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STATUTORY RULES OF NORTHERN IRELAND

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**2015 No. 69**

**EDUCATION**

**The Teachers' Superannuation (Amendment)  
Regulations (Northern Ireland) 2015**

*Made* - - - - *18th February 2015*

*Coming into operation* *1st April 2015*

The Department of Education makes the following Regulations in exercise of the powers conferred by Articles 11(1)(1), (2), (3), (3A)(2) and paragraphs 1, 3, 4, 5, 6, 8, 11 and 13 of Schedule 3 to the Superannuation (Northern Ireland) Order 1972(3).

In accordance with Article 11(5) of that Order consultation has taken place with representatives of local education authorities and of teachers and with representatives of other persons likely to be affected.

In accordance with Article 11(1) of that Order these Regulations are made with the consent of the Department of Finance and Personnel(4).

**Citation and commencement**

1. These Regulations may be cited as the Teachers' Superannuation (Amendment) Regulations Northern Ireland) 2015 and shall come into operation on 1st April 2015.

**Amendment of Superannuation Regulations**

2. The Teachers' Superannuation Regulations Northern Ireland) 1998 (5) are amended in accordance with regulations 3 to 9.

**Amendments to regulation C2 (Ordinary Contributions)**

3.—(1) Regulation C2 is amended as provided by paragraphs (2) and (3).

(2) Omit paragraph (1).

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(1) As amended by [S.I. 1990/1509 \(N.I. 13\)](#) Article 13(1)

(2) As amended by [S.I. 1990/1509 \(N.I. 13\)](#) Article 6(1)

(3) [S.I. 1972/1073 \(N.I. 10\)](#)

(4) Formerly Department of Finance: see [S.I. 1982/338 \(N.I. 6\)](#) Article 3

(5) [S.R. 1998 No. 333](#), as amended by [S.R. 2001 No. 149](#), [S.R. 2003 No. 147](#), [S.R. 2005 No. 181](#), [S.R. 2005 No. 495](#), [S.R. 2006 No. 163](#), [S.R. 2006 No. 366](#), [S.R. 2007 No. 137](#), [S.R. 2008 No. 50](#), [S.R. 2010 No. 137](#), [S.R. 2012 No. 126](#), [S.R. 2013 No. 54](#), [S.R. 2014 No. 37](#) and [S.R. 2014 No. 70](#).

(3) For paragraph (2) substitute—

- (a) “(2) A person who is in pensionable employment is to pay contributions of—
- (i) before 1<sup>st</sup> April 2012, 6.4% of his contributable salary;
  - (ii) from 1<sup>st</sup> April 2012 to 31<sup>st</sup> March 2013 (both dates inclusive), for each month during which he is in pensionable employment, the percentage rate set out in table A which is applicable to his contributable salary rate for that month or, if part-time, the full-time equivalent contributable salary rate;
  - (iii) from 1<sup>st</sup> April 2013 to 31<sup>st</sup> March 2014 (both dates inclusive), for each month during which he is in pensionable employment, the percentage rate set out in table B which is applicable to his contributable salary rate for that month or, if part-time, the full-time equivalent contributable salary rate;
  - (iv) on or after 1<sup>st</sup> April 2014 to 31<sup>st</sup> March 2015 (both dates inclusive), for each month during which he is in pensionable employment, the percentage rate set out in table C which is applicable to his contributable salary rate for that month or, if part-time, the full-time equivalent contributable salary rate; and
  - (v)
    - (aa) on or after 1
    - (bb) The percentage rate of employees’ contributions for a pensionable employment is the rate in Column 2 of table D which corresponds to the band which includes the salary for that employment in Column 1.
    - (cc) The salary bands in Column 1 are increased for each financial year, if there is a relevant increase in the consumer prices index for that financial year, by the appropriate percentage for the financial year, rounded up to the nearest £1.
    - (dd) There is a relevant increase in the consumer prices index for a financial year if the consumer prices index for the month of September before that financial year is higher than that for the previous September.
    - (ee) The appropriate percentage for the tax year is the same percentage as the percentage increase in the consumer prices index.
    - (ff) In this regulation, “consumer prices index” means the all items consumer prices index published by the Statistics Board, a body corporate established by section 1 of the Statistics and Registration Service Act 2007(6).

