

2006 No. 122

POLICE

**The Police Service of Northern Ireland Pensions
(Pension Sharing) Regulations 2006**

Made - - - - - *6th March 2006*

Coming into operation *31st March 2006*

To be laid before Parliament

The Secretary of State makes the following Regulations in exercise of the powers conferred by section 25 of the Police (Northern Ireland) Act 1998(a), read with Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972(b). In accordance with section 25(8) of that Act he has consulted the Northern Ireland Policing Board and the Police Association. In accordance with section 62(3) of the Police Act 1996(c) he has consulted the Police Negotiating Board for the United Kingdom. In accordance with section 72(2A) of the Police (Northern Ireland) Act 1998 he has obtained the consent of Treasury.

Citation and commencement

1. These Regulations may be cited as the Police Service of Northern Ireland Pensions (Pension Sharing) Regulations 2006 and shall come into operation on 31st March 2006 but have effect from 1st December 2000.

Amendment of the Royal Ulster Constabulary Pensions Regulations 1988

2. The Royal Ulster Constabulary Pensions Regulations 1988(d) shall be amended in accordance with Schedule 1.

Amendment of the Royal Ulster Constabulary Pensions (Purchase of Increased Benefits) Regulations 1988

3.—(1) Regulation 3 of the Royal Ulster Constabulary Pensions (Purchase of Increased Benefits) Regulations 1988(e) (election to purchase increased benefits) shall be amended as follows.

(2) In paragraph (1) for the words “Subject to paragraph (2)” there shall be substituted the words “Subject to paragraphs (2) and (2A)”.

(3) After paragraph (2) there shall be inserted—

“(2A) Subject to paragraph (2B), a pension debit member may not replace any rights debited to him as a consequence of a pension sharing order with any rights which he would not have been able to acquire (in addition to the debited rights) had the order not been made.

(a) 1998 c. 32. Section 25 is amended by section 78(1) of the Police (Northern Ireland) Act 2000 and by section 24(2) of the Police (Northern Ireland) Act 2003
(b) S.I. 1972/1073 (N.I. 10)
(c) 1996 c. 16
(d) S.R. 1988 No. 374. Relevant amendments are made by S.R. 1996 No. 4 and S.R. 1998 No. 240
(e) S.R. 1988 No. 379

(2B) Paragraph (2A) does not apply if and to the extent that regulations made under paragraph 18(10) or (11) of Schedule 10 to the Finance Act 1999^(a) make provision as a result of which the requirement in section 590(3)(bb) of the Income and Corporation Taxes Act 1988^(b) has effect in the case of rights under these regulations and the principal regulations with any exception, exclusion or modification permitting a member to replace any rights so debited.”.

Amendment of the Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993

4.—(1) The Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993^(c) shall be amended in accordance with Schedule 2.

(2) Except as provided by virtue of that Schedule, those Regulations shall not apply to a person in his capacity as a person entitled to a pension credit under Article 26(1)(b) of the Welfare Reform and Pensions (Northern Ireland) Order 1999^(d) or under corresponding Great Britain legislation or a pension credit member (within the meaning of Article 121(1) of the Pensions (Northern Ireland) Order 1995^(e)).

Amendment of the Royal Ulster Constabulary Reserve (Full-time) Pensions Regulations 1994

5.—(1) The Royal Ulster Constabulary Reserve (Full-time) Pensions Regulations 1994^(f) shall be amended as follows.

(2) In regulation 3 (application of the Pensions Regulations to reserve members) for the words “and L” there shall be substituted the words “, L and N”.

(3) In regulation F7A^(g) (Board to provide certificate of the amount of pensionable service giving entitlement to pension), at the end of paragraph (2) there shall be added—

“, and

(c) whether that reserve member is a pension credit member and, if so, the reduction in his rights by virtue of Article 28 of the 1999 Order.”.

