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DRAFT STATUTORY RULES OF NORTHERN IRELAND

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**2015 No.**

**The Judicial Pensions Regulations (Northern Ireland) 2015**

**PART 5**

Pension accounts

CHAPTER 1

Preliminary

**Descriptions of accrued pension**

- 26.** For the purpose of these Regulations, the descriptions of accrued pension are—
- (a) accrued earned pension;
  - (b) accrued standard earned pension;
  - (c) accrued earned pension attributable to an effective pension age option;
  - (d) accrued added pension;
  - (e) accrued added (all beneficiaries) pension; and
  - (f) accrued added (self only) pension.

**Descriptions of full retirement pension**

- 27.** For the purpose of these Regulations, the descriptions of full retirement pension are—
- (a) full retirement standard earned pension;
  - (b) full retirement earned pension attributable to an effective pension age option;
  - (c) full retirement added (self only) pension; and
  - (d) full retirement added (all beneficiaries) pension.

**Descriptions of partial retirement pension**

- 28.** For the purpose of these Regulations, the descriptions of partial retirement pension are—
- (a) partial retirement standard earned pension;
  - (b) partial retirement earned pension attributable to an effective pension age option;
  - (c) partial retirement added (self only) pension; and
  - (d) partial retirement added (all beneficiaries) pension.

## CHAPTER 2

### Calculation of adjustments

#### Calculation of “retirement index adjustment”

**29.**—(1) The retirement index adjustment for an amount of accrued pension is—  
**amount of accrued pension X retirement index percentage**

where—

“amount of accrued pension” means an amount of any description of accrued pension; and  
“retirement index percentage” means the retirement index percentage calculated under paragraph (2) for that description of accrued pension.

(2) The retirement index percentage is—

$$A \times \frac{B}{12}$$

where—

*A* means the in-service revaluation index that applies in relation to this scheme for the leaving year;

*B* is the number of complete months in the period between the beginning of the leaving year and the end of the relevant last day; and

“complete month” includes an incomplete month that consists of at least 16 days.

#### Determination of “the age addition”

**30.**—(1) This regulation applies in relation to every scheme year in which an active member’s account is open that is subsequent to the scheme year in which the member reaches normal pension age under this scheme, other than—

- (a) the scheme year in which the account is established under this Part; and
- (b) the scheme year immediately following that.

(2) If the member has exercised an effective pension age option then, for the years for which that option has effect, this regulation applies in relation to every scheme year in which an active member’s account is open that is subsequent to the scheme year in which the member reaches the member’s effective pension age, other than—

- (a) the scheme year in which the account is established under this Part; and
- (b) the scheme year immediately following that.

(3) At the beginning of the scheme year, for each description of pension, the scheme manager having regard to actuarial guidance must determine the age addition to be awarded for that scheme year by reference to the opening balance of that description of pension for the previous scheme year.

(4) In these Regulations, “the age addition” means an additional amount of pension determined by reference to the proportion of the previous scheme year in which a member had reached—

- (a) normal pension age under this scheme; or
- (b) where applicable, the member’s effective pension age.

### **Determination of “the assumed age addition”**

**31.**—(1) This regulation applies when a deferred member’s account, full retirement account or partial retirement account is established under this Part for a member who reaches normal pension age under this scheme at least one month before the relevant last day.

(2) For each description of accrued pension specified in the account, the scheme manager having regard to actuarial guidance must determine the assumed age addition to be awarded.

(3) In these Regulations “the assumed age addition” means—

- (a) for an amount of accrued standard earned pension not attributable to a transferred pension, the age addition that would have been awarded for standard earned pension had the member not left pensionable service or not partially retired in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
- (b) for an amount of accrued standard earned pension attributable to a transferred pension, the age addition that would have been awarded for transferred pension had the member not left pensionable service or not partially retired in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
- (c) for an amount of accrued earned pension attributable to an effective pension age option, the age addition that would have been awarded for earned pension attributable to that option had the member not left pensionable service or not partially retired in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached the effective normal pension age stated in that option;
- (d) for an amount of any description of accrued added pension, the age addition that would have been awarded for added pension of that description had the member not left pensionable service or not partially retired in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme.