**Table A**

<i>Full-time equivalent contributable salary band (£)</i>	<i>Contribution Rate</i>
Below 15,000	6.4%
15,000 to 25,999	7.0%
26,000 to 31,999	7.3%
32,000 to 39,999	7.6%
40,000 to 74,999	8.0%

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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75,000 to 111,999	8.4%
112,000 and above	8.8%

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**Table B**

<i>Full-time equivalent contributable salary band (£)</i>	<i>Contribution Rate</i>
Below 15,000	6.4%
15,000 to 25,999	7.0%
26,000 to 31,999	7.9%
32,000 to 39,999	8.8%
40,000 to 44,999	9.2%
45,000 to 74,999	10.1%
75,000 to 99,999	10.6%
100,000 and above	11.2%

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**Table C**

<i>Full-time equivalent contributable salary band (£)</i>	<i>Contribution Rate</i>
Below 15,000	6.4%
15,000 to 25,999	7.2%
26,000 to 31,999	8.3%
32,000 to 39,999	9.5%
40,000 to 44,999	9.9%
45,000 to 74,999	11%
75,000 to 99,999	11.6%
100,000 and above	12.4%

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**Table D**

<i>Column 1</i>	<i>Column 2</i>
<i>Salary for the pensionable employment from 1 April 2015</i>	<i>Employees' contribution rate</i>
£0 to £25,999	7.4%
£26,000 to £34,999	8.6%
£35,000 to £41,499	9.6%
£41,500 to £54,999	10.2%
£55,000 to £74,999	11.3%

≥ £75,000

11.7%.”

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#### **Amendments to regulation E4 (Entitlement to payment of retirement benefits)**

4. In regulation E4(7), paragraph (4) for sub-paragraph (c) substitute—

- “(c) made an application for payment under regulation E33(2) within two years after the end of pensionable employment; and  
(d) is not within Case F;”.

#### **Amendments to regulation E14 (Abatement of retirement pension during further employment)**

5. For regulation E14 substitute—

##### **“Interpretation: abatement of pension**

**E14.** In this regulation and regulations E14A to E14D

“abatable pension” means the sum of a person’s retirement pension—

- (a) disregarding the effect of any reduction under regulation E14D; and  
(b) excluding—  
(i) phased retirement pension,  
(ii) additional pension,  
(iii) a pension (or part of a pension) which is payable to the person (P) by reason of Case G applying to P’s reckonable service, and  
(iv) retirement benefits defined in and payable under the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014(8);

“adjusted salary of reference” for a person (P) is—

- (a) if P’s previous employment was full-time, the higher of—  
(i) the highest salary taken into account in determining P’s average salary under regulation E31 or E31A, multiplied by the adjustment factor, or  
(ii) (if applicable) the highest salary taken into account in determining P’s average salary under regulation E31 or E31A relating to P’s further employment, multiplied by the adjustment factor;  
(b) if P’s previous employment was part-time, the higher of the full-time equivalent of—  
(i) the highest salary taken into account in determining P’s average salary under regulation E31 or E31A, multiplied by the adjustment factor, or  
(ii) (if applicable) the highest salary taken into account in determining P’s average salary under regulation E31 or E31A relating to P’s further employment, multiplied by the adjustment factor;  
(c) if P becomes entitled to a further retirement pension during a tax year, and the salary of reference for P’s employment immediately prior to the further retirement (“the new higher salary of reference”) is higher than that for the previous employment (“the existing salary of reference”), the sum of—

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(7) Regulation E4 was amended by S.R. 2014 No. 37, regulation 8

(8) S.R. 2014 No. 310

- (i) the existing salary of reference divided by 365 multiplied by the number of days from the beginning of the tax year to the day before the further retirement; and
- (ii) the new higher salary of reference divided by 365 multiplied by the number of days from the date of entitlement to further retirement benefits to the end of the tax year;

“adjustment factor” for a salary is the amount (if any) by which, immediately before the first day of the employment, that salary would have increased if it had been the annual rate of an official pension as defined in section 5(1) of the Pensions Increase Act (Northern Ireland) 1971<sup>(9)</sup>, beginning and first qualifying for increases under that Act, on the same date as—

