

SCHEDULE 2

Regulation 4

AMENDMENTS OF THE ROYAL ULSTER CONSTABULARY PENSIONS (ADDITIONAL VOLUNTARY CONTRIBUTIONS) REGULATIONS 1993

17. In regulation 2 (interpretation) there shall be inserted in the appropriate places in alphabetical order the following definitions—

- “the 1993 Act” means the Pension Schemes (Northern Ireland) Act 1993(1);
- “the 1999 Order” means the Welfare Reform and Pensions (Northern Ireland) Order 1999(2);
- “normal benefit age” means 60;
- “pension credit” means a credit under Article 26(1)(b) of the 1999 Order, including a credit under corresponding Great Britain legislation;
- “pension credit member” has the meaning given by Article 121(1) of the Pensions (Northern Ireland) Order 1995(3);
- “pension credit rights” has the meaning given by section 97B of the 1993 Act(4);
- “pension sharing order” means an order or provision mentioned in Article 25(1) of the 1999 Order;”.

18. In regulation 10(1) (inward transfers) at the end there shall be added “except if or to the extent that the transfer value relates to pension credit rights”.

19. After regulation 10A there shall be inserted—

“Pension sharing on divorce or nullity of marriage

10B. Schedule 1A has effect for making provision in relation to pension credit rights and pension credit payable under the scheme constituted by these regulations.”.

20. In regulation 15—

- (a) in paragraph (2)(a) after “regulation 11(5)” there shall be inserted “or paragraph 2 of Schedule 1A or by virtue of an election for a payment under paragraph 3(4)(f) of that Schedule”, and
- (b) in paragraph (6) (tax liabilities) after “this regulation” there shall be inserted “or Schedule 1A (pension sharing)”.

21. After paragraph (2)(c) of regulation 16 (information) there shall be inserted—

“or
an election under paragraph 3 of Schedule 1A (pension credit benefits),”.

22. The following Schedule shall be inserted before Schedule 1—

(1) 1993 c. 49
(2) S.I. 1999/3147 (N.I. 11)
(3) S.I. 1995/3213 (N.I. 22). The definition of “pension credit member” was inserted by paragraph 50(3) of Schedule 9 to the Welfare Reform and Business (Northern Ireland) Order 1999
(4) Section 97B was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

“SCHEDULE 1A

Regulation 10B

PENSION SHARING

Discharge of liability in respect of a pension credit

1.—(1) Where the Board discharges its liability in respect of a pension credit which derives from the scheme constituted by these Regulations (“a scheme pension credit”) in accordance with paragraph 1(2) of Schedule 5 to the 1999 Order (pension credits: mode of discharge: funded pension schemes — conferring rights under the scheme from which the rights derive), they must do so by investing the amount of the credit to provide for the purchase from an insurance company of an annuity which meets the conditions in sub-paragraph (4).

(2) The investment shall be made by the Board, in accordance with an election made by the person entitled to the pension credit, in one or more funds managed by a pension provider meeting the requirements referred to in regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000⁽⁵⁾.

(3) The pension credit member may vary an election under sub-paragraph (2) by a further election at any time before the Board has completed the arrangements for the investment of the amount of the credit.

(4) The conditions referred to in sub-paragraph (1) are that—

- (a) the annuity provides a pension which begins not earlier than normal benefit age and is payable to the pension credit member for life,
- (b) any other pensions which are payable under the annuity—
 - (i) are payable only to dependants,
 - (ii) are payable only on the death of the pension credit member after he has reached normal benefit age,
 - (iii) if they are payable to the pension credit member’s child, are payable only if at the date of the pension credit member’s death the child is one who is eligible for an allowance under Part D of the 1988 Regulations in respect of the death (or would be if at the date of death the pension credit member had been a pensionable member), and
 - (iv) subject to paragraph (5), are payable to the dependent for life, and
- (c) the annuity is not capable in whole or in part of surrender, assignment or commutation.

(5) If the dependant to whom the annuity is payable is within sub-paragraph (4)(b)(iii), the pension must cease to be payable when he ceases to be a dependent child.

(6) For the purposes of sub-paragraph (5), a person ceases to be a dependent child at the time when, if he were the child of a pensionable member, he would cease to be eligible for any allowance under Part D of the 1988 Regulations.

(7) In this paragraph “dependant”, in relation to a pension credit member, means a person who at the date of the member’s death—

- (a) is the pension credit member’s spouse and, if separated from the member by an order or decree of a competent court, is receiving from the member regular contributions for the person’s support or the support of the person’s child in consequence of such an order or decree, or

(5) S.R. 2000 No. 146

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- (b) is a person who would be the pension credit member's child within the meaning of Schedule A to the 1988 Regulations if at the date of the pension credit member's death the member had been a pensionable member.

*Discharge of liability in respect of a pension credit following
the death of the person entitled to the pension credit*

2.—(1) If the person entitled to a scheme pension credit dies before liability in respect of it has been discharged, the Board shall discharge its liability in respect of it by making a payment of a lump sum in accordance with regulation 6(2)(a)(i) of the Pension Sharing (Implementation and Discharge of Liability) Regulations (Northern Ireland) 2000(6).

