

2006 No. 313

POLICE

**The Police Service of Northern Ireland Reserve (Full-time)
Severance Regulations 2006**

Made - - - - - *18th July 2006*

Coming into operation *17th August 2006*

To be laid before Parliament- *24th July 2006*

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The Secretary of State makes these Regulations in exercise of the powers conferred on him by section 26(1), (2)(g), and (5) of the Police (Northern Ireland) Act 1998(a) (“the 1998 Act”) with the consent of the Treasury in accordance with section 72(2A)(b) of that Act.

These Regulations have retrospective effect in accordance with Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972(c).

The Secretary of State has consulted with the Police Negotiating Board in accordance with section 62(3) of the Police Act 1996(d) and with the Northern Ireland Policing Board and the Police Association in accordance with section 26(6)(e) of the 1998 Act.

PART 1
GENERAL

Citation and commencement

1. These Regulations may be cited as the Police Service of Northern Ireland Reserve (Full-time) Severance Regulations 2006 and shall come into operation on 17th August 2006.

Interpretation

2. In these Regulations—

“annual pensionable pay” means the pensionable pay of the member at the annual rate to which he is entitled on the date of his leaving the reserve service;

“applicant” means a member of the reserve service who applies to enter the Scheme under regulation 4;

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- (a) 1998 c. 32; section 26 is modified by section 49 of and Schedule 6 to the Police (Northern Ireland) Act 2000 (c. 32) (“the 2000 Act”)
(b) This subsection was inserted by paragraph 23(6) of Schedule 6 to the 2000 Act
(c) Article 15 of the Superannuation (Northern Ireland) Order 1972 (1972/1073 (N.I.10)) allows regulations relating to pensions under sections 25 or 26 of the 1998 Act to have retrospective effect. Article 15 was inserted by paragraph 6 of Schedule 4 to the Police (Northern Ireland) Act 1998 (“the 1998 Act”)
(d) 1996 (c. 16)
(e) Section 26(6) originally required consultation with the Police Authority and the Police Association; paragraph 23 of Schedule 6 to the 2000 Act amends the 1998 Act to replace “Police Authority” with “Board” which is defined as the Northern Ireland Policing Board

“appropriate factor” has the meaning assigned to it in regulation 2(4)(c) of the Royal Ulster Constabulary Regulations 1996(a);

“compulsory retirement age” means the age at which the member would be required to leave the reserve service by reason of age, as defined by regulation A16 of the Pensions Regulations;

“date of leaving” means the date the member leaves the reserve service under the terms of the Scheme after completing the period of required re-training undertaken;

“disciplinary reasons” are any reasons connected to the Discipline Regulations;

“Discipline Regulations” means the Royal Ulster Constabulary (Conduct) Regulations 2000(b);

“immediate pension” means entitlement to pension on the member’s date of leaving the reserve service;

“member” means a member of the reserve service who has entered the Scheme in accordance with a determination of the Chief Constable under regulation 4;

“part-time service” in relation to a member means a person who, immediately before he enters the Scheme, is serving under the terms and conditions set out in Schedule 12 of the Royal Ulster Constabulary Reserve (Full-time)(Appointment and Conditions of Service) Regulations 1996(c);

“payment in lieu of pension” means a discretionary award to an eligible member (as defined in regulation 4 of these Regulations) until the member is entitled to a pension under the Pensions Regulations;

“pension age” means the age at which a member would be entitled to receive immediate payment of pension entitlements under the Pensions Regulations;

“Pensions Regulations” means the Royal Ulster Constabulary Pensions Regulations 1988(d);

“pensionable service enhancement” means the period by which a member’s pensionable service is increased in accordance with the calculation in Part 1 of the Schedule;

“period of extension” means any additional period of employment in the reserve service beyond the member’s compulsory retirement age as agreed by the Chief Constable;

“required re-training” means the period of re-training offered to members under regulation 15;

“reserve service” means the Police Service of Northern Ireland Reserve (Full-time);

“standing allowances” means replacement allowances as defined in regulation 47A of and Schedule 11 to the Royal Ulster Constabulary Reserve (Full-time)(Appointment and Conditions of Service) Regulations 1996(e), and the Police Service of Northern Ireland Allowance;

“Scheme” means the severance scheme provided for in these Regulations;

“time period” means the lump sum factor specified in the tables in Part 2 of the Schedule expressed in years and fractions of years measured from the date of payment of the additional severance lump sum;

“unexpired period of the lump sum” means the time period less the number of days elapsed since the date of payment of the severance lump sums.

