SCHEDULE 12 Regulations G1, G2(4) and G4(5)

Teachers' Superannuation Account

Part 1

Transitional

1. The account that was required by regulation 80 of the 1977 Regulations to be kept by the Department shall be made up to 1st November 1998 as if the period beginning with and including 1st April 1998 and ending with 1st November 1998 had been an accounting period within the meaning of Part V of the 1977 Regulations.

2.—(1) References in regulations G1 to G3 and in this Schedule to a financial year shall be construed as including references to the period beginning with and including 2nd November 1998 and ending with 31st March 1999.

(2) In relation to that period—

(a) the reference in regulation G2(4)(*a*) to the closing balance in the account for the preceding financial year shall be construed as a reference to the closing balance in the account mentioned in paragraph 1 for the period mentioned in that paragraph; and

(b) the reference in paragraph 6(2) to 1st October in the financial year shall be construed as a reference to 1st October 1998.

3.—(1) For the purposes of Part G—

(a) the inquiry which was required by regulation 86(1) of the 1977 Regulations to be made with respect to the account mentioned in paragraph 1 at the end of the accounting period ending with 31st March 1998 shall be treated as having been an inquiry required by regulation G4(1); and

(b) the report on that inquiry shall be treated as a report made in compliance with regulation G4(2),

and accordingly for the purposes of regulation G5 (employers' contributions) the first relevant period is the period beginning on 1st April next following the date of that report.

(2) During the period beginning with and including 2nd November 1998 and ending immediately before the start of the first relevant period regulation G5 applies as if that period had been a relevant period and the required percentage had been 7.85.

Part II

Form of Account

4. The form referred to in regulation G1 is the following:

ACCOUNT UNDER REGULATION G1 OF THE TEACHERS' SUPERANNUATION REGULATIONS (NORTHERN IRELAND) 1998 FOR THE YEAR ENDED 31st MARCH 19

HEAD	£000's	£000's
Notional balance at 1st April 19		
ADD RECEIPTS		
A I Contributions		
(i) Employees		
(ii) Employers		
II Transfer Values		
(i) Actual		
(ii) Notional		
III Contributions equivalent premiums		
IV Miscellaneous receipts		
V Interest on notional investments		
DEDUCT PAYMENTS		
B I Benefits		
(i) Annual pensions		
(ii) Lump sums		
(iii) Death grants		
(iv) Widows' pensions		
(v) Widowers' pensions		
(vi) Children's pensions		
(vii) Other beneficiaries' pensions		
(viii) Short term pensions		
II Repayments of contributions		
III Transfer values		
(i) Actual		
(ii) Notional		
IV Contributions equivalent premiums to the State Pension Scheme		
Notional balance at 31st March 19		

Part III

Notional Interest

5.—(1) Subject to sub-paragraph (2) and paragraph 7(3), the notional interest to be credited to the account under regulation G2(4)(*e*) is the interest that would have accrued for the financial year—

(a) from the notional investment that was referred to in regulation 83(1)(*c*) of the 1977 Regulations(**1**) (investment referable to accumulated balance of revenue over expenditure as at 31st March 1971); and

(**1**) Regulation 83 was as substituted by S.R. 1979 No. 380, Regulation 8 and Appendix 3, Regulations 79 to 81 were renumbered 80 to 92 by S.R. 1988 No. 64, Regulation 3(2)

(b) from the notional investments of annual balances that were referred to in regulation 83(1)(*b*) of the 1977 Regulations (balances for financial years ending on or after 31st March 1972); and

(c) in any financial year beginning after 31st March 1999, from the assumed investments at the end of preceding financial years described in paragraph 6(4),

and half the interest that would have accrued for the financial year from the assumed investment described in paragraph 6(3).

(2) There shall be deducted from the gross amount of the notional interest an amount equal to the income tax that would have been payable if the notional and assumed investments had been held for the purposes of a retirement benefits scheme approved under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988(**2**) which was an exempt approved scheme within the meaning of that Chapter and which provided benefits comparable to those provided under these Regulations.

6.—(1) In this paragraph "invested" means invested in one or more designated securities at the mean price.

(2) A designated security is a government security designated for the financial year by the Department after consulting the Government Actuary, and the mean price is half way between the highest and lowest prices shown for it in the Official Daily List of The Stock Exchange for 1st October in the financial year or, if the Exchange was not then open, for the last day on which it had been open.

(3) It shall be assumed that

$$A + B \qquad C$$

was invested at the beginning of the financial year—

A being the total of the receipts credited for the financial year in accordance with regulation G2(1) and (4)(*b*) to (*d*);

B being the notional interest described in paragraph 5(1)(*a*), (*b*) and (*c*); and

C being the total of the payments debited for the financial year in accordance with regulation G3.

(4) It shall be assumed that

$$A + B + D \qquad C$$

is invested at the end of the financial year in the same designated security or securities, A, B and C being the same as in sub-paragraph (3) and D being half the interest that would have accrued for the financial year from the assumed investment described in that sub-paragraph.

7.—(1) Any security which is the subject of a notional or assumed investment mentioned in paragraph 5(1)(*a*), (*b*) or (*c*) shall be treated as having been redeemed on the last date on which it could have been redeemed in accordance with the terms on which it was issued ("the redemption date").

(2) The amount originally treated as invested in the security shall be assumed to have been re-invested on the redemption date in a government security designated by the Department after consulting the Government Actuary.

(3) The notional interest calculated in accordance with paragraph 5 shall be increased by any excess of F over E, or as the case may be reduced by any excess of

E over F,

where—

(**2**) 1988 c. 1

E is the amount originally treated as invested in the security; and

F is the amount notionally received on its redemption after deducting any capital gains tax that would have been payable if the investment had been held for the purposes of a retirement benefits scheme of the kind mentioned in paragraph 5(2).