(2) The lump sum payable under this paragraph is to be of an amount equal to the realisable value of the investments made under paragraph 1 and shall be paid in accordance with regulation 15.

Pension credit benefit

3.—(1) The benefit to which a pension credit member is entitled under the scheme constituted by these regulations shall be a pension.

(2) The pension shall be payable not earlier than when the pension credit member reaches normal benefit age and shall be payable to him for life.

(3) The value of the pension referred to in this paragraph shall equal the value of the pension credit rights which have accrued to or in respect of the pension credit member.

(4) Not earlier than one month before the pension credit member reaches normal benefit age, a pension credit member shall, by giving notice to the Board, make a benefits election specifying—

- (a) whether only a pension payable for life is to be provided;
- (b) for whom, if anyone, a dependant's pension is to be provided;
- (c) if more than one pension is to be provided, either—
 - (i) the proportion of the amount secured by the total investments made under paragraph 1 that 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 pension for life;
- (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 the increase in the Index for the year in question;
- (e) the pension provider listed in Schedule 1 from whom each pension is to be purchased (being a provider meeting the requirements referred to in regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000), and
- (f) whether, if the pension credit member dies before the expiry of the period of five years beginning with the date on which the pension begins to be payable, the balance that would have been payable during the remainder of that period, if the payments of pension had continued at the rate in force at the date of death, is to be payable as a lump sum.

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(5) On receipt of a notice of election under sub-paragraph (4) the Board must, as soon as is reasonably practicable, realise the investments made under paragraph 1 and apply the proceeds to the purchase from the specified pension provider of the benefits specified in the notice of election.

(6) If a pension credit member who reached normal benefit age after 1st December 2000 has—

(a) reached the age of 75; and

(b) failed to give a notice of election under sub-paragraph (4) on or before the date of his 75th birthday,

the Board may realise the investments made under paragraph 1 and apply the proceeds to the purchase of a pension policy which meets the requirements of regulations 12 to 14 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 from an insurance company in order to provide such benefits as appear to it to be suitable having regard to the pension credit member's family circumstances, age and health.

Outward transfers

4.—(1) The Board shall, upon receipt of a notice in writing under section 97F(1) of the 1993 Act⁽⁷⁾ (power to give transfer notice), pay a transfer value in respect of the member's pension credit rights in accordance with the provisions of Chapter II of Part IVA of the 1993 Act (requirements relating to pension credit benefit: transfer values) and Part III of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000 (transfer values).

(2) That transfer value must be calculated in accordance with regulation 24 of the Pension Sharing (Pension Credit Benefit) Regulations (Northern Ireland) 2000⁽⁸⁾ (manner of calculation and verification of cash equivalents).

Commutation of the whole of pension credit benefit before normal benefit age

5.—(1) A pension credit member shall be entitled to the commutation of the whole of the benefits payable to or in respect of him under the scheme constituted by these Regulations by virtue of rights attributable (directly or indirectly) to a pension credit before reaching normal benefit age if the pension credit member is suffering from serious ill-health before normal benefit age.

(2) In sub-paragraph (1) "serious ill-health" means ill-health giving rise to a life expectancy of less than one year from the date on which commutation is applied for.

(3) In the case of such a member the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the pension credit member as a lump sum.

Commutation of the whole of pension credit benefit at normal benefit age

6.—(1) A pension credit member shall be entitled to the commutation of the whole of the benefits payable to or in respect of him under the scheme constituted by these Regulations by virtue of rights attributable (directly or indirectly) to a pension credit at normal benefit age in the following circumstances.

(2) They are if—

(a) the pension credit member is suffering from serious ill-health at normal benefit age, or

⁽⁷⁾ Section 97F(1) was inserted by Article 34 of the Welfare Reform and Pensions (Northern Ireland) Order 1999

⁽⁸⁾ Regulation 24 was amended by [S.R. 2000 No. 146](#)

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- (b) the aggregate of total benefits payable to the pension credit member, including those attributable (directly or indirectly) to pension credit rights, does not exceed £260 per annum at normal benefit age.
- (3) In the case of such a pension credit member the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the member as a lump sum.
- (4) In sub-paragraph (2)(a) “serious ill-health” means ill-health giving rise to a life expectancy of less than one year from the date on which notice is given under paragraph 3(4).

Pension credit member dies before pension becomes payable

7. If a pension credit member dies before any benefit becomes payable under paragraph 3, the Board may realise the investments made under paragraph 1 without purchasing an annuity and pay the proceeds to the member’s personal representatives as a lump sum.

Separate treatment of pension credit rights

8. Where a pension credit member has rights under the scheme constituted by these Regulations apart from his pension credit rights, the pension credit rights are to be treated as provided separately for the purposes of all requirements of the Inland Revenue in relation to limits on benefits.”.