1973. No. 62 **[C]**

PENSIONS

Pensions Increase (Federated Superannuation System for Universities) Regulations (Northern Ireland) 1973

REGULATIONS, DATED 7TH MARCH 1973, MADE BY THE MINISTRY OF FINANCE UNDER SECTION 10 OF THE PENSIONS (INCREASE) ACT (NORTHERN IRELAND) 1971.

The Ministry of Finance, on behalf of the Secretary of State and in exercise of the powers conferred upon it by section 10 of the Pensions (Increase) Act (Northern Ireland) 1971(a) and of all other powers enabling it in that behalf, hereby makes the following Regulations:—

Citation and commencement

1. These Regulations may be cited as the Pensions Increase (Federated Superannuation System for Universites) Regulations (Northern Ireland) 1973 and shall be deemed to have come into operation on 30th June 1972.

Interpretation

2. In these Regulations—

"the 1971 Act" means the Pensions (Increase) Act (Northern Ireland) 1971;

"annuity value", in relation to a person whose period of F.S.S.U. service ended not later than the coming into operation of these Regulations, has the meaning given by Regulation 6 below, and, in relation to a person whose period of F.S.S.U. service ends after the coming into operation of these Regulations, has the meaning given by Regulation 7 below;

"appropriate pension rate" has the meaning given by Regulation 4 below;

"the civil service pension scheme" means the principal civil service pension scheme within the meaning of article 4 of the Superannuation (Northern Ireland) Order 1972(b) and for the time being in force;

"date of retirement" means, in relation to any person, the date of his retirement from the civil service of Northern Ireland;

"F.S.S.U. scheme" means a superannuation scheme operated under the Federated Superannuation System for Universities;

"government annuity tables" means, in relation to any time before 1st August 1962, the tables in force at that time under section 53 of the Government Annuities Act 1929(c), and, in relation to any time on or after 1st August 1962, the tables in force under the said section 53 at the commencement of the Finance Act 1962(d) as varied by any Order of the Treasury in force at that time under section 33(4) of the Finance Act 1962;

"notional annuity" has the meaning given by Regulation 5 below;

(a) 1971. c. 35 (N.I.).
(b) S.I. 1972. No. 1073 (N.I. 10).
(c) 19 & 20 Geo. 5. c. 29.
(d) 10 & 11 Eliz. 2. c. 44.

"period of F.S.S.U service" means, in relation to any person, the period in respect of which, while he was employed in relevant employment, contributions were paid in his case under an F.S.S.U. scheme, but does not include any period in respect of which the employer's contributions paid in his case have been refunded by him, and for this purpose any contributions refunded by him shall be taken to be those employer's contributions which were last paid in his case before he ceased to be subject to an F.S.S.U. scheme; and the said expression includes, in relation to a person in respect of whom the following conditions are fulfilled:—

(*a*) that he has been employed in employment in which his service would, if he had continued to serve in that employment, have rendered him eligible for a pension specified in Schedule 2 to the 1971 Act; and

(*b*) that a transfer value paid in respect of his service in that employment on his leaving that employment and entering other employment has been invested for his benefit under the Federated Superannuation System for Universities in the purchase of a policy of insurance on his life,

the period of service in respect of which that transfer value was paid;

"qualifying date" means, in relation to any person, the date on which he first satisfies one of the conditions set out in Regulation 3(*d*) below;

"The Regulations of 1965 to 1971" means the Federated Superannuation System for Universities (Pensions Increase) Regulations (Northern Ireland) 1965(**e**), the Federated Superannuation System for Universities (Pensions Increase) Regulations (Northern Ireland) 1966(**f**) and the Federated Superannuation System for Universities (Pensions Increase) Regulations (Northern Ireland) 1971(**g**);

"relevant employment" means any of the following kinds of employment:—

(*a*) employment in the civil service of Northern Ireland;

(*b*) employment in the civil service of the United Kingdom;

(*c*) employment by a university or university college in the United Kingdom (except employment before 1st April 1965 by a College of Advanced Technology or by Heriot-Watt College) or by a college of the University of Oxford or Cambridge;

(*d*) employment by any of the bodies specified in Schedule 1 to these Regulations;

"the Superannuation Acts" means the Superannuation Acts (Northern Ireland) 1967 and 1969(**h**), or, in relation to any time before 28th December 1967, the Acts repealed by the Superannuation Act (Northern Ireland) 1967.

