
STATUTORY RULES OF NORTHERN IRELAND

1992 No. 547

**Local Government (Superannuation)
Regulations (Northern Ireland) 1992**

PART P

ADMINISTRATION AND MANAGEMENT

Constitution and powers of the Committee

P1.—(1) For the purposes of these regulations the Committee shall be constituted in accordance with Part I of Schedule 20.

(2) The Committee shall have the powers specified in Part II of Schedule 20.

(3) The expenses and allowances payable by the Committee shall be in accordance with Part III of Schedule 20.

Management of the fund

P2.—(1) The fund shall be managed and maintained by the Committee.

(2) The Committee shall in each year carry and credit to the fund—

- (a) the amounts contributed during the year by pensionable employees entitled to participate in the benefits of the fund;
- (b) the amounts payable by scheduled bodies under regulation P7;
- (c) all dividends and interest arising during the year out of the investment or use of moneys forming part of the fund, and any capital moneys resulting from the realisation of investments or from the repayment of moneys used temporarily for other authorised purposes;
- (d) the amount of any additional contributory payments received by the Committee under these regulations; and
- (e) any other sum which the Committee may become liable to carry to the fund under these regulations.

Use and investment of fund's moneys

P3.—(1) Subject to paragraphs (3) to (9), the Committee—

(a) shall invest any moneys forming part of the fund maintained by it (“fund moneys”) that are not for the time being required to meet payments to be made out of the fund under these regulations; and

(b) may vary the manner in which any fund moneys are for the time being invested.

(2) For the purposes of this regulation and of regulation P2(2)(c) investment includes any contract which by virtue of section 659 of the Act of 1988 (extension of pension schemes' tax exemptions to

dealings in financial futures and traded options) is to be regarded as an investment for the purposes of the enactments referred to in that section.

- (3) The Committee shall not—
- (a) make any investment in securities of companies other than listed securities so as to cause the total value of such investments (except investments made in accordance with a scheme under section 11 of the Trustee Investments Act 1961(1)) to exceed 10% of the value at the time of all investments of fund moneys; or
 - (b) make any investment, other than—
 - (i) an investment made in accordance with a scheme under section 11 of the Trustee Investments Act 1961; or
 - (ii) an investment falling within paragraph 1 of Part I or paragraph 1 or 2 of Part II of the first Schedule to that Act; or
 - (iii) a deposit with the Bank of England, an institution authorised under Part I of the Banking Act 1987(2) or a person for the time being specified in Schedule 2 to that Act,
 so as to result in more than 5% of the value at the time of all investments of fund moneys being represented by a single holding, or more than 20% of that value being represented by investments in units or other shares of the investments subject to the trusts of unit trust schemes managed by any one body; or
 - (c) make any deposit falling within sub-paragraph (b)(iii) so as to bring the aggregate of fund moneys deposited with any one bank, institution or person other than the National Savings Bank to an amount which exceeds 10% of the value at the time of all investments of fund moneys; or
 - (d) lend to any person other than Her Majesty's Government in the United Kingdom or the Government of the Isle of Man, or use as mentioned in paragraph (2), or deposit with a person specified in paragraph 12 or 13 of Schedule 2 to the Banking Act 1987, any further fund moneys so as to bring the aggregate of all fund moneys so lent, used or deposited to an amount which exceeds 10% of the value at the time of all investments of fund moneys.
- (4) For the purposes of paragraph (3)(d) moneys are not lent if they are—
- (a) invested in registered securities to which section 1 of the Stock Transfer Act 1963(3) or section 1 of the Stock Transfer Act (Northern Ireland) 1963(4) applies or in listed securities; or
 - (b) deposited with the Bank of England an institution authorised under Part I of the Banking Act 1987 or a person for the time being specified in paragraphs 1 to 11 of Schedule 2 to that Act.
- (5) The Committee, subject to paragraph (6), may appoint one or more investment managers to manage and invest fund moneys on their behalf.
- (6) The Committee shall not make an appointment under paragraph (5) unless—
- (a) they have considered the value of the fund moneys to be managed by the investment manager or, as the case may be, by each of the investment managers to be appointed and are satisfied that it will not be excessive, having regard to proper advice, to the desirability

(1) 1961 c. 62 as amended by The Transfer of Functions and Adaption of Enactments Order 1973 (S.R. & O. (N.I.) 1973 No. 256); Financial Services Act 1986 (c. 60) section 212(2), Schedule 16

