
STATUTORY RULES OF NORTHERN IRELAND

2000 No. 177

**Local Government Pension Scheme
Regulations (Northern Ireland) 2000**

Part L

Pension Fund and Payments by Employers

The pension fund

Continuation of existing superannuation fund

L1. The superannuation fund maintained immediately before the commencement date under the 1992 regulations shall continue to be maintained for the purposes of these regulations by the Committee.

Accounts audit and annual report

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L2.—(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 three 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 two 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 its proceedings during the preceding year, and the Department shall lay a copy of such report before the Assembly.

Valuations and rates of contributions and adjustments

Valuations of fund

- L3.**—(1) The Committee—
- (a) shall obtain an actuarial valuation of the assets and liabilities of the fund as at 31st March in the year 2001 and in every third year afterwards, together with a report by the actuary; and
 - (b) shall for that purpose provide the actuary with the consolidated revenue account of the fund and such other information as he may require.
- (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) Immediately the Committee receives any such valuation and report it shall—
- (a) send copies of them—
 - (i) to the Department,
 - (ii) to each body whose employees contribute to the fund, and
 - (iii) to any other body which is or may become liable to make payments to the fund in respect of pensions; and
 - (b) send to the Department—
 - (i) a copy of the consolidated revenue account with which the actuary was provided, and
 - (ii) a summary of the assets of the fund at the date as at which the valuation was made (unless such summary is contained in the report).
- (4) Where an admission agreement ceases to have effect, the Committee shall obtain an actuarial valuation as at the date of the cessation of the agreement of the liabilities of the employing body as respects the fund and shall send copies of it to that body and to the Department.

Actuary's certificates

- L4.**—(1) The Committee shall, as soon as is reasonably practicable after obtaining a valuation from an actuary under regulation L3(1) or (4), obtain from him a certificate specifying—
- (a) the common rate of employer's contribution, and
 - (b) any individual adjustments,
- for each year of the period of three years beginning with 1st April in the following year.
- (2) For the purposes of paragraph (1), the common rate of employer's contribution is the percentage of the remuneration of its employees who are members which should in the actuary's opinion be paid to the fund by all bodies whose employees contribute to it so as to ensure its solvency, having regard—
- (a) to the existing and prospective liabilities of the fund arising from circumstances common to all those bodies, and
 - (b) to the desirability of maintaining as nearly constant a rate as possible.

(3) An individual adjustment is any percentage or amount by which in the actuary's opinion contributions at the common rate should in the case of a particular body be increased or reduced, having regard to existing or prospective liabilities of, or of benefits accruing to, the fund arising from circumstances peculiar to that body.

(4) Immediately the Committee receives a certificate under this regulation it shall send a copy of it—

- (a) to the Department,
- (b) to each body whose employees contribute to the fund, and
- (c) to any other body which is or may become liable to make payments to the fund in respect of pensions.

Employers' liability to make payments

Employer's contributions

L5.—(1) An employing authority shall contribute to the fund in each year of any period of three years for which a certificate is required under regulation L4(1), a sum equal to the presumed contribution 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 L4(1)(b).

(2) The employing authority 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 L7, on account of the sum required by paragraph (1) to be paid in that year, a sum equal to the presumed contribution for that interval, 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 L4(1)(b).

(3) For the purposes of paragraphs (1) and (2), the presumed contribution for any period for an employer is a sum equal to the common percentage for the year in question of the remuneration on which contributions have during that period been paid to the fund under regulation C3, C5 or C6 by its employees who are members; and in this paragraph "the common percentage" means the common rate of employer's contribution specified under regulation L4, expressed as a percentage.

(4) Where a standard retirement pension and standard retirement grant are payable under regulation D6, 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 grant before the member has attained normal retirement age.

(5) If all or part of any sum due under paragraph (2) or (4) 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 on the amount remaining unpaid, calculated at one per cent. above base rate on a day to day basis from the due date of payment to the date of payment, and compounded with three-monthly rests.