- (a) the last day of employment at that salary, in a case where the average salary was determined under regulation E31, or
- (b) the retirement pension, in a case where the average salary was determined under regulation E31A;

“initial adjusted salary of reference” is a person’s adjusted salary of reference divided by 365 and multiplied by the number of days in the initial period;

“initial period” is that part of a tax year running from a person’s entitlement day in respect of retirement benefits and ending at the end of the tax year;

“pension receipts” means the sum of a person’s retirement pension—

- (a) including—
  - (i) phased retirement pension,
  - (ii) a pension (or part of a pension) which is payable to the person (P) by reason of Cases A, F or G applying to P’s reckonable service, including mandatory compensation for premature retirement of the Teachers (Compensation for Redundancy and Premature Retirement) Regulations (Northern Ireland) 2010<sup>(10)</sup>, and compensation payable under regulation 12 (discretionary compensation for premature retirement) of those Regulations,
  - (iii) retirement benefits defined in and payable under the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014; and
- (b) excluding additional pension; and

“salary” means—

- (a) contributable salary;
- (b) pensionable earnings as defined in Chapter 4 of Part 3 of the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014.

### **Scope of abatement of retirement pension following further employment**

**E14A.** Regulation E14B applies to a person (P) to whom retirement benefits have become payable and who is employed—

- (a) in pensionable employment, comparable service or employment which would have been pensionable but for—
  - (i) P having made an election under regulation B(4) (election for employment not to be pensionable), or

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<sup>(9)</sup> 1971 c. 35 (N.I.)  
<sup>(10)</sup> S.R. 2010 No. 136

- (ii) P having reached the age of 75;
- (b) in part-time employment in a capacity described in paragraphs 1 to 6 of Schedule 2, which is not pensionable employment by reason of the fact that the employment falls within regulation B1(4) and P has not made an election for the purposes of that regulation; or
- (c) in full-time employment which is not pensionable employment by reason of the fact that the employment falls within regulation B1(2), and P has not made an election under that regulation.

#### **Abatement of a retirement pension following further employment**

**E14B.**—(1) Where this regulation applies to a person (P) and P is in an initial period—

- (a) if P's salary in the employment during the initial period equals or exceeds P's initial adjusted salary of reference, no abatable pension is to be paid in that tax year;
- (b) in any other case, the abatable pension to which P is entitled in the initial period is to be paid only in respect of X number of days, where

$$X = A/B$$

where

A is the amount by which P's salary in the employment during the initial period falls short of P's initial adjusted salary of reference; and

B is the total of P's pension receipts for the initial period divided by the number of days in the initial period.

(2) Where this regulation applies to P and P is not in an initial period—

- (a) if P's salary in the tax year equals or exceeds P's adjusted salary of reference, no abatable pension is to be paid in that tax year;
- (b) in any other case, the abatable pension to which P is entitled in that tax year is to be paid only in respect of X number of days, where

$$X = A/B$$

where

A is the amount by which P's salary in the employment during the tax year falls short of P's adjusted salary of reference; and

B is the total of P's pension receipts for the tax year divided by 365.

#### **Method of abatement**

**E14C.**—(1) Where the abatable pension of a person (P) falls to be reduced—

- (a) under regulation E14B(1), paragraph (2) applies, or
- (b) under regulation E14B(2), paragraph (3) applies.

(2) Where this paragraph applies, the Department is to pay P's abatable pension in accordance with regulation E33, without taking account of the reduction, until the abatable pension has been paid in respect of the number of days calculated in regulation E14B(1)(b), on the assumption that P will remain in employment at the same salary for the remainder of the initial period.

(3) Where this paragraph applies, the Department is to pay P's abatable pension in accordance with regulation E33, without taking account of the reduction, until the abatable pension has been paid in respect of the number of days calculated in regulation E14B(2)(b), on the assumption that P will remain in employment at the same salary for the remainder of the tax year.

(4) When P's abatable pension has been paid in respect of the number of days calculated in regulation E14B(1)(b) or (2)(b) paragraph (5) applies, unless P ceases to be in the employment, or is in employment at a lower salary, in which case paragraph (6) applies.

(5) If this paragraph applies the Department is to pay no further abatable pension to P in respect of—

- (a) the remainder of the initial period, if regulation E14B(1)(b) applies, or
- (b) the remainder of the tax year, if regulation E14B(2)(b) applies.