## **CHAPTER 3**

### **Calculation of accrued pension**

#### **Calculation of amount of accrued pension for purpose of deferment or full retirement**

**32.**—(1) For the purpose of calculating the amount of a description of full retirement pension or the provisional amount of each description of deferred pension, the amount of accrued pension is an amount calculated in accordance with this regulation.

(2) The amount of accrued standard earned pension is the total of the following amounts specified in the active member’s account as at the end of the last day of pensionable service—

- (a) the sum of the opening balance of standard earned pension for the last active scheme year and the index adjustment for that opening balance;
- (b) the amount of standard earned pension for the last active scheme year;
- (c) the sum of the opening balance of transferred pension for the last active scheme year and the index adjustment for that opening balance; and
- (d) the amount of transferred pension for the last active scheme year.

(3) The amount of accrued earned pension attributable to an effective pension age option is the total of the following amounts specified in the active member’s account as at the end of the last day of pensionable service—

- (a) the sum of the opening balance of earned pension attributable to that option for the last active scheme year and the index adjustment for that opening balance; and
  - (b) the amount of earned pension attributable to that option for the last active scheme year.
- (4) The amount of any description of accrued added pension is the total of the following amounts specified in the active member's account as at the end of the last day of pensionable service—
- (a) the sum of the opening balance of added pension of that description for the last active scheme year and the index adjustment for that opening balance; and
  - (b) the amount of accrued added pension of that description for the last active scheme year.

### **Calculation of amount of accrued pension for purpose of partial retirement**

**33.**—(1) For the purpose of calculating the amount of a description of partial retirement pension, the amount of accrued pension is an amount calculated in accordance with this regulation.

(2) The amount of accrued standard earned pension is the option proportion of the total of the following amounts specified in the active member's account as at the end of the relevant last day—

- (a) the sum of the opening balance of standard earned pension for the leaving year and the index adjustment for that opening balance;
- (b) the amount of standard earned pension for the leaving year;
- (c) the sum of the opening balance of transferred pension for the leaving year and the index adjustment for that opening balance; and
- (d) the amount of transferred pension for the leaving year.

(3) The amount of accrued earned pension attributable to an effective pension age option is the option proportion of the total of the following amounts specified in the active member's account as at the end of the relevant last day—

- (a) the sum of the opening balance of earned pension attributable to that option for the leaving year and the index adjustment for that opening balance; and
- (b) the amount of earned pension attributable to that option for the leaving year.

(4) The amount of any description of accrued added pension is the option proportion of the total of the following amounts specified in the active member's account as at the end of the relevant last day—

- (a) the sum of the opening balance of added pension of that description for the leaving year and the index adjustment for that opening balance; and
- (b) the amount of added pension of that description for the leaving year.

## **CHAPTER 4**

### **Pension accounts: general**

#### **Establishment of pension accounts: general**

**34.**—(1) The scheme manager must establish and maintain one or more pension accounts for each member of this scheme in accordance with this Part.

(2) A pension account—

- (a) may be kept in any form the scheme manager considers appropriate; and
- (b) must specify the details required by these Regulations.

(3) References in these Regulations to any amount specified in a pension account are references to the amount that is required by these Regulations to be so specified and not, if different, the amount actually so specified.

### **Closure and adjustment of pension accounts on transfer out**

**35.**—(1) Except as otherwise provided in this regulation, the scheme manager must close all pension accounts relating to a member of this scheme if—

- (a) a transfer value payment is made in respect of the member’s accrued rights under this scheme; or
- (b) all members’ contributions and payments for extra pension made by the member are refunded to the member under Part 9.

(2) Paragraph (1) does not require the scheme manager to close an account that includes amounts to which the transfer value payment does not relate or is not attributable.

(3) An account that is not closed because of paragraph (2) must be adjusted as the scheme manager considers appropriate to reflect the extinguishment of rights under this scheme.