Northern Ireland Office
28th February 2006

Peter Hain
One of Her Majesty’s Principal Secretaries of State

We consent to the making of these regulations

Vernon Coaker

Dave Watts

6th March 2006

Two the Lords Commissioners of Her Majesty’s Treasury

(a) 1999 c. 16

(b) 1988 c. 1

(c) S.R. 1993 No. 249. Relevant amendments are made by S.R. 2004 No. 31

(d) S.I. 1999/3147 (N.I. 11)

(e) S.I. 1995/3213 (N.I. 22). The definition of “pension credit member” was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(f) S.R. 1994 No. 197. A relevant amendment is made by S.R. 1997 No. 260

(g) Regulation F7A was inserted by S.R. 1994 No. 197 for the Police Service of Northern Ireland Reserve

AMENDMENTS OF THE ROYAL ULSTER CONSTABULARY PENSIONS
REGULATIONS 1988

1. In regulation A9 (aggregate pension contributions for purposes of awards) after paragraph (3) there shall be inserted—

“(4) If the member is a pension debit member, the amount of his aggregate pension contributions under this regulation is reduced by such amount as is assessed in accordance with guidance issued by the Government Actuary.”.

2. In regulation B8(1) (commutation of small pensions) after “together with” there shall be inserted “any pension to which he is entitled under regulation N1 (pension credit member’s entitlement to pension) and”.

3. After regulation B11 the following regulation shall be inserted—

“Pension debit members

B12. Where a pension debit member is entitled to an award under regulation B1, B2, B3 or B5—

- (a) the award is calculated by reference to the pension debit member’s rights under these regulations as reduced by virtue of Article 28 of the 1999 Order and in accordance with such tables and other guidance as are provided for the purpose by the Government Actuary, and
- (b) regulations B7 to B10 have effect accordingly.”.

4. After regulation C9 the following regulation shall be inserted—

“Pension debit members

C10. Where a pension debit member dies leaving a surviving spouse, any award under regulation C1, C4, C5, C6, C7 or C8, and the pension under any of those regulations by reference to which any payment under regulation C9 is made, is calculated by reference to the pension debit member’s rights under these Regulations as reduced by virtue of Article 28 of the 1999 Order and in accordance with such tables and other guidance as are provided for the purpose by the Government Actuary.”.

5. After regulation D5 the following regulation shall be inserted—

“Pension debit members

D6. Where a pension debit member dies leaving a child, any award payable under this Part—

- (a) is first calculated as if the pension debit member were not a pension debit member, and
- (b) is then subject to any reduction required under Article 28 of the 1999 Order.”.

6. After regulation E10 the following regulation shall be inserted—

“Pension debit members

E11. Where a pension debit member dies any award in respect of him under this Part is calculated by reference to the member’s rights under these Regulations as reduced by virtue of Article 28 of the 1999 Order and in accordance with such tables and other guidance as are provided for the purpose by the Government Actuary.”.

7. In regulation F7A(a) (Board to provide certificate of the amount of pensionable service giving entitlement to pension), at the end of paragraph (2) there shall be added—

(a) Regulation F7A was inserted by S.R. 1997 No. 259 and amended by S.R. 1998 No. 240

“, and

- (c) whether that member is a pension debit member and, if so, the reduction in his rights by virtue of Article 28 of the 1999 Order.”.

8. After regulation F9 the following regulation shall be inserted—

“Prohibition on accepting or paying transfer values for pension credit rights.

F9A. A transfer value may not be accepted or paid in respect of any pension credit rights.”.

9. At the end of regulation K5(1) (forfeiture of pension) there shall be inserted the words “or to a pension payable to a pension credit member under regulation N1 (pension credit member’s entitlement to pension)”.

10. In regulation L4(1) (payment of awards otherwise than to beneficiary and application of payments) after the word “member” there shall be inserted “or a pension credit member”.

11. After Part M there shall be inserted the following Part—

“PART N
Pension Credit Members

Pension credit member’s entitlement to pension

N1.—(1) Subject to regulations N2 and N3 (commutation), a pension credit member is entitled to a pension for life which becomes payable—

- (a) when he attains normal benefit age, or
- (b) if it is later, when the pension sharing order under which he is entitled to the pension credit takes effect.

(2) The pension must be of such an amount that its actuarial value is equal to the member’s pension credit, as calculated from tables prepared by the Government Actuary and in accordance with regulations made under paragraph 5(b) of Schedule 5 to the 1999 Order.

Commutation: general provision

N2.—(1) Subject to regulation N3, a pension credit member may opt to commute for a lump sum a portion of the pension (not exceeding one quarter) to which he is entitled under regulation N1—

- (a) when he attains normal benefit age, or
- (b) if it is later, when the pension sharing order under which he is entitled to the pension credit takes effect.