(a) S.R. 1996 No. 473; regulation 2(4) is inserted by paragraph 1 of Schedule 1 to those Regulations
(b) S.R. 2000 No. 315; amended by the Police Service of Northern Ireland (Conduct) Regulations 2003 (S.R. 2003 No. 68)
(c) S.R. 1996 No. 564
(d) S.R. 1988 No. 374; those Regulations apply to members of the reserve service with modifications, by virtue of Article 3 of the Royal Ulster Constabulary Reserve (Full-time) Pensions Regulations 1994 (S.R. 1994 No. 197)
(e) Regulation 47A and Schedule 11 were inserted by regulation 2 of the Royal Ulster Constabulary Reserve (Full-time) (Appointment and Conditions of Service) (Amendment) Regulations 1997 (S.R. 1997 No. 363)

Length and termination of the Scheme

3.—(1) There shall be a severance scheme for members of the reserve service which shall be treated as having had effect from 1st April 2005.

(2) The Secretary of State shall determine the date that the Scheme shall cease.

(3) The Secretary of State must not make such a determination without—

- (a) consulting with the Chief Constable, the Northern Ireland Policing Board and the Police Association; and
- (b) the consent of the Treasury.

PART 2 ELIGIBILITY

Eligibility for and entry to Scheme

4.—(1) Any person who was a member of the reserve service on 31st March 2005 is eligible to apply to enter the Scheme except those who are or have been—

- (a) dismissed for disciplinary reasons; or
- (b) required to resign.

(2) An application to enter the Scheme shall be determined by the Chief Constable.

(3) The Chief Constable may, at his discretion—

- (a) refuse entry to the Scheme to an applicant who is suspended, or is under investigation for a serious criminal or disciplinary matter under the Discipline Regulations;
- (b) withdraw the acceptance in to the Scheme of a member if, before the date of leaving, that member is suspended, or investigated for a serious criminal or disciplinary matter under the Discipline Regulations.

(4) If an applicant is accepted into the Scheme, the date on which he or she enters the Scheme shall be determined by the Chief Constable and notified to the applicant in writing.

PART 3 ENTITLEMENTS

Application

5.—(1) Upon entering the Scheme a member of the reserve service shall be entitled to benefits in accordance with these Regulations.

(2) The Pensions Regulations shall apply to members of the Scheme subject to the modifications in regulations 10 to 14 below.

Benefits payable

6.—(1) A member of the Scheme shall be eligible to receive one or more of the following discretionary benefits on the date of leaving—

- (a) a severance lump sum;
- (b) pensionable service enhancements;
- (c) payment in lieu of pension;
- (d) actuarially reduced pension.

(2) Parts 1 and 2 of the Schedule shall have effect for calculating the benefits referred to in paragraph (1).

(3) A member of the Scheme shall receive a severance lump sum on the date of leaving in addition to any benefits received under paragraph (1).

(4) The additional severance lump sum referred to in paragraph (3) shall be equivalent to one sixth of the member's annual pensionable pay at the date of leaving.

Employment in the Police Service of Northern Ireland

7.—(1) A member of the Scheme who—

- (a) receives a severance lump sum under regulation 6(1); and
- (b) is employed (whether on a full or part-time basis) by the Police Service of Northern Ireland as a police officer within 3 years of the date of leaving,

shall be required to repay a proportion of any severance lump sum received under regulation 6(1).

(2) The amount to be repaid shall be $A \times (B - C)$ where—

A = the police officer's daily rate of pay on employment by the Police Service of Northern Ireland,

B = the lump sum factor x 365,

and

C = the number of days from the police officer's date of leaving.

(3) The lump sum factor in paragraph (2) is the lump sum factor used to calculate the severance lump sum payment under Part 2 of the Schedule.

(4) The application of paragraph (2) shall not have the effect of leaving a member of the Scheme with a lump sum payment less than the payment the member would have received under statutory redundancy pay at the date of leaving, and where this occurs the amount to be repaid shall be reduced accordingly.

(5) A member of the Scheme who—

- (a) receives a conversion lump sum under regulation 15, and
- (b) is employed by the Police Service of Northern Ireland as a police officer during the period he would have been receiving required re-training had he completed his required re-training,

shall be required to make a repayment.

(6) Where a repayment is required to be made in accordance with paragraph (5) the amount to be repaid shall be the conversion lump sum minus the proportion of it attributable to the period between the date of leaving and the date that employment with the Police Service of Northern Ireland commenced.

(7) A member of the Scheme who is employed by the Police Service of Northern Ireland as a police officer after the date of leaving shall be subject to the Pensions Regulations, including any rules on abatement of pensions for re-employed officers.

