
STATUTORY RULES OF NORTHERN IRELAND

2002 No. 352

**Local Government Pension Scheme
Regulations (Northern Ireland) 2002**

PART III

OPTIONAL ADDITIONAL BENEFITS

CHAPTER IV

ADDITIONAL VOLUNTARY CONTRIBUTIONS

Members only AVC schemes

Elections to pay AVCs

62.—(1) An active member may elect to pay contributions under this regulation (“AVCs”) in addition to any other contributions he may pay under this Part.

(2) The election must specify the percentage of his remuneration he wishes to pay or the amount he wishes to pay on his usual pay days.

(3) It must also specify whether he wishes any of his AVCs to be used to provide benefits payable on his death (“death benefits”).

(4) If he does, he must specify the proportion to be so used.

(5) The Committee may require the amount of the AVCs to be at least the specified minimum.

(6) The Committee may not do so after AVCs are first paid under the election.

(7) The specified minimum is the amount specified in regulation 2(8) of the Pension Schemes (Voluntary Contributions Requirements and Voluntary and Compulsory Membership) Regulations (Northern Ireland) 1987(1).

(8) A member may elect to vary the amount of his AVCs or the proportion of them to be used to provide death benefits.

(9) A member may elect to stop paying AVCs.

(10) An election under this regulation must be made by notice in writing to the Committee.

(11) An active member may elect to transfer into his additional voluntary contributions scheme constituted under this Chapter the accumulated value of any other additional voluntary contributions scheme to which he has subscribed.

Payment of AVCs

63.—(1) AVCs must normally be payable by an active member on his usual pay day.

(2) No contributions may be paid to cover any period during which the person contributing is not an active member.

(3) A person may not pay AVCs after he leaves his employment with the employer who was his employing authority when he elected under regulation 62(1) to pay them.

(4) But he may do so if his last usual pay day with that employer falls after that time (or if he makes a fresh election in relation to another employment).

Functions of employing authorities

64.—(1) An employing authority must send any notice of election to pay or to cease paying AVCs to the Committee as soon as possible.

(2) The employing authority must make the arrangements necessary so as to enable a member to begin paying AVCs before the expiry of the period of two months (or such longer period as the Committee may allow) beginning with the date he elects to pay them.

(3) The employing authority must make the arrangements necessary to enable a member who has elected to vary his AVCs or to stop paying them to do so before the expiry of the period of two months (or such longer period as the Committee may allow) beginning with the date he so elects.

Death benefits

65.—(1) If a member elects for any of his AVCs to be used to provide death benefits, the Committee must make arrangements for those benefits to be provided under a pension policy with an AVC insurer.

(2) The policy must provide for the Committee to pay the AVC insurer the same amounts as the AVCs to be so used within one month after the member's usual pay day.

(3) The policy must reflect the restrictions on AVCs and the provisions which apply under these Regulations.

(4) In entering into the pension policy the Committee must give effect to the member's wishes about the benefits it provides, so far as is practicable.

Retirement benefits

66.—(1) The Committee must invest any AVCs which are not to be used to provide death benefits with an approved AVC body.

(2) Subject to regulations 67 and 68, when a member who has paid AVCs during his employment leaves his employment with the employer who was his employing authority when he elected under regulation 62(1) to pay them, the Committee must use the accumulated value of the contributions invested under paragraph (1) for the provision of additional pension benefits under a pension policy at any time prior to the 75th birthday of the member.

(3) But if the member dies before the policy is entered into, the accumulated value is payable to his personal representatives.

(4) In entering into the pension policy the Committee must give effect to the member's wishes about the benefits it provides, so far as is practicable.

(5) The benefits must be money purchase benefits and their value reasonable considering the accumulated value.

(6) The AVCs may only be used to provide benefits in the form of a lump sum if –

(a) all the pension benefits payable to or in respect of the member under the Scheme are being commuted under regulation 51 (commutation of small pensions); and

- (b) the annual rate referred to in that regulation is not exceeded by aggregating with them the additional pension benefits provided by the pension policy entered into under paragraph (2).

