EXPLANATORY NOTE

(This note is not part of the Regulations)

These regulations further amend the Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 (S.I. 1995 No. 95) ("the 1995 Regulations").

Regulation 1 provides for citation, commencement and retrospective effect. Retrospective effect is provided for by Article 14(1) of the Superannuation (Northern Ireland) Order 1972.

Regulation 2 amends certain definitions in the 1995 Regulations.

Regulation 3 amends regulation 3 of the 1995 Regulations (Meaning of superannuable pay). It provides for the calculation of superannuable pay and makes provision for the calculation of pay of a member credited with superannuable service under another public sector pension scheme.

Regulation 4 amends regulation 4 of the 1995 Regulations (Meaning of superannuable service). It provides that benefits are to be calculated by a maximum period of superannuable service (45 years in most cases) and provides that superannuable service in excess of the maxima will be ignored.

Regulation 5 substitutes regulation 7 of the 1995 Regulations (Restrictions on membership). It provides new restrictions on membership of the 1995 HPSS Superannuation Scheme and, in particular, provides that a person over the age of 75 or a person over the age of 70 on or before 31st March 2008 cannot be a member of the Scheme.

Regulation 6 makes consequential amendments to regulation 8 of the 1995 Regulations (Restrictions on further participation in the scheme).

Regulation 7 amends regulation 10 of the 1995 Regulations (Contributions by members). It introduces new contribution rates linked to bands of superannuable pay. Those rates run from 5 per cent to 8.5 per cent (depending on the pay band).

Regulation 8 makes consequential amendments to regulation 11 of the 1995 Regulations (Contributions by employing authorities).

Regulation 9 amends regulation 12 of the 1995 Regulations (Normal retirement pension) so as to provide that the Department can discharge its liability for a pension by the payment of a lump sum and in doing so has to have regard to the life expectancy of a member.

Regulation 10 amends regulation 13 of the 1995 Regulations (Early retirement pension (ill health)), so as to limit its application to a member who retires from superannuable employment on or after 1 April 2008 but submitted an application for the benefit prior to that date.

Regulation 11 inserts new regulations 13A to 13C which introduce a new two tier ill health pension on early retirement, reassessment of an ill health pension awarded on early retirement and the effect of further employment on such a benefit.

Regulation 12 makes a consequential amendment to regulation 14 of the 1995 Regulations (Early retirement pension (redundancy etc)).

Regulation 13 omits regulation 15 of the 1995 Regulations (Early retirement pension (employers consent)).

Regulation 14 inserts a new regulation (17A) which enables a member to opt to exchange part of a pension for a lump sum payment.

Regulation 15 amends regulation 18 of the 1995 Regulations (Member dies in superannuable employment) so as to provide when a lump sum on death is payable.

Regulation 16 amends regulation 19 of the 1995 Regulations (Member dies after pension becomes payable) to take account of the new two tier ill health pension.

Regulation 17 substitutes regulation 22 of the 1995 Regulations (Payment of lump sum) to provide for an order of priority in respect of the payment of a lump sum death benefit.

Regulations 18 to 29 amend regulations 23 to 31D of the 1995 Regulations (Widow and Widowers). In particular, they make provision for the period over which a widow's pension is paid and the rate at which is payable.

Regulation 21 amends regulation 25 of the 1995 Regulations (Member dies after pension becomes payable) to take account of the new two tier ill health pension.

Regulation 22 amends regulation 26 of the 1995 Regulations (Member dies with preserved pension) to provide that where a member dies with a preserved pension, the rate of the dependant's pension will be determined by reference to an ill health pension he would have received had he retired through ill health on the day he left superannuable employment.

Regulation 23 amends regulation 29 of the 1995 Regulations (Widower's pension) to provide that the whole of the member's superannuable service will be taken into account when calculating a widower's pension.

Regulation 24 amends regulation 30 of the 1995 Regulations (Dependent widower's pension) to take account of the new two tier ill health pension.

Regulation 25 amends regulation 31 of the 1995 Regulations (Increased widower's pension) to provide for the payment of a pension to a surviving partner of a female member.

Regulation 26 amends regulation 31A of the 1995 Regulations (Surviving civil partner's pension) to take account of the two tier ill health pension.

Regulation 27 amends regulation 31B of the 1995 Regulations (Dependent surviving civil partner's pension) to take account of the two tier ill health pension.

Regulation 28 amends regulation 31D of the 1995 Regulations (Increased surviving civil partner's pension) to provide for the devolution of a surviving civil partner's pension in cases where the member dies without leaving a civil partner but leaving a surviving widower or nominated partner.

Regulation 29 inserts new regulations 31E to 31H to make provision for a surviving nominated partner's pension on the same basis as a surviving civil partner's or surviving spouse's pension.

Regulation 30 amends regulation 32 of the 1995 Regulations (Dependent child) so as to take account of nominated partner's pensions and to define a dependant child.

Regulation 31 amends regulation 34 of the 1995 Regulations (Member dies in superannuable employment) to provide for the destination of a pension payable in respect of dependents where the member dies in superannuable employment.

Regulation 32 amends regulation 35 of the 1995 Regulations (Member dies after pension becomes payable) to provide for the calculation of a pension in circumstances where a member dies after the pension becomes payable.

Regulation 33 amends regulation 36 of the 1995 Regulations (Member dies with preserved pension) to make similar provision where a member dies with a preserved pension.

Regulation 34 amends regulation 38 of the 1995 Regulations (Child not dependent on surviving parent or spouse of a parent) to take account of nominated partner pensions.

