1995 No. 255

PENSIONS

Judicial Pensions (Additional Voluntary Contributions) (No. 2) Regulations (Northern Ireland) 1995

Made	*20th June 1995*
Coming into operation . .	*23rd July 1995*

The Department of Economic Development(**a**), in exercise of the powers conferred on it by section 11A of the Judicial Pensions Act (Northern Ireland) 1951(**b**) and of every other power enabling it in that behalf, and with the consent of the Department of Finance and Personnel, hereby makes the following Regulations:

PART I

PRELIMINARY

Citation and commencement

1. These Regulations may be cited as the Judicial Pensions (Additional Voluntary Contributions) (No. 2) Regulations (Northern Ireland) 1995 and shall come into operation on 23rd July 1995.

Interpretation

2.—(1) In these Regulations—

"the 1969 Act" means the Superannuation (Miscellaneous Provisions) Act (Northern Ireland) 1969(**c**);

"the 1988 Act" means the Income and Corporation Taxes Act 1988(**d**);

"the 1993 Regulations" means the Retirement Benefits Schemes (Restriction on Discretion to Approve) (Additional Voluntary Contributions) Regulations 1993(**e**);

"additional voluntary contributions" means any contributions by a member of the existing scheme over and above those contributions towards the cost of providing surviving spouse's and children's benefits which are required as a condition of membership (whether made by deductions from salary or from a lump sum on death or retirement);

(**a**) *See* S.I. 1991/2631 (N.I. 24) Article 7(2)
(**b**) 1951 c. 20 (N.I.); section 11A was inserted by S.I. 1991/2631 (N.I. 24) Article 6 and amended by 1993 c. 8 Schedule 3 paragraph 8
(**c**) 1969 c. 7 (N.I.)
(**d**) 1988 c. 1
(**e**) S.I. 1993/3016

"AVC scheme" means a judicial pension scheme other than a FSAVC scheme providing for the purchase of benefits additional to those provided by the existing scheme by means of additional voluntary contributions;

"approved scheme" means a retirement benefits scheme approved under Chapter I, Part XIV of the 1988 Act, or such other legislation as may be in force from time to time in respect of such approval;

"existing scheme" means any pension payable by or under section 2 of the 1969 Act(**a**) and which is not an AVC scheme or a FSAVC scheme;

"FSAVC scheme" means a retirement benefits scheme approved under section 591(2)(*h*) of the 1988 Act established by a pension provider other than the administrators of the existing scheme or a judicial pension scheme and to which only the member contributes;

"final salary", in relation to a member, means the amount of salary received in the twelve months prior to the date of leaving qualifying judicial office that has been assessed for tax under Schedule E under Part V of the 1988 Act;

"Index", at any time, means the index of retail prices published by the Central Statistical Office of the Chancellor of the Exchequer, or any successor agreed as appropriate by the Board of Inland Revenue, for the calendar month three months prior to that time;

"leading scheme" and "main scheme" shall have the meanings given to them in regulation 2 of the 1993 Regulations;

"normal pension age", in relation to a member, means the age at which the member would be able to retire from the existing scheme with a pension immediately payable;

"qualifying judicial office" means any office specified in section 2(1) of the 1969 Act and a person shall be regarded as holding qualifying judicial office at any time when he holds, on a salaried basis, any one or more of those offices; and any reference in these Regulations to a "qualifying judicial office" is a reference to any such office if it is held on a salaried basis;

"retained death benefits" has the meaning given to it in regulation 6;

"retirement benefits scheme" has the meaning given to it in section 611 of the 1988 Act; and

"service", in relation to a member, means service in a qualifying judicial office.

(2) In these Regulations where a "period of service" is to be ascertained it shall be calculated in years and days. The days shall be expressed as a fraction of a year and for this purpose a year shall be taken to be 365 days. The resulting fraction shall be converted to a decimal figure correct to four decimal places.

(a) As amended by 1989 c. 32 Schedule 2 paragraph 1, S.I. 1991/2631 (N.I. 24) Article 7 and S.I. 1992/807 (N.I. 5) Schedule 6

JUDICIAL ADDITIONAL VOLUNTARY CONTRIBUTIONS (NO. 2) SCHEME

Interpretation and application

3.—(1) In this Part—

"aggregated retirement benefit" means the total amount of all benefits, other than retained benefits, that may be paid to a retired member including the pension equivalent of any lump sum;

"authorised insurance company" means either—

(*a*) a company which is a United Kingdom branch or office of an insurance company to which Part II of the Insurance Companies Act 1982(**a**) applies and which is authorised under section 3 or 4 of that Act to carry on ordinary long-term insurance business; or

(*b*) an EC company as defined by section 2(6) of that Act(**b**) which is lawfully carrying on ordinary long-term insurance business in the United Kingdom;

"the scheme" means the Judicial Additional Voluntary Contributions (No. 2) Scheme constituted by this Part.

(2) The scheme shall be administered in accordance with this Part.