(2) The lump sum under paragraph (1) is the actuarial equivalent of the commuted portion of the pension, calculated from tables prepared by the Government Actuary.

(3) But the lump sum may not exceed the annual rate of the pension as at the time when it first becomes payable (disregarding any reduction under this regulation or any other provision of the scheme constituted by these Regulations), multiplied by 2.25.

(4) This regulation does not apply to a pension derived from pension credit rights if the pension debit member from whose rights the pension is derived has received a lump sum under regulation B7 before the date on which the pension sharing order takes effect.

(5) A person who wishes the Board to commute a pension under paragraph (1) must not later than six months after—

- (a) the date on which the person attains normal benefit age, or
- (b) the date on which the pension sharing order takes effect,

whichever is the later, give the Board written notice of commutation, specifying the portion to be commuted.

- (6) Notice of commutation takes effect on the later of—
 - (a) the date on which the pension under regulation N1 becomes payable, and
 - (b) the date on which it is received by the Board.
- (7) When a person’s notice of commutation takes effect, the Board shall—
 - (a) reduce the pension, as from the effective date, by the commuted portion, and
 - (b) pay him the lump sum, reduced where the effective date is the date of receipt of the notice by the difference between the aggregate payments made in respect of the pension and the aggregate payments that would have been made in respect of it if it had been reduced from—
 - (i) the date on which the person attains normal benefit age, or
 - (ii) the date on which the pension sharing order takes effect,

whichever is the later.

Commutation of the pension credit benefit: small pensions and serious ill-health

N3.—(1) The Board may commute the pension to which a pension credit member is entitled under regulation N1 for a lump sum in accordance with the following provisions of this regulation.

- (2) If the pension credit member is suffering from serious ill-health before normal benefit age—
 - (a) the whole of the pension may be commuted, and
 - (b) the lump sum under paragraph (1) is an amount equal to the annual rate of the pension as at the time when it first becomes payable, multiplied by 5.
- (3) If the aggregate of total benefits payable to the member, including those attributable (directly or indirectly) to pension credit rights, does not exceed £260 per annum at normal benefit age—
 - (a) the whole of the pension may be commuted when the pension credit member attains normal benefit age or when the pension sharing order takes effect if that is later, and
 - (b) the lump sum under paragraph (1) is the actuarial equivalent of the commuted pension, calculated from tables prepared by the Government Actuary.
- (4) Where a pension is commuted under this rule, the payment of the lump sum discharges the Board from all liability in respect of benefits payable to or in respect of the pension credit member.
- (5) In this regulation “serious ill-health” means ill-health giving rise to a life expectancy of less than one year.

Death grants where pension credit member dies before pension credit benefits payable

N4.—(1) If a pension credit member dies before any benefits deriving from the member’s pension credit have become payable to him under these Regulations, a lump sum death grant is to be paid of an amount equal to the annual rate of the pension to which the member would have been entitled under regulation N1 if he had attained normal benefit age on the date of his death (as calculated in accordance with guidance prepared by the Government Actuary), multiplied by 2.25.

- (2) The lump sum is payable—
 - (a) if the member is survived by a spouse who is not ineligible under paragraph (3), to that spouse, and
 - (b) otherwise to the member’s personal representatives.
- (3) A spouse is ineligible for the purposes of paragraph (2) if—
 - (a) the deceased and the spouse were separated by an order or decree of a competent court at the time of the member’s death,
 - (b) the deceased was not required by such an order to contribute to the support of the spouse or to the spouse for the support of a child of the spouse, and
 - (c) the deceased was not in fact regularly so contributing.

Application of general regulations

N5.—(1) The provisions specified in paragraph (2) apply to pension credit members and awards payable to or in respect of them, but apart from where provision is made by this Part or a contrary intention is otherwise indicated—

- (a) these regulations do not apply to pension credit members as such or to benefits payable to or in respect of them as such,
- (b) the benefits payable to or in respect of pension credit members as such are not aggregated for any purpose with benefits payable to or in respect of those persons in any other capacity, and
- (c) the benefits payable to or in respect of pension credit members deriving their pension credit benefits from one pension debit member are not aggregated for any purpose with benefits payable to or in respect of those persons as pension credit members deriving their pension credit benefits from any other pension debit member.

