STATUTORY RULES OF NORTHERN IRELAND

2014 No. 188

The Local Government Pension Scheme Regulations (Northern Ireland) 2014

PART 2

ADMINISTRATION

ACTUARIAL VALUATIONS

Special circumstances where revised actuarial valuations and certificates shall be obtained

70.—(1) If a contributing body—

(a) ceases to be an employing authority (including ceasing to be an admission body participating in the Scheme), or

(b) was an employing authority, but no longer has an active member contributing to a pension fund,

that contributing body becomes "an exiting employer" for the purposes of this regulation.

(2) When a contributing body becomes an exiting employer, the Committee shall obtain—

(a) subject to paragraphs (5) and (6), an actuarial valuation determined by an actuary appointed by the Committee at the exit date of the liabilities of the pension fund in respect of benefits in respect of the exiting employer's current and former employees and any inherited liabilities;

(b) an exit certificate showing any exit payment due from the exiting employer or any surplus due to the exiting employer from the pension fund in respect of those benefits as calculated by an actuary appointed by the Committee, on a basis consistent with the actuarial valuation in paragraph (a); and

(c) where relevant, a revised rates and adjustments certificate to reflect the certificate produced pursuant to paragraph (b).

(3) An amount equal to any exit payment shall immediately become due from that exiting employer to the pension fund and shall be payable as a lump sum within one month of the date of the exit certificate or such longer period as the Committee and the exiting employer agree, regardless of whether or not there has been any revision of the rates and adjustments certificate after the exit date.

(4) An amount equal to any surplus due to the exiting employer shall be payable by the Committee as a lump sum within one month of the date of the exit certificate or such longer period as the Committee and the exiting employer agree, regardless of whether or not there has been any revision of the rates and adjustments certificate after the exit date.

(5) Where in respect of an exiting employer its entire liabilities to the pension fund in respect of benefits due to the exiting employer's current and former employees and any inherited liabilities attributable to it, have transferred and become attributable to another person in accordance with

regulation 71, paragraphs (2)(a) and (b) shall be modified so that no actuarial valuation needs to be carried out in respect of the exiting employer and the exit debt shall be zero.

(6) Where in respect of an exiting employer, part but not all of its liabilities to the pension fund have been transferred and become attributable to another person in accordance with regulation 71, paragraphs (2)(a) and (b) shall be modified so that the reference to liabilities of the pension fund in respect of benefits due to the exiting employer's current and former employees and any inherited liabilities shall exclude any part of such liabilities which have transferred to and become attributable to the other person under regulation 71, and the exit payment shall be calculated accordingly.

(7) Where for any reason it is not possible to obtain all or part of the exit payment due from the exiting employer, or from an insurer, or any person providing an indemnity, bond or guarantee on behalf of that exiting employer, the Committee shall obtain a further revision of any rates and adjustments certificate for the pension fund showing—

- (a) in the case where the exiting employer is an admission body falling within paragraph 2(1)(h)(i) of Part 1 of Schedule 2 to these Regulations (admission agreements with admission bodies: bodies providing services as a result of transfer of a service), the revised contribution due from the body which is the related employer in relation to that admission body; and
- (b) in any other case, the revised contributions due from each employing authority which contributes to the pension fund,

with a view to providing that assets equivalent to the exit payment due from the exiting employer are provided to the pension fund over such period of time as the Committee considers reasonable.

(8) Where in the opinion of the Committee there are circumstances which make it likely that an employing authority (including an admission body) will become an exiting employer, the Committee may obtain from an actuary a certificate specifying the percentage or amount by which, in the actuary's opinion—

- (a) the contribution at the common rate of employers' contribution should be adjusted; or
- (b) any prior individual adjustment should be increased or reduced,

with a view to providing that assets equivalent to the exit payment that will be due from the employing authority are provided to the pension fund by the likely exit date or, where the employing authority is unable to meet that liability by that date, over such period of time thereafter as the Committee considers reasonable.

(9) When an exiting employer has paid an exit payment into the pension fund, no further payments are due from that exiting employer in respect of any liabilities relating to the benefits in respect of any current or former employees of that exiting employer as a result of these Regulations.

(10) Paragraph (11) applies where—

- (a) an employing authority agrees to pay increased contributions to meet the cost of an award of additional pension under regulation 32 (award of additional pension); or
- (b) it appears likely to the Committee that the amount of the liabilities arising or likely to arise in respect of members in employment with an employing authority exceeds the amount specified, or likely as a result of the assumptions stated, for that employing authority, in a rates and adjustments certificate by virtue of regulation 68(9) (actuarial valuations and certificates, assumptions).

(11) The Committee shall obtain a revision of the rates and adjustments certificate concerned, showing the resulting changes as respects that employing authority.

(12) Where a contributing body becomes an exiting employer the Committee may, with the approval of the Department, defer obtaining an actuarial valuation and exit certificate under paragraph (2) and determine the date at which the actuarial valuation and exit certificate shall be obtained and the dates from which it will be effective, and paragraph (2) will be modified to the

extent necessary so that it applies as if the contributing body became an exiting employer on such date as is determined by the Committee in accordance with this regulation.

(13) During any period of deferral under paragraph (12) the exiting employer will continue to pay contributions under regulation 73 (contributing body's contributions) in respect of liabilities of the pension fund relating to benefits due to the exiting employer's current and former employees and any inherited liabilities which it may have (but excluding any part of such liabilities which have transferred to and become attributable to the other person under regulation 71 (apportionment of liabilities)) and the contributions shall be calculated by the actuary taking account of the amount of those liabilities and the period of deferral.

(14) For the purposes of this regulation—

"exit certificate" means a certificate produced in accordance with paragraph (2);

"exit date" means the date on which the employer becomes an exiting employer;

"exit payment" means the amount specified in an exit certificate as being due from an exiting employer in accordance with this regulation;

"exiting employer" means an employer of any of the descriptions specified in paragraph (1); and

"related employer" means any employing authority or other such contracting body which is a party to the admission agreement (other than the Committee).