Employer's further payments

L6.—(1) Where immediately before the commencement date any payments remained to be made by an employee and his employer under regulation 43 (added years) of the 1981 regulations his employing authority shall, so long as he remains in its employment, pay to the fund—

- (a) contributions equal to the amounts payable by the employee in respect of his obligations under that regulation by virtue of Schedule C5 or Schedule M2, and

- (b) any payments equal to those payments determined under regulation 43(6) of the 1981 regulations,
- (c) where the amounts payable by the employee—
 - (i) were reduced under proviso (ii) to regulation 43(3) of the 1981 regulations or the corresponding proviso of the former regulations, or
 - (ii) were or are reduced by virtue of the payment of a lump sum under regulation 43(4) of 1981 regulations or Schedule 7 to the 1992 regulations or paragraph 4 of Schedule C4 to these regulations,

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

(2) Where—

- (a) on the employee's ceasing to hold his employment the employing authority agrees to pay a sum under paragraph 4A(5)(1) of Schedule 10 to the 1981 regulations (as deemed by virtue of paragraph 9 of Schedule C5 to have continued to have effect); and
- (b) 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 on the amount remaining unpaid, calculated at one per cent. above base rate on a day to day basis from the day after the end of the period to the date of payment, and compounded with three-monthly rests.

(4) Any extra charge on the fund resulting from a resolution under regulation D7 (increase of reckonable service) of the 1992 regulations or regulation B15 of these regulations (increase of membership) shall be repaid to the fund by the employing authority concerned.

Payments by employing authorities to the Committee

L7.—(1) Every employing authority other than the Committee shall pay to the Committee, at such intervals of not more than 12 months as the Committee may determine (but in the case of the amounts mentioned in sub-paragraph (a) not later than the time required under Article 49(8) of the Pensions Order—

- (a) all amounts from time to time deducted from the remuneration of its members under these regulations;
- (b) any amount received by it under regulation C7, by deduction from remuneration or otherwise, during the interval; and
- (c) any extra charge payable under regulation L6(1) to (3), the amount of which has been notified to it by the Committee during the interval.

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

- (a) the name and remuneration of each of the members in relation to whom the payment is made;
- (b) which of those members are paying additional voluntary contributions under regulation C24 or continuing to pay instalments under regulation C7 of the 1992 regulations (as continued in effect by paragraph 1 of Schedule C5);

(1) Paragraph 4A(5) was inserted by regulation 13 of the Local Government (Superannuation) (Amendment) Regulations (Northern Ireland) 1986 (S.R. 1986 No. 294)

- (c) the amounts comprised in the payment which represent deductions from the remuneration of each of those members and the periods in respect of which the deductions were made;
- (d) which of those amounts are amounts representing deductions in respect of such contributions or instalments as are mentioned in paragraph (b);
- (e) the amount of the remuneration of those members from or in respect of whom deductions have not been made; and
- (f) the names of any members from whose remuneration no deductions have been made.

(3) The Committee may direct that, instead of complying with paragraph (2), the employing authorities making payments to it under paragraph (1)(a) are to provide it with the information mentioned in paragraph (2) in such form, and at such intervals of not more than 12 months, as may be specified in the direction.

(4) If all or part of any sum due under 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 employing authority concerned to pay interest, calculated and compounded as mentioned in regulation L5(5).

(5) Payments made in pursuance of paragraph (1) shall be carried to the fund.

Transfers, recovery and retention from the fund in misconduct cases

Transfer of sums from the fund to compensate for former member's misconduct

L8.—(1) This regulation applies where—

- (a) a person (“the former employee”) has ceased to hold an employment in which he was a member in consequence of—
 - (i) an offence of a fraudulent character, or
 - (ii) grave misconduct,in connection with that employment;
- (b) the body which was his employing authority in that employment (“the former employing authority”) has suffered direct financial loss by reason of the offence or misconduct, and
- (c) the former employee—
 - (i) became entitled to benefits under Part D and a direction has been given under regulation H4(1), or
 - (ii) he did not become so entitled and his total period of membership is less than two years.

(2) Where this regulation applies and the former employing authority is the Committee, it may retain an appropriate amount in the fund.

(3) Where this regulation applies and the former employing authority is not the Committee, the Committee shall, subject to paragraph (5), pay the former employing authority an appropriate amount out of the fund if requested to do so.

(4) For the purposes of paragraphs (2) and (3), an appropriate amount is an amount which does not exceed—

- (a) the amount of the direct financial loss, or
- (b) the amount of any contributions which could have, but have not, been returned to the former employee, or paid to his spouse or a dependant, under regulation C21(4).

(5) Where a payment in lieu of contributions is due or has been made in respect of the former employee, the Committee may reduce a payment under paragraph (3) by half the amount of the payment in lieu of contributions.