Persons to whom the Regulations apply

3. These Regulations apply to any person who—

(*a*) has been employed in the civil service of Northern Ireland; and

(*b*) has been subject to an F.S.S.U. scheme; and

(*c*) has not refunded the whole amount of the employer's contributions paid in his case, during the period of his employment in relevant employment, under an F.S.S.U. scheme; and

(e) S.R. & O. (N.I.) 1965, No. 219.
(f) S.R. & O. (N.I.) 1966, No. 236.
(g) S.R. & O. (N.I.) 1971, No. 53.
(h) 1967. c. 24 (N.I.); 1969. c. 7 (N.I.).

(*d*) either—

(i) retires from the civil service of Northern Ireland after attaining the age of sixty years; or

(ii) having retired from the civil service of Northern Ireland not earlier than 11th August 1949 before attaining the age of sixty years, and not having again become employed in relevant employment, attains that age or satisfies the Ministry of Finance that he is disabled by physical or mental infirmity; or

(iii) having been retired from the civil service of Northern Ireland before attaining the age of sixty years in circumstances in which, if he had been subject to the Superannuation Acts or the civil service pension scheme, he would have qualified for an immediate award of pension, and not having again become employed in relevant employment, attains the age of fifty-five years; or

(iv) retires from the civil service of Northern Ireland on account of physical or mental infirmity.

Appropriate pension rate

4.—(1) There shall be ascribed to every person to whom these Regulations apply an appropriate pension rate calculated by multiplying one seventy-fifth of the average amount of his salary during the last three years of his period of F.S.S.U. service by forty or by the number of completed years of his period of F.S.S.U. service, whichever is the less.

(2) For the purpose of paragraph (1) above the amount of a person's salary shall be taken to be the amount of his remuneration which was taken into account in calculating the contributions paid in respect of him under an F.S.S.U. scheme.

(3) In calculating, for the purpose of paragraph (1) above, the number of completed years of a person's period of F.S.S.U. service, any period of not less than six months beyond a number of completed years shall be treated as a whole completed year.

(4) Where a person has made a payment in consideration of a period of service forming part of his period of F.S.S.U. service being treated as reckonable service for the purposes of the Superannuation Acts or the civil service pension scheme, the period of service so treated shall not be included in his period of F.S.S.U. service in calculating his appropriate pension rate in accordance with paragraph (1) above.

(5) Where a person's period of F.S.S.U. service includes a period of service in respect of which a transfer value has been paid, and any such service was, for the purpose of calculating the amount of the transfer value, taken into account at a fraction of its actual length, that service shall be taken into account at the same fraction of its actual length in calculating the number of completed years of his period of F.S.S.U. service for the purpose of paragraph (1) above.

Notional annuity

5.—(1) Where the period of F.S.S.U. service of a person to whom these Regulations apply ended not later than the coming into operation of these Regulations, there shall be ascribed to him a notional annuity calculated in accordance with the following provisions of this Regulation.

(2) Where a person's superannuation benefit is provided by means of an insurance policy, and he is not such a person as is described in paragraph (5) below, his notional annuity shall, subject to paragraph (4) below, be equal to the annuity, calculated in accordance with the guaranteed rates of the insurance company with whom the policy is taken out, which would have been payable to him if he had elected to take the total benefits payable under the policy at the date of his retirement in the form of an annuity.

(3) Where a person's superannuation benefit is provided not by means of an insurance policy but by means of the investment and accumulation of contributions, and he is not such a person as is described in paragraph (5) below, his notional annuity shall, subject to paragraph (4) below, be equal to the annuity, calculated in accordance with the government annuity tables in force at the date of his retirement, which would have been payable to him if he had elected to take the total sum which would have been payable to him on his retirement in the form of an annuity.

(4) In calculating a person's notional annuity in accordance with paragraph (2) or (3) above, there shall be left out of account any benefit which is not attributable to his period of F.S.S.U. service (which for this purpose shall include service with the National Physical Laboratory prior to its being taken over by the Department of Scientific and Industrial Research).

(5) Where a person has before the date of his retirement ceased to be subject to an F.S.S.U. scheme and has become subject to the Superannuation Acts or the civil service pension scheme otherwise than by reason of his transferring from one appointment to another in the civil service of Northern Ireland, his notional annuity shall be equal to the annuity, calculated in accordance with the government annuity tables in force at the date of his retirement, which a sum equal to his accumulated contributions would purchase for him at that date.

