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STATUTORY RULES OF NORTHERN IRELAND

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**2007 No. 476**

**The Police Pension (Northern Ireland) Regulations 2007**

**PART 4**

**PENSION AWARDS**

*Personal pensions*

**Police officer's ordinary pension**

**24.**—(1) This regulation applies to a police officer who—

- (a) fulfils the qualifying service criterion;
- (b) retires or has retired in accordance with regulation 16, 17 or 18; and
- (c) has not made an election under regulation 7 which had effect at the time of his retirement.

(2) Subject to the provisions of these Regulations, a police officer to whom this regulation applies shall be entitled to an ordinary pension of an amount calculated in accordance with regulation 25.

**Calculation of ordinary pension**

**25.**—(1) A police officer's ordinary pension shall be—

- (a) an annual sum payable for life calculated by multiplying an amount equal to one seventieth of his final pensionable pay by the number of years of pensionable service he is entitled to reckon; and
- (b) a lump-sum payment calculated by multiplying an amount equal to four seventieths of his final pensionable pay by the number of years of pensionable service he is entitled to reckon.

(2)

(a) A lump-sum under paragraph (1)(b) shall be reduced where the officer rejoins the police service having previously received a lump-sum payment by reason of—

- (i) entitlement to a pension under regulation 26 (ill-health pension); or
- (ii) receipt of early payment of deferred pension on the ground of permanent disablement under regulation 29,

(where that pension has been terminated under regulation 48).

(b) Where sub-paragraph (a) applies the lump-sum shall be reduced by an amount equal to the amount of the previous lump-sum payment increased by the same amount as that by which an annual pension of an amount equal to that previous lump-sum would have been increased under the Pensions (Increase) Act (Northern Ireland) 1971(1) by the date on

which the award comes into payment, if the said annual pension had come into payment on the day on which the previous lump-sum payment was made.

- (c) Where a police officer has rejoined the police service more than once having previously received on more than one occasion a lump-sum payment by reason of entitlement to an ill-health pension under regulation 26 or to early payment of a deferred pension on the ground of permanent disablement under regulation 29 (where each pension has been terminated under regulation 48) the lump sum payment payable to the officer under paragraph (1) (b) shall be reduced in accordance with the paragraph (2) with references to a previous lump-sum payment being construed as references to the officer's most recent lump-sum payment, and of the amount it would have been if he had not prior to that received any lump-sum payment.

### **Police officer's ill-health pension**

**26.**—(1) This regulation applies to a police officer who retires or has retired under regulation 18 (retirement on the ground of disablement) unless—

- (a) he has made an election under regulation 7 which had effect at the time of his retirement;
- (b) he is ineligible for pension awards payable on the ground of permanent disablement under regulation 6; or
- (c) who has attained the age of 55 at the time of his retirement, and in such a case that policeman shall be entitled to an ordinary pension under regulation 24 instead of an ill-health pension as provided in this regulation.

(2) Subject to the provisions of these Regulations, a police officer to whom this regulation applies shall be entitled to an ill-health pension as provided in this regulation.

(3)

- (a) In the case of a police officer who, at the time of his retirement—
- (i) fulfils the qualifying service criterion, or
- (ii) is disabled as the result of an injury received without his default in the execution of duty; and
- (b) is permanently disabled for the performance of the ordinary duties of a member of the police service; but
- (c) is not permanently disabled for engaging in any regular employment otherwise than as a police officer,

the award under paragraph (2) shall be an ill-health pension calculated in accordance with regulation 27 (“a standard ill-health pension”).

(4) In the case of a police officer who, at the time of his retirement, falls within paragraph (3) (a) but is permanently disabled both for the performance of the ordinary duties of a member of the police service and for engaging in any regular employment otherwise than as a police officer, the award under paragraph (2) shall comprise—

- (a) a standard ill-health pension and;
- (b) an additional pension calculated in accordance with regulation 28 (“an enhanced top-up ill-health pension”).

### **Calculation of standard ill-health pension**

**27.** A police officer's standard ill-health pension shall be an annual sum payable for life and a lump-sum payment, calculated in accordance with regulation 25 as if he had been entitled to an ordinary pension at the date of his retirement.

### **Calculation of enhanced top-up ill-health pension**

**28.** A police officer's enhanced top-up ill-health pension shall be—

- (a) an annual sum payable for life and;
- (b) a lump-sum payment.

(2) The amount in paragraph (1) shall be calculated by deducting the annual sum and lump-sum payment payable as his standard ill-health pension from the annual sum and lump-sum respectively as calculated in accordance with paragraphs (2) — (6) (“enhanced top-up totals”).

(3) A police officer's enhanced top-up totals shall be calculated in accordance with regulation 25 as if he had been entitled to an ordinary pension at the date of his retirement, but for the purposes of that calculation the pensionable service the officer concerned is entitled to reckon at the date of his retirement shall be treated as having been increased in accordance with the provisions of paragraph (4) or (5), subject to paragraph (7) as the case may require.

(4) In the case of an officer entitled to reckon less than five years' pensionable service as at the date of his retirement, either—

- (a) the period of his pensionable service shall be multiplied by four, or
- (b) there shall be added to that service a period equivalent to half of the pensionable service he would have become entitled to reckon in respect of the period beginning with the date of the officer's retirement and ending on the day immediately before that on which he would attain the age of 55 years, had he continued to serve and to pay pensions contributions in accordance with regulation 5 (“prospective service”), whichever amounts to the lesser period.

(5) In the case of an officer entitled to reckon five or more years' pensionable service as at the date of his retirement, there shall be added to that service a period equivalent to half of his prospective service.

(6) In the case of an officer who has spent one or more periods in part-time service as such in determining the number of years of pensionable service that he is entitled to reckon as at the date of his retirement for the purposes of paragraphs (4) and (5), a period of service by virtue of which his pensionable service is reckonable as if it were a period of full-time service (but this paragraph does not apply so as to affect any other references to pensionable service in paragraphs (4), (5) and (7)).

(7) In the case of an officer who has spent one or more periods in part-time service as such, the period of prospective service for the purposes of paragraph (4)(b) or (5), as the case may be, shall be calculated as if, during the period beginning with the date of the officer's retirement and ending on the day immediately before that on which he would attain the age of 55 years, he would have served part-time for the same proportion of that period as his total pensionable service before his retirement bears to the total pensionable service he would have been entitled to reckon before his retirement if all that service had been full-time.

(8) If in a case where any of the officer's service by virtue of which his pensionable service is reckonable was part-time service, the amount of the pension calculated in accordance with the preceding paragraphs would be less than it would have been if he had become entitled to receive the pension at an earlier date, then the pension shall be of that amount instead.

### **Police officer's deferred pension**

**29.** This regulation applies to a police officer who fulfils the qualifying service criterion and who—

- (a) ceases to serve as such otherwise than on retirement under regulation 15, 16, 17 or 18, or
- (b) makes an election under regulation 7,

in circumstances—

- (i) in which no transfer value under regulation 74 has been, or is required to be, paid in respect of him, and
- (ii) which do not entitle him to any pension award under any of the preceding provisions of this Part or regulation 40 ( guaranteed minimum pension).

(2) A police officer to whom this regulation applies shall, on so retiring or otherwise ceasing to serve or, as the case may be, on making such election, be entitled to a deferred pension as provided in this regulation.

(3) In the case of an officer who falls within paragraph (1)(b) and who cancels his election in accordance with regulation 7(5) before his deferred pension has come into payment, his entitlement to that deferred pension shall be relinquished.

(4) A deferred pension shall be calculated in accordance with paragraphs (5) and (6).

(5) No payment shall be made on account of the pension in respect of the period—

- (a) before the officer in question attains the age of 65 years, or
- (b) from the officer in question becoming permanently disabled for engaging in any regular employment if he was not ineligible under regulation 6 for a pension award on the ground of permanent disablement before he became so disabled (subject, however, to regulation 51);

whichever is sooner.

(6) Subject to paragraph (5), police officer's deferred pension shall be—

- (a) an annual sum payable for life; and
- (b) a lump-sum payment,

calculated as if the deferred pension were an ordinary pension calculated under regulation 25.

### **Early payment of deferred pension subject to actuarial reduction**

**30.**—(1) Subject to paragraphs (2) to (4), a police officer who is entitled to a deferred pension payable, in accordance with regulation 29(4) and (5) upon his attaining the age of 65, may elect for immediate payment of that pension subject to an actuarial reduction.

(2) No payment shall be made in respect of the period before the officer concerned attains the age of 55 years.

(3) An election under paragraph (1) shall be made by giving written notice to the Board at least one month before the date on which the officer concerned wishes such payment to commence.

(4) The actuarial reduction shall be calculated by the Board in accordance with tables prepared by the Scheme actuary.

(5) Where a police officer who has made an election under paragraph (1) dies, any survivor's pension payable in respect of that officer shall be calculated as if no such election had been made.

### **Repayment of aggregate pension contributions**

**31.**—(1) This regulation applies to a police officer who retires, ceases to serve as such or who makes an election under regulation 7 (other than as set out in regulation 7(3)), in circumstances—

- (a) in which no transfer value under regulation 74 has been, or is required to be, paid in respect of him, and
- (b) which do not entitle him to a pension award under any of the preceding provisions of this Part.

(2) A police officer to whom this regulation applies shall be entitled to an award by way of a lump-sum payment of an amount equal to his aggregate pension contributions in respect of his relevant period of service, calculated in accordance with regulation 23.

#### **Deduction of tax from awards under regulation 7(4) or 31**

- 32.** The Board may deduct from any payment by way of an award under regulation 7(4) or 31—
- (a) that part of any contributions equivalent premium paid in respect of the police officer as is permitted under section 57 of the 1993 Act<sup>(2)</sup>;
  - (b) the tax for the time being chargeable on that award under section 205 of the Finance Act 2004<sup>(3)</sup>.

#### **Pension debit members — personal awards**

**33.** Where a pension debit member is entitled to an award under regulation 24 (an ordinary pension), 26 (an ill-health pension), 29 (a deferred pension) or 31 (repayment of aggregate pension contributions)—

- (a) the award shall be calculated by reference to the member’s rights under these Regulations as reduced by virtue of Article 28 of the 1999 Order and in accordance with such tables and other guidance as are provided for the purpose by the Scheme actuary, and
- (b) regulations 34 (exchange of lump-sum for additional payments), 35 (commutation) have effect accordingly.

#### **Exchange of lump-sum for additional periodical payments**

**34.—(1)** This regulation applies to the lump-sum of an ordinary pension, or a deferred pension under this Part (which is not a deferred pension that becomes payable by reason of permanent disablement under regulation 29(4)).

(2) In relation to a deferred pension, paragraphs (4), (5), and (6) shall have effect as if any reference to the date of retirement were a reference to the coming into payment of the pension or to the date of that coming into payment.

(3) A police officer may, subject to and in accordance with this regulation, exchange for additional annual pension payments the whole or part of a lump-sum element to which this regulation applies to which he may become entitled.

(4) For the purpose of exchanging a portion of his pension in accordance with this regulation a person shall give notice in writing to the Board (“notice of exchange”) and—

- (a) the notice shall be given before, but not earlier than four months before, his intended date of retirement;
- (b) the notice shall indicate his wish to surrender and exchange for additional annual pension payments the whole or such part as he may specify of the lump-sum payment to which he would otherwise become entitled;
- (c) the notice shall not be effective if it was given more than four months before the date of his retirement.

(5) Where a person retires having given an effective notice of exchange, the Board shall—

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(2) Section 57 was amended by the Pensions (Northern Ireland) Order 1995, Schedule 3, paragraph 47, by the Child Support, Pensions and Social Security Act 2000, Schedule 5, Part 1, paragraph 6(2), and by the Pensions Act 2004 Schedule 12, paragraphs 9 and 12

(3) 2004 c. 12.

- (a) withhold the whole or the specified part of the lump-sum payment in accordance with the notice; and
  - (b) pay to that person additional annual pension payments of such amount as represents the actuarial equivalent of the surrendered lump sum or portion of the lump sum at the date of his retirement, calculated from tables prepared by the Scheme actuary.
- (6) Sums paid or payable as additional pension payments by virtue of an effective notice of exchange shall be disregarded for the purposes of the calculation of a survivor's pension under regulation 38 or 39.

### **Commutation of small pension for lump-sum**

**35.**—(1) Where the annual rate of any pension payable to or in respect of a police officer under this Part or regulation 58 does not exceed the small pensions commutation maximum, the Board may pay the person entitled to the pension a lump-sum of such an amount as the Scheme actuary advises represents the capital value of the pension if—

- (a) that person consents; and
  - (b) in a case where the pension is payable to that person under the preceding provisions of this Part, and is one which may not be less than that person's guaranteed minimum pension, he has reached state pension age.
- (2) If—
- (a) a person is entitled to more than one pension under the preceding provisions of this Part, or
  - (b) a person is entitled to more than one pension in respect of the same police officer, or
  - (c) a pension credit member is entitled—
    - (i) to more than one pension under regulation 58, or
    - (ii) to one or more pensions within sub-paragraph (a) in addition to one or more pensions under regulation 58,

those pensions may only be commuted under this regulation if they do not in aggregate exceed the amount that is permitted to be commuted under all the commutation requirements that apply in the circumstances in question.

(3) The payment of a lump-sum under this regulation in respect of a pension discharges the Board from all liability in respect of that pension.

(4) In this regulation—

“the small pensions commutation maximum” means the amount that is permitted to be commuted, having regard to all the commutation requirements that apply in the circumstances in question, and

“the commutation requirements” means requirements permitting the commutation of small pensions that are imposed—

- (a) by regulation 19, 20 or 60 of the Occupational Pension Schemes (Contracting-Out) Regulations (Northern Ireland) 1996(4);
- (b) by regulation (2) of the Occupational Pensions Schemes (Assignment, Forfeiture, Bankruptcy) etc Regulations (Northern Ireland) 1997(5);
- (c) by regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations Northern Ireland 2000(6); or

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(4) S.R. 1996 No. 493

(5) S.R. 1997 No. 153

(6) S.R. 2004 No. 1054

- (d) by paragraph 7 of Schedule 29 to the Finance Act 2004 (which defines trivial commutation lump-sums for the purposes of Part 1 of that Schedule).