
EXPLANATORY NOTE

(This note is not part of the Regulations)

These Regulations make consequential provision in relation to public service pensions for teachers as defined in paragraph 4 of Schedule 1 to the [Public Services Pensions Act \(Northern Ireland\) \(c.2 \(N.I\)\)](#) “the 2014 act”

Under the 2014 Act, certain current members of public service pension schemes are to join new pension schemes (“new schemes”) as active members, whilst retaining certain benefits in their existing pension schemes (“old schemes”).

Part 1 of these Regulations provides for their citation, commencement and interpretation.

Part 2 modifies the effect of provisions relating to contracting-out of the additional state pension. It disapplies the requirement in the Pension Schemes (Northern Ireland) Act 1993 (c.49) (“the 1993 Act”) for contracting-out certificates in relation to members joining or transferring to a new scheme from 1st April 2015. Procedural requirements in the [Occupational Pension Schemes \(Contracting Out\) Regulations \(Northern Ireland\) 1996 \(SR 1996 No.493\)](#) are disapplied to an election to contract-out the new scheme, as long as the new scheme meets certain requirements in the 1993 Act.

Part 3 modifies the effect of other provisions of the 1993 Act, in their application to persons who join the new scheme whilst still being non-accruing members of the old scheme. Those members are to be treated as if they are in continuing pensionable service under one scheme, not two. Section 11A of the 1993 Act is modified in relation to pension debits. Part 4 of the 1993 Act concerns members of occupational pension schemes who leave before retirement age. The non-accruing members of the old scheme are to be treated as if their old scheme service does not terminate, nor their contracted-out employment cease, when they join the new scheme; only when they leave the new scheme. The modifications apply for the purposes of preserved benefit (Chapter 1 of Part 4); revaluing benefits (Chapter 2); protecting increases in guaranteed minimum pensions (Chapter 3); and cash equivalent values and contribution refunds (Chapters 4 and 5). Specified provisions in the Occupational Pension Schemes (Transfer Values) Regulations (Northern Ireland) 1996 (SR 1996 No. 619) which were made under Chapter 4 of Part 4 of the 1993 Act, are also modified for transition members.

Part 4 modifies the effect of the pensions tax regime contained in the Finance Act 2004 (c. 12) upon the ill-health pension provision in the new scheme. It provides that any element of an ill-health pension relating to pensionable service for the old scheme will not fall to be calculated against the member’s annual tax allowance, and that any pension in the old scheme that subsequently falls to be paid to a member who has taken ill-health retirement will not fall to be calculated against the member’s lifetime tax allowance.

Part 5 provides that where a deferred member takes pension benefits before normal pension age, no account is to be taken of the standard reduction, applied to the benefits of active members taking pension benefits before the normal pension age, for the purpose of the short service benefit provisions contained in of the 1993 Act (Chapter 1 of Part 4).

These Regulations will have no effect on the costs of business or the voluntary sector. For that reason no impact assessment has been produced for them.

Changes to legislation:

There are currently no known outstanding effects for the The Teachers' Pension Scheme (Consequential Provisions) Regulations (Northern Ireland) 2015.