Changes of employment in which membership is continued

67.—(1) If a member who is paying AVCs leaves his employment with the employer who was his employing authority when he elected under regulation 62(1) to pay them and enters a new employment in which he is also a member, he may elect that that election should continue to have effect.

(2) But he may only do so if he enters the new employment before the expiry of the period of one month and one day beginning with the date he left the former employment.

(3) The election must be made by notice given in writing to the member's new employing authority before the expiry of the period of one month beginning with the date the new employment begins (or such longer period as that authority may allow).

(4) The new employing authority must send the notice of election to the Committee in relation to the new employment.

(5) The member may continue paying AVCs under his existing election with effect from his next pay day in his new employment after his election to continue.

(6) But he may not pay any AVCs to cover any period falling between the employments.

(7) Regulation 66(2), this regulation and regulation 68 apply to changes in the new employment as if the election under regulation 62(1) had been given in that employment (and so on).

Elections as to use of accumulated value of AVCs

68.—(1) Subject to paragraph (8), this regulation applies where a person –

- (a) leaves his employment with the employer who was his employing authority when he made an election under regulation 62(1) or (11) without entitlement to the immediate payment of retirement benefits;
 - (b) stops being an active member without leaving that employment;
 - (c) leaves his employment with the employer who was his employing authority when he made an election under regulation 62(1) or (11) with entitlement to the immediate payment of retirement benefits –
 - (i) under regulation 26 (normal retirement) or 28 (redundancy etc); or
 - (ii) by virtue of an election under regulation 33 (early payment); or
 - (d) becomes entitled to an ill-health pension under regulation 29.
- (2) Subject to paragraph (7), a person must elect to have the accumulated value used –
- (a) where paragraph (1)(a) applies to him, in one or more of the permissible ways; and
 - (b) where paragraph (1)(b) applies to him, in the way mentioned in paragraph (3)(b).
- (3) The permissible ways are –
- (a) to subscribe to an occupational pension scheme (other than the Scheme);
 - (b) to subscribe to a personal pension scheme (including an additional voluntary contributions scheme, other than an FSAVC scheme);
 - (c) to subscribe to a self-employed pension arrangement;
 - (d) to purchase an appropriate policy from one or more AVC insurers.

(4) Where paragraph (1)(c) or (d) applies to a person, he may elect for the accumulated value to be used to provide additional pension for him under the Scheme, or partly to provide such pension for him.

(5) Where a member makes an election under paragraph (4), he becomes entitled to such additional pension as is shown as appropriate in guidance issued by the Government Actuary.

(6) The accumulated value may not be used to provide an additional lump sum benefit to the member unless it arises out of contributions made under any voluntary contributions scheme where the payments began before 8th April 1987.

(7) Where a person who has stopped being employed by an employing authority or being a member receives –

- (a) an ill-health grant under regulation 29(2);
- (b) a repayment of contributions under regulation 88; or
- (c) a payment under regulation 89(2),

he must immediately be paid the accumulated value.

(8) A person who made an election under regulation C24(1) of the 2000 Regulations prior to the commencement date shall continue to have the rights to make elections as to the use of the accumulated value as under the provisions of those Regulations as in operation prior to that date and accordingly, so far as is necessary to give effect to those rights and to make provision for any matters incidental to them, those provisions shall be treated as if they had continued in effect.

(9) In this regulation, “the accumulated value” means the accumulated value of the additional contributions invested under regulation 66(1).

Shared cost schemes (SCAVCs)

Establishment of shared cost AVC schemes (SCAVCs)

69.—(1) An employing authority may resolve to establish and maintain arrangements under this Chapter for the purpose of enabling contributions (“SCAVCs”) to be paid by and for active members under this regulation, in addition to the others which may be paid under this Part.

(2) The resolution must specify whether all active members in employment under the Scheme with the employing authority are eligible to take part in the arrangements and, if not, the conditions for eligibility.

