
STATUTORY RULES OF NORTHERN IRELAND

2015 No. 120

The Health and Social Care Pension Scheme
Regulations (Northern Ireland) 2015

PART 5

Member's benefits

CHAPTER 8

Serious ill health option

Option for members in serious ill health to exchange pension for lump sum

108.—(1) An active member, a deferred member or a pension credit member may opt to exchange a relevant pension for a lump sum if the scheme manager is satisfied that the conditions for the lump sum to be a serious ill-health lump sum for the purposes of the 2004 Act will be met (see paragraph 4 of Schedule 29 to that Act)(1).

(2) For the purposes of paragraph (1), a “relevant pension” is a pension payable to that member under regulation 72, 75, 89 or 93.

(3) The option may only be exercised—

- (a) in the case of a pension payable under regulation 72 or 75, before or at the time when the pension becomes payable;
- (b) in the case of a pension payable under regulation 89 or 93, before the pension becomes payable to the member.

(4) An active member who has reached normal pension age who exercises the option is to be paid, as soon as is reasonably practicable, an amount equal to the sum of—

- (a) the maximum lump sum to which the member could have become entitled on exercising the option under regulation 76 if at the appropriate time the member had become entitled to a pension under regulation 72, and
- (b) the annual rate of the pension to which the member would have been entitled under regulation 72 after exercising that option, multiplied by 5.

(5) An active member entitled to a pension under regulation 89 who exercises the option is to be paid, as soon as is reasonably practicable, an amount equal to the sum of—

- (a) the maximum lump sum to which the member could have become entitled on exercising the option under regulation 76 at the appropriate time, and
- (b) the annual rate of the pension to which the member is entitled under regulation 89 after exercising that option, multiplied by 5.

(1) Paragraph 4 of Schedule 29 has been amended by section 65 of, and paragraphs 23 and 28 of Schedule 16 to, the Finance Act 2011 (c.11)

- (6) A pension credit member entitled to a pension under regulation 75 who exercises the option is to be paid as soon as reasonably practicable, amount equal to the sum of—
- (a) the maximum lump sum (if any) to which the pension credit member could have become entitled on exercising the option under regulation 76 at the appropriate time; and
 - (b) the total annual amount of the pension to which the pension credit member is entitled under regulation 75 after exercising the option multiplied by 5.
- (7) A deferred member entitled to a pension under regulation 93 who exercises the option is to be paid, as soon as is reasonably practicable, an amount equal to the sum of—
- (a) the maximum lump sum to which the member could have become entitled on exercising the option under regulation 76 at the appropriate time, and
 - (b) the annual rate of the pension to which the member is entitled under regulation 91 after exercising that option, multiplied by 5.
- (8) “The appropriate time” means--
- (a) for the purposes of paragraph (4) and (6), the time when the option under this regulation is exercised, and
 - (b) for the purposes of paragraphs (5) and (7), the time payment of the pension under regulation 89 or, as the case may be, regulation 93 would otherwise first be due.
- (9) References to the annual rate of a pension are to the amount of the annual pension to which the member would be entitled, together with any increases payable under the Pensions (Increase) Act (Northern Ireland) 1971(2), calculated as at the appropriate time.
- (10) The option under this regulation may only be exercised by notice in writing to the scheme manager in such form as the scheme manager requires.