(2) Those provisions are—

regulation H5 (appeals),
regulation H6 (limitations on appeals), and
regulation L1 (payments by and to the Board).

(3) In the application of regulations H5 and H6 by virtue of this regulation the reference in regulation H5 to a person claiming an award in respect of a member of a particular description to whom that regulation applies include references to a pension credit member whose pension credit is derived from the rights of a pension debit member of that description.”.

12. In Schedule A (glossary of expressions) there shall be inserted in the appropriate places in alphabetical order the following definitions:

| | |
|--------------------------|--|
| “The 1993 Act” | The Pension Schemes (Northern Ireland) Act 1993(a). |
| “The 1999 Order” | The Welfare Reform and Pensions (Northern Ireland) Order 1999(b). |
| “Normal benefit age” | The age of 60. |
| “Pension credit” | A credit under Article 26(1)(b) of the 1999 Order, including a credit under corresponding Great Britain legislation. |
| “Pension credit benefit” | Construe in accordance with section 97B of the 1993 Act(c). |
| “Pension credit member” | Construe in accordance with Article 121(1) of the Pensions (Northern Ireland) Order 1995(d). |
| “Pension credit rights” | Construe in accordance with section 97B of the 1993 Act. |
| “Pension debit” | A debit under Article 26(1)(a) of the 1999 Order. |
| “Pension debit member” | A person whose benefits or future benefits under these Regulations have been reduced under Article 28 of the 1999 Order. |
| “Pension sharing order” | An order or provision mentioned in Article 25(1) of the 1999 Order. |

13. In Part I of Schedule B (member’s ordinary pension)—

- (a) in paragraph 2 after the words “subject to” there shall be inserted “paragraph 3 and”; and

(a) 1993 c. 49

(b) S.I. 1999/3147 (N.I. 11)

(c) Section 97B was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

(d) S.I. 1995/3213 (N.I. 22). The definition of “pension credit member” was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Pensions (Northern Ireland) Order 1999

(b) after that paragraph there shall be inserted—

“3. For the purposes of paragraph 2 any difference in those amounts attributable to a pension debit is disregarded.”.

14. In paragraph 3(2) of Part V of Schedule B (member’s injury award) after the words “up-rating of widow’s pension)” there shall be inserted “or by virtue of a pension debit”.

15. In Part II of Schedule F (transfers and current interchange arrangements) after paragraph 9 there shall be inserted—

“9A.—(1) This paragraph shall apply where the transfer value is payable in respect of a person who is a pension debit member.

(2) The transfer value shall be reduced by such amount as is calculated in accordance with such guidance as is provided for the purpose by the Government Actuary.”.

16. In Part III of Schedule F (calculation of transfer values and reckonable service by reference to accrued rights) after paragraph 4 of Section 1 there shall be inserted—

“5. In the case of a pension debit member, the transfer value shall be reduced by such amount as is calculated in accordance with such guidance as is provided for the purpose by the Government Actuary.”.

SCHEDULE 2

Regulation 4

AMENDMENTS OF THE ROYAL ULSTER CONSTABULARY PENSIONS (ADDITIONAL VOLUNTARY CONTRIBUTIONS) REGULATIONS 1993

17. In regulation 2 (interpretation) there shall be inserted in the appropriate places in alphabetical order the following definitions—

““the 1993 Act” means the Pension Schemes (Northern Ireland) Act 1993(a);

“the 1999 Order” means the Welfare Reform and Pensions (Northern Ireland) Order 1999(b);

“normal benefit age” means 60;

“pension credit” means a credit under Article 26(1)(b) of the 1999 Order, including a credit under corresponding Great Britain legislation;

“pension credit member” has the meaning given by Article 121(1) of the Pensions (Northern Ireland) Order 1995(c);

“pension credit rights” has the meaning given by section 97B of the 1993 Act(d);

“pension sharing order” means an order or provision mentioned in Article 25(1) of the 1999 Order;”.

18. In regulation 10(1) (inward transfers) at the end there shall be added “except if or to the extent that the transfer value relates to pension credit rights”.

19. After regulation 10A there shall be inserted—

“Pension sharing on divorce or nullity of marriage

10B. Schedule 1A has effect for making provision in relation to pension credit rights and pension credit payable under the scheme constituted by these regulations.”.

