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STATUTORY RULES OF NORTHERN IRELAND

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**2002 No. 352**

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

**PART VI**

**PENSION SHARING**

**CHAPTER I**

*SHARING OF RIGHTS UNDER THE SCHEME*

**Interpretation**

**132.** References in this Part to a pension credit member are to that person in relation to his pension credit rights and not in relation to any other rights he may have under the Scheme.

**Discharge of liability for pension credit rights**

**133.**—(1) The Committee may discharge its liability in respect of a pension credit in accordance with either sub-paragraph (2) or sub-paragraph (3) of paragraph 1 of Schedule 5 to the 1999 Order.

(2) Where the Committee discharges its liability by conferring pension credit rights on the person entitled to the pension credit, those rights shall be to –

- (a) a pension and a lump sum grant; and
- (b) a death grant.

(3) A pension credit member is not entitled to a lump sum grant if the transferor has been paid a retirement grant before the valuation date.

(4) The pension at the valuation date shall be calculated –

- (a) by reference to the value of the pension credit member's pension credit rights calculated in accordance with regulation 10 of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(1); and
- (b) in accordance with guidance issued by the Government Actuary.

**Aggregation**

**134.**—(1) Pension credit rights or pension credit benefits may not be aggregated with any other rights or benefits under the Scheme (including those attributable to a different pension credit).

(2) Where a pension credit member is also an active member, he may not count any period which may count for any purpose as a period of membership in connection with his pension credit benefits towards the membership period required before he is entitled to any benefit which relates to his active membership, or in the calculation of that benefit.

### **Death of person entitled to a pension credit before discharge**

**135.**—(1) Where a person entitled to a pension credit dies before liability in respect of his pension credit has been discharged in accordance with regulation 133(1), such liability shall be discharged by the Committee by the payment of a lump sum.

(2) The lump sum shall be equal to three times the annual rate of the pension that would have been paid to him if on the date of his death he had become entitled to a pension as a pension credit member, calculated in accordance with guidance issued by the Government Actuary.

(3) The Committee shall pay the lump sum to the deceased's personal representatives.

### **Safeguarded rights**

**136.**—(1) A pension credit member's safeguarded rights for the purposes of the Scheme and of the Pension Schemes (Northern Ireland) Act 1993 and regulations made under that Act are such of his rights falling within section 64A(1)(2) of that Act as represent the safeguarded percentage of the rights acquired by him in the Scheme by virtue of the pension credit.

(2) The "safeguarded percentage" is the percentage of the shareable rights by reference to which the amount of the pension credit is determined which are contracted-out rights.

(3) "Contracted-out rights" has the meaning given in section 64A(5) of the Pension Schemes (Northern Ireland) Act 1993.

### **Valuation date**

**137.** For the purposes of –

- (a) calculating the cash equivalent referred to in Article 27(2) of the 1999 Order; and
- (b) regulation 133(3) and (4) and regulation 139(1),

the valuation date shall be the first day of the implementation period as defined in Article 31(1) of that Order.

## **CHAPTER II**

### *PENSION CREDIT MEMBERS AND PENSION CREDIT*

### **Application of the Regulations to pension credit members**

**138.** Part I (preliminary provisions), regulations 95 (interest on late payment of certain benefits), 96 (payments due in respect of deceased persons) and 97(non-assignability) and Chapter IV (determinations, information and records) of Part IV (Administration) of these Regulations apply to a pension credit member.

### **Calculation**

**139.**—(1) The annual rate of the pension at normal benefit age shall be the pension calculated as referred to in regulation 133(4), increased in accordance with the Pensions (Increase) Act (Northern Ireland) 1971(3) and, if applicable, the Pensions Increase (Northern Ireland) Order 1974 from the valuation date.

(2) The lump sum grant shall be equal to three times the annual rate of the pension.

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(2) Section 64A was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

(3) 1971 c. 35 (N.I.) sections 3, 8 and 15 are amended by Article 36 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

### **Payment of benefits**

**140.**—(1) A pension credit member who attains normal benefit age is entitled to the immediate payment of a pension and, if applicable, a lump sum grant.

