STATUTORY RULES OF NORTHERN IRELAND

2015 No. 162

LOCAL GOVERNMENT

The Local Government Pension Scheme (Amendment No. 2) Regulations (Northern Ireland) 2015

Made - - - -	*16th March 2015*
Coming into operation	*6th April 2015*

The Department of the Environment, with the consent of the Department of Finance and Personnel, makes these Regulations in exercise of the powers conferred by sections 1, 3, 11, 12 of, and Schedule 3 to, the Public Service Pensions Act (Northern Ireland) 2014(**1**).

In accordance with section 21 of that Act, the Department has consulted with such persons or representatives of such persons as appears to the Department likely to be affected by these Regulations.

Citation, commencement, interpretation and retrospection

1.—(1) These Regulations may be cited as The Local Government Pension Scheme (Amendment No. 2) Regulations (Northern Ireland) 2015 and except as provided for in paragraph (2), shall come into operation on 6th April 2015.

(2) Regulations 2 to 22 and 24(b) to 30 shall have effect from 1st April 2015.

(3) In these Regulations—

(a) "the Principal Regulations" means The Local Government Pension Scheme Regulations (Northern Ireland) 2014(**2**); and

(b) "the Transitional Regulations" means The Local Government Pension Scheme (Amendment and Transitional Provisions) Regulations (Northern Ireland) 2014(**3**).

Amendment of the Principal Regulations

2. The Principal Regulations are amended in accordance with regulations 3 to 25.

3. For regulation 3(5)(g) and 3(5)(h) (active membership), substitute—

"(g) a transfer value payment has been made to a qualifying recognised overseas pension scheme;

(**1**) 2014 c. 2 (N.I).
(**2**) S.R. 2014 No. 188 as amended by S.R. 2015 No. 77.
(**3**) S.R. 2014 No. 189.

(h) the member ceases active membership at age 75; or

(i) the member dies in service.".

4. In regulation 11(3) (contributions) delete "to the terms and conditions of a member's employment,".

5. In regulation 12(5) (temporary reduction in contributions)—

(a) at the end of paragraph (a) for "; and" substitute "; or"; and

(b) in paragraph (b) for "sickness or injury" substitute "illness, injury, ordinary maternity, paternity or ordinary adoption leave".

6. In regulation 13 (contributions during absence from work)—

(a) at the end of paragraph (4)(c) for ";" substitute "."; and

(b) at the end of paragraph (4) delete "and if in receipt of pay, continues to accrue earned pension in accordance with regulation 25(4) or (5) (active member's pension accounts)."

7. In regulation 17 (employing authority contributions during absences)—

(a) for paragraph 3(a)(ii) substitute—

"(ii) details of the amount of additional pension contributions to be paid by the member under regulation 18 (additional pension contributions) or regulation 19 (additional voluntary contributions) during reserve forces service leave,"; and

(b) in paragraph (3)(b) delete "less any pensionable pay being paid to the member during the absence".

8. At the end of regulation 18(16) (additional pension contributions) insert "or such longer period as the employing authority may allow".

9. In regulation 21(2) (exclusion of rights to return of contributions) for "paragraph (1)(e)" substitute "paragraph (1)(b)".

10. In regulation 24(8) (pension accounts) after the words "active members" where they first appear, insert "(other than where a member becomes entitled to deferred benefits as a consequence of a notice served under regulation 7(2) (ending active membership))".

11. In regulation 38(1)(b) (role of the IRMP) delete ", and how long the member is unlikely to be capable of undertaking gainful employment".

12. After regulation 43(5) (survivor benefits: children of active members) insert—

"(6) The Committee may pay the whole or part of a children's pension to a person other than the eligible child, to be applied for the benefit of such one or more eligible children as the Committee may direct.".

13. In regulation 46(5) (death grants: deferred members and pension credit members) for the "five" substitute "three".

14. After regulation 48(5) (survivor benefits: children of deferred members) insert—

"(6) The Committee may pay the whole or part of a children's pension to a person other than the eligible child, to be applied for the benefit of such one or more eligible children as the Committee may direct.".

15. After regulation 53(5) (survivor benefits: children of pensioner members) insert—

"(6) The Committee may pay the whole or part of a children's pension to a person other than the eligible child, to be applied for the benefit of such one or more eligible children as the Committee may direct.".

16. In regulation 68(7)(iii) (actuarial valuations and certificates) for "inheriting employer" substitute "inheriting body".

