STATUTORY RULES OF NORTHERN IRELAND

1996 No. 260

Teachers' Superannuation (Additional Voluntary Contributions) Regulations (Northern Ireland) 1996

Retirement and dependants' pensions

12.—(1) The benefits that may be provided on retirement in accordance with this regulation under a pension policy purchased as described in paragraph (7) are a retirement pension and one or more dependants' pensions.

(2) A retirement pension is a pension commencing not earlier than the date of retirement and is payable to the participator for life.

(3) A dependants' pension is a pension which would become payable to a dependant on the death of the participator after his retirement and is payable during the life of that dependant, except that, in the case of a dependant who is a child, it shall cease to be payable when that person ceases to be a child.

(4) A pension policy purchased as described in paragraph (7) shall not provide for any retirement pension or dependants' pension capable in whole or in part of surrender, commutation or assignment (except as provided by paragraphs (9) and (10)).

(5) Not earlier than one month before retirement, a participator, by giving written notice to the Department, shall make a benefits election which shall specify—

(a) whether a retirement pension is to be provided;

(b) for whom, if anyone, dependants' pensions are to be provided;

(c) if more than one pension is to be provided, either—

(i) the proportion of the amount secured by the investments made under regulation 9(1) or 10(2) which 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 retirement pension;

(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 an increase in the Index for the year in question; and

(e) the authorised provider who is to provide each pension.

(6) In the case of a retirement pension, the election made in accordance with paragraph (5) may also specify that if the participator dies within the period of 5 years beginning when the retirement pension commences the balance that would have been payable during the remainder of that period if the pension had continued at the rate in force at the time of the participator's death is to be paid as a lump sum to his personal representatives.

(7) Subject to paragraphs (9) and (10), upon receipt of an election in accordance with paragraph (5) the Department shall, as soon as is reasonably practicable, realise the investments

made under regulation 9(1) or 10(2) and apply the amount obtained for the purchase of a pension policy from an authorised provider chosen by the participator to provide the benefits specified in that election.

(8) Subject to paragraphs (9) and (10), if no benefits election under paragraph (5) has been made six months after the participator retires the Department may realise the investments made under regulation 9(1) or 10(2) and apply the amount obtained for the purchase of a pension policy from an authorised insurance company selected by it to provide such benefits as appear to the Department to be suitable.

(9) If the participator dies before retirement, or after retirement but before a policy such as is mentioned in paragraph (7) is purchased, the Department shall as soon as reasonably practicable realise the investments made under regulation 9(1) or 10(2) and pay the amount obtained to the personal representatives of the participator as a lump sum.

(10) In the case of a retirement pension, where there are exceptional circumstances of serious ill-health affecting the participator, the Department may realise the investments without purchasing any pension and in that event shall pay the amount obtained to him as a lump sum.

(11) If the annual rate of the retirement pension purchased in accordance with paragraph (7) or (8), when aggregated with the annual rate of any pensions payable and the annual equivalent of any lump sums payable to the participator under the Principal Regulations arising from the participator's employment in reckonable service, does not exceed any amount prescribed by regulations for the time being in force under section 17(1) of the Pension Schemes (Northern Ireland) Act 1993(**1**), the authorised provider may discharge the liability for payment of the benefits under the pension policy by payment of a lump sum representing their capital value.

(**1**) 1993 c. 49