(a) 1993 c. 49

(b) S.I. 1999/3147 (N.I. 11)

(c) S.I. 1995/3213 (N.I. 22). The definition of “pension credit member” was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Business (Northern Ireland) Order 1999

(d) Section 97B was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

20. In regulation 15—
- (a) in paragraph (2)(a) after “regulation 11(5)” there shall be inserted “or paragraph 2 of Schedule 1A or by virtue of an election for a payment under paragraph 3(4)(f) of that Schedule”, and
 - (b) in paragraph (6) (tax liabilities) after “this regulation” there shall be inserted “or Schedule 1A (pension sharing)”.
21. After paragraph (2)(c) of regulation 16 (information) there shall be inserted—
“or
an election under paragraph 3 of Schedule 1A (pension credit benefits),”.
22. The following Schedule shall be inserted before Schedule 1—

“SCHEDULE 1A

Regulation 10B

PENSION SHARING

Discharge of liability in respect of a pension credit

1.—(1) Where the Board discharges its liability in respect of a pension credit which derives from the scheme constituted by these Regulations (“a scheme pension credit”) in accordance with paragraph 1(2) of Schedule 5 to the 1999 Order (pension credits: mode of discharge: funded pension schemes — conferring rights under the scheme from which the rights derive), they must do so by investing the amount of the credit to provide for the purchase from an insurance company of an annuity which meets the conditions in sub-paragraph (4).

(2) The investment shall be made by the Board, in accordance with an election made by the person entitled to the pension credit, in one or more funds managed by a pension provider meeting the requirements referred to in regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000(a).

(3) The pension credit member may vary an election under sub-paragraph (2) by a further election at any time before the Board has completed the arrangements for the investment of the amount of the credit.

(4) The conditions referred to in sub-paragraph (1) are that—

- (a) the annuity provides a pension which begins not earlier than normal benefit age and is payable to the pension credit member for life,
- (b) any other pensions which are payable under the annuity—
 - (i) are payable only to dependants,
 - (ii) are payable only on the death of the pension credit member after he has reached normal benefit age,
 - (iii) if they are payable to the pension credit member’s child, are payable only if at the date of the pension credit member’s death the child is one who is eligible for an allowance under Part D of the 1988 Regulations in respect of the death (or would be if at the date of death the pension credit member had been a pensionable member), and
 - (iv) subject to paragraph (5), are payable to the dependent for life, and
- (c) the annuity is not capable in whole or in part of surrender, assignment or commutation.

(5) If the dependant to whom the annuity is payable is within sub-paragraph (4)(b)(iii), the pension must cease to be payable when he ceases to be a dependent child.

(6) For the purposes of sub-paragraph (5), a person ceases to be a dependent child at the time when, if he were the child of a pensionable member, he would cease to be eligible for any allowance under Part D of the 1988 Regulations.

(7) In this paragraph “dependant”, in relation to a pension credit member, means a person who at the date of the member’s death—

(a) S.R. 2000 No. 146

- (a) is the pension credit member's spouse and, if separated from the member by an order or decree of a competent court, is receiving from the member regular contributions for the person's support or the support of the person's child in consequence of such an order or decree, or
- (b) is a person who would be the pension credit member's child within the meaning of Schedule A to the 1988 Regulations if at the date of the pension credit member's death the member had been a pensionable member.

Discharge of liability in respect of a pension credit following the death of the person entitled to the pension credit

2.—(1) If the person entitled to a scheme pension credit dies before liability in respect of it has been discharged, the Board shall discharge its liability in respect of it by making a payment of a lump sum in accordance with regulation 6(2)(a)(i) of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(a).

(2) The lump sum payable under this paragraph is to be of an amount equal to the realisable value of the investments made under paragraph 1 and shall be paid in accordance with regulation 15.

Pension credit benefit

3.—(1) The benefit to which a pension credit member is entitled under the scheme constituted by these regulations shall be a pension.

(2) The pension shall be payable not earlier than when the pension credit member reaches normal benefit age and shall be payable to him for life.

(3) The value of the pension referred to in this paragraph shall equal the value of the pension credit rights which have accrued to or in respect of the pension credit member.