(6) If this paragraph applies the Department is to pay P's abatable pension during the remainder of the initial period or tax year, of such amount and at such times as is necessary in order to achieve the outcome described in—

- (a) regulation E14B(1)(b) in respect of an initial period, or
- (b) regulation E14B(2)(b) in respect of a tax year.

#### **Recovery of overpaid pension**

**E14D.**—(1) If the abatable pension paid in any tax year has exceeded the amount which should have been paid by virtue of regulations E14B and E14C, the difference between the amount which has been paid and the amount which should have been paid is an overpayment to which paragraph (2) applies.

(2) Where this paragraph applies, the overpayment is recoverable—

- (a) under regulation E14E;
- (b) by a reduction in the abatable pension paid in any subsequent tax year; or by a combination of (a) and (b).

#### **Cessation of benefits where no entitlement**

**E14E.**—(1) This regulation applies where after paying a benefit the Department determines that there was no entitlement to the benefit.

(2) The Department may—

- (a) cease to pay the benefit;
- (b) withhold the whole or any part of the benefit;
- (c) in the case of a payment made when there was no entitlement to the benefit, recover any such payment.”.

#### **Amendments to Part F (Transfer Values)**

- 6. For Part F substitute—

**“PART F**  
**Transfers**  
**CHAPTER 1**  
**General provisions**

**Application of Part**

**F1.**—(1) This Part does not affect a person’s entitlement to a cash equivalent conferred by or under Chapter 4 of Part 4 of Pension Schemes (Northern Ireland) Act 1993.

(2) A transfer value in respect of any pension credit rights or pension credit benefits is not to be paid or accepted under this Part.

(3) A transfer value in respect of a person (P) is not to be accepted under this Part if the previous scheme was a money purchase arrangement as defined in section 152 of the Finance Act 2004—

- (a) to which P’s employer was not a contributor, and
- (b) which provided benefits additional to those provided by a scheme to which P was a contributor.

(4) Under this Part a transfer value may not be paid in respect of P’s phased retirement benefits in payment, only in respect of P’s other benefits.

(5) A transfer value may be paid or accepted under this Part, in respect of P, to the extent that paragraph (6) or (7) applies to the transfer value.

(6) A transfer value referable to P’s NPA 65 reckonable service may be paid or accepted if—

- (a) P is a person with mixed service, and
- (b) P’s NPA 60 reckonable service has come into payment.

(7) A transfer value referable to P’s further employment may be paid if—

- (a) retirement benefits, a short-service serious ill-health grant or a short-service annuity have not come into payment in respect of that further employment, and
- (b) retirement benefits, a short-service serious ill-health grant or a short-service annuity have come into payment in respect of the previous employment.

(8) In this regulation—

“P’s NPA 60 reckonable service” means reckonable service in relation to which P has a normal pension age of 60;

“P’s NPA 65 reckonable service” means reckonable service in relation to which P has a normal pension age of 65.

**Interpretation of Part**

**F2.** In this Part—

“club transfer value” in relation to reckonable service in this scheme or another club scheme, means an amount calculated-

- (a) in accordance with the club transfer arrangements, and
- (b) by reference to tables provided by the Government Actuary for this purpose that are in use on the date used for the calculation.



“CUKS transfer value” in relation to reckonable service in this scheme or a comparable United Kingdom scheme, means an amount calculated in accordance with the arrangements for comparable United Kingdom scheme transfers.

“transfer value” in relation to reckonable service which is not related to a club transfer value or a CUKS transfer value, under-

- (a) this scheme, means a value determined by the Department having taken advice from the scheme actuary, or
- (b) another scheme, means a value determined by the scheme actuary for that scheme and accepted by the Department.

“comparable United Kingdom scheme” means a pension scheme for teachers in public employment in any part of the united Kingdom other than Northern Ireland.

### **Reduction in transfer value: lifetime allowance charge**

**F3.**—(1) This regulation applies where—

- (a) the lifetime allowance charge under section 214 of the Finance Act 2004 arises on the payment of a cash equivalent or a transfer value in respect of a person to a qualifying recognised overseas pension scheme, and
- (b) the person and the Department are jointly and severally liable to the charge.

