

SCHEDULE

Regulation 3

Transfer Report

1. A transfer report must—
 - (a) have an effective date which is no earlier than the effective date of the most recent report of an actuarial valuation of the scheme; and
 - (b) state the percentage by which, as at the effective date of the transfer report, the market value of the scheme’s assets was insufficient to cover the transfer report liabilities of all members of the scheme (“the insufficiency percentage”).
2. The transfer report liabilities are—
 - (a) for active members with vested rights, each member’s cash equivalent calculated—
 - (i) in accordance with paragraphs 3 to 6; and
 - (ii) on the assumption that the member ceases pensionable service under the scheme on the effective date;
 - (b) for deferred members, each member’s cash equivalent calculated in accordance with paragraphs 3 to 6;
 - (c) for pensioner members, each member’s cash equivalent calculated in accordance with paragraphs 3 to 5;
 - (d) for members over normal pension age for the purpose of the scheme and not in receipt of a pension, each member’s cash equivalent calculated—
 - (i) in accordance with paragraphs 3 to 5; and
 - (ii) on the assumption that the member’s pension comes into payment on the effective date of the report;
 - (e) for pension credit members, each member’s cash equivalent calculated in accordance with paragraphs 3 to 6; and
 - (f) for members with unvested rights, an amount for each member—
 - (i) equal to the amount of the member’s unvested contributions; and
 - (ii) calculated on the assumption that the member ceases pensionable service under the scheme on the effective date of the report.
3. Cash equivalents for each member must be calculated by calculating the initial cash equivalent in accordance with paragraphs 4 and 5 and then, except in a case to which paragraph 2(c) or 2(d) applies, making any reduction required by paragraph 6.
- 4.—(1) The initial cash equivalent must be calculated—
 - (a) on the basis that the initial cash equivalent is the amount at the effective date of the report which is required to make provision within the scheme for a member’s accrued benefits, options and discretionary benefits; and
 - (b) using the assumptions provided for in paragraph 5.

(2) For the purposes of sub-paragraph (1)(a), the actuary preparing the report must use the most recent determinations for the scheme as a whole made by the trustees or managers of that scheme under regulation 7A(3) (manner of calculation of initial cash equivalents for salary related benefits) of the 1996 Regulations.
- 5.—(1) Initial cash equivalents must be calculated using the assumptions provided for in this paragraph.

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(2) The actuary preparing the report must use the assumptions for the scheme as a whole most recently determined by the trustees or managers of that scheme under regulation 7B (initial cash equivalents for salary related benefits: assumptions and guidance) of the 1996 Regulations.

(3) This sub-paragraph applies to -

- (a) a scheme made under Article 9 (superannuation of persons employed in local government service, etc) of the Superannuation (Northern Ireland) Order 1972⁽¹⁾, or a part of such a scheme;
- (b) a scheme made under section 1 (schemes for persons in public service) of the Public Service Pensions Act Northern Ireland) 2014⁽²⁾, or which has effect as a scheme made under section 1, for the payment of pensions to or in respect of local government workers, or a part of such a scheme; or

(4) In the case of the schemes or parts of schemes to which sub-paragraph (3) applies, the actuary preparing the report must assume that -

- (a) the per annum increase of official pensions required by orders to be made under section 69 of the Social Security Pensions (Northern Ireland) Order 1975 (increase of official pensions)⁽³⁾ will be-

$$\left(\left(\frac{1.05}{1.03} - 1 \right) \times 100 \right) \%$$

- (b) the per annum increase of that part of guaranteed minimum pensions which is attributable to earnings factors in the period beginning with the tax year 1988-1989 and ending with the tax year 1996-1997 required by orders to be made under section 105 of the 1993 Act (annual increase of guaranteed minimum pensions)⁽⁴⁾ will be-

$$\left(\left(\frac{1.05}{1.0325} - 1 \right) \times 100 \right) \%$$

- (c) the discount rate is 5%.

6. The actuary must reduce an initial cash equivalent by the amount of the reduction (if any) which the managers or trustees consider that they would make under paragraph 15 of Schedule 1A (reductions in initial cash equivalents) of the 1996 Regulations were the member to leave the scheme.

⁽¹⁾ S.I. 1972/1073 (N.I.10).

⁽²⁾ 2014.c.2 (N.I.).

⁽³⁾ S.I. 1975/1503 (N.I. 15); Art. 69 was amended by S.I. 1976/396 (N.I. 5) Arts. 10(2), 16 and Sch. 3, S.I. 1985/1209 (N.I. 16) Art. 25(2) and Sch. 6, S.I. 1986/1888 (N.I. 18) Arts. 11(8), 19(1)(b), 83(1) and Sch. 9, para. 58, S.I. 1990/1509 (N.I. 13) Arts. 3(7) and 7, by section 4 and paragraph 14(19) of Schedule 2 to the Social Security (Consequential Provisions) (Northern Ireland) Act 1992 (1992 c. 9) and by section 184 of and paragraph 15(1) of Schedule 7 to the Pension Schemes (Northern Ireland) Act 1993 (1993 c. 49). Article 69 is modified by Article 69A, which was inserted by Article 10(3) of the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5)), and amended by S.I. 1986/1888 (N.I. 18) Art. 11(9) and by section 184 of and paragraph 15(2) of Schedule 7 to the Pensions Schemes (Northern Ireland) Act 1993. Art. 69(5ZA) is amended by the Pensions (No.2) Act (NI) 2008 (c.13), section 110 and sch. 10 part 5, Arts 69(5ZC) are added by 2008 c. 13 section 110. By virtue of article 69(7) of the Social Security Pensions (Northern Ireland) Order 1975, sections 69 and 69A of that Order have effect as if they were contained in Part 1 of the Pensions (Increase) Act (Northern Ireland) 1971 (c.35(NI)).

⁽⁴⁾ Section 105 was amended by the Pensions (Northern Ireland) Order 1995 (S.I. 1995/3213 (N.I. 22)) Article 55 and the Civil Partnership (Contracted-out Occupational and Appropriate Personal Pension Scheme) (Surviving Civil Partners) Order (Northern Ireland) 2005 (S.R. 2005 No. 433).