(2) 1987 c. 22 as amended by The Banking Act 1987 (Exempt Persons) Order 1989 (S.I. 1989/125)

(3) 1963 c. 18; section 1 as amended by the Finance Act 1964 (c. 49), section 26(7) and Schedule 9, and the Post Office Act 1969 (c. 48), section 108(1)(f)

(4) 1963 c. 24 (N.I.)

of securing diversification of the management of the fund, and to the value of the assets of the fund; and

- (b) the terms of the appointment—
- (i) provide for the appointment to be terminable by not more than one month's notice given by the Committee;
 - (ii) require the investment manager to provide the Committee at least once every 3 months with a report setting out the action he has taken under the appointment;
 - (iii) require the investment manager to comply with such instructions as the Committee, or a sub-committee or officer employed by the Committee when exercising authority under paragraph 2 of Part II of Schedule 20 may give;
 - (iv) require the investment manager to have regard to the need for diversification of investments of fund moneys, and to the suitability of investments of any description of investment which he proposes to make and of any investment proposed as an investment of that description; and
 - (v) prohibit the investment manager from making investments which would contravene paragraph (3).

(7) Where the Committee have made an appointment under paragraph (5) they shall, at least once every 3 months, review the investments made by the investment manager and from time to time consider the desirability of continuing or terminating the appointment.

(8) In the discharge of their functions under this regulation the Committee shall have regard—

- (a) to the need for diversification of investments of fund moneys; and
- (b) to the suitability of investments of any description of investment which they propose to make and of any investment proposed as an investment of that description; and
- (c) to proper advice, obtained at reasonable intervals.

(9) Where the Committee appoints an investment manager under paragraph (5) they shall have regard—

- (a) in determining the terms of the appointment, to proper advice; and
- (b) in exercising their functions under paragraph (7)—
 - (i) to the need for diversification of investments of fund moneys;
 - (ii) to the suitability of investments of any description of investment which the investment manager has made and of any investment made as an investment of that description; and
 - (iii) to proper advice.

(10) The Committee may pay out of fund moneys any costs, charges and expenses incurred by them in the discharge of their functions under this regulation.

(11) For the purposes of this regulation—

“companies” includes companies established under the law of any territory outside the United Kingdom;

“listed securities” means securities in respect of which a listing has been granted and not withdrawn—

- (a) on an investment exchange in the United Kingdom which is a recognised investment exchange within the meaning of the Financial Services Act 1986(5);
- (b) on an investment exchange outside the United Kingdom of international repute;

“proper advice” means the advice of a person who is reasonably believed by the Committee to be qualified by his ability in and practical experience of financial matters;

“securities” includes shares, stock and debentures;

“single holding” means investments—

- (a) in securities of, or in loans to or deposits with, any one body, other than investments in unit trust schemes; or
- (b) in units or other shares of the investments subject to the trusts of any one unit trust scheme; or
- (c) in the acquisition, development or management of, or in any advance of money upon the security of, any one piece of land; or
- (d) in the acquisition of any one chattel.

Accounts, audit and annual report

P4.—(1) The Committee shall keep accounts of all income and expenditure of the fund.

(2) The Secretary of the Committee shall make up the accounts of the income and expenditure of the Committee to the end of each financial year and shall forward 3 copies of a statement of such accounts duly signed and dated by him to the Department not later than 30th June after the expiration of the financial year to which the accounts relate.

(3) The accounts kept by the Committee shall be audited annually by a local government auditor who shall report on the accounts audited and shall send his report, together with 2 audited copies of the statement of such accounts duly signed by him, to the Department within 14 days after completion of the audit.

(4) The Department on receipt of the auditor’s report and the audited copies of the statement of accounts shall send a copy of such report and statement of accounts to the Secretary of the Committee who shall—

- (a) lay such copy of the report and statement of accounts before the next meeting of the Committee; and
- (b) forward a copy of such report and statement of accounts as aforesaid to each employing authority.

(5) The local government auditor may require—

- (a) the production before him of all books and documents of the Committee which he thinks necessary for the purpose of the audit;
- (b) any person holding or accountable for any such book or document to appear before him at the audit or any adjournment thereof; and
- (c) any such person to make and sign a declaration as to the correctness of the book or document.