(3) The administrators of the scheme shall be the administrators of the existing scheme.

(4) The pension equivalent of a lump sum shall be calculated by dividing the cash value of the lump sum by twelve.

Membership

4.—(1) Membership of the scheme shall be open to persons holding qualifying judicial office.

(2) Application for membership of the scheme shall be made in writing to the administrators.

Retained Benefits

5.—(1) The administrators shall require any person who is, or who wishes to become, a member of the scheme to provide such information as they may require concerning any retained benefits (other than retained death benefits) that that person may have which are derived from the following sources—

(*a*) a retirement benefits scheme which has been approved, or for which approval is sought, under Chapter I, Part XIV of the 1988 Act;

(*b*) a relevant statutory scheme as defined by section 611A of the 1988 Act(**c**);

(*c*) a fund to which section 608 of the 1988 Act applies;

(**a**) 1982 c. 50
(**b**) As inserted by S.I. 1994/1696 regulation 4(2)
(**c**) As inserted by 1989 c. 26 section 75, Schedule 6 Part I paragraphs 1, 15 and 18(1)

(*d*) a retirement benefits scheme which has been accepted by the Inland Revenue as corresponding within the meaning of section 596(2)(*b*) of the 1988 Act;

(*e*) (i) a retirement annuity contract or trust scheme approved under section 620 of the 1988 Act; or

(ii) a personal pension scheme (as defined by section 630 of the 1988 Act) approved under section 631 of that Act (other than an arrangement to which only minimum contributions are paid),

which related to relevant earnings from the current employment or previous employments;

(*f*) transfer payments from an overseas scheme held in a type of arrangement defined in sub-paragraph (*a*), (*b*) or (*e*),

including such benefits which have been transferred to another scheme, whether or not in the United Kingdom.

(2) Retained benefits may be disregarded where the total of—

(*a*) the resulting annual pension; and

(*b*) the pension equivalent of any lump sum payable, is less than £260.

6.—(1) The administrators shall also require any person who is, or who wishes to become, a member of the scheme to provide details of retained death benefits.

(2) Retained death benefits worth less than £2,500 may be disregarded.

(3) For the purposes of calculating the retained death benefit there shall be ignored—

(*a*) any benefits representing a return of the member's own contributions plus interest; and

(*b*) benefits derived from a return of surplus funds under annuity contracts approved under section 620 of the 1988 Act or personal pension schemes approved under section 631 of that Act.

(4) In this regulation "retained death benefits" means any lump sum benefits payable on the member's death derived from the sources set out in regulation 5(1)(*a*) to (*f*).

7. The administrators may disclose any information obtained relating to retained benefits or retained death benefits—

(*a*) to, or to any officers of, the Commissioners of Inland Revenue; or

(*b*) to, or to any servants or agents of, any authorised provider who is, or may be, concerned in the investment of the voluntary contributions or the provision of the additional benefits in question.

Maximum benefits for members

8.—(1) The aggregated retirement benefit shall not exceed the figure equal to the lesser of—

(*a*) the amount referred to in paragraph (2)(*a*), (*b*) or (*c*) as appropriate; and

(*b*) the greater of—

(i) 2/3rds of the member's final salary less retained benefits; and

(ii) 1/60th of the member's final salary for each year of service up to a maximum of 40 years.

(2) The amount referred to in paragraph (1)(*a*) shall be—

(*a*) where the member retires at his normal pension age, the amount calculated by applying the appropriate fraction (ascertained in accordance with the following table, into which a fraction of a year shall be interpolated in accordance with paragraph (3)) to his final salary—

Years of service	*Appropriate fraction*
Years 1 to 5	1/60th for each year
Year 6	8/60ths
Year 7	16/60ths
Year 8	24/60ths
Year 9	32/60ths
Year 10 or more	40/60ths for each year;

(*b*) where the member retires before his normal pension age on the ground of ill health, the amount determined in accordance with sub-paragraph (*a*) which the member could have received had he remained in service until his normal pension age;

(*c*) where the member leaves the scheme before his normal pension age on any other ground, an amount calculated in accordance with the formula—

$$M \times N \text{ divided by } NS$$

where—

"M" is the maximum pension which would have been available to the member at his normal pension age;

"N" is the period of service in the member's existing scheme completed at the date the member leaves the scheme;

"NS" is the period of service in the member's existing scheme which the member would have completed had he remained in service until the date he attained his normal pension age.

(3) Where the number of years of service at retirement is less than ten and is not an exact number of years, the interpolation referred to in paragraph (2)(*a*) shall be effected as follows—

(*a*) where the number of complete years of service is less than five, 1/365th of a sixtieth for each additional day shall be added to the appropriate fraction;

(*b*) where the number of complete years of service is five, 3/365ths of a sixtieth for each additional day shall be added to the appropriate fraction;

(*c*) where the number of complete years of service is greater than five, 8/365ths of a sixtieth for each additional day shall be added to the appropriate fraction.