(8) This regulation does not apply to a member who—

- (a) joins the Police Service of Northern Ireland as a member of the police support staff; or
- (b) joins a police force in Great Britain.

Capping mechanism

8. The capping mechanism in Part 3 of the Schedule shall be applied to the calculation of a member's lump sum under Part 2 of the Schedule so as to limit the lump sum payable.

Part-time service

9. A member who has been in part-time service shall be entitled to the benefits payable in the Scheme subject to the adjustment of his annual pensionable pay by the appropriate factor.

PART 4 PENSIONS

Eligibility for pensionable service enhancements

10.—(1) A member who complies with the following conditions shall be eligible for pensionable service enhancements in accordance with the Pensions Regulations—

- (a) he or she has been making contributions under regulation G2 (pensions contributions payable by member) of the Pensions Regulations; and
- (b) those contributions have been made continuously from 31st March 2005 (or earlier) until the date of leaving.

(2) Paragraph (1) applies to those members of the reserve service who are on authorised unpaid leave.

Payment in lieu

11.—(1) A member who would have been entitled to a short service award as defined in regulation B2 (member's short service award) of the Pensions Regulations shall receive a payment in lieu in accordance with this regulation.

(2) The payment in lieu will be equivalent to the short service award in regulation B2 to which the member would have been entitled had he qualified for a pension from the date of leaving, subject to the modification in paragraph (3).

(3) Regulation B2(1) of the Pension Regulations shall have effect as if, for the words "is or was required to retire on account of age", there were substituted "retired under the terms of the Police Service of Northern Ireland Reserve (Full-time) Severance Regulations 2006".

(4) An applicant who is entitled to a payment in lieu will be entitled to commute a proportion of his payment in lieu under regulation B7(4)(b) (commutation – general provision) of the Pensions Regulations, in place of the commutation lump sum payable at 60 years.

Ill-health

12.—(1) This regulation applies when a member is eligible to—

- (a) receive immediate benefits, or receives benefits, under the Scheme; and
- (b) apply for ill-health benefits under regulation B3 (member's ill-health award) or B5(4) (member's deferred pension) of the Pensions Regulations.

(2) The benefits awarded under the Scheme shall be limited so that the sum of those benefits and benefits awarded under either regulation B3 or B5(4) of the Pensions Regulations shall not exceed the maximum applicable under regulation B3 or B5(4) of those Regulations respectively.

Injury on duty

13.—(1) This regulation applies to the payment of an injury pension to a member under regulation B4 (member's injury award) of the Pensions Regulations.

(2) Where a member receives a severance lump sum payment under the Scheme and later receives an injury on duty gratuity under regulation B4, that gratuity under Regulation B4 shall be reduced in accordance with paragraphs (3) to (5).

(3) The sum by which the injury on duty payment shall be reduced is $A - B$, where—

A = the sum equivalent to six months of the member's severance lump sum payment, and

B = the amount attributable to the unexpired period of the lump sum.

(4) If the unexpired period of the lump sum is 1 year or less, the member may elect to—

- (a) repay the amount attributable to the unexpired period of the lump sum; or
- (b) convert the amount attributable to the unexpired period of the lump sum into an annuity and deduct it from his minimum income guarantee as defined in the Pensions Regulations.

(5) Where paragraph (4)(b) applies, the annuity conversion shall be calculated as advised from time to time by the Government Actuary.

(6) In relation to Part 5 of Schedule B to the Pensions Regulations—

- (a) the minimum income guarantee calculation under paragraph 2 of that Part shall take no account of any pensionable service enhancements under these Regulations; and
- (b) the amount of an injury pension under paragraph 3 of that Part shall take account of pensionable service enhancements paid to the member under these Regulations.

Actuarially reduced pensions

14.—(1) A member who leaves the reserve service under the Scheme and is not immediately eligible to receive a pension, or payment in lieu of pension, may elect to receive an actuarially reduced pension.

(2) An actuarially reduced pension will be payable from the age of 50 to any member of the Scheme who so elects and who would be aged 50 or above on 6th April 2010.

(3) An actuarially reduced pension will be payable from the age of 55 to any member of the Scheme who so elects and to whom paragraph (2) does not apply.

(4) The amount to be paid will be calculated in accordance with a formula as advised by the Government Actuary from time to time.

PART 5

RE-TRAINING

Conversion lump sum

15.—(1) All members shall be offered 9 months of re-training before the date of leaving.

(2) A member who completes 3 months or more of the required re-training may terminate the re-training and receive a conversion lump sum.

(3) A member who completes less than 3 months of the required re-training may terminate the re-training and receive a conversion lump sum only with the consent of a review panel.