(6) The Committee shall annually at such time as the Department may direct make to it a report of their proceedings during the preceding year, and the Department shall lay a copy of such report before the Assembly.

Periodical valuation of fund

P5.—(1) The Committee shall, unless the Department shall otherwise direct, obtain an actuarial valuation of the assets and liabilities of the fund as at 31st March in the year 1992 and in every third year thereafter, together with a report by the actuary.

(2) Unless the Department allows an extended period, the valuation and report are to be obtained within 12 months from the date as at which the valuation is made.

(3) The Committee shall, within 6 months after the date referred to in paragraph (2) or within such extended period as the Department may allow, furnish the actuary who is to consider the condition of the fund with such information as he may require.

(4) Forthwith upon receiving any such valuation and report the Committee shall—

- (a) send copies of them to the Department and copies thereof to each employing authority whose employees contribute to the fund;
- (b) send the Department a copy of the revenue account with which the actuary was provided; and
- (c) unless the report contains a summary of the assets of the fund at the date as at which the valuation was made, send the Department such a summary.

(5) In addition to the periodical valuation and report required by paragraph (1) the Committee may at any other time obtain a valuation and report on the assets and liabilities of the fund and if such a valuation and report are obtained the provisions of paragraph (4) shall apply to such valuation and report.

Actuary's certificates

P6.—(1) The Committee shall as soon as is reasonably practicable after obtaining a valuation under regulation P5 obtain from the same actuary a certificate specifying—

- (a) in respect of all employing authorities the rate per cent which in his opinion, the amount of the employer's contribution payable in each year of the period specified in paragraph (2) should bear to the total remuneration on which contributions will during that year be payable to the fund under regulations C1 and C2 by their employees, so that such rate shall at all times be as nearly constant as may be and so that the fund shall be solvent, having regard to the then existing and prospective liabilities of the fund arising from circumstances common to all employing authorities; and
- (b) in respect of any such employing authority as may be named in the certificate, the amount (expressed as a rate per cent or in money terms) by which in his opinion the amount of the employer's contribution should in any such year of the period mentioned in subparagraph (a) as is specified in the certificate be increased to take account of the then existing and prospective liabilities of the fund arising from circumstances peculiar to that employing authority or be reduced to take account of the then existing and prospective benefits accruing to the fund arising from such circumstances.

(2) The period referred to in paragraph (1) is the period of 3 years beginning with 1st April in the year following.

(3) Forthwith upon receiving a certificate under this regulation the Committee shall send a copy of it to the Department and to each body whose employees contribute to the fund.

Employer's contributions

P7.—(1) A scheduled body shall contribute to the fund in each year of any period of 3 years for which a certificate is required to be obtained under regulation P6 a sum equal to the remuneration on which contributions have during that year been paid to the fund under regulation C1 or C2 by their employees multiplied by the common rate of employer's contribution specified under regulation P6(1)(a) for that year, increased or, as the case may be, reduced in accordance with any individual adjustment specified for the year in respect of the body under regulation P6(1)(b).

(2) A scheduled body shall, during each year of every such period as is mentioned in paragraph (1), pay to the fund at the end of each of the intervals determined under regulation P10, on account of the sum required by paragraph (1) to be paid in that year, a sum equal to the remuneration on which contributions have during the interval been paid to the fund under regulation C1 or C2 by their employees multiplied by the common rate of employer's contribution specified under regulation P6(1)(a) for that year, increased or, as the case may be, reduced by—

(a) any percentage; or

(b) a part, proportionate to the length of the interval, of any amount expressed in money terms, that has been specified as an individual adjustment for the year in respect of the body under regulation P6(1)(b).

(3) If all or part of any sum due under paragraph (2) remains unpaid at the end of the period of 10 days after the date on which it becomes due, the Committee may require the employing authority to pay interest, calculated at the standard rate on a day to day basis from the due date of payment to the date of payment, and compounded with 3-monthly rests, on the amount remaining unpaid.

(4) Interest paid under paragraph (3) shall be carried to the fund.

Employer's additional contributions

P8.—(1) Where immediately before 1st March 1993 any payments remained to be made by an employee under regulation 43 of the 1981 regulations his employing authority shall, so long as he remains in their employment, pay to the fund—

(a) contributions equal to the amounts payable by the employee under regulation C10(2); or

(b) where the amounts payable by the employee—

(i) were reduced under proviso (ii) to regulation 43(3) of the 1981 regulations or the corresponding provision of the former regulations; or

(ii) were or are reduced by virtue of the payment of a lump sum under regulation 43(4) of the 1981 regulations or Schedule 7 to these regulations,

contributions equal to the amounts that would have been payable by the employee but for the reduction.

