

DEPARTMENT OF FINANCE AND PERSONNEL

**NORTHERN IRELAND CIVIL SERVICE ADDITIONAL
VOLUNTARY CONTRIBUTION SCHEME (AMENDMENT)
SCHEME 2015**

NORTHERN IRELAND CIVIL SERVICE ADDITIONAL VOLUNTARY CONTRIBUTION SCHEME (AMENDMENT) SCHEME 2015

The Department of Finance and Personnel makes the following Scheme in exercise of the powers conferred by Articles 3 and 4(4) of the Superannuation (Northern Ireland) Order 1972^(a) and now vested in it.^(b) In accordance with Article 3(2) of that Order it has consulted with persons appearing to the Department to represent persons likely to be affected by the Scheme.

1.-(1) This scheme may be cited as the Northern Ireland Civil Service Additional Voluntary Contribution Scheme (Amendment) Scheme 2015.

(2) This scheme shall come into operation on 29th April 2015.

2. The Northern Ireland Civil Service Additional Voluntary Contribution Scheme 1989, which came into force on 1st January 1989 and was subsequently amended, shall have effect subject to the amendments listed in the Schedule to this scheme.

3.-(1) The following amendments have effect from 1st April 2015——

- (a) the amendments in paragraphs (2), (3), (4), (5), (6), (7), (8) and (10) of the amendments listed in the Schedule in relation to Part 1 of the Northern Ireland Civil Service Additional Voluntary Contribution Scheme 1989;
- (b) the amendment in paragraph (9) of the amendments listed in the Schedule in relation to Part 1 of the Northern Ireland Civil Service Additional Voluntary Contribution Scheme 1989 to the extent that it inserts a definition of “Scheme Employment”;

^(a) S.I.1972/1073 (N.I.10), Article 3 has been amended by S.I. 1990/1509 (N.I. 13), Art. 10, 1993 c.49, Sch. 7, para 14 and S.I. 2002/1555, Art. 50

^(b)By S.R. 1976 No.281 Art.3 and Sch.1 and S.I. 1982/338 (N.I.6) Art.4

- (c) the amendment in paragraph (2) of the amendments listed in the Schedule in relation to Part 3 of the Northern Ireland Civil Service Additional Voluntary Contribution Scheme 1989; and
 - (d) the amendment in paragraph (11)(c) of the amendments listed in the Schedule in relation to Part 4 of the Northern Ireland Civil Service Additional Voluntary Contribution Scheme 1989.
- (2) The remainder of the amendments listed in the Schedule to this scheme have effect from 6th April 2015.

Sealed with the Official Seal of the Department of Finance and Personnel on 29th April 2015.

(L.S.)

Joanne McBurney
A senior officer of the
Department of Finance and Personnel

SCHEDULE

Declaration of scheme

Rule 9

For rule 9(b)(i) of the Declaration of scheme substitute——

- “(i) in an investment policy or policies taken out with such of the authorised providers, being authorised providers that the Department may from time to time determine, as the member specifies in writing (including by such electronic means as the Department may from time to time determine);”.

Rule 10

For rule 10 of the Declaration of scheme substitute——

“(10)(a) The Department may make payments under this scheme in accordance with the provisions of this scheme and Chapter 3 of Part 4 of the Finance Act 2004.

(b) The Department may apply the value of the sums and assets held by the scheme in accordance with the member’s instructions and the provisions of this scheme and Chapter 3 of Part 4 of the Finance Act 2004.

(c) The ways the Department may apply the sums and assets held by this scheme include but are not limited to—

- (i) the payment of the value of the sums and assets in whole or in part as a lump sum; and
- (ii) the purchase of benefits from such authorised providers as the member may specify in writing (including by such electronic means as the Department may from time to time determine).

(d) Where a member instructs the Department to apply the sums and assets held by this scheme under sub-paragraph (b), that has the effect of discharging any liability of the Department to pay benefits in respect of those sums and assets to or in respect of the member.”.

Part 1

(1) Part 1 is amended as follows.

(2) After the definition of “2007 Section” insert——

““the 2014 Regulations” means the Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014;

“the 2015 Scheme” means the scheme established by regulation 3 of the 2014 Regulations;”.

- (3) In the definition of “Dependant”, delete “and” at the end of sub-paragraphs (i) and (ii) and insert at the end of sub-paragraph (iii)—

“and

(iv) in the case of a Member who belongs to the 2015 Scheme, a surviving spouse or surviving civil partner or, where there is no surviving spouse or surviving civil partner, a surviving nominated partner of the deceased Member within the meaning of regulation 101 of the 2014 Regulations, an eligible child as defined in regulation 113 of the 2014 Regulations and any other individual who is (or was at the date of the Member’s death) financially dependent on the Member;”.

- (4) In the definition of “Employer”, after “PCSPS(NI)” insert “or the 2015 Scheme”.

- (5) After the definition of “Employer” insert—

““Employment” includes an office or appointment and related expressions are to be read accordingly;”.