(4) Not earlier than one month before the pension credit member reaches normal benefit age, a pension credit member shall, by giving notice to the Board, make a benefits election specifying—

- (a) whether only a pension payable for life is to be provided;
- (b) for whom, if anyone, a dependant's pension is to be provided;
- (c) if more than one pension is to be provided, either—
 - (i) the proportion of the amount secured by the total investments made under paragraph 1 that is to be applied to the purchase of each of them; or
 - (ii) the dependants' pensions to be provided expressed as a percentage of the pension for life;
- (d) in respect of every pension to be provided, whether the annual rate of the pension—
 - (i) is to be fixed; or
 - (ii) is to vary in accordance with the Index; or
 - (iii) is to increase yearly by a specified percentage or, if lower than that percentage, by the increase in the Index for the year in question;
- (e) the pension provider listed in Schedule 1 from whom each pension is to be purchased (being a provider meeting the requirements referred to in regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000), and
- (f) whether, if the pension credit member dies before the expiry of the period of five years beginning with the date on which the pension begins to be payable, the balance that would have been payable during the remainder of that period, if the payments of pension had continued at the rate in force at the date of death, is to be payable as a lump sum.

(5) On receipt of a notice of election under sub-paragraph (4) the Board must, as soon as is reasonably practicable, realise the investments made under paragraph 1 and apply the proceeds

(a) S.R. 2000 No. 145. A relevant amendment is made by S.R. 2000 No. 335

to the purchase from the specified pension provider of the benefits specified in the notice of election.

(6) If a pension credit member who reached normal benefit age after 1st December 2000 has—

- (a) reached the age of 75; and
- (b) failed to give a notice of election under sub-paragraph (4) on or before the date of his 75th birthday,

the Board may realise the investments made under paragraph 1 and apply the proceeds to the purchase of a pension policy which meets the requirements of regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 from an insurance company in order to provide such benefits as appear to it to be suitable having regard to the pension credit member's family circumstances, age and health.

Outward transfers

4.—(1) The Board shall, upon receipt of a notice in writing under section 97F(1) of the 1993 Act **(a)** (power to give transfer notice), pay a transfer value in respect of the member's pension credit rights in accordance with the provisions of Chapter II of Part IVA of the 1993 Act (requirements relating to pension credit benefit: transfer values) and Part III of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 (transfer values).

(2) That transfer value must be calculated in accordance with regulation 24 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 **(b)** (manner of calculation and verification of cash equivalents).

Commutation of the whole of pension credit benefit before normal benefit age

5.—(1) A pension credit member shall be entitled to the commutation of the whole of the benefits payable to or in respect of him under the scheme constituted by these Regulations by virtue of rights attributable (directly or indirectly) to a pension credit before reaching normal benefit age if the pension credit member is suffering from serious ill-health before normal benefit age.

(2) In sub-paragraph (1) "serious ill-health" means ill-health giving rise to a life expectancy of less than one year from the date on which commutation is applied for.

(3) In the case of such a member the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the pension credit member as a lump sum.

Commutation of the whole of pension credit benefit at normal benefit age

6.—(1) A pension credit member shall be entitled to the commutation of the whole of the benefits payable to or in respect of him under the scheme constituted by these Regulations by virtue of rights attributable (directly or indirectly) to a pension credit at normal benefit age in the following circumstances.

(2) They are if—

- (a) the pension credit member is suffering from serious ill-health at normal benefit age, or
- (b) the aggregate of total benefits payable to the pension credit member, including those attributable (directly or indirectly) to pension credit rights, does not exceed £260 per annum at normal benefit age.

(3) In the case of such a pension credit member the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the member as a lump sum.

(a) Section 97F(1) was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999
(b) Regulation 24 was amended by S.R. 2000 No. 146

(4) In sub-paragraph (2)(a) “serious ill-health” means ill-health giving rise to a life expectancy of less than one year from the date on which notice is given under paragraph 3(4).

Pension credit member dies before pension becomes payable

7. If a pension credit member dies before any benefit becomes payable under paragraph 3, the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the member’s personal representatives as a lump sum.

