
STATUTORY RULES OF NORTHERN IRELAND

2014 No. 188

**The Local Government Pension Scheme
Regulations (Northern Ireland) 2014**

PART 1

MEMBERSHIP, CONTRIBUTIONS AND BENEFITS

PENSION ACCOUNTS

Pension accounts

24.—(1) The Committee shall open and maintain one or more pension accounts for each member of the Scheme.

(2) A separate pension account shall be opened in relation to each employment where a member is or was employed in two or more Scheme employments.

(3) A pension account—

- (a) shall contain such matters as are required by these Regulations;
- (b) shall identify which one of the following categories of pension account it is—
 - (i) an active member's pension account;
 - (ii) a deferred member's pension account;
 - (iii) a deferred refund account;
 - (iv) a retirement pension account;
 - (v) a flexible retirement pension account;
 - (vi) a pension credit account; or
 - (vii) a survivor member's pension account,but subject to that,

(c) may be kept in any form that the Committee considers appropriate.

(4) The Committee shall close a pension account if—

- (a) a transfer value payment is made in respect of the member if the effect of the transfer is that the member is no longer entitled to benefits from the account;
- (b) a refund of contributions is paid under regulation 20 (rights to return of contributions);
- (c) all the benefits in the account are forfeited under regulation 102 (forfeiture of pension rights after conviction for employment-related offences);
- (d) the member dies;
- (e) the last survivor entitled to a benefit from a survivor member's pension account ceases to be entitled to a benefit from that survivor member's pension account (by reason of death or upon ceasing to be an eligible child); ^{F1}...

[^{F2}(f) due to aggregation of benefits in the pension account with a different pension account, it is no longer needed; or

(g) the member's benefits are commuted under regulation 35 (commutation and small pensions).]

(5) Where a member with an active member's pension account also has a deferred refund account, the benefits in the [^{F3}deferred refund account] shall be aggregated with the active member's pension account and the deferred refund account closed.

(6) Where an active member with concurrent employments ceases an employment and does not have qualifying service for a period of two years, the active member's pension account in respect of that employment shall be closed and the benefits in that active member's pension account shall be aggregated with the ongoing active member's pension account and, if there is more than one such account, the one chosen by the member.

(7) Where an active member with concurrent employments ceases an employment with entitlement to a deferred pension, the benefits in the deferred member's pension account shall be aggregated with those in the ongoing active member's pension account and, if there is more than one such active member's pension account, the one chosen by the member unless—

(a) within twelve months of the date the concurrent employment ceased; or

(b) within such longer period as the employing authority in relation to the ongoing active member's pension account permits,

the member makes an election to the Committee to retain the deferred member's pension account.

[^{F4}(8) Subject to paragraph 8A, where a deferred member again becomes an active member, the member may make an election to aggregate the benefits in the deferred member's pension account with those in the active member's pension account within—

(a) twelve months of the active member's pension account being opened;

(b) twelve months from 1st April 2016; or

(c) such longer period as the employing authority in relation to that active member's pension account may permit.

(8A) Where a member is entitled to deferred benefits as a consequence of a notice served under regulation 7(2) (ending active membership) and becomes an active member again in the same employment, that member cannot make an election to aggregate benefits from a deferred member's pension account under paragraph (8).

(8B) But paragraphs (7) and (8) do not apply to a member who is the subject of—

(a) a transfer to which the Transfer of Undertakings (Protection of Employment) Regulations 2006 ("the TUPE Regulations") apply; or

(b) a transfer which is treated as if it were a relevant transfer within the meaning of regulations 2(1) and 3 of the TUPE Regulations, notwithstanding regulation 3(5) of those Regulations.]

(9) The member's choice of pension account under paragraphs (6) or (7) shall be made in writing, by the member to the Committee, within twelve months of the closure of the active member's pension account and, in the absence of an election from the member, the Committee may make the determination on the member's behalf.