- (6) In the definition of “Normal Retirement Date”, delete “and” at the end of sub-paragraphs (i) and (ii) and insert at the end of sub-paragraph (iii)—

“and

(iv) in the case of a Member who belongs to the 2015 Scheme, the date on which the Member reaches normal pension age in relation to the 2015 Scheme, as defined in regulation 2 of the 2014 Regulations;”.

- (7) After the definition of “PCSPS(NI)” insert—

““PCSPS(NI) Fair Deal Employment” means Employment which is specified in a list produced for the purposes of section 3(3a) of the Superannuation (Northern Ireland) Order 1972;”.

- (8) In the definition of “Pensionable Service”, for “or” substitute “,” and after “2007 Section” insert “or the aggregate of the periods during which the Member has been an active member of the 2015 Scheme;”.

- (9) After the definition of “Registered Scheme” insert—

““Scheme Assets”, in relation to a Member, means the total realisable value of the investments made by the Department with—

(a) the contributions paid to this Scheme by the Member;

- (b) any contributions or payments made to this Scheme in relation to the Member by the Member's Employer or the Department; and
- (c) any transfer value accepted in relation to the Member under Rule 3.6;

after deducting any fees or charges of an authorised provider in relation to those investments and any reduction applied in accordance with Article 28 of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

“Scheme Employment” means—

- (i) permanent or fixed term Employment as a civil servant;
- (ii) permanent or fixed term service in an Employment that is listed in Schedule 1 to the Superannuation (Northern Ireland) Order 1972;
- (iii) permanent or fixed term service in a PCSPS(NI) Fair Deal Employment held by a person who fulfils the conditions for eligibility for membership of the PCSPS(NI) which apply to a person in service in such an Employment and is or is eligible to be a member of that scheme by virtue of that Employment;
- (iv) permanent or fixed term service in an Employment held by a person (P) mentioned in regulation 3(2)(a) to (e) of the 2014 Regulations and to whom the 2015 Scheme relates by virtue of a determination under section 25(5) of the Public Service Pensions Act (Northern Ireland) 2014, where the 2015 Scheme relates to P by virtue of service in that Employment;
- (v) permanent or fixed term Employment held by a Fair Deal eligible person within the meaning of regulation 16 of the 2014 Regulations, where the 2015 Scheme relates to that person by virtue of that Employment;

but a person engaged under a contract for services or engaged locally overseas is not in Scheme Employment;”.

- (10) For the definition of “Service” substitute—

““Service” means a person's service in a Scheme Employment but does not include service in a Scheme Employment to which paragraph (a) or (b) applies.

- (a) This paragraph applies if the person's terms of service exclude the person from being a member of the PCSPS(NI) or the 2015 Scheme.

(b) This paragraph applies if in relation to the person's service in a Scheme Employment the person—

(i) has a partnership pension account, as defined in regulation 2 of the 2014 Regulations; or

(ii) is a member of a pension scheme other than the PCSPS(NI) or the 2015 Scheme and the person's employer pays contributions to that other scheme in respect of the person;”.

Part 3

(1) In rule 3.1(b) of Part 3, for “provide benefits which fall within the scope of” substitute “apply the Member's Scheme Assets in accordance with”.

(2) In rule 3.3 of Part 3, after “PCSPS(NI)” insert “or the 2015 Scheme, as applicable”.

Part 4

(1) Rule 4.1 of Part 4 is amended as follows.

(2) In the opening words of paragraph (a), for (and including) the words from “Subject to” to “The benefits normally permitted are:” substitute—

“(a) A Member's Scheme Assets may be applied by the Department in any way, as instructed by the Member, which is a way authorised in relation to this Scheme by or under Chapter 3 of Part 4 of the Finance Act 2004 including but not limited to—

(i) taking the whole or part of the Member's Scheme Assets as a lump sum; and

(ii) applying the whole or part of the Member's Scheme Assets to secure benefits.

(ab) Where the Member instructs the Department to secure benefits, the Member is entitled to such benefits as are secured, in accordance with the Member's instructions, by the Member's Scheme Assets.

(ac) Without prejudice to the generality of the above, the benefits normally permitted include—”.

(3) For paragraph (a)(1) substitute—

“(1) a lump sum payable on the death of the Member;”.

(4) In paragraph (a)(3) omit the words “subject to Rule 4.5 and paragraphs (e) to (g),”.

- (5) For paragraph (a)(4) substitute—
- “(4) a pension payable to the Member from a date chosen by the Member throughout the remainder of the Member’s lifetime;”.
- (6) For paragraph (a)(5) substitute—
- “(5) if a pension is paid under sub-paragraph (4), a lump sum paid to the Member not exceeding the permitted maximum, as defined in paragraph 2 of Schedule 29 to the Finance Act 2004.”.
- (7) Omit paragraphs (b), (e), (f), (g) and (h).
- (8) In rule 4.2 of Part 4 after “type of” insert “any”.
- (9) In rule 4.4, for (and including) the words from “The following benefits” to “of that Schedule” substitute “The scheme must not make a payment which is an unauthorised payment within the meaning of section 160(5) of the Finance