STATUTORY RULES OF NORTHERN IRELAND

2005 No. 274

LOCAL GOVERNMENT

Local Government Pension Scheme (Amendment No. 2) Regulations (Northern Ireland) 2005

Made - - - -	*26th May 2005*
Coming into operation	*1st June 2005*

The Department of the Environment, in exercise of the powers conferred by Articles 9 and 14 of, and Schedule 3 to, the Superannuation (Northern Ireland) Order 1972(**1**) and now vested in it(**2**) and of every other power enabling it in that behalf and after consultation with the Northern Ireland Local Government Association, the Northern Ireland Local Government Officers' Superannuation Committee and such representatives of other persons likely to be affected by the Regulations as appeared to it to be appropriate, hereby makes the following Regulations:

Citation, commencement and interpretation

1.—(1) These Regulations may be cited as the Local Government Pension Scheme (Amendment No. 2) Regulations (Northern Ireland) 2005.

(2) These Regulations shall come into operation on 1st June 2005.

(3) In these Regulations, "the principal Regulations" means the Local Government Pension Scheme Regulations (Northern Ireland) 2002(**3**).

Amendment of principal Regulations

2. The principal Regulations shall be amended in accordance with regulations 3 to 27.

General eligibility for membership: employees of Scheme employers etc.

3. In regulation 3(1), after "regulation 4" there shall be inserted ", regulation 4A"(**4**).

Periods of membership: "total membership"

4. In regulation 8(2), after "regulations 9, 10" there shall be inserted ", 31".

(**1**) S.I.1972/1073 (N.I. 10)
(**2**) S.R. & O. (N.I.) 1973 No. 504 Article 7(1); S.I. 1976/424 (N.I. 6)
(**3**) S.R. 2002 No. 352
(**4**) Regulation 4A was inserted by S.R. 2005 No. 206

General qualification for benefits

5. In regulation 18 –

(a) in paragraph (1)(a), for "two years" there shall be substituted "three months"; and

(b) in paragraph (2)(a), there shall be deleted "or under regulation 29(2) (ill-health grants)".

Calculations

6. In regulation 19(6), sub-paragraph (a) shall be omitted.

Amounts of ill-health pension and grant

7. In regulation 30, for paragraphs (4) and (5) there shall be substituted –

"(4) Subject to paragraph (5), where a member becomes entitled to a further ill-health pension and grant (because of having been a member in two employments) the multiplier for the further ill-health pension and grant will be the total membership without enhancement.

(5) Paragraph (4) does not apply to a member who becomes entitled to a further ill-health pension and grant as a result of being in concurrent employments which cease simultaneously.".

Re-employed pensioners

8. For regulation 31, there shall be substituted –

"**31.** Where a pensioner member becomes an active member again, his former membership shall be taken into account only for the purpose of calculating –

(a) whether he has the necessary total membership referred to in –

(i) regulation 18(1)(a) to be entitled to benefits under this Chapter; and

(ii) regulation 30(1) to be entitled to calculate his ill-health pension and grant by reference to the enhanced membership period; and

(b) total membership in regulation 54 (power of employing authority to increase total membership).".

Other early leavers: deferred retirement benefits and elections for early payment

9. In regulation 33(8) at the end there shall be added "and an election made under paragraph 6(a) must be made to the Committee.".

Re-employed and rejoining deferred members

10. In regulation 34 –

(a) after paragraph (1), there shall be inserted –

"(1A) A member cannot elect to aggregate any period of former membership which he could have elected to aggregate with another period of former membership but did not before the expiry of the period in paragraph (7A).";

(b) in paragraph (5), for sub-paragraph (b) there shall be substituted –

"(b) for the purpose only of calculating –

(i) whether the member has the necessary total membership referred to in regulation 18(1)(a) to be entitled to benefits under this Chapter and

regulation 30(1) to be entitled to calculate his ill-health pension and grant by reference to the enhanced membership period; and

(ii) total membership in regulation 54 (power of employing authority to increase total membership),

the unaggregated periods of membership shall be taken into account, and"; and

(c) after paragraph (7), there shall be inserted –

"(7A) The notice under paragraph (7) must be given before the expiry of the period of 12 months beginning with the date that he became an active member again (or such longer period as the Committee may allow).".

Guaranteed minimum pensions etc.