Separate treatment of pension credit rights

8. Where a pension credit member has rights under the scheme constituted by these Regulations apart from his pension credit rights, the pension credit rights are to be treated as provided separately for the purposes of all requirements of the Inland Revenue in relation to limits on benefits.”.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations amend the following regulations: the Royal Ulster Constabulary Pensions Regulations 1988 (“the 1988 Regulations”), which provide for the superannuation of members of the Police Service of Northern Ireland, the Royal Ulster Constabulary Pensions (Purchase of Increased Benefits) Regulations 1988, which enable police officers to purchase additional benefits, the Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993 (“the AVC Regulations”), which make provision for the payment of additional voluntary contributions by members to secure additional pension benefits, and the Royal Ulster Constabulary Reserve (Full-time) Pensions Regulations 1994 (“the Full-time Reserve Pensions Regulations”) which apply, with some exceptions and subject to modifications, the provisions of the 1988 Regulations to full-time members of the Police Service of Northern Ireland Reserve.

The amendments make provision for the implementation of pension sharing on divorce and nullity in accordance with the Welfare Reform and Pensions (Northern Ireland) Order 1999 (“the 1999 Order”) and subordinate legislation made under that Order.

Regulation 1 provides for citation and commencement and for the Regulations to have effect from 1st December 2000.

Regulation 2 and Schedule 1 provide for the amendment of the 1988 Regulations as respects pension debit members (members whose rights are reduced by pension sharing orders) and pension credit members (the ex-spouses in whose favour pension sharing orders have been made).

Paragraph 1 of Schedule 1 amends regulation A9 to provide for the reduction of the amount of aggregate pension contributions. Paragraph 2 of Schedule 1 amends regulation B8(1) so that pension credit members’ pensions are considered in determining if pensions can be commuted on the grounds of triviality. Paragraph 3 inserts regulation B12 under which pension debit members’ awards are calculated subject to the overriding reduction. Paragraph 4 inserts regulation C10 under which pension debit members’ surviving spouses’ awards are similarly reduced. Paragraph 5 inserts regulation D6 which provides that pension debit members’ children’s awards are first calculated as if the member were not a pension debit member and are then reduced to the extent required by Article 28 of the 1999 Order. Paragraph 6 inserts regulation E11 under which awards on the death of pension debit members are reduced. Paragraph 7 makes provision about certificates relating to pension debit members. Paragraph 8 inserts regulation F9A which prevents a transfer in respect of pension credit rights being accepted by the scheme.

Paragraph 9 applies regulation K5 (forfeiture) to pension credit members’ pensions. Paragraph 10 applies regulation L4 (payment to non-beneficiaries).

Paragraph 11 inserts a new Part N making provision about pension credit members. The new regulations in Part N set out the pension credit member’s entitlement to a pension in respect of his pension credit at normal benefit age (60) or, if later, the date when the pension sharing order takes effect, for the commutation of the pension and for a death grant to be payable if the member dies before the pension is payable. Regulation N5 disapplies most of the 1988 Regulations for these members, except the regulations mentioned in the new regulation N5(2).

Paragraph 12 inserts a number of new definitions into Schedule A.

Paragraph 13 to 16 make consequential amendments of Schedules B and F (calculation of pensions and transfer values).

Regulation 3 amends the Royal Ulster Constabulary Pensions (Purchase of Increased Benefits) Regulations 1988 to prevent pension debit members from purchasing rights to replace those debited by a pension sharing order, except in the circumstances allowed under regulations made under paragraph 18(10) or (11) of Schedule 10 to the Finance Act 1999.

Regulation 4 and Schedule 2 provide for the amendment of the AVC Regulations. Regulation 4(2) prevents those Regulations applying to pension credit members as such except so far as provided by Schedule 2. Regulations 2, 10, 15 and 16 are amended and a new regulation 10B is inserted which gives effect to a new Schedule 1A (see paragraphs 3 and 6 of Schedule 2 to these Regulations).

The new Schedule 1A to the AVC Regulations makes provision for the discharge of liability in respect of a pension credit by the Board, the discharge of liability if the person entitled to the pension credit dies before liability has been discharged, the payment of pension credit benefit at or after normal benefit age, the commutation of pension credit benefit before or at normal benefit age, and the payment of pension credit benefit as a lump sum after the death of the pension credit member before the pension credit benefit becomes payable.

Provision is also made for the investment of pension credit rights in a way which is similar to the investment of additional voluntary contributions under the AVC Regulations. The transfer of pension credit rights out of the AVC scheme is also provided for.

Regulation 5 makes minor amendments to the Full-time Reserve Pensions Regulations.

The amendments do not impose any costs on business.

Retrospective effect is authorised by Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972.