(2) The Department must pay the charge.

(3) The cash equivalent or transfer value which, apart from this regulation, would be payable must be reduced to reflect the amount of the charge in such manner as the Department determines, after taking advice from the scheme actuary.

(4) In this regulation “qualifying recognised overseas pension scheme” has the same meaning as in Part 4 of the Finance Act 2004.

## CHAPTER 2

### Transfers on a club basis

#### *SECTION 1*

#### *Application of Chapter*

### **Application of this Chapter**

**F4.** This Chapter applies in relation to the payment and acceptance of club transfer values.

#### *SECTION 2*

#### *Transfers out*

### **Application of this Section**

**F5.**—(1) This Section applies to-

- (a) a person who ceases to be in pensionable employment and enters a club scheme;
- (b) a person who—
  - (i) ceases to be in pensionable employment,

- (ii) enters a public service scheme established for teachers and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015, and
- (iii) makes an application for a transfer value payment on or before 31st March 2017.

(2) Part 1 of Schedule 11 determines the amount of a club transfer value payment.

#### **Payment under this Section**

**F6.**—(1) A club transfer value may only be paid under this Section in respect of a person (P) if P satisfies the conditions in either paragraph (2) or (3).

(2) The conditions are that P—

- (a) has left all pensionable employment under this scheme,
- (b) makes a written application to the Department within 12 months beginning with the date on which P becomes subject to another club scheme,
- (c) meets the requirements for a club transfer from the receiving scheme, and
- (d) has not reached the age of 75.

(3) The conditions are that P—

- (a) has entered pensionable employment in a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015, after leaving this scheme, and makes a written application for a transfer value payment to the Department either-
  - (i) on or before the day on which P reaches the normal pension age, or
  - (ii) after the day on which P reaches the normal pension age, having entered pensionable employment-
    - (aa) on or before the day on which P reaches the normal pension age, and
    - (bb) immediately after the end of P's employment in this scheme service, and
- (b) makes the application on or before 31st March 2017.

#### **Restrictions on the payment of a club transfer value**

**F7.** Save as provided in regulation F1(5), a club transfer value is not to be paid under this Section if, before a person's application for a club transfer value payment is received, the person-

- (a) becomes subject to another club scheme and is in receipt of retirement benefits,
- (b) is in receipt of a short-service incapacity grant, or
- (c) is in receipt of a short-service annuity.

### *SECTION 3*

#### *Transfers in*

#### **Application of this Section**

**F8.**—(1) This Section applies to—

- (a) a person who ceases to be in another club scheme and enters pensionable employment in this scheme, and
  - (b) a person who-
    - (i) ceases to be in a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man on or before 31st March 2015,
    - (ii) enters pensionable employment in this scheme on or before 31st March 2015, and
    - (iii) makes an application for a transfer value payment on or before 31st March 2017.
- (2) A person in respect of whom a club transfer value is accepted is entitled to count reckonable service in accordance with paragraph 8A of Part 2 of Schedule 11.

### **Receipt under this Section**

**F9.**—(1) A club transfer value may be accepted under this Section in respect of a person (P) if P satisfies the conditions in either paragraph (2) or (3).

- (2) P-
  - (a) enters pensionable employment,
  - (b) makes a written application to the Department within 12 months from the date on which P enters pensionable employment,
  - (c) makes the application before P attains the age of 75, and
  - (d) before P ceased to be subject to the previous scheme, retirement benefits have not come into payment to P either-
    - (i) under regulation E4 (retirement benefits), or
    - (ii) under a provision of a statutory scheme corresponding to regulation E4.
- (a) (3) P enters pensionable employment on or before 31st March 2015, after leaving a public service scheme for teachers established and maintained in the Channel Islands or the Isle of Man, and either-
  - (i) makes a written application to the Department on or before the day on which P reaches the normal pension age, or
  - (ii) makes the application after the day on which P reaches the normal pension age, having entered pensionable employment-
    - (aa) on or before the day on which P reaches the normal pension age, and
    - (bb) immediately after the end of P's employment in the previous scheme service, and
- (b) P makes the application on or before 31st March 2017.

