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STATUTORY RULES OF NORTHERN IRELAND

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**2015 No. 113**

**The Police Pensions Regulations (Northern Ireland) 2015**

**PART 5**

Pension accounts

CHAPTER 2

Calculation of adjustments

**Calculation of “retirement index adjustment”**

43.—(1) The retirement index adjustment for an amount of accrued earned pension is—

**amount of accrued earning pension × retirement index pension**

where—

“amount of accrued earned pension” means an amount of any description of accrued pension; and  
“retirement index percentage” means the retirement index percentage calculated under paragraph (2) for that description of accrued earned pension.

(2) The retirement index percentage is—

$$A \times \frac{B}{12}$$

where—

*A* means—

- (i) for accrued club transfer earned pension, the in-service revaluation index that applies in relation to the sending scheme for the leaving year; and
- (ii) for accrued standard earned pension, the in-service revaluation index that applies in relation to this scheme for the leaving year;

*B* is the number of complete months in the period between the beginning of the leaving year and the end of the last day of pensionable service; and

“complete month” includes an incomplete month that consists of at least 16 days.

**Calculation of “retirement PIA index adjustment”**

44.—(1) The retirement PIA index adjustment for an amount of accrued added pension is calculated in accordance with paragraph (2).

(2) The retirement PIA index adjustment is the amount by which the annual rate of a pension of an amount equal to the amount of accrued added pension would have been increased in the leaving year under the 1971 Act if—

- (a) that pension were eligible to be so increased; and
- (b) the beginning date for that pension were the day after the last day of pensionable service.

#### **Determination of “the age addition”**

**45.**—(1) This regulation applies in relation to each scheme year in which an active member's account is open that is subsequent to the scheme year in which the member reaches normal pension age under this scheme, other than—

- (a) the scheme year in which the account is required to be established under this Part; and
- (b) the scheme year immediately following that.

(2) At the beginning of the scheme year, for each description of pension, the scheme manager in accordance with actuarial guidance must determine the age addition to be awarded for that scheme year by reference to the opening balance of that description of pension for the previous scheme year.

(3) In these Regulations, “the age addition” means an additional amount of pension determined by reference to the proportion of the previous scheme year for which a member had reached normal pension age under this scheme.

#### **Determination of “the assumed age addition”**

**46.**—(1) This regulation applies if —

- (a) a deferred member's account is established under this Part for a member who reached the member's state pension age in the last year of pensionable service at least one month before the last day of pensionable service; or
- (b) a retirement account is established under this Part for a member who reached normal pension age under this scheme in the last year of pensionable service at least one month before the last day of pensionable service.

(2) For each description of accrued pension specified in the account, the scheme manager in accordance with actuarial guidance must determine the assumed age addition to be awarded.

(3) In these Regulations “the assumed age addition” means—

- (a) for an amount of accrued standard earned pension not attributable to a transferred pension, the age addition that would have been awarded for standard earned pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
- (b) for an amount of accrued standard earned pension attributable to a transferred pension, the age addition that would have been awarded for transferred pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
- (c) for an amount of accrued club transfer earned pension, the age addition that would have been awarded for club transfer earned pension had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;
- (d) for an amount of accrued added (self only) pension, the age addition that would have been awarded for added pension of that description had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme;

- (e) for an amount of accrued added (all beneficiaries) pension, the age addition that would have been awarded for added pension of that description had the member not left pensionable service in the leaving year, determined by reference to the proportion of the leaving year for which the member was an active member of this scheme who had reached normal pension age under this scheme.

### **Actuarial reduction on early payment of pension (early payment reduction)**

**47.**—(1) An actuarial reduction (early payment reduction) is applied when calculating the annual rate of pension payable to—

- (a) an active member who becomes a pensioner member of this scheme before reaching normal pension age under this scheme;
  - (b) a deferred member who becomes a pensioner member of this scheme before reaching the member's state pension age; or
  - (c) a person who becomes a pension credit member of this scheme before reaching the member's state pension age.
- (2) An early payment reduction is not applied when calculating—
- (a) the annual rate of ill-health pension under this scheme; or
  - (b) the annual rate of full retirement pension which came into payment early on grounds of permanent medical unfitness <sup>M1</sup>.
- (3) An early payment reduction is calculated by reference to the following—
- (a) for an active member who claims payment of a full retirement pension before reaching normal pension age, normal pension age under this scheme;
  - (b) for a deferred member of this scheme who claims payment of a full retirement pension before reaching the member's state pension age, the member's state pension age.

(4) In these Regulations—

“actuarial reduction” means a reduction determined by the scheme manager, in accordance with actuarial guidance or actuarial tables; and

“early payment reduction” means an actuarial reduction that is applied under paragraph (1).

#### **Marginal Citations**

**M1** See regulation 92(3) (early payment of full retirement pension) when a full retirement pension comes into payment early on grounds of permanent medical unfitness.

### **Late payment supplement**

**48.** In this Part, “late payment supplement”, in relation to the provisional amount of a description of deferred pension, means an additional amount of pension determined by the scheme manager (in accordance with actuarial guidance or actuarial tables) to be appropriate if a deferred member of this scheme is over the member's state pension age when the member becomes entitled to the payment of a full retirement pension under Part 7, Chapter 2 (full retirement benefits).

**Changes to legislation:**

There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Police Pensions Regulations (Northern Ireland) 2015. Any changes that have already been made by the team appear in the content and are referenced with annotations.

[View outstanding changes](#)

**Changes and effects yet to be applied to the whole Rule associated Parts and Chapters:**

Whole provisions yet to be inserted into this Rule (including any effects on those provisions):

- Ch. 4 cease to have effect from 1/4/2024 by [S.R. 2024/38 reg. 10](#)
- Sch. 1 para. 1(d) substituted by [S.R. 2024/38 reg. 42\(3\)](#)
- reg. 19(1A) inserted by [S.R. 2024/38 reg. 7](#)
- reg. 75(3) inserted by [S.R. 2024/38 reg. 13](#)
- reg. 79(5) inserted by [S.R. 2024/38 reg. 14](#)
- reg. 84(3)(4) inserted by [S.R. 2024/38 reg. 16\(3\)](#)
- reg. 90(4) inserted by [S.R. 2024/38 reg. 20](#)
- reg. 117(2) inserted by [S.R. 2024/38 reg. 32\(7\)](#)
- reg. 202(5)(a) and words omitted by [S.R. 2024/38 reg. 37\(2\)](#)
- reg. 209(3A) inserted by [S.R. 2024/38 reg. 39\(2\)](#)
- reg. 219(5) inserted by [S.R. 2024/38 reg. 41](#)