(4) The conversion lump sum payable in accordance with paragraph (2) or (3) is non-pensionable, and is—

- (a) payable in lieu of the salary and allowances which would have been paid during the remaining period of the re-training;
- (b) equivalent to the member's basic pay for the period of the required re-training still to be completed; and

(c) subject to a maximum value of 6 months' pay.

(5) Any increases to a member's basic pay to which he would have been entitled had he completed the required re-training shall be included in the calculation of the conversion lump sum under paragraph (4) as if the member had completed the re-training.

(6) The review panel referred to in paragraph (3) will comprise representatives of the Police Service of Northern Ireland, the Northern Ireland Policing Board, the Police Federation for Northern Ireland and the Northern Ireland Office.

Northern Ireland Office
18th July 2006

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

We consent to the making of these Regulations

18th July 2006

Alan Campbell
Frank Roy
Two of the Lords Commissioner of Her Majesty's Treasury

SCHEDULE

Regulations 6 and 8

BENEFITS PAYABLE

PART 1

PENSIONABLE SERVICE ENHANCEMENTS AND PAYMENT IN LIEU

1.—(1) A member of the Scheme aged 50 or over on the date of leaving shall be entitled to pensionable service enhancements of up to 5 years, subject to a maximum of—

- (a) total pensionable service of 30 years; or
- (b) that to which the member would have been entitled had he served until his compulsory retirement age,

whichever is less.

(2) A member of the Scheme aged 50 years or over on the date of leaving who is not entitled to an immediate pension after the calculation of pensionable service enhancements in sub-paragraph (1) shall be entitled to a payment in lieu of pension (taking into account such pensionable service enhancements) until pension age is reached.

(3) A member of the Scheme aged between 45 and 50 years on the date of leaving shall be entitled to a pensionable service enhancement equal to the period of pensionable service attained from 45 years of age to the date of leaving.

(4) The calculation in sub-paragraph (3) is—

- (a) subject to a maximum total pensionable service of 30 years; and
- (b) calculated on a daily basis.

PART 2

SEVERANCE LUMP SUMS

2.—(1) A member who is aged 50 years or over on the date of leaving shall be entitled to a severance lump sum.

(2) The amount of the lump sum in sub-paragraph (1) shall be calculated by multiplying the member's annual pensionable pay at the date of leaving by the appropriate lump sum factor as specified in the following tables—

(a) Compulsory Retirement Age of 55

Age	50				51				52				53				54			
	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11
Months	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11
Lump Sum Factor	2 1/2	2 3/8	2 1/4	2 1/8	2	1 7/8	1 3/4	1 5/8	1 1/2	1 3/8	1 1/4	1 1/8	1	7/8	3/4	5/8	1/2	3/8	1/4	1/8
Age	55 or over																			
Months	0-2	3-5	6-8	9-11																
Lump Sum Factor	0	0	0	0																

(b) Compulsory Retirement Age of 57

Age ("X")	50				51				52				53				54			
	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11
Months	0-2	2	2	2	0-2	2	2	2	0-2	2	2	2	0-2	2	2	2	0-2	2	2	2
Lump Sum Factor	3/4	11/16	10/16	9/16	1/2	7/16	6/16	5/16	1/4	3/16	2/16	1/16	1/4	3/16	2/16	1/16	1/2	3/8	1/4	1/8
Age ("X")	55				56				57 or over											
Months	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11
Lump Sum Factor	1	7/8	3/4	5/8	1/2	3/8	1/4	1/8	0	0	0	0	0	0	0	0	0	0	0	0

3.—(1) A member who is aged below 50 years on the date of leaving and who is entitled to an immediate pension shall be entitled to a severance lump sum.

(2) The amount of the lump sum in sub-paragraph (1) shall be calculated by multiplying the member's annual pensionable pay at the date of leaving by the appropriate lump sum factor as specified in the following table—

Compulsory Retirement Age	55	57
Lump Sum Factor	2 1/2	2 3/4

4.—(1) A member who is aged below 50 years on the date of leaving and is not entitled to an immediate pension but has served at least 5 years shall be entitled to a severance lump sum.