## CHAPTER 3

### Transfers on a comparable United Kingdom service basis

#### SECTION 1

##### *Application of Chapter*

#### **Application of this Chapter**

**F10.** This Chapter applies in relation to the payment and acceptance of CUKS transfer values.

#### SECTION 2

##### *Transfers out*

#### **Application of this Section**

**F11.**—(1) This Section applies if—

- (a) a person (P) ceases to be in pensionable employment and has become subject to a comparable United Kingdom scheme on or before 31st March 2015, and
- (b) P makes an application for a transfer value payment on or before 31st March 2017.

(2) Part 1 of Schedule 11 determines the amount of a CUKS transfer value payment.

#### **Payment under this Section**

**F12.**—(1) A CUKS transfer value may only be paid under this Section in respect of a person (P) if either paragraph (2) or (3) applies.

(2) P makes an application for a CUKS transfer value payment on or before the day P reaches the normal pension age.

- (a) (3) P makes an application for a CUKS transfer value after the day on which P reaches the normal pension age,
- (b) P joined the comparable United Kingdom scheme-
  - (i) immediately after ceasing to be in pensionable employment, and
  - (ii) before reaching the normal pension age, and
- (c) before P's application for a CUKS transfer value payment is received, P is not in receipt of-
  - (i) retirement benefits from the other comparable United Kingdom scheme,
  - (ii) a short-service incapacity grant, or
  - (iii) a short-service annuity.

#### SECTION 3

##### *Transfers in*

#### **Application of this Section**

**F13.**—(1) This Section applies if a person—

- (a) ceases to be in a comparable United Kingdom scheme,

- (b) enters pensionable employment in this scheme on or before 31st March 2015, and
  - (c) makes an application for a transfer value payment on or before 31st March 2017.
- (2) A person in respect of whom a CUKS transfer value is accepted is entitled to count reckonable service in accordance with Part 2 of Schedule 11.

### **Receipt under this Section**

**F14.**—(1) A CUKS transfer value payment may be accepted under this Section in respect of a person (P) to whom this Section applies, if either paragraph (2) or (3) applies.

- (a) (2) P makes an application for a CUKS transfer value on or before the day on which P reaches the normal pension age, and
- (b) when P's application is received, P is not in receipt of—
  - (i) retirement benefits under this scheme,
  - (ii) a short-service incapacity grant, or
  - (iii) a short-service annuity.
- (a) (3) P makes an application for a CUKS transfer value after the day on which P reaches the normal pension age, and
- (b) P entered pensionable employment—
  - (i) immediately after ceasing comparable United Kingdom service, and
  - (ii) on or before the date on which P reaches the normal pension age.

## CHAPTER 4

### Transfers on a cash equivalent basis

#### SECTION 1

##### *Application of this Chapter*

### **Application of this Chapter**

**F15.** This Chapter applies in relation to the payment and acceptance of transfer values.

#### SECTION 2

##### *Transfers out*

### **Application of this Section**

**F16.**—(1) This Section applies if a person ceases to be in pensionable employment and has become subject to another registered pension scheme as defined in Section 150(2) of the Finance Act 2004.

(2) This Section only applies to a person who ceases to be in pensionable employment and becomes subject to a personal pension scheme if the person was in pensionable employment after 31st December 1985.

### **Payment under this Section**

**F17.** A transfer value may only be paid under this Section in respect of a person (P) if P—

- (a) has left all pensionable employment under this scheme,
- (b) makes a written application for a transfer value payment to the Department within 12 months from the date on which P becomes subject to another registered pension scheme, and
- (c) has not reached the normal pension age when P's application is received.

#### **Restrictions on the payment of a transfer value**

**F18.** A transfer value is not to be paid under this Section if, before a person's application for a transfer value payment is received, the person is in receipt of—

- (a) retirement benefits under this scheme,
- (b) a short-service incapacity grant, or
- (c) a short service annuity.

#### **Limitation on payment of transfer values**

**F19.—(1)** Where the receiving scheme is not a contracted-out occupational pension scheme a transfer value may only be paid under this Section if the person—

- (a) is not qualified for retirement benefits, or
- (b) has ceased to be in pensionable employment before 6th April 1978, or
- (c) is a married woman or widow who, by virtue of an election made or treated as made under regulations under section 19(4) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992<sup>(11)</sup>, either is liable to pay primary Class 1 contributions or Class 2 contributions at a reduced rate or is under no liability to pay Class 2 contributions.