(6) For the purposes of paragraph (5) above, "accumulated contributions" means, in relation to any person, the total sum which would have accumulated at the date of his retirement if, in respect of each year of the period of his F.S.S.U. service and any uncompleted part of a year at the end of such period, a sum equal to fifteen per cent. of the annual rate of the salary to which he was entitled at the beginning of such year (or, in the case of any such uncompleted part of a year, fifteen per cent. of the proportionate part of such annual rate) had been accumulated with compound interest at three per cent. per annum calculated with yearly rests from the beginning of such year or uncompleted part of a year until the date of his retirement:

Provided that where a person's period of F.S.S.U. service includes a period of service in respect of which a transfer value has been paid, and any such service was, for the purpose of calculating the amount of the transfer value, taken into account at a fraction of its actual length, then in respect of the service so taken into account the percentage of the annual rate of his salary to be used in calculating his accumulated contributions shall, instead of fifteen per cent., be the appropriate fraction of fifteen per cent.

Annuity value for persons whose F.S.S.U. service ended not later than the coming into operation of these Regulations

6.—(1) There shall be ascribed to every person to whom these Regulations apply and whose period of F.S.S.U. service ended not later than the coming into operation of these Regulations an annuity value calculated in accordance with the following provisions of this Regulation.

(2) Where a person's qualifying date is not later than the date of the coming into operation of these Regulations, his annuity value shall be taken to be the annuity which could be purchased, at the appropriate rate given in Schedule 2 to these Regulations for his qualifying date and for his age on that date, with a capital sum calculated in accordance with paragraphs (4) to (6) below.

(3) Where a person's qualifying date is later than the date of the coming into operation of these Regulations, his annuity value shall be taken to be the annuity which could be purchased at the rates offered at his qualifying date by the insurance companies with which the insurance policies held on his behalf under an F.S.S.U. scheme are effected, with a capital sum calculated in accordance with paragraphs (4) to (6) below.

(4) For the purpose of calculating a person's annuity value in accordance with paragraph (2) or (3) above, the capital sum shall, subject to paragraphs (5) and (6) below, be taken to be—

(*a*) the capital sum payable on his retirement under the insurance policies held on his behalf under an F.S.S.U. scheme; or

(*b*) if the sum specified in (*a*) above is not known, the paid up value of such policies at the end of his period of F.S.S.U. service; or

(*c*) if the sums specified in (*a*) and (*b*) above are not known, whichever is the greater of—

(i) the surrender value of such policies at the end of his period of F.S.S.U. service, or

(ii) his accumulated contributions calculated in accordance with paragraph (7) below; or

(*d*) if the sums specified in (*a*), (*b*) and (*c*)(i) above are not known, his accumulated contributions calculated in accordance with paragraph (7) below;

and, in a case where a person's period of F.S.S.U. service ended before he attained the age of sixty years, there shall be added to any capital sum determined in accordance with (*b*), (*c*) or (*d*) above compound interest at four per cent. per annum calculated with annual rests for the period beginning immediately after the end of his period of F.S.S.U. service and ending with his qualifying date.

(5) In determining the capital sum in accordance with paragraph 4(*a*), (*b*) or (*c*)(i) above, there shall be left out of account any sum which is not attributable to the person's period of F.S.S.U. service.

(6) Where a person has made a payment in consideration of a period of service forming part of his period of F.S.S.U. service being treated as reckonable service for the purposes of the Superannuation Acts or the civil service pension scheme, the capital sum determined in accordance with paragraph (4) above shall be reduced by the amount of the payment.

(7) For the purpose of paragraph 4(*c*)(ii) or (4)(*d*) above, "accumulated contributions" means, in relation to any person, the total sum which would have accumulated at the end of his period of F.S.S.U. service if, in respect of each year of his period of F.S.S.U. service and any uncompleted part of a year at the end of such period, a sum equal to fifteen per cent. of the annual rate of the salary to which he was entitled at the beginning of such year (or, in the case of any such uncompleted part of a year, fifteen per cent. of the proportionate part of such annual rate) had been accumulated with compound interest at four per cent. per annum with yearly rests from the beginning of such year or uncompleted part of a year until the end of his period of F.S.S.U. service: