
EXPLANATORY NOTE

These Rules make provision with respect to the pensions payable to and in respect of certain former employees of Approved Societies, bodies administering the affairs of Approved Societies and bodies administering special schemes under Section 73 of the Unemployment Insurance Act, 1935. To come within the scope of the rules, these employees must have been either in pensionable employment since the 1st January, 1946, or otherwise in permanent employment since the 5th July, 1940.

The rules relate to three main subjects:—

First, there are provisions regarding the Civil Service pension of such of these former employees as become established civil servants before the 5th July, 1949. These persons are, on certain conditions, allowed to count their former employment as service for the purpose of that pension. In general, former employees who were pensionable will count the whole of their past pensionable employment and unpensionable employees half of their past employment.

Secondly, there are provisions for preserving the accrued rights of certain of these former employees in any pension scheme associated with their former employment. The persons principally affected are those who become established civil servants before the 5th July, 1949. In their case, if their Civil Service pension is less than the pension which they would have received had they continued in their former appointments, the difference will be defrayed from the Exchequer. Former employees who do not become established civil servants, but have accrued rights in such a pension scheme and have lost their employment as the result of the National Insurance Act, 1946, will also receive payments out of the Exchequer in respect of their accrued rights.

Thirdly, there are provisions regarding the transfer to the State of the assets of the pension schemes under which Exchequer payments in respect of accrued rights are to be made. Where the membership of a scheme is confined to the staffs of the Approved Societies and the other bodies referred to above, the whole of its assets are transferred. Where the membership is wider, the transfer will be partial and will be limited to a proper proportion in respect of the persons towards whom liability will fall on the Exchequer, either for Civil Service pensions or in respect of accrued rights. All the assets transferred vest in the Minister (except that securities are transferred to the National Debt Commissioners). A Fund is established to receive these assets, called “the National Insurance (Existing Pensioners) Fund,” under the control and management of the Minister. Out of this Fund there will be met such liabilities to existing pensioners under the wholly transferred schemes as do not fall on the Exchequer under these Rules. Assets surplus to the requirements of this Fund will pass to the Exchequer.