(2) Where a person has accrued section 9(2B) rights a transfer value may only be paid under regulation F1 in respect of those rights if any applicable provisions of Part 3 of the Contracting-Out (Transfer and Transfer Payments Regulations) (Northern Ireland) 1996 are complied with.

(3) Where the person has acquired a right to a cash equivalent, a transfer value may only be paid under this Section if—

- (a) the service to which the cash equivalent relates includes service before 1st September 1988, and
- (b) the right has been exercised by requiring the whole of the cash equivalent to be paid to the scheme managers of an occupational pension scheme which is not a club scheme.

(4) Where the person has acquired a right to a part cash equivalent, a transfer value may only be paid under this Section if the person would not remain qualified for retirement benefits on taking that right.

(5) In this regulation—

“occupational pension scheme” has the same meaning as in section 150(5) of the Finance Act 2004, and

“receiving scheme” means the scheme a person becomes subject to after leaving pensionable employment.

### SECTION 3

#### *Transfers in*

#### **Application of this Section**

**F20.**—(1) This Section applies if a person ceases to be in another registered pension scheme and enters pensionable employment.

(2) A person in respect of whom a transfer value on a cash equivalent basis is accepted is entitled to count reckonable service in accordance with Part 2 of Schedule 11.

#### **Receipt under this Section**

**F21.** A transfer value may be accepted under this Section in respect of a person (P) who enters pensionable employment if—

- (a) P makes a written application to the Department within 12 months beginning with the date on which P enters pensionable employment, and
- (b) P’s application is made before P attains the normal pension age.

#### **Restrictions on the acceptance of a transfer value**

**F22.** A transfer value payment in respect of a person (P) may not be accepted under this Section if, before P’s application for a transfer value payment is received, P is in receipt of—

- (a) retirement benefits under this scheme,
- (b) a short-service incapacity grant, or
- (c) a short-service annuity.

## CHAPTER 5

### Bulk transfers

#### SECTION 1

#### *Transfers out*

#### **Payment of bulk transfer values**

**F23.**—(1) This regulation applies where, as a result of a relevant transfer to a new employer, a person or a group of persons is no longer in pensionable employment, and either has joined or is entitled to join the new employer’s pension scheme (“the receiving scheme”) referred to below as a bulk transfer.

(2) A transfer value may be calculated by the Department, after taking advice from the scheme actuary, in respect of a person who has made a written application to the Department for such a transfer within 3 months beginning with the date on which the person was notified of the opportunity to take part in the bulk transfer arrangement.

(3) Such transfer value may be paid to the receiving scheme on the person’s becoming subject to the scheme.

## *SECTION 2*

### *Transfers in*

#### **Acceptance of bulk transfer values**

**F24.**—(1) This regulation applies where, as the result of a relevant transfer to a new employer, a person or a group of persons has become employed in pensionable employment and is given the opportunity to transfer past service pension rights, referred to below as a “bulk transfer”.

(2) A transfer value may be accepted by the Department in respect of a person who has made a written application within 3 months beginning with the date on which the person was notified of the opportunity to take part in the bulk transfer, but this paragraph is subject to regulation F22.

(3) A person in respect of whom a transfer of such rights has been accepted as part of a bulk transfer is entitled to count reckonable service in accordance with paragraph (4).

(4) A person is entitled to count as reckonable service a period of service determined in accordance with the terms of the bulk transfer as agreed between the Department and the scheme manager of the previous scheme, the Department having taken advice from the scheme actuary as to those terms.”.

#### **Amendments to Schedule 1 (Glossary of Expressions)**

7. In Schedule 1 insert the following definition at the appropriate place in alphabetical order—
- ““scheme actuary” means the person appointed by the scheme manager for the time being to provide a consulting service on actuarial matters.”

#### **Amendments to Schedule 11 (Transfer values), Part 2 (Inward Transfers)**

8. In Schedule 11—

- (a) For paragraphs 8 and 9, substitute—

“8. If Section 3 of Chapter 3 of Part F (Transfers on a CUKS basis; transfers in) applies, a person (P) is entitled to count as reckonable service the period of service under a comparable United Kingdom scheme certified by the scheme managers as having stood to P’s credit under the scheme when P ceased to be subject to it.