(6) If, after making a payment under paragraph (3), the Committee is required to pay a transfer value in respect of the former employee, the former employing authority shall repay the Committee the amount of that payment if requested to do so.

Recovery or retention where former member has misconduct obligation

L9.—(1) This regulation applies where a person (“the former employee”)—

- (a) has ceased to hold an employment, in respect of which he was or had at some time been a member, in consequence of a criminal, negligent or fraudulent act or omission on his part in connection with that employment;
- (b) has incurred some monetary obligation, arising out of that act or omission, to the body which was his employing authority in that employment (“the former employing authority”); and
- (c) is entitled to benefits under Part D.

(2) Where this regulation applies the former employing authority may recover or retain out of the fund the amount of the monetary obligation, or if less, the actuarial value, at the time of the recovery or retention, of all rights enjoyed by or in respect of the former employee under these regulations with respect to his previous membership (other than rights enjoyed by virtue of the receipt of a transfer value from the scheme managers of a non-local government scheme or the trustees or managers of a personal pension scheme, a self-employed pension arrangement, a retirement annuity contract or an appropriate policy).

(3) The power under paragraph (2) may not be so exercised as to deprive a person of his guaranteed minimum pension or, in the event of his leaving a surviving spouse, deprive that spouse of any widow’s or widower’s guaranteed minimum pension, unless the person ceased to hold his employment in consequence of—

- (a) an offence of treason, or
- (b) one or more offences under the Official Secrets Acts 1911 to 1989⁽²⁾ for which he has been sentenced on the same occasion to a term of imprisonment of, or to two or more consecutive terms amounting in the aggregate to, at least 10 years.

(4) The former employing authority shall give the former employee—

- (a) not less than three months’ notice of the amount to be recovered or retained under paragraph (2); and
- (b) a certificate provided by the Committee showing the amount so recovered or retained, the manner in which it is calculated, and the effect of the recovery or retention on his benefits or prospective benefits.

(5) If there is any dispute as to the amount of the monetary obligation mentioned in paragraph (1) (b), the former employing authority may not recover or retain any amount under paragraph (2) until the obligation has become enforceable under an order of a competent court or the award of an arbitrator.

(2) 1911 c. 28; 1920 c. 75; 1939 c. 21; 1989 c. 6.

Certain statutory payments to be met out of the fund

Pension increases and cash equivalents under the Pension Schemes (Northern Ireland) Act 1993

L10.—(1) Any increase in a pension which is required by virtue of Chapter III of Part IV of the Pension Schemes (Northern Ireland) Act 1993⁽³⁾ (protection of increases in guaranteed minimum pensions: anti-franking) shall be paid out of the fund.

(2) Any payment which the Committee is required to make as a result of a person’s taking a right to a cash equivalent under Chapter IV of that Part shall be made out of the fund.

Pension increases under the Pensions (Increase) Act (Northern Ireland) 1971 and the Pensions Increase (Northern Ireland) Order 1974

L11.—(1) Where a pension, within the meaning of the Pensions (Increase) Act (Northern Ireland) 1971⁽⁴⁾ (“the Act of 1971”) has become payable under these regulations out of the fund any increase of the pension under the Act of 1971 or the Pensions Increase (Northern Ireland) Order 1974⁽⁵⁾ shall be paid out of the fund.

Contributions equivalent premium

L12.—(1) Where a LGPS employer pays a contributions equivalent premium under section 51 of the Pension Schemes (Northern Ireland) Act 1993 in respect of any member, it is entitled to recover, or if it is the Committee to retain, out of the fund a sum not exceeding the amount of that premium, less the amount (if any) which it could recover or retain under section 57 of that Act in respect of the premium.

(2) Where a contributions equivalent premium is refunded under regulation 23(3)(c) of the Occupational Pension Schemes (Contracting-out) Regulations (Northern Ireland) 1985⁽⁶⁾, the Committee shall credit to the fund a sum equal to the amount of the premium.

Constitution and powers of the Committee

Administration and Management

L13.—(1) For the purposes of these regulations the Committee shall be constituted in accordance with Part I of Schedule L1.

(2) The Committee shall have the powers specified in Part II of Schedule L1.

(3) The expenses and allowances payable by the Committee shall be in accordance with Part III of Schedule L1.

(3) 1993 c. 49
(4) 1971 c. 35 (N.I.)
(5) S.I. 1974/1267 (N.I. 2)
(6) S.R. 1985 No. 259