STATUTORY INSTRUMENTS

2016 No. 326

PUBLIC SERVICE PENSIONS

The Civil Service (Other Crown Servants) Pension Scheme Regulations 2016

Made - - - -	*9th March 2016*
Laid before Parliament	*11th March 2016*
Coming into force - -	*1st April 2016*

The Minister for the Civil Service makes the following Regulations in exercise of the powers conferred by sections 1(1) and (2)(a), 2(1), 3(1), (2), (3)(a) and (c), 4(3) and (6) (as read with section 4(1)), 5(2)(c) (as read with section 5(1)), 8(1)(a), 12(6) and (7), 18(5), (5A), (6) and (7) and 25(3) of, and paragraph 1 of Schedule 2, Schedule 3 and paragraphs 1(2)(ii) and 5(1) of Schedule 7 to, the Public Service Pensions Act 2013(**1**).

In accordance with section 21 of that Act, the Minister for the Civil Service has consulted the representatives of such persons as appear to the Minister likely to be affected by these Regulations.

In accordance with section 3(5) of that Act, these Regulations are made with the consent of the Treasury.

PART 1

Preliminary

Citation and commencement

1.—(1) These Regulations may be cited as the Civil Service (Other Crown Servants) Pension Scheme Regulations 2016.

(2) They come into force on 1st April 2016.

Interpretation

2. In these Regulations–

"the Act" means the Public Service Pensions Act 2013;

(**1**) 2013 c.25.

"the 2014 Regulations" means the Public Service (Civil Servants and Others) Pensions Regulations 2014(**2**);

"PSCOPS" means the scheme established by the 2014 Regulations;

"SA 1972" means the Superannuation Act 1972(**3**);

"the First Connected Scheme" means the pension scheme made under section 1 (superannuation schemes as respects civil servants etc.) of SA 1972 for employees of the Secret Intelligence Service which came into operation on 1st June 1972;

"the Second Connected Scheme" means the pension scheme made under section 1 (superannuation schemes as respects civil servants etc.) of SA 1972 for employees of the Security Service which came into operation on 1st December 1998;

"the Third Connected Scheme" means the pension scheme established for certain employees of the Secret Intelligence Service which came into operation on 1st January 1946 and was amended on 1st September 1957 and 1st July 1964;

"the Fourth Connected Scheme" means the pension scheme made under section 1 (superannuation schemes as respects civil servants etc.) of SA 1972 for certain employees of the Secret Intelligence Service which came into operation on 1st October 2002;

"the Relevant Compensation Scheme" means the compensation scheme made under section 1 (superannuation schemes as respects civil servants etc.) of SA 1972 which came into operation on 1st April 1994;

"the agencies" means the Secret Intelligence Service and the Security Service;

"the exceptions committee" means the committee established from time to time to deal with complaints or appeals relating to this scheme;

"extraordinary members" are members of the Fourth Connected Scheme with pensionable service in this scheme;

"the Minister" means the Minister for the Civil Service;

"ordinary members" are members of this scheme who are not extraordinary members;

"scheme actuary" means the person appointed by the Minister under regulation 7;

"Scheme Pension Board" has the meaning given in regulation 5; and

"this scheme" means the scheme established by these Regulations.

PART 2

Establishment and governance

Establishment of scheme and eligibility

3. A scheme is established for the payment of pensions and other benefits to civil servants who are employed by the agencies.

Scheme manager

4.—(1) The Minister is the scheme manager for this scheme and any statutory pension scheme that is connected to it.

(**2**) S.I. 2014/1964 as amended, most recently by S.I 2015/602.
(**3**) 1972 c.11.

(2) The scheme manager is responsible for managing and administering this scheme and any statutory pension scheme that is connected to it.

(3) The Minister or scheme manager may delegate any functions under these Regulations, including the power to delegate.

(4) A statutory pension scheme that is a defined contributions pension scheme is not connected with this scheme.

(5) The scheme manager must provide benefit information statements to each person in pensionable service under this scheme in accordance with–

(a) section 14 of the Act (information about benefits) and

(b) directions made by the Treasury under that section.

Scheme Pension Board

5.—(1) A pension board (the "Scheme Pension Board") is established.

(2) The Scheme Pension Board is responsible for assisting the scheme manager–

(a) to secure compliance with–

(i) these Regulations;

(ii) any other legislation relating to the governance and administration of this scheme and any statutory pension scheme that is connected to it; and

(iii) any requirements imposed by the Pensions Regulator in relation to this scheme and any statutory pension scheme that is connected to it; and

(b) in the performance of the scheme manager's functions under these Regulations.

(3) The Scheme Pension Board may determine its own procedures, subject to the approval of the scheme manager.

(4) The Scheme Pension Board is to consist of the following members who are entitled to vote in its proceedings–

(a) a chair; and

(b) at least 6, and no more than 16, other members;

appointed by the scheme manager.

(5) The chair cannot be a member representative or an employer representative.

(6) Equal numbers of member representatives and employer representatives must be appointed under paragraph (4)(b).

(7) The scheme manager may appoint up to 4 further members of the Scheme Pension Board who–

(a) may not be member representatives or employer representatives; and

(b) are not entitled to vote in its proceedings.

(8) A member of the Scheme Pension Board is to hold and vacate office in accordance with the terms of that member's appointment.

(9) Before appointing any person as a member of the Scheme Pension Board under paragraph (4) or (7), the scheme manager must be satisfied that that person does not have a conflict of interest.

(10) The scheme manager must be satisfied from time to time that none of the members of the Scheme Pension Board has a conflict of interest.

(11) If the scheme manager determines that a member of the Scheme Pension Board has a conflict of interest, the scheme manager must terminate the appointment of the member.

(12) A member of the Scheme Pension Board, or a person proposed to be such a member, must provide the scheme manager with any information the scheme manager may reasonably require for the purpose of paragraph (9) or (10).

(13) The Minister may–

(a) pay fees to, or in respect of, members of the Scheme Pension Board of such amounts as the Minister may determine; and

(b) reimburse members of the Scheme Pension Board in respect of any reasonable expenses incurred in performance of duties as members of the Scheme Pension Board.

Scheme advisory board

6.—(1) A scheme advisory board is established.

(2) The scheme advisory board is responsible for providing advice to the Minister, at the Minister's request, on the desirability of making changes to this scheme.

(3) The scheme advisory board may determine its own procedures, subject to the approval of the Minister.

(4) The scheme advisory board is to consist of the following members–

(a) a chair, appointed by the Minister; and

(b) at least 2, and no more than 16, other members appointed by the chair with the approval of the Minister.

(5) A member of the scheme advisory board is to hold and vacate office in accordance with the terms of that member's appointment.

(6) Before appointing any person as a member of the scheme advisory board under paragraph (4), the Minister must be satisfied that that person does not have a conflict of interest.

(7) The Minister must be satisfied from time to time that none of the members of the scheme advisory board has a conflict of interest.

(8) If the Minister determines that a member of the scheme advisory board has a conflict of interest, the Minister must terminate the appointment of the member.

(9) A member of the scheme advisory board or a person proposed to be such a member, must provide the Minister with any information the Minister may reasonably require for the purpose of paragraph (6) or (7).

(10) The Minister may–

(a) pay fees to, or in respect of, members of the scheme advisory board of such amounts as the Minister may determine; and

(b) reimburse members of the scheme advisory board in respect of any reasonable expenses incurred in performance of duties as members of the scheme advisory board.

PART 3

Scheme actuary, actuarial valuations and employer cost cap

Scheme actuary and actuarial valuations

7.—(1) The Minister must appoint a person (the "scheme actuary") to provide a consulting service on actuarial matters in relation to this scheme and any connected scheme.

(2) The scheme actuary is responsible for–

(a) carrying out valuations of this scheme and any connected scheme; and

(b) preparing reports on the valuations.

(3) Before appointing any individual as scheme actuary the Minister must be satisfied that the individual is appropriately qualified to carry out valuations of this scheme and any connected scheme in accordance with Treasury directions under section 11(2) of the Act ("Treasury directions").

(4) The scheme manager is responsible for providing the scheme actuary with any data that the scheme actuary requires to carry out a valuation of the scheme and prepare a report.

(5) A valuation of the scheme and the preparation of a report on the scheme must be carried out–

(a) in accordance with the Treasury directions; and

(b) within a time frame which enables requirements in the Treasury directions regarding dates applicable to the valuation to be met.

Employer cost cap

8.—(1) The employer cost cap for the scheme is 18.5% of pensionable earnings of members of this scheme.

(2) If the cost of this scheme, calculated following a valuation in accordance with regulation 7, goes beyond the margin either side of the employer cost cap of this scheme specified in regulations under section 12(5)(a) of the Act, the Minister must take the steps set out in paragraph (3).

(3) The Minister must consult such persons as appear to the Minister likely to be affected by any steps that are required to be taken to achieve the target cost for this scheme, with a view to reaching agreement on those steps, and–

(a) if agreement can be reached on the steps to be taken, take action to implement those steps; or

(b) if agreement cannot be reached on the steps to be taken, the percentage of the member's pensionable earnings specified in regulation 43(4) or (4A) of the 2014 Regulations, as applied to this scheme, as the amount of earned pension for a scheme year, must be adjusted for pensionable earnings after the date of the adjustment, so that the target cost for this scheme is achieved.

(4) In this regulation–

(a) "cost of this scheme" means the costs of this scheme calculated following a valuation in accordance with regulation 7; and

(b) "target cost for this scheme" means the target cost for this scheme specified in regulations under section 12(5)(b) of the Act.

PART 4

Operation of this Scheme

Scheme to be by analogy to PSCOPS

9.—(1) This scheme shall operate as if the following provisions of the 2014 Regulations applied in relation to this scheme–

(a) regulations 12, 13 to 15, 17 to 157, 160 to 178, 180(1) and 182;

(b) paragraphs 1 to 33 of Schedule 1;

(c) paragraphs 1 to 12, 14 to 15, 18 to 24 and 27 to 45 of Schedule 2; and