**8A.**—(1) If Section 3 of Chapter 2 of Part F (Transfers on a club basis; transfer in) applies, a person (P) is entitled to count as reckonable service the period specified in this paragraph.

(2) A period specified in this paragraph is determined by the Department having taken advice from the scheme actuary and by reference to the age and salary of P notified by the scheme manager of the club scheme.

(3) Any sum representing interest that is included in the transfer value is not to be taken into account.

**9.**—(1) If Section 3 of Chapter 4 of Part F (Transfers on a cash equivalent basis; transfer in) applies, a person (P) is entitled to count as reckonable service the period specified in this paragraph.

(2) A period specified in this paragraph is determined by the Department having taken advice from the scheme actuary and by reference to—



- (a) P's age and salary at the date P entered pensionable employment, if a transfer value is received within 12 months of entering pensionable employment;
- (b) P's age and salary at the date a transfer value is received, if the transfer value is received more than 12 months after P enters pensionable employment.
- (3) Any sum representing interest that is included in the transfer value is to be taken into account.”.
- (b) For sub-paragraph 1(a) of paragraph 10, substitute—
  - “(a) the person is subject to a personal pension scheme after ceasing to be in pensionable employment and that pensionable employment was after 31st December 1985.”.

### **Minor and Consequential Amendments**

- 9.**—(1) In regulation D1(1)(b) for “regulation F4(8) (acceptance of transfer values) or F4A(3) (acceptance of transfer values as part of a club scheme)” substitute “Part F (Transfers)”.
- (2) In regulation D2(b) for “regulation F1 or F1A” substitute “Part F (Transfers)”.
  - (3) In regulation E27(1)(e) for “regulation F4” substitute “Part F (Transfers)”.
  - (4) In Schedule 11 ( Transfer Values)—
    - (a) for the cross reference “ F2(1) and F4(8)” substitute “ F5(2), F8(2), F11(2), F13(2) and F20(2)”;
    - (b) in paragraph 10(1)(g) for “regulation F4” substitute “ Part F ( Transfers)”;
    - (c) in paragraph 10(3)(a)i)—
      - (i) for “ regulation F4” substitute “ Part F”;
      - (ii) for “ regulation F4(3)” (in both places) and for “regulation F1” substitute” that Part”;
    - (d) in paragraph 10(3)(a)(ii) for “ regulation F4(3)” substitute “ Part F”;
    - (e) in paragraph 10(3)(b) for “ regulation F1” substitute “ Part F”.

### **Revocation**

**10.** The Teachers' Superannuation (Amendment) (No 2) Regulations Northern Ireland) 2014(**12**) are revoked.

Sealed with the Official Seal of the Department of Education on 18th February 2015.



*La'Verne Montgomery*  
A senior officer of the  
Department of Education

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**Status:** This is the original version (as it was originally made). This item of legislation is currently only available in its original format.

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The Department of Finance and Personnel consents to the foregoing Regulations.  
Sealed with the Official Seal of the Department of Finance and Personnel on 18th February 2015.



*Emer Morelli*  
A senior officer of the  
Department of Finance and Personnel

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## EXPLANATORY NOTE

*(This note is not part of the Order)*

These Regulations, which come into force on 1st April 2015, amend the Teachers' Superannuation Regulations (Northern Ireland) 1998.

Regulation 3 sets out the member contribution rate starting on 1st April 2015 and amends the member contributions provision to allow for contributions based on actual salary. Band uprating will be in line with the consumer price index.

Regulation 4 amends the timescale for 'in-service' applications for ill-health retirement received on, or after, 1st April 2015 to 2 years from leaving pensionable employment.

Regulation 5 clarifies the operation of abatement taking into account the pension payable from the career average arrangements, even though the career average pension itself is a 'pension receipt' and is not therefore abated.

Regulations 6, 7 and 8 are concerned with transfers. The whole of Part F is replaced to provide for changes in club rules and the ending of comparable service transfers. The amendments seek to clarify the operation of transfers.

Regulation 9 revokes the Teachers' Superannuation (Amendment) (No. 2) Regulations 2014.