(2) The amount of the lump sum in sub-paragraph (1) shall be calculated by multiplying the member's annual pensionable pay by the appropriate lump sum factor determined by his number of years as a member as specified in the following table—

Years of RUC/ PSNI Service ("X")	5	6	7	8													
Months	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	
Lump Sum Factor	1 1/4	1 5/16	1 6/16	1 7/16	1 1/2	1 9/16	1 10/16	1 11/16	1 3/4	1 13/16	1 14/16	1 15/16	2 1/16	2 1/16	2 2/16	2 3/16	
Years of RUC/ PSNI Service ("X")	9	10	11	12+													
Months	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11	0-2	3-5	6-8	9-11					
Lump Sum Factor	2 1/4	2 5/16	2 6/16	2 7/16	2 1/2	2 9/16	2 10/16	2 11/16	2 3/4	2 13/16	2 14/16	2 15/16	3				

PART 3

CAPPING MECHANISM

5. The benefits of severance shall not exceed the amount calculated as potential earnings, and where this occurs the difference between the two shall be deducted from the severance lump sum.

6. In paragraph 5—

“benefits of severance” means the sum of the severance lump sum under Part 2 of the Schedule, and the member’s gross pension entitlement, before commutation, payable between the date of leaving and compulsory retirement age (or the expiry of his period of extension);

“potential earnings” means the member’s basic salary and any standing allowances he would have earned by remaining as a member between the date of leaving until compulsory retirement age or the end of the period of extension.

EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations create a Severance Scheme for the Police Service of Northern Ireland Reserve (Full-time) (“the reserve service”). The Scheme is open to all members of the reserve service who were employed on 31st March 2005. The Scheme has been operated on an administrative basis pending the making of these Regulations. These regulations provide that the Scheme shall be treated as having been had effect from 1st April 2005. This is possible because Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972(a) provide for regulations to have effect before they are made.

All members of the reserve service are eligible to join the Scheme unless they are dismissed for disciplinary reasons or required to resign. The Chief Constable determines who may enter the Scheme and at what date; regulation 4 gives him discretion to exclude members who are suspended or under investigation for a serious criminal or disciplinary matter.

The Scheme offers enhanced terms to those in the Royal Ulster Constabulary Reserve (Full-time) Pensions Regulations 1994(b). Those Regulations apply, with modifications, the Royal Ulster Constabulary Pensions Regulations 1988(c) (“the 1988 Regulations”) to members of the reserve service.

Regulation 3 provides that the Scheme will operate until the Secretary of State determines it should be terminated. A determination can only be made after consultation, and with the consent of the Treasury.

Regulation 5 provides that the normal pension regulations for the reserve service apply, subject to the modifications in these Regulations.

Regulation 6 sets out the discretionary benefits under the Scheme. Members of the Scheme can receive a severance lump sum, pensionable service enhancement, payments in lieu of pensions, and actuarially reduced pensions. Those benefits are subject to the provisions in Parts 3, 4 and 5 of the Regulations. The Schedule will be used to calculate members’ benefits under the Scheme. Regulation 6(3) also provides for an additional severance lump sum worth 2 months’ of pay.

Regulation 7 provides that where a member of the Scheme joins the Police Service of Northern Ireland as a police officer within 3 years, they will be required to repay the severance lump sum payment received under regulation 6(1), minus the proportion attributable to the period from the

(a) S.I. 1972 No. 1073 (N.I. 10)
(b) S.R. 1994 No. 197
(c) S.R. 1988 No. 374

date of leaving to the date of rejoining. A similar repayment is required where a member has received a conversion lump sum and joins the Police Service of Northern Ireland during the period that they would have been receiving retraining had they completed the full 9 months offered.

The repayment of the severance lump sum is subject to a limit so as to leave the member with no less than he or she would have received under statutory redundancy pay.

Regulation 8 provides a cap to ensure that a member shall not gain more in financial terms by accepting the benefits under the Scheme than he or she would have earned in basic pay and allowances up to compulsory retirement age or the expiry of the period of extension after that age.

Regulation 11 provides for payment in lieu of pension to members who would have been eligible for short service awards under the Pensions Regulations had they not left under the severance Scheme. The payment will be equivalent to that which members would have received as a short service award.

Regulations 12 and 13 set out the circumstances in which injury on duty benefits or ill-health pension benefits may be reduced to take account of the severance lump sum awarded under these Regulations.

Regulation 14 provides for members to elect to receive actuarially reduced pensions. Such pensions can be paid either from the age of 50 or 55; when it will be paid depends on the age of the member at 6th April 2010.

Regulation 15 provides for a period of 9 months' re-training to be offered to all members of the Scheme before they leave the reserve service. They will be entitled to their usual pay and allowances during this period. A member who chooses to leave before the 9 months is complete will receive a conversion lump sum equivalent to the basic pay the member would have received during retraining to maximum of 6 months' worth of pay. Any member who undertakes less than 3 months' training will need to obtain the approval of a review panel to obtain the conversion lump sum. This will be granted if the member provides good reason for early termination, such as an offer of alternative employment.