(10) Where a deferred member's pension account or a deferred refund account is to be aggregated with an active member's pension account, and the gap between the member's last day of membership to which the deferred member's pension account or deferred refund account relates and the first day of active membership to which the active member's pension account relates does not exceed five years, the balance in the deferred member's pension account or deferred refund account shall

be recalculated, before aggregation, as if the amount in that account had been increased by the revaluation adjustment and not the index rate adjustment.

Textual Amendments

- F1** Word in [reg. 24\(4\)](#) deleted (with effect in accordance with reg. 1(2) of the amending Rule) by [The Local Government Pension Scheme \(Amendment\) Regulations \(Northern Ireland\) 2016 \(S.R. 2016/128\)](#), regs. 1(1), **9(a)**
- F2** [Reg. 24\(4\)\(f\)\(g\)](#) substituted (with effect in accordance with reg. 1(2) of the amending Rule) by [The Local Government Pension Scheme \(Amendment\) Regulations \(Northern Ireland\) 2016 \(S.R. 2016/128\)](#), regs. 1(1), **9(a)**
- F3** Words in [reg. 24\(5\)](#) substituted (with effect in accordance with reg. 1(2) of the amending Rule) by [The Local Government Pension Scheme \(Amendment\) Regulations \(Northern Ireland\) 2016 \(S.R. 2016/128\)](#), regs. 1(1), **9(b)**
- F4** [Reg. 24\(8\)-\(8B\)](#) substituted (with effect in accordance with reg. 1(2) of the amending Rule) by [The Local Government Pension Scheme \(Amendment\) Regulations \(Northern Ireland\) 2016 \(S.R. 2016/128\)](#), regs. 1(1), **9(c)**

Active member's pension accounts

25.—(1) At the beginning of each Scheme year, an active member's pension account in relation to an employment shall specify the opening balance for that year.

(2) At the end of each Scheme year—

- (a) the balance mentioned in paragraph (1); plus
- (b) the amount of earned pension, if any, for the Scheme year; plus
- (c) the amount of any additional member pension acquired during the Scheme year pursuant to arrangements made under regulation 18(1) or (3) (additional pension contributions); plus or minus, as the case may be;
- (d) the sum resulting from any pension account adjustment during the Scheme year;

shall be aggregated and the revaluation adjustment for that Scheme year shall be applied at the beginning of the next Scheme year in accordance with actuarial guidance issued by the Department.

(3) The revalued balance calculated under paragraph (2) becomes the new opening balance for the following Scheme year.

(4) Except where regulation 12 (temporary reduction in contributions) applies, the amount of earned pension for a Scheme year is 1/49th of the member's pensionable pay received in that year (irrespective of whether it relates to work carried out in that year).

(5) Where regulation 12 (temporary reduction in contributions) applies, the amount of earned pension for a Scheme year is 1/98th of the member's pensionable pay received in that year while that regulation applies (irrespective of whether it relates to work carried out during that year).

(6) Other than to correct an error in a pension account, an adjustment to a pension account (“pension account adjustment”) can only arise as a consequence of—

- (a) an award of additional pension under regulation 32 (award of additional pension);
- (b) a transfer value payment being made or received;
- (c) a pension debit being made;
- (d) a Scheme pays election;
- (e) a transfer into the member's pension account from a different account upon aggregation of those accounts; or

(f) an adjustment of the description mentioned in regulation 105 (adjustment of accounts following forfeiture, etc.);

(7) If an active member's pension account is closed before the end of a Scheme year, any pension account adjustment applicable to that active member's pension account shall be made immediately before the date that account is closed, but no revaluation adjustment is to be made to that account for that Scheme year.

(8) If a member starts to draw benefits under regulation 31(6) (retirement benefits, flexible retirement pensions) any pension account adjustment applicable to the active member's pension account if appropriate, shall be made immediately before the date on which benefits start to be paid.

(9) Where—

(a) a pension debit as is mentioned in paragraph (6)(c) is made, or

(b) the joint liability amount specified in a notice given in relation to an election as mentioned in paragraph (6)(d) is met by the pension fund,

the Committee shall reduce the balance in the member's account to reflect the reduction in the value of the member's rights, calculated in accordance with actuarial guidance issued by the Department.

(10) Where pensionable pay relating to a period before a member ceased to be an active member is paid after the period of active membership has ended, it is to be treated as if it were received on the day before the active member's account was closed.

Deferred member's pension account and deferred refund account

26.—(1) If a member ceases to be an active member and becomes a deferred member in relation to an employment—

(a) the active member's pension account shall be closed; and

(b) a deferred member's pension account shall be opened.

(2) The deferred member's pension account shall specify the opening balance in that account.

(3) On the day the deferred member's pension account is opened, the opening balance is the amount of pension the member has accrued.

(4) The amount of pension the member has accrued is—

(a) the opening balance for the member's last active Scheme year; plus

(b) the amount of earned pension, if any, from the first day of the member's last active Scheme year until the last day of active membership; plus

(c) any additional pension acquired during that period pursuant to arrangements made under regulation 18(1) or (3) (additional pension contributions); plus or minus, as the case may be,

(d) any pension account adjustment applicable during that period.

(5) Except where regulation 12 (temporary reduction in contributions) applied, the amount of earned pension for the period mentioned in paragraph (4)(b) is 1/49th of the pensionable pay received during that period (irrespective of whether it relates to work carried out in that period).

(6) Where regulation 12 (temporary reduction in contributions) applied to any of the period mentioned in paragraph (4)(b), the amount of earned pension is 1/98th of the member's pensionable pay received while that regulation applied (irrespective of whether it relates to work carried out in that period).

(7) The balance in the member's account at the end of the Scheme year in which the member becomes a deferred member is adjusted at the beginning of the following Scheme year by the revaluation adjustment applicable to the Scheme year in which the member became a deferred member, in accordance with actuarial guidance issued by the Department.

(8) The revalued balance calculated under paragraph (7) is the opening balance for the following Scheme year and thereafter, subject to paragraph (9), the balance in the account is adjusted each year by the index rate adjustment from the date that an increase would apply if that balance were a pension in payment to which the 1971 Act applied.

(9) If a deferred member's pension account is closed before the end of a Scheme year, any pension account adjustment applicable to the pension account shall be made immediately before the date the pension account is closed.

(10) Other than to correct an error in a deferred member's pension account, the only pension account adjustment that can arise under this regulation is an adjustment as a consequence of a matter specified in regulation 25(6) (active member's pension accounts, adjustments).

(11) If a member ceases to be an active member without becoming entitled to any benefits because that member has less than two years qualifying service—

- (a) the active member's pension account shall be closed; and
- (b) a deferred refund account shall be opened.

(12) Paragraphs (3) to (10) of this regulation apply to deferred refund accounts as they apply to deferred member's pension accounts.

Retirement pension accounts: active members

27.—(1) When an active member becomes entitled to immediate payment of a full retirement pension in relation to an employment—

- (a) the active member's pension account shall be closed; and
- (b) a retirement pension account shall be opened.

(2) The retirement pension account shall specify—

- (a) the amount of accrued pension;
- (b) the amount of any additional pension purchased under regulation 19(7)(b)(i) (additional voluntary contributions);
- (c) the early payment reduction or deferred payment enhancement (if any) and the amount of pension to which that reduction or enhancement is to be applied;
- (d) the commutation amount (if any);
- (e) the amount of any pension adjustment; and
- (f) the amount of pension payable from time to time and the date from which it is to be paid.

(3) Subject to paragraph (4), the amount of accrued pension for the purposes of paragraph (2) (a) is the amount that would have been specified under regulation 26(4) (deferred member's pension account and deferred refund account) if a deferred member's pension account had been opened for that member.

(4) The amount of accrued pension specified in paragraph (2)(a) shall be reduced to take account of the commutation amount (if any) in paragraph (2)(d).

(5) The amount of any pension adjustment not already accounted for under paragraph (2)(a) is, for the purposes of paragraph (2)(e), the aggregate of the amounts calculated in accordance with actuarial guidance issued by the Department to account for any tax to which the Committee may become chargeable under the 2004 Finance Act in accordance with regulation 97 (tax) or as a result of a pension sharing order.

(6) The balance in the member's retirement pension account at the end of the Scheme year in which the member becomes a pensioner member is adjusted at the beginning of the following Scheme year by the revaluation adjustment applicable to the Scheme year in which the member became a pensioner member, in accordance with actuarial guidance issued by the Department.

(7) The revalued balance calculated under paragraph (6) is the opening balance for the following Scheme year and, thereafter, the balance is adjusted each year by the index rate adjustment from the date that an increase would apply if that balance were a pension in payment to which the 1971 Act applied.

(8) For the purposes of this regulation a full retirement pension means a retirement pension other than a pension payable under regulation 31(6) (retirement benefits, flexible retirement pensions).

Retirement pension accounts: deferred members and pension credit members

28.—(1) When a deferred member becomes entitled to immediate payment of a retirement pension—

- (a) the deferred member's pension account shall be closed; and
- (b) a retirement pension account shall be opened.

(2) The retirement pension account shall specify—

- (a) the amount of accrued pension;
- (b) the amount of any additional pension purchased under regulation 19(7)(b)(i) (additional voluntary contributions);
- (c) the early payment reduction, or deferred payment enhancement (if any), and the amount of pension to which that reduction or enhancement applies;
- (d) the commutation amount (if any);
- (e) the amount of any pension adjustment; and
- (f) the amount of pension payable from time to time and the date from which it is to be paid.

(3) Subject to paragraph (4), the amount of accrued pension for the purposes of paragraph (2)(a) is the amount specified in that member's deferred member's pension account immediately before it was closed.

(4) The amount of accrued pension specified in paragraph (2)(a) shall be reduced to take account of the commutation amount (if any) in paragraph (2)(d).

(5) The amount of any pension adjustment not already accounted for under paragraph (2)(a) is, for the purposes of paragraph (2)(e), the aggregate of the amounts calculated in accordance with actuarial guidance issued by the Department to account for—

- (a) any tax to which the Committee may become chargeable under the 2004 Finance Act in accordance with regulation 97 (tax); or
- (b) a pension sharing order.

(6) The balance in the member's retirement pension account is adjusted each year by the index rate adjustment from the date that an increase would apply if that balance were a pension in payment to which the 1971 Act applied.

(7) This regulation applies in relation to pension credit members who become entitled to immediate payment of a retirement pension as it applies to deferred members with the following modifications—

- (a) all references to deferred members are to be read as references to pension credit members; and
- (b) the reference to accrued pension in paragraph (2)(a) is to be read as a reference to the amount of pension credit in the pension credit member's account.

[^{F5}(8) If the member ceased to be an active member, became a deferred member and a pensioner member all within the same Scheme year, the balance in the member's retirement pension account at the end of the Scheme year in which the retirement pension account was opened is adjusted at

the beginning of the following Scheme year by the revaluation adjustment applicable to the Scheme year in which the retirement pension account was opened, in accordance with the actuarial guidance issued by the Department.]

Textual Amendments

- F5** [Reg. 28\(8\)](#) inserted (with effect in accordance with reg. 1(1) of the amending Rule) by [The Local Government Pension Scheme \(Amendment\) Regulations \(Northern Ireland\) 2022 \(S.R. 2022/163\)](#), regs. 1(1), 7

Flexible retirement pension accounts

29.—(1) When an active member is entitled to immediate payment of a retirement pension under regulation 31(6) (retirement benefits, flexible retirement pensions) in relation to an employment—

- (a) a flexible retirement pension account shall be opened; and
- (b) the balance in the active member's pension account shall be reduced by the amount of accrued pension transferred into the member's flexible retirement pension account.

(2) The flexible retirement pension account shall specify—

- (a) the amount of accrued pension transferred from the active member's pension account;
- (b) the amount of any additional pension (if any) purchased under regulation 19(7)(b)(i) (additional voluntary contributions);
- (c) the early payment reduction or deferred payment enhancement (if any) and the amount of pension to which that reduction or enhancement is to be applied;
- (d) the commutation amount (if any);
- (e) the amount of any pension adjustment; and
- (f) the amount of pension payable from time to time and the date from which it is to be paid.

