STATUTORY RULES OF NORTHERN IRELAND

2014 No. 213

PENSIONS

The Pensions (2012 Act) (Consequential and Supplementary Provisions) Regulations (Northern Ireland) 2014

Made - - - - *23rd July 2014*

Coming into operation *24th July 2014*

Approved by resolution of the Assembly on 17th November 2014

The Department for Social Development makes the following Regulations in exercise of the powers conferred by sections 29(1) and 31(1)(a), (b) and (c) of the Pensions Act (Northern Ireland) 2012(**1**).

Citation and commencement

1. These Regulations may be cited as the Pensions (2012 Act) (Consequential and Supplementary Provisions) Regulations (Northern Ireland) 2014 and shall come into operation on 24th July 2014.

Amendment of the Pension Schemes (Northern Ireland) Act 1993

2.—(1) The Pension Schemes (Northern Ireland) Act 1993(**2**) is amended in accordance with paragraphs (2) and (3).

(2) In section 80(**3**) (basis of revaluation)—

(a) in subsection (1) for "Subject to subsections (2) and (3)," substitute "Subject to subsections (2) to (3B),";

(b) after subsection (3) insert—

"(3A) If—

(a) any such benefit as is mentioned in section 79(1)(a)(**4**) is a cash balance benefit in respect of which the available sum is not calculated by reference to final salary;

(**1**) 2012 c. 3 (N.I.)
(**2**) 1993 c. 49
(**3**) Section 80 was amended by Part 3 of Schedule 5 to the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)), Article 258 of the Pensions (Northern Ireland) Order 2005 (S.I. 2005/255 (N.I. 1)), section 20(1) to (3) of the Pensions Act (Northern Ireland) 2012 and paragraph 13 of the Schedule to S.R. 2005 No. 434
(**4**) Section 79 was amended by paragraph 20 of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11))

(b) the benefit is attributable to periods of pensionable service falling on or after the day on which section 27 of the Pensions Act (Northern Ireland) 2012 (definition of money purchase benefits) comes into operation; and

(c) it appears to the trustees or managers of the scheme under which it is payable that it is appropriate to revalue the benefit by the cash balance method,

then the benefit shall be revalued using that method.

(3B) Where a cash balance benefit in respect of which the available sum is not calculated by reference to final salary—

(a) is attributable to periods of pensionable service falling partly before and partly on or after the day on which section 27 of the Pensions Act (Northern Ireland) 2012 comes into operation; and

(b) it appears to the trustees or managers of the scheme under which it is payable that it is appropriate to revalue so much of the benefit as is attributable to the member's pensionable service falling on or after that day by the cash balance method,

then so much of the benefit as is attributable to the member's pensionable service falling on or after that day shall be revalued using that method.";

(c) in subsection (4)—

(i) after the definition of "average salary benefit" insert—

""cash balance benefit" has the meaning given by regulation 2 of the Pensions (2012 Act) (Transitional, Consequential and Supplementary Provisions) Regulations (Northern Ireland) 2014(**5**);

"final salary", in relation to a member to or in respect of whom benefits under a pension scheme are payable, means the member's pensionable earnings, or highest, average or representative pensionable earnings, in a specified period ending at, or defined by reference to, the time when the member's pensionable service in relation to that scheme ends;";

(ii) in the definition of "average salary method", "final salary method", "flat rate method" and "money purchase method" after ""average salary method"," insert ""cash balance method",";

(iii) after the definition of "average salary method", "final salary method", "flat rate method" and "money purchase method" add—

""pensionable earnings", in relation to a member of a pension scheme, means earnings by reference to which benefits under the scheme are calculated.".

(3) In Schedule 2 (methods of revaluing accrued pension benefits) after paragraph 3 (the average salary method) insert—

"**The cash balance method**

3A. The cash balance method of revaluing a cash balance benefit is to revalue the available sum in respect of the benefit in any way in which it would have been revalued if the member's pensionable service had not terminated.".

(**5**) S.R. 2014 No. 204