(3) It must also specify whether SCAVCs may be used to provide benefits payable on the death of active members (“death benefits”).

(4) If they may, it must specify whether the whole or a proportion is to be so used, and, if a proportion, specify it.

(5) It must also specify the amount of the contributions which the authority will pay under the arrangements for members who are themselves paying contributions under them.

Applications to pay SCAVCs

70.—(1) If an active member whose employing authority has established arrangements for SCAVCs under regulation 69 wishes to pay SCAVCs he must apply to it in writing.

(2) The employing authority must notify the member in writing before the expiry of the period of three months beginning with its receipt of his application whether it has accepted or rejected it.

(3) A notification of acceptance must specify the percentage of the member’s pay which the employing authority will pay in contributions under the arrangements.

(4) It must also specify whether any and, if so, what proportion of the contributions is to be used to provide death benefits and the nature of any such benefits.

(5) A member may elect to stop paying SCAVCs.

(6) The election must be made by notice in writing to his employing authority.

Functions of employing authority

71.—(1) Where an employing authority accepts an application under regulation 70 it must send a copy of the notification of acceptance to the Committee.

(2) The employing authority must make the arrangements necessary to enable a member whose application to pay SCAVCs has been accepted to begin paying them before the expiry of the period of two months (or such longer period as the Committee may allow) beginning with the date he applies to pay them.

(3) The employing authority must make the arrangements necessary to enable a member who has elected to stop paying SCAVCs to do so before the expiry of the period of two months (or such longer period as the Committee may allow) beginning with the date he so elects.

Application and investment of SCAVCs

72.—(1) Where the arrangements established by an employing authority provide for any of the SCAVCs to be used to provide death benefits, the Committee must make such arrangements for the provision of those benefits as are specified in regulation 65(1).

(2) The Committee must invest any SCAVCs which are not to be used to provide death benefits with an approved AVC body.

(3) Regulations 65(2) to (4) and 66(2) to (6) apply as respects SCAVCs as they apply as respects AVCs.

Changes of employment in which membership is continued

73.—(1) If a member who is paying SCAVCs leaves his employment and enters a new employment in which he is also a member, he may elect to have the accumulated value of the invested additional contributions specified in regulation 66(2) (as it applies by virtue of regulation 72(3)) used –

(a) to make a contribution to the arrangements the new employing authority has made under this Chapter for AVCs; or

(b) if –

(i) his new employing authority has established arrangements under this Chapter for the payment of SCAVCs, and

(ii) he has made an application to contribute under those arrangements which has been accepted,

to make a contribution to the new employer's SCAVCs arrangements.

(2) Such an election must be made by notice in writing to the member's new employing authority and may only be made if the member enters the new employment before the expiry of the period of one month and one day beginning with the date he left the former employment.

(3) The new employing authority must send a copy of any election under this regulation to the Committee.

(4) Where an election is made under paragraph (1)(a), it must specify –

- (a) whether the member wishes the election to be treated as an election under regulation 62(1) in respect of the member's new employment; and
- (b) if he does, the matters which require to be specified in such an election.

(5) Where the election is made under paragraph (1)(a), the Committee must apply and invest the sum received as mentioned in regulation 66, together with any additional contributions falling to be so invested under that regulation by virtue of contributions made in respect of the new employment by virtue of any election which is treated as made under paragraph (4).

Termination

74.—(1) Where a member who is paying SCAVCs –

- (a) leaves his employment and does not enter new employment in which he is an active member; or
- (b) stops being an active member without leaving that employment,

regulation 68 applies as respects the elections he must or may make for the use of the accumulated value of the invested additional contributions specified in regulation 66(2) (as it applies by virtue of regulation 72(3)) as it would apply to a person in his circumstances as respects the accumulated value mentioned in regulation 68.

(2) Where neither paragraph (1)(a) nor (b) applies and an employing authority or a member stops paying SCAVCs (otherwise than by reason of the member having left his employment and entered new employment in which he is a member), the employing authority must give notice to the Committee.