
STATUTORY RULES OF NORTHERN IRELAND

1996 No. 619

The Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996

Part II

Restrictions on Right to Cash Equivalent

Pre-1986 leavers

2. Chapter IV of Part IV of the Act shall not apply to a member of a salary related scheme whose pensionable service terminated before 1st January 1986 if all of the member's accrued rights to benefits under the scheme—

- (a) are rights—
 - (i) to official pensions specified in Schedule 2 to the Pensions (Increase) Act (Northern Ireland) 1971(1) (official pensions);
 - (ii) to pensions in relation to which that Act has effect by virtue of regulations made under section 5(2) of that Act(2) (scope of Act and general powers); or
 - (iii) to pensions under a scheme the rules of which provide that pensions thereunder shall be increased in accordance with that Act; or
- (b) are rights to pensions under a scheme the rules of which provide that pensions thereunder shall in the pre-pension period (as defined in section 79(1)(a)(iii) (scope of Chapter II: revaluation of accrued benefits excluding guaranteed minimum pensions)) be revalued at a rate equal to or exceeding the rate of inflation as measured by the retail prices index.

Rules on continuation in employment after termination of pensionable service

3.—(1) This regulation applies where a member continues in employment to which a scheme applies after the member's pensionable service in such employment terminates and—

- (a) that pensionable service commenced before 6th April 1988 and terminated at the member's request; and
- (b) that pensionable service—
 - (i) but for that request, would have continued until the guarantee date; or
 - (ii) continued, or but for that request would have continued, until the relevant date.

(2) Where this regulation applies and the condition mentioned in paragraph (1)(b)(i) is satisfied, without prejudice to any right the member may acquire to a cash equivalent of money purchase

(1) 1971 c. 35 (N.I.); Schedule 2 was amended by paragraph 11 of Schedule 6 to the Superannuation (Northern Ireland) Order 1972 (S.I. 1972/1073 (N.I. 10)), regulation 79 of S.R. & O. (N.I.) 1972 No. 319, paragraph 109 of Schedule 2 to the Social Security (Consequential Provisions) Act 1975 (c. 18), Schedule 6 to the Social Security Pensions (Northern Ireland) Order 1975 (S.I. 1975/1503 (N.I. 15)) and paragraph 5 of Schedule 3 to the Fire Services (Northern Ireland) Order 1984 (S.I. 1984/1821 (N.I. 11))

(2) See S.R. & O. (N.I.) 1973 No. 15, S.R. 1975 Nos. 38, 154 and 226, S.R. 1977 No. 14 and S.R. 1992 No. 294

benefits, the member, on making a relevant application in accordance with section 90(1)(aa) (right to guaranteed cash equivalent) acquires a right to only that part of the guaranteed cash equivalent which relates to benefits specified in paragraph (4).

(3) Where this regulation applies and the condition mentioned in paragraph (1)(b)(ii) is satisfied, without prejudice to any right the member may acquire to a cash equivalent of benefits other than money purchase benefits, the member acquires a right to the cash equivalent of only those money purchase benefits which are benefits specified in paragraph (4).

(4) The benefits referred to in paragraphs (2) and (3) are—

- (a) in the case of benefits which have accrued in respect of the member's pensionable service in employment to which the scheme applied, those benefits which are attributable to pensionable service after 5th April 1988; and
- (b) in the case of benefits which have not so accrued, those benefits which were credited to the member after 5th April 1988.

(5) Where a member exercises a right to the part of a guaranteed cash equivalent described in paragraph (2) or to a cash equivalent of only certain money purchase benefits as described in paragraph (3), Chapters II and III of Part IV of the Act are modified so that, for the purposes of those provisions, the benefits to which that part or that cash equivalent, as the case may be, related are disregarded and the pensionable service by reference to which those benefits were calculated is excluded from the pensionable service referred to in paragraph 1(1) of Schedule 2 to the Act (the final salary method of revaluation of accrued benefits).

Right to further cash equivalent on termination of employment to which the scheme applies

4.—(1) This regulation applies to a case where regulation 3 (or regulation 2A of the 1985 Regulations⁽³⁾) has operated to restrict a member's cash equivalent and subsequently the member's employment terminates on a date which is at least one year earlier than the date on which the member would attain the age which is the normal pension age for the scheme or, where the normal pension age is earlier than 60, the age of 60.

(2) Where this regulation applies, a right to any cash equivalent or any part of a guaranteed cash equivalent to which the member has not acquired a right but would, but for the operation of regulation 3 (or regulation 2A of the 1985 Regulations), have acquired a right by the date when the member's employment terminates shall accrue to the member on that date.

(3) Where a right to any part of a guaranteed cash equivalent accrues to a member under paragraph (2), the cash equivalent of the benefits to which that part relates shall be recalculated as at—

- (a) the date on which the member's employment terminates; or, if later,
- (b) the date on which the member applies to take that part,

and that part shall be increased or reduced by the amount by which it falls short of or exceeds the value of the cash equivalent of those benefits as so recalculated.

(4) In relation to any case to which this regulation applies, for the definitions of "the relevant date" in section 90(2) (right to cash equivalent) and "the last option date" in section 91(8) (ways of taking right to cash equivalent) there shall be substituted respectively the following definitions—

““the relevant date” means the date when the member's employment terminates or the date of the relevant application, whichever is the later;” and

““the last option date” means the date which falls—

- (a) one year before the date on which the member attains normal pension age; or

(3) Regulation 2A was inserted by regulation 2(4) of S.R. 1987 No. 285 and amended by regulation 2 of S.R. 1988 No. 127, regulation 6 of S.R. 1990 No. 203 and paragraph 5(7) of Schedule 2 to S.R. 1994 No. 300

(b) six months after the date when his employment terminates, whichever is the later.”

(5) In this regulation “employment” means employment to which the scheme applies.

Treatment of a number of employments as a single employment

5. For the purposes of section 94(1) and (1A) (variation and loss of rights to cash equivalent) and of regulations 3 and 4, where a member’s employment to which a scheme applies terminates but that member enters again into employment to which that scheme applies, then, if there is between those 2 employments—

- (a) an interval not exceeding one month; or
- (b) an interval of any length if the second of the employments results from the exercise of a right to return to work under Article 111 of the Employment Rights (Northern Ireland) Order 1996⁽⁴⁾ (maternity: right to return to work),

they shall be treated as a single employment.

(4) [S.I. 1996/1919 \(N.I. 16\)](#)