(4) Paragraph (1)(a) does not require the scheme manager to close a pension credit member’s account if the transfer value payment is made in respect of the accrued rights of a member who is both—

- (a) a pension credit member of this scheme; and
- (b) an active member, deferred member or pensioner member of this scheme.

## **CHAPTER 5**

### **Active member’s account**

#### **Application of Chapter**

**36.**—(1) This Chapter applies in relation to a continuous period of pensionable service under this scheme.

(2) For a person who is an active member of this scheme in relation to 2 or more continuous periods of pensionable service at the same time, this Chapter applies separately in relation to each of those periods of service.

#### **Establishment of active member’s account**

**37.**—(1) The scheme manager must establish a pension account for a member who is in pensionable service from the day on which the member begins pensionable service.

(2) For the purpose of these Regulations, an account established under paragraph (1) is called an active member’s account.

#### **Receipt of a transfer value payment**

**38.**—(1) This regulation applies if a transfer value payment is received from another pension scheme (other than a connected scheme) in relation to an active member of this scheme.

(2) On receiving the transfer value payment, the scheme manager must credit the active member’s account with the amount of transferred pension calculated under regulation 143 (amount of transferred pension).

#### **Amount of pension for a scheme year**

**39.**—(1) This regulation applies in relation to every scheme year in which an active member’s account is open.

(2) The active member’s account must specify, in relation to each description of pension, the amount of that description of pension for the scheme year.

(3) The amount of earned pension for a scheme year is 2.32% of the member's pensionable earnings for that year.

(4) The amount of transferred pension for a scheme year is the amount (if any) which the member is entitled to count under regulation 143 for that year.

(5) The amount of added pension of any description for a scheme year is the amount (if any) credited to the active member's account in that scheme year under paragraph 13 or 14 of Schedule 1.

(6) In this regulation, "earned pension" means—

- (a) standard earned pension (if any); and
- (b) earned pension attributable to an effective pension age option (if any).

### **Opening balance, index adjustment and age addition**

**40.**—(1) This regulation applies in relation to every scheme year in which an active member's account is open other than the scheme year in which that account is established.

(2) The active member's account must specify for each description of pension—

- (a) the opening balance for the scheme year and the index adjustment for the opening balance; and
- (b) if applicable, the age addition awarded at the beginning of the scheme year.

(3) In these Regulations, "opening balance" in relation to a description of pension—

- (a) for the scheme year immediately following the scheme year in which the active member's account is established, means the amount of that pension for the previous scheme year as at the end of the previous scheme year; and
- (b) for any subsequent scheme year, means the sum of the following amounts—
  - (i) the opening balance of that pension for the previous scheme year and the index adjustment for that opening balance;
  - (ii) the amount of that pension for the previous scheme year as at the end of the previous scheme year; and
  - (iii) if applicable, the age addition awarded at the beginning of the previous scheme year.

### **Closure of active member's account**

**41.**—(1) The scheme manager must close an active member's account in relation to a period of service when the scheme manager establishes in relation to that period of service—

- (a) a deferred member's account under regulation 43; or
- (b) a full retirement account under regulation 47.

(2) The scheme manager must re-establish an active member's account under this Chapter when the scheme manager closes—

- (a) a deferred member's account under regulation 46; or
- (b) a full retirement account under regulation 49.

## **CHAPTER 6**

### **Deferred member's account**

#### **Application of Chapter**

**42.**—(1) This Chapter applies in relation to a continuous period of pensionable service under this scheme.

(2) For a person who is a deferred member of this scheme in relation to 2 or more continuous periods of pensionable service, this Chapter applies separately in relation to each of those periods of service.

#### **Establishment of deferred member's account**

**43.**—(1) This regulation applies when an active member of this scheme becomes a deferred member of this scheme in relation to a continuous period of pensionable service.

(2) The scheme manager must—

- (a) close the active member's account for that period of service; and
- (b) establish a pension account for the deferred member for that period of service.

(3) For the purpose of these Regulations, an account established under paragraph (2)(b) is called a deferred member's account.