Regulation 35 amends regulation 39 of the 1995 Regulations (Allocation of pension) to take account of the 45 year superannuable service limit in the scheme.

Regulation 36 substitutes regulation 42 of the 1995 Regulations (Contracting-out conditions to be overriding) so as to provide that the scheme will be administered in conformity with the contracting-out conditions applicable to occupational pension schemes.

Regulation 37 amends regulation 43 of the 1995 Regulations (Guaranteed minimum pensions) so as to carry that principle forward in relation to both guaranteed minimum pensions and rights under section 5(2B) of the Pensions Schemes (Northern Ireland) Act 1993.

Regulation 38 amends regulation 49 of the 1995 Regulations (Preserved pension) to provide when a pension and lump sum will be payable in respect of those who have a preserved pension and to determine when a member with a preserved pension shall be treated as being incapable of any regular employment.

Regulation 39 amends regulation 50 of the 1995 Regulations (Refund of contributions) in consequence of the amendments made to Part IV (Contracting-out requirements) of the 1995 Regulations.

Regulation 40 amends regulation 52 of the 1995 Regulations (Early leavers returning to superannuable employment) to take account of the two tier ill health pension.

Regulation 41 substitutes regulations 53 to 59 of the 1995 Regulations.

Regulations 42 and 43 are consequential and in the case of regulation 43 omit regulation 64 of the 1995 Regulations (Waiver of transfer payments).

Regulation 44 amends regulation 66 of the 1995 Regulations (Other leave of absence) to provide that a period of absence continues to count as superannuable service but it does not exceed 6 months and the member continues to contribute to the scheme.

Regulation 45 amends regulation 67 of the 1995 Regulations (Right to buy additional service) to provide when a member can increase his rights to benefit by purchasing additional service.

Regulation 47 amends regulation 70 of the 1995 Regulations (Paying for additional service by single payment) to provide new time limits for the purchasing of additional service and the cost of doing so.

Regulation 48 amends regulation 71 of the 1995 Regulations (Paying for unreduced lump sum by single payment) to impose time limits for the making of an election to pay for an unreduced lump sum by a single payment.

Regulation 49 amends regulation 72 of the 1995 Regulations (Paying for additional service or unreduced retirement lump sum by regular additional contributions) to provide for the limits on the amount of superannuable pay which may be used to purchase additional service or unreduced retirement lump sum by regular contribution payments.

Regulation 51 inserts new regulations 73A to 73J which provide for the facility to purchase additional pension.

- New regulation 73A deals with an option to purchase additional pension.
- New regulation 73B deals with the effect of being absent or leaving and rejoining the scheme during the option period referred to in 73A.
- New regulation 73C deals with the facility to purchase additional pension by the payment of a lump sum (as does 73D in respect of employing authorities).
- New regulation 73E with the procedure for and effect of making an option under regulations 73A, 73C and 73D.
- New regulation 73F deals with the cancellation and cessation of an option under 73A.
- New regulation 73G deals with the effect of the payment of additional contributions.
- New regulation 73H deals with the effect of death or early payment of a pension after an option has been exercised.
- New regulation 73I deals with the effect of part payment of periodical contributions.
- New regulation 73J deals with the revaluation of increases bought under options.

Regulation 52 amends regulation 76 of the 1995 Regulations (Mental health officers) to take account of the new tier 2 ill health pension.

Regulation 53 amends regulation 77 of the 1995 Regulations (Members doing more than one job) to allow for a pension to come into payment at age 75.

Regulation 54 amends regulation 78 of the 1995 Regulations ((Part-time employment) to also take account of the new tier 2 ill health pension.

Regulation 55 amends regulation 82 of the 1995 Regulations (Members whose earnings are reduced) to provide for the protection of pension rights if a member approaching retirement takes up less demanding duties.

Regulation 56 amends regulation 84 of the 1995 Regulations (Suspension of pension on return to HPSS employment) to provide that a pension which has been suspended on return to employment may again become payable in certain specified circumstances.

Regulation 57 amends regulation 85 of the 1995 Regulations (Reduction of pension on return to HPSS employment) to set out the circumstances when certain pensions payable under other parts of the 1995 Regulations will be reduced upon return to employment and the amount by which they will be so reduced.

Regulation 58 inserts a new regulation 86A to deal with the effect of a return to service on a tier 1 or tier 2 ill health pension.

Regulation 59 makes consequential amendments to regulation 87 of the 1995 Regulations (Benefits on death in superannuable employment after pension becomes payable).

Regulation 60 amends regulation 87 of the 1995 Regulations (Benefits on death in superannuable employment after pension becomes payable) detailing the amount of and length of a payment made to a surviving spouse or civil partner or nominated partner.

Regulation 61 inserts a new regulation 87A to deal with benefits on death in superannuable employment after a pension under regulation 13A becomes payable.

Regulation 62 amends regulation 89A of the 1995 Regulations (Deduction of tax: further provisions) to provide that present or future benefits of a member are to be reduced by an amount which fully reflects the amount of tax paid by the scheme administrator.

Regulation 63 amends Schedule 2 to the 1995 Act which modifies the application of the 1995 Regulations in respect of practitioners. In particular, the amendments to Schedule 2 introduce a new contribution rate for practitioners based on superannuable earnings. Those rates run from 5 per cent to 8.5 per cent. The amendments also give effect to nominated partner's pensions, increase in surviving partner pensions and increases in the amounts of child allowance payable where a practitioner dies whilst in superannuable employment.

Regulation 64 amends Schedule 2A to the 1995 Regulations which deals with pension sharing on divorce. The amendments are consequential on changes made elsewhere in the scheme.