(3) The amount of accrued pension specified in paragraph (2)(a) shall be reduced to take account of the commutation amount (if any) in (2)(d).

(4) The amount of any pension adjustment not already accounted for under paragraph (2)(a) is, for the purposes of paragraph (2)(e), the aggregate of the amounts calculated in accordance with actuarial guidance issued by the Department to account for an adjustment as a consequence of a matter specified in regulations 25(6) (active member's pension accounts) and 27(5) (retirement pension accounts: active members).

(5) The balance in the member's flexible retirement pension account at the end of the Scheme year in which the member became entitled to the immediate payment of a retirement pension under regulation 31(6) (retirement benefits, flexible retirement pensions), is adjusted at the beginning of the following Scheme year by the revaluation adjustment applicable to the Scheme year in which the member became entitled to that retirement pension, in accordance with actuarial guidance issued by the Department.

(6) The revalued balance calculated under paragraph (5) is the opening balance for the following Scheme year and, thereafter, the balance in the account is adjusted each year by the index rate adjustment from the date that an increase would apply if that balance were a pension in payment to which the 1971 Act applied.

Pension credit accounts

30.—(1) When a person becomes a beneficiary of a pension sharing order, a pension credit account shall be opened.

Changes to legislation: *There are outstanding changes not yet made by the legislation.gov.uk editorial team to The Local Government Pension Scheme Regulations (Northern Ireland) 2014. Any changes that have already been made by the team appear in the content and are referenced with annotations. (See end of Document for details) View outstanding changes*

(2) The pension credit account at the date it is opened shall be credited, from the member's pension account that is to be debited, with an amount in compliance with the pension sharing order and calculated in accordance with actuarial guidance issued by the Department.

(3) The amount credited under paragraph (2) is the opening balance for the following Scheme year and, thereafter, the balance in the pension credit account each year is adjusted by the index rate adjustment from the date that an increase would apply if that balance were a pension in payment to which the 1971 Act applied.

(4) The amount in a pension credit account may be adjusted by amounts calculated in accordance with actuarial guidance issued by the Department as a result of a further pension sharing order.

(5) The pension credit account shall be debited by the amount calculated in accordance with actuarial guidance issued by the Department to account for any tax to which the Committee may become chargeable under the 2004 Finance Act in accordance with regulation 97 (tax).

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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):

- Sch. 1(d) word omitted by [S.R. 2023/157 reg. 19\(4\)\(a\)](#)
- Sch. 1(f) word inserted by [S.R. 2023/157 reg. 19\(4\)\(b\)](#)
- Sch. 1(g) inserted by [S.R. 2023/157 reg. 19\(4\)\(c\)](#)
- reg. 31(14) inserted by [S.R. 2023/149 reg. 3\(2\)](#)
- reg. 35(2A) inserted by [S.R. 2023/149 reg. 3\(3\)\(a\)](#)
- reg. 35(4) inserted by [S.R. 2023/149 reg. 3\(3\)\(b\)](#)
- reg. 46(3)(c) inserted by [S.R. 2023/149 reg. 3\(6\)\(a\)\(iv\)](#)
- reg. 46(3B) inserted by [S.R. 2023/149 reg. 3\(6\)\(b\)](#)
- reg. 52(8) inserted by [S.R. 2023/149 reg. 3\(9\)](#)
- reg. 53(5B) inserted by [S.R. 2023/149 reg. 3\(10\)](#)
- reg. 68(6A) inserted by [S.R. 2023/149 reg. 3\(11\)](#)
- reg. 70(2ZA) inserted by [S.R. 2023/149 reg. 3\(12\)](#)
- reg. 91(A1) inserted by [S.R. 2023/149 reg. 3\(13\)](#)
- reg. 108(1B) inserted by [S.R. 2023/149 reg. 3\(14\)\(a\)](#)
- reg. 110(8) inserted by [S.R. 2023/149 reg. 3\(15\)](#)
- reg. 111(2A) inserted by [S.R. 2023/149 reg. 3\(16\)](#)