#### **Provisional amount of deferred pension**

**44.**—(1) The deferred member's account must specify the provisional amount of each description of deferred pension.

(2) The provisional amount of each description of deferred pension is the sum of—

- (a) the amount of the relevant accrued pension calculated under regulation 32 ("accrued amount");
- (b) the retirement index adjustment for the accrued amount; and
- (c) the assumed age addition (if any) for the accrued amount.

(3) The retirement index adjustment is not applied in relation to an amount of accrued pension if a transfer value payment was made before the end of the last active scheme year in respect of the member's rights to that accrued pension.

(4) In this regulation, "relevant accrued pension" means—

- (a) for a deferred standard earned pension, accrued standard earned pension;
- (b) for a deferred earned pension attributable to an effective pension age option, accrued earned pension attributable to that option;
- (c) for a deferred added (self only) pension, accrued added (self only) pension; and
- (d) for a deferred added (all beneficiaries) pension, accrued added (all beneficiaries) pension.

#### **Adjustment of provisional amount**

**45.**—(1) This regulation applies when a deferred member of this scheme in relation to a period of service becomes entitled to the immediate payment of a full retirement pension for that period of service.

(2) For the provisional amount of each description of deferred pension, the deferred member's account must specify—

- (a) the late payment supplement (if any);
- (b) the early payment reduction (if any);
- (c) the commutation amount (if any); and
- (d) the total allocation amount (if any).

### **Closure of deferred member's account after gap in pensionable service not exceeding 5 years**

**46.**—(1) This regulation applies when a deferred member of this scheme in relation to a continuous period of pensionable service re-enters pensionable service under this scheme after a gap in pensionable service not exceeding 5 years.

(2) The scheme manager must—

- (a) close the deferred member's account in relation to that period of service and treat the deferred member's account as if it were never established;
- (b) re-establish the active member's account under Chapter 5 in relation to that period of service; and
- (c) make entries in the active member's account as if, during the gap in pensionable service, the member—
  - (i) was in pensionable service under this scheme; but
  - (ii) received no pensionable earnings.

## **CHAPTER 7**

### **Full retirement account**

#### **Establishment of full retirement account**

**47.**—(1) This regulation applies in relation to a continuous period of pensionable service under this scheme.

(2) When an active member of this scheme becomes entitled to the immediate payment of a full retirement earned pension or an ill-health pension in relation to a continuous period of pensionable service under this scheme, the scheme manager must—

- (a) close the active member's account for that continuous period of pensionable service; and
- (b) establish an account for the pensioner member for that period of service.

(3) When an active member of this scheme exercises the partial retirement option in respect of the whole of the member's accrued pensions and becomes entitled to the immediate payment of a full retirement pension, the scheme manager must—

- (a) close the active member's account for the period of earlier service;
- (b) establish an account for the pensioner member for that period of earlier service; and
- (c) establish a new active member's account under Chapter 5 for the member's continuing service as if the first day of pensionable service is the day after the option date.

(4) For the purpose of these Regulations, an account established for a member under paragraph (2) (b) or (3)(b) is called a full retirement account.

(5) In this regulation—

“continuing service” means pensionable service that continues in accordance with regulation 60(2) from the option date;

“option date” means the date on which the partial retirement option is exercised and the member becomes entitled to the immediate payment of a full retirement pension; and

“period of earlier service” means the continuous period of pensionable service ending on the option date.

#### **Amount of full retirement pension**

**48.**—(1) The full retirement account must specify the amount of each description of full retirement pension.



- (2) The amount of each description of full retirement pension is the sum of—
- (a) the amount of the relevant accrued pension calculated under regulation 32 (“accrued amount”);
  - (b) the retirement index adjustment for the accrued amount; and
  - (c) the assumed age addition (if any) for the accrued amount.
- (3) For each amount of a description of full retirement pension, the full retirement account must specify—
- (a) the early payment reduction (if any);
  - (b) the commutation amount (if any); and
  - (c) the total allocation amount (if any).
- (4) In this regulation, “relevant accrued pension” means—
- (a) for a full retirement standard earned pension, accrued standard earned pension;
  - (b) for a full retirement earned pension attributable to an effective pension age option, accrued earned pension attributable to that option;
  - (c) for a full retirement added (self only) pension, accrued added (self only) pension; and
  - (d) for a full retirement added (all beneficiaries) pension, accrued added (all beneficiaries) pension.