17. In regulation 71 (apportionment of liabilities)—

(a) in paragraph (1) at each place at which it occurs, for "inheriting employer" substitute "inheriting body";

(b) in paragraph (2) for "inheriting employer" substitute "inheriting body";

(c) in paragraphs (3)(b) and 3(c) for "inheriting employer" substitute "inheriting body";

(d) in paragraph (4) at each place at which it occurs, for "inheriting employer" substitute "inheriting body"; and

(e) in paragraphs (5)(a) and (5)(c) for "inheriting employer" substitute "inheriting body".

18. In regulation 72(1)(iii) (supply of copies of valuations, certificates etc) and 72(2)(ii) for "inheriting employer" substitute "inheriting body".

19. In regulation 75(4) (payment by employing authorities to the Committee) delete ", and at such intervals (not exceeding twelve months)".

20. In regulation 77 (interest on late payments)—

(a) in paragraph (1) for "73 to 76" substitute "70 to 76";

(b) in paragraph (2)—

(i) after "regulations" insert "70 (special circumstances where revised actuarial valuations and certificates shall be obtained), 71 (apportionment of liabilities),"; and

(ii) for "one month" substitute "10 days".

21. In regulation 93 (payments for persons incapable of managing their affairs) delete "other than an eligible child".

22. For regulation 111(1) (calculation of amount of transfer value payment) substitute—

"**111.**—(1) The amount of the transfer value payment to be paid under regulation 110 (bulk transfer (transfer of undertakings, etc)) is the amount determined by an actuary appointed by the Committee to be equal to the value at the date those members join the new scheme—

(a) of the actual and potential liabilities payable from the pension fund which have then accrued in respect of the members and the persons who are or may become entitled to benefits under the Scheme through them; or

(b) is the balance of the employing authority's assets after ensuring that its deferred members and pensioner members liabilities which are not transferred, are fully funded.".

23. After regulation 122 (advisory board: administration) insert—

"**Scheme actuary**

123.—(1) The Department shall appoint an actuary as Scheme actuary to carry out valuations of the Scheme in accordance with Department of Finance and Personnel directions made under section 11 of the 2014 Act (the DFP directions).

(2) The person appointed as Scheme actuary under paragraph (1) shall, in the opinion of the Department, be appropriately qualified to carry out a valuation of the Scheme.

(3) The Department shall secure that the Scheme actuary carries out actuarial valuations of the assets and liabilities of the Scheme as at 31st March 2013 and on 31st March on every

third year afterwards and prepare valuation reports in accordance with the DFP directions, within a timeframe which enables the requirements in those directions to be met.

(4) The Committee shall provide the Scheme actuary with any data that the Scheme actuary reasonably requires, in accordance with the DFP directions, in order to carry out a valuation and prepare a report on the valuation.

Employer cost cap

124.—(1) The employer cost cap for the Scheme is 17% of pensionable earnings of the Scheme.

(2) Where the cost of the Scheme, calculated following a valuation in accordance with DFP directions under section 11 of the 2014 Act, is more than the margins specified in regulations made under section 12(5) of the 2014 Act ("the Cost Cap Regulations") above or below the employer cost cap, the Department shall follow the procedures specified in paragraph (3) for reaching agreement with the Committee, employers and members (or representatives of employers and members) as to the steps required to achieve the target cost specified in the Cost Cap Regulations.

(3) The procedure specified for the purpose of section 12(6)(a) of the 2014 Act is consultation for such period as the Department considers appropriate with the Advisory Board with a view to reaching agreement endorsed by all members of that Board.

(4) If, following such consultation, agreement is not reached within 3 months of the end of the consultation period, the Department shall take steps to adjust the rate at which benefits accrue under regulation 25(4) or 25(5) (active member's pension accounts) so that the target cost for the Scheme is achieved.".

24. In Schedule 1 (interpretation)—

(a) after the definition of "the 2009 Regulations" insert—

""the 2014 Act" means the Public Service Pension Act (Northern Ireland) 2014(**4**)

(b) in the definition of "eligible child"—

(i) for "Condition B" substitute—

"Condition B is that the person is in full-time education or vocational training and has not reached the age of twenty-three, but the Committee may—

(i) continue to treat a person as fulfilling condition B notwithstanding any break in a course of the education or vocational training; or

(ii) suspend payment of any entitlement to benefits under regulations 43 (survivor benefits: children of active members), 48 (survivor benefits: children of deferred members) and 53 (survivor benefits: children of pensioner members) during such a break."; and

(ii) in Condition C, in sub-paragraph (ii), delete "that";

(c) in the definition of "guarantor" for "inheriting employer" substitute "inheriting body";

(d) for the definition of "inheriting employer" substitute—

""inheriting body" means—

(a) an admission body which continues to employ active members or whose admission agreement otherwise remains in effect;

(b) an employing authority which employs active members at the date on which the original employer withdraws from the Scheme; and

(**4**) 2014 c. 2 (N.I).