servants to whom this Scheme applies and in that part, “civil servant” means a female civil servant to whom this Scheme applies;
and

(3) Part 3 shall apply to all civil servants to whom this Scheme applies, and in that Part, in relation to women civil servants, references to “wife” and “widow” should be taken as references to “husband” and “widower” respectively;

- (b) any contributions due by a civil servant under section 4 will only be due in respect of that part of a civil servant's salary (or wages) which exceeds the permitted maximum and section 4 will be construed accordingly for the purposes of this Scheme;
- (c) subject to sub-paragraph (b), where a civil servant has actually paid periodical contributions under this Scheme in excess of the contributions due under any of rules 4.17, 4.18, 4.26 or 4.26a as applied by this Scheme, that civil servant will receive a refund, made up of the relevant balance – beginning with the last such contribution paid – with compound interest when that person ceases to be a civil servant. Compound interest will be added at the rate as announced annually by the Department in respect of rule 4.21(viii)(d) of the 1972 Section, with yearly rests;
- (d) where a civil servant has received a refund under sub-paragraph (c) of this rule 4, no widow's or widower's pension will be paid under this Scheme;
- (e) notwithstanding rules 1.6a and 1.7 of the 1972 Section, where there is part-time service in the last three years of reckonable service, "pensionable pay" in rules 4.7, 4.8, 4.24d and 4.24f of the 1972 Section shall be treated as being equal to D where

$$\frac{A}{B} \times C = D \text{ and}$$

- A is equal to the actual pay and pensionable emoluments in whichever of the last three years of reckonable service gives the highest figure
- B is equal to the full-time rate of pay
- C is equal to such part of the full-time rate of pay as exceeds the permitted maximum as defined in section 590C of the Income and Corporation Taxes Act 1988.

For the purposes of this rule, and notwithstanding rules 1.6a and 1.7 of the 1972 Section, the last three years of reckonable service will include any part-time service which does not qualify under rules 2.7 and 2.7a of the 1972 Section;

- (f) the following rules or parts of rules in section 4 shall not apply to this Scheme:
 - rules 4.1, 4.2, 4.6(iv), 4.10, the last paragraph of rule 4.11, 4.14 to 4.16a, 4.21 (iv), (v), (viii) and (ix), 4.22, 4.23a, 4.23b, 4.24c(iv), 4.24g except for the last sentence, 4.24i, 4.25(iv), 4.25a, 4.25c, 4.26d(i), (ii), (iii), (iv), (v), (viii) and (ix), 4.27, 4.38 to 4.56;
- (xi) (a) subject to sub-paragraph (b) section 6 of the 1972 Section will apply to this Scheme but only to the extent that transfers into or out of this Scheme shall be made from or into retirement benefit schemes which have not received the approval of the Board of Inland Revenue under the Income and Corporation Taxes Act 1988 (as varied and amended from time to time) and which provide benefits in respect of earnings above the permitted maximum. A member of this Scheme who applies in accordance with this

rule to bring a transfer value into this Scheme or for a transfer value to be paid from this Scheme shall be liable for any tax charge arising as a result of such transfer.

- (b) The following rules in section 6 of the 1972 Section shall not apply to this Scheme:

rule 6.28a (transfer from the Northern Ireland Civil Service Additional Voluntary Contribution Scheme);

rules 6.29 to 6.32 (mixed transfer arrangements);

rules 6.33 to 6.34 (old cases, interim transfers and public sector transfer arrangements);

Appendix 10.

5. Opting out

- (i) A person to whom this Scheme applies may exercise an option in writing in such form as may be prescribed by the Department not to be a member of this Scheme and as from the effective date of the option (as determined by the Department), this Scheme shall no longer apply to that person.
- (ii) If a person to whom this Scheme applies opts out of the PCSPS(NI), this Scheme shall no longer apply to him as from the effective date of that option (as determined by the Department).

6. Accrual of service

The rate at which the service of a person to whom this Scheme applies reckons for the purposes of this Scheme may be increased if this was agreed by the Department when the person was admitted to the Scheme subject to any modification to the rate of contribution payable by such person as the Department may determine.

7. Added years

The Department will have discretion to grant added years of reckonable service if there are special circumstances to justify this. Unless the Department agrees otherwise, the added years will be treated as accruing evenly from the date on which this Scheme first applied to the civil servant concerned throughout the appointment referred to in rule 2(i) above. The employer shall be required to pay in respect of the added years granted such amount as the Department requires after consultation with the Scheme actuary.

8. Awards under the Civil Service Compensation Scheme (Northern Ireland)

- (i) Where a person to whom this Scheme applies is awarded compulsory early retirement benefits under rule 2A.3 of the CSCS(NI), he shall receive under this Scheme:
- (a) a lump sum calculated in accordance with rule 2A.5.5 of the CSCS(NI);
 - (b) a lump sum calculated in accordance with rule 2A.5.6 of the CSCS(NI); and

- (c) an annual compensation payment calculated in accordance with rule 2A.5.8 of the CSCS(NI),

each in respect of that proportion of final pensionable earnings which exceeds the permitted maximum.

- (ii) Where a person to whom this Scheme applies is awarded a preserved pension and lump sum under rule 2.2 or rule 3.1 of the CSCS(NI), he shall receive under this Scheme a preserved pension and lump sum calculated in accordance with rule 3.11 of the 1972 Section in respect of that proportion of pensionable pay as defined in rule 1.6a of the 1972 Section which exceeds the permitted maximum but with reckonable service increased by the same number of years as it is increased under rule 2.2 of the CSCS(NI).
- (iii) Where a person to whom this Scheme applies is awarded a preserved pension and lump sum under Section 4 of the CSCS(NI), he shall receive under this Scheme a preserved pension and lump sum calculated in accordance with Section 4 of the CSCS(NI) in respect of that proportion of pensionable pay as defined in rule 1.6a of the 1972 Section which exceeds the permitted maximum.
- (iv) In calculating the benefits payable under rule 8(i), 8(ii) or 8(iii), "reckonable service" and "qualifying service" shall be construed for the purposes of this Scheme as meaning only that reckonable or qualifying service from the date on which a person became a member of this Scheme (except that the notional enhancement of reckonable service for the purpose of rule 8(i) and the increase in reckonable service for the purpose of rule 8(ii) shall equal the notional enhancement of reckonable service or the increase in reckonable service, as the case may be, which is used in the calculation of the award under rule 2A.3 of the CSCS(NI) or rule 2.2 of the CSCS(NI), as the case may be).
- (v) Where a person to whom this Scheme applies is awarded a payment on termination in lieu of notice under section 9 of the CSCS(NI), he shall receive under this Scheme:
 - (a) if he is an active member of the 2002 Section, an amount calculated in accordance with rule 9.2.2(b)(ii) of the CSCS(NI) in respect of that proportion of final pensionable earnings which exceeds the permitted maximum; or
 - (b) if he is an active member of the 1972 Section, an amount calculated in accordance with rule 9.2.2(b)(i) of the CSCS(NI) in respect of that proportion of pensionable pay which exceeds the permitted maximum.

9. Forfeiture

The provisions for the forfeiture of benefits as set out in section 8 of the 1972 Section or rules J.2, J.3(1)(2)(5) and (6) and J.4 of the 2002 Section (Forfeiture), as the case may be, will apply to benefits under this Scheme.