(2) The pension and the lump sum grant are payable from the fund.

(3) The pension is payable for life.

### **Death grants**

**141.**—(1) When a pension credit member dies before he attains the age of 70, the Committee shall pay a death grant.

(2) The amount of the death grant of a pension credit member who dies before his normal benefit age is a lump sum equal to three times the annual rate of the pension that would have been paid to him if on the date of his death he had become entitled to that pension.

(3) The amount of the death grant of a pension credit member who dies after he is in receipt of a pension under this Part is a lump sum equal to five times the annual rate of the pension being paid to him at the date of his death but reduced by the amount of any payments of that pension made to him under regulation 140.

(4) The Committee at its absolute discretion may make payments of a death grant to or for the benefit of the pension credit member's nominee or personal representatives, or any person appearing to the Committee to have been his relative or dependant at any time.

(5) If the Committee has not made payments under paragraph (4) equalling in aggregate the pension credit member's death grant before the expiry of the period of two years beginning with his death, it must pay an amount equal to the shortfall to the pension credit member's personal representatives.

### **Commutation: small pensions**

**142.**—(1) If the annual rate of the pension to which a pension credit member is entitled is –

(a) not more than £195, if he has received a lump sum grant; or

(b) otherwise, not more than £260,

the Committee may pay him a lump sum representing the capital value of the pension.

(2) If the pension credit member is entitled to more than one pension under the Scheme, a lump sum is only payable if the aggregate amount payable to that member is less than £195 or £260, as the case may be.

(3) The capital value of the pension must be calculated in accordance with guidance issued by the Government Actuary.

(4) The payment of a lump sum in respect of a pension due to the pension credit member under this regulation discharges the Committee from its liability for the pension.

(5) The Committee must deduct from any payment under this regulation any tax to which it may become chargeable under section 599 of the Income and Corporation Taxes Act 1988(4).

### **Commutation: serious ill-health**

**143.**—(1) In circumstances where a pension credit member is suffering from serious ill-health at any time prior to the date when he first becomes entitled to receive a pension under this Part, the whole of that pension may be commuted for a lump sum and the total of –

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(4) 1988 c. 41 Section 599 was amended by the Finance Act 1989 (c. 26), Schedule 6, paragraphs 11 and 18

- (a) that lump sum; and
  - (b) the lump sum grant (if applicable)
- (“the commutation payment”) paid to the pension credit member.
- (2) The lump sum referred to in paragraph (1)(a) shall be equal to five times the annual rate of the pension to which the pension credit member would have been entitled if on the date of commutation he had reached the normal benefit age.
  - (3) If applicable, the lump sum grant shall be equal to three times that annual rate.
  - (4) In this regulation, “serious ill-health” means ill-health which is such as to give rise to a life expectancy of less than one year from the date on which commutation of the pension is to take effect.
  - (5) Before making any decision as to whether a pension credit member may be entitled under paragraph (1), the Committee must obtain from an independent registered medical practitioner which it has appointed a certificate as to whether in his opinion the pension credit member is suffering from serious ill-health.
  - (6) Payment of the commutation payment discharges the Committee’s liability to the pension credit member in respect of his pension credit benefits.
  - (7) The Committee must deduct from the commutation payment any tax to which it may become chargeable under section 599 of the Income and Corporation Taxes Act 1988.

### CHAPTER III

#### *TRANSFERS*

##### **Transfers out**

**144.** For the purposes of Chapter II of Part IVA(5) of the Pension Schemes (Northern Ireland) Act 1993 (requirements relating to pension credit benefits), the managers of the Scheme in relation to a pension credit member is the Committee.

##### **Transfers in**

**145.—(1)** A pension credit member is not entitled to request the Committee to accept a transfer value for relevant pension rights and the Committee must not accept a transfer value of such rights where they have accrued to a pension credit member.

(2) “Relevant pension rights” has the meaning given in regulation 124(2).

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(5) Part IVA of the Pension Schemes (Northern Ireland) Act 1993 was inserted by the Welfare Reform and Pensions (Northern Ireland) Order 1999, Article 34