(2) Where on the employee's ceasing to hold his employment the employing authority agree to pay a sum under paragraph 4A(5) of Schedule 10 to the 1981 regulations (as deemed by virtue of regulation C10(4) of these regulations to have continued to have effect) and the employee pays the required amount for the purposes of that paragraph, the employing authority shall pay the agreed sum to the fund before the end of the period of one month beginning on the date of the employee's payment.

(3) If all or part of the agreed sum remains unpaid at the end of that period, the Committee may require the employing authority to pay interest, calculated at the standard rate on a day to day basis from the day after the end of the period to the date of payment, and compounded with 3-monthly rests, on the amount remaining unpaid.

(4) Interest paid under paragraph (3) shall be carried to the fund.

Employer's further payments

P9. Any extra charge on the fund resulting from a resolution under regulation D7 (increase of reckonable service) shall be repaid to the fund by the scheduled body concerned.

Payments by employing authorities to the Committee

P10.—(1) Every scheduled body shall pay to the Committee at such intervals of not more than 12 months as the Committee may determine—

- (a) all amounts from time to time deducted from the remuneration of their pensionable employees under these regulations;
- (b) any amount received by them under regulation C3, by deduction from remuneration or otherwise, during the interval; and
- (c) any extra charge payable under regulation P9, the amount of which has been notified to them by the Committee during the interval.

(2) Payments made in pursuance of, and interest paid under paragraph (5) on sums due under, paragraph (1)(a) to (c) shall be carried to the fund.

(3) Subject to paragraph (4), every payment under paragraph (1)(a) is to be accompanied by a statement showing—

- (a) the name and remuneration of each of the pensionable employees in relation to whom the payment is made;
- (b) the amounts comprised in the payment which represent deductions from the remuneration of each of those employees and the periods in respect of which the deductions were made;
- (c) which of the employees referred to in sub-paragraph (a) and amounts referred to in sub-paragraph (b) are employees paying, and amounts representing deductions in respect of instalments under regulation C7 or additional contributions under regulation C11;
- (d) the amount of the remuneration of those employees from or in respect of whom deductions have not been made; and
- (e) the names of any pensionable employees from whose remuneration no deductions have been made.

(4) The Committee may direct that, instead of complying with paragraph (3), the bodies making payments to them under paragraph (1)(a) are to provide them with the information mentioned in paragraph (3) in such form, and at such intervals of not more than 12 months, as may be specified in the direction.

(5) If all or part of any sum due under the provisions of this regulation remains unpaid at the end of the period of 10 days after the date on which it becomes due, the Committee may require the body concerned to pay interest, calculated at the standard rate on a day to day basis from the due date of payment to the date of payment, and compounded with 3-monthly rests, on the amount remaining unpaid.

Extra charges resulting from early retirement

P11. Where a retirement pension and retiring allowance are payable under regulation E2(1)(b) (iii), the employing authority shall pay to the Committee such an amount as may be actuarially determined which represents the cost to the Committee of paying such pension and allowance before the pensionable employee would be entitled to the payment of such benefits under paragraph (1)(a), (b)(ii) or (e) of that regulation.

Pensions Order payments

P12.—(1) Any increase in a pension which is required by virtue of Articles 43A to 43C (protection of pensions) of the Pensions Order(6) shall be paid out of the fund.

(6) Articles 43A to 43C were inserted by the Health and Social Security (Northern Ireland) Order 1984 (S.I. 1984/1158 (N.I. 8)) Schedule 4, modified by the Contracting-out (Protection of Pensions) Regulations (Northern Ireland) 1984 (S.R. 1984

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(2) Any payment which the Committee are required to make as a result of a person's taking out a right to a cash equivalent under Schedule 1A to the Pensions Order(7) shall be made out of the fund.

No. 444), and amended by the Social Security (Northern Ireland) Order 1985 (S.I. 1985/1209 (N.I. 16)), Article 8 and Schedule 3, paragraph 3

(7) Schedule 1A was inserted by the Social Security (Northern Ireland) Order 1985, Schedule 1, paragraph 3