11. In regulation 39(9)(c), for "two years" there shall be substituted "three months".

Surviving spouse's long-term pension

12. In regulation 43, in paragraphs (4) and (5), for "two years" there shall be substituted "three months".

Power of employing authority to increase total membership

13. In regulation 54 –

(a) in the heading, there shall be deleted "of members leaving employment at or after 50";

(b) in paragraph (1), for "a member who leaves his employment on or after his 50th birthday" there shall be substituted "an active member";

(c) for paragraph (2) there shall be substituted –

"(2) A member's total additional membership (including additional membership in respect of different employments) must not exceed –

(a) $6^{243}/_{365}$ years;

(b) the period by which the member's total membership falls short of 40 years; or

(c) the period by which the member's total membership falls short of the total membership the member will have if he continues as an active member until he is 65,

whichever is the shortest.";

(d) in paragraph (7), for sub-paragraph (b) there shall be substituted –

"(b) such longer period as the employing authority and the Committee agree.".

Elections as to use of accumulated value of AVCs

14. In regulation 68(7), sub-paragraph (a) shall be omitted.

Funding strategy statement

15. After regulation 76, there shall be inserted –

"**Funding strategy statement**

76A.—(1) The Committee shall, after consultation with such persons as it considers appropriate, prepare, maintain and publish a written statement setting out its funding strategy.

(2) In preparing and maintaining the statement the Committee shall have regard to –

(a) the guidance set out in the document published in March 2004 by CIPFA, the Chartered Institute of Public Finance and Accountancy and called "CIPFA Pensions Panel Guidance on Preparing and Maintaining a Funding Strategy Statement" (Guidance note issue No. 6); and

(b) the statement of investment principles published by the Committee under regulation 10 of the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000(**5**).

(3) The first such statement shall be published on or before 31st March 2006.

(4) The statement shall be revised and published by the Committee following, and in accordance with, any –

(a) material change in its policy on the matters set out in the statement; and

(b) material change to the statement of investment principles under regulation 10(4) of the Local Government Pension Scheme (Management and Investment of Funds) Regulations (Northern Ireland) 2000.".

Actuarial valuations and certificates

16. After regulation 77(5), there shall be inserted –

"(5A) The actuary must have regard to the Committee's funding strategy statement published under regulation 76A.".

Employer's further payments

17. In regulation 80(4) –

(a) for ", 54, 55, or 130" there shall be substituted "and 54"; and

(b) for "(but, in the case of resolutions" to the end of the paragraph there shall be substituted "(but, in the case of a resolution under regulation 54, only so far as not paid under paragraph (1)).".

Interest

18. In regulation 82(2), for "88(1) and (3)" there shall be substituted "88(3)".

Discontinuance of additional contributions

19. In regulation 84(9)(b), there shall be deleted "and has not made an election under regulation 31".

Rights to return of contributions

20. In regulation 88 –

(a) in paragraph (1), for "2 years'" there shall be substituted "three months'" and there shall be deleted "with interest calculated to the date he ceased to be employed";

(**5**) S.R. 2000 No. 178, regulation 10 was amended by S.R. 2003 No. 433

(b) in paragraph (3), there shall be deleted "(with interest due under paragraph (1), if applicable)".

Exclusion of rights to return of contributions

21. In regulation 89(3), sub-paragraph (a) shall be omitted.

Commencement of pensions

22. In regulation 94(2)(a)for "under paragraph 1" there shall be substituted "under paragraph 1 or paragraph 6(a).".

First instance decisions

23.—(1) In regulation 98(3) there shall be deleted "the following questions" and for sub-paragraphs (a) and (b) there shall be substituted "as to whether in his opinion the member is permanently incapable of discharging efficiently the duties of the relevant local government employment because of ill-health or infirmity of mind or body.".

(2) In regulation 98(4) there shall be deleted "on the questions referred to him".

(3) In regulation 98(6), there shall be omitted sub-paragraph (a).

Annual benefit statements

24. After regulation 108 there shall be inserted –

"**Annual benefit statements**

108A.—(1) The Committee shall issue an annual benefit statement to each of its active, deferred and pension credit members.

(2) The first such statement[s] must be issued on or before 1st April 2006 and subsequent statements must be issued on or before each 1st April thereafter.

(3) An annual benefit statement shall contain an illustration of the amount of benefit entitlement, in respect of the rights that may arise under the Scheme, which –

(a) has been accrued by the member at the relevant date, and

(b) in the case of an active member, is capable of being accrued by the member if he remains in the Scheme until his normal retirement date.

(4) The illustration shall be calculated –

(a) in the case of active members, on the member's pensionable pay (or, in the case of part-time employees, the whole-time equivalent) for the twelve-month period ending with the relevant date;

(b) in the case of deferred members, on the member's final pay; and

(c) in the case of pension credit members, in accordance with regulation 139, as if the "normal benefit age" is the relevant date.

(5) The relevant date –

(a) is 31st March prior to the date that the statement is issued, or

(b) such later date as the Committee may choose.".