#### **Closure of full retirement account**

**49.** The scheme manager must close a full retirement account if a full retirement pension ceases to be payable under regulation 59.

### CHAPTER 8

#### Partial retirement account

#### **Establishment of partial retirement account**

**50.**—(1) This regulation applies if an active member of this scheme in relation to a continuous period of pensionable service—

- (a) exercises the partial retirement option in respect of part only of the member’s accrued pensions for that period of service; and
  - (b) becomes entitled under regulation 63(a) to the immediate payment of a partial retirement pension for that period of service.
- (2) The scheme manager must—
- (a) establish a pensioner member’s account (“the partial retirement account”) for that period of service; and
  - (b) adjust the active member’s account in accordance with paragraph (3).

(3) The amount of each description of accrued pension for which a partial retirement option notice specifies an option proportion is reduced by that option proportion.

(4) After that adjustment, Chapter 5 applies in relation to the member as if the amount of each description of accrued pension for which a partial retirement option notice specifies an option proportion had always been reduced by that option proportion.

(5) In this regulation, “partial retirement option notice” means an option notice under regulation 61.

### **Amount of partial retirement pension**

**51.**—(1) The partial retirement account must specify the amount of each description of partial retirement pension.

- (2) The amount of each description of partial retirement pension is the sum of—
- (a) the amount of the relevant accrued pension calculated under regulation 32 (“accrued amount”);
  - (b) the retirement index adjustment for the accrued amount; and
  - (c) the assumed age addition (if any) for the accrued amount.
- (3) For each amount of a description of partial retirement pension, the partial retirement account must specify—
- (a) the early payment reduction (if any);
  - (b) the commutation amount (if any); and
  - (c) the total allocation amount (if any).
- (4) In this regulation, “relevant accrued pension” means—
- (a) for a partial retirement standard earned pension, accrued standard earned pension;
  - (b) for a partial retirement earned pension attributable to an effective pension age option, accrued earned pension attributable to that option;
  - (c) for a partial retirement added (self only) pension, accrued added (self only) pension; and
  - (d) for a partial retirement added (all beneficiaries) pension, accrued added (all beneficiaries) pension.

## **CHAPTER 9**

### **Pension accounts for pension credit members**

#### **Establishment of pension credit member’s account**

**52.**—(1) The scheme manager must establish a pension account for each pension credit member of this scheme (“the pension credit member’s account”).

(2) If a pension credit is derived from 2 or more pension debit members, the scheme manager must establish a pension credit member’s account in relation to each pension debit member.

(3) The pension credit member’s account must specify the amount of credited pension, and for that amount—

- (a) the early payment reduction (if any); and
- (b) the commutation amount (if any).

(4) On the establishment of the pension credit member’s account, the accounts established under this Part for the pension debit member must be reduced by the relevant amount.

(5) In this regulation—

“relevant amount” is the amount that the scheme manager, after consultation with the scheme actuary, considers appropriate having regard to—

- (a) the cash equivalent that would have been payable under Chapter 2 of Part 4A (requirements relating to pension credit benefit: transfer values) of the 1993 Act<sup>(1)</sup> in respect of the pension credit member’s right to benefits under this scheme attributable (directly or indirectly) to the pension credit; and

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(1) Part 4A was inserted by the Welfare Reform and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147(N.I. 11)) Article 34.

- (b) the provisions of Articles 26 (creation of pension credits and debits) and 28 (reduction of benefit) of the 1999 Order.

### **Other pension accounts**

**53.** If a pension credit member of this scheme is also an active member, deferred member or pensioner member of this scheme, the scheme manager must establish a pension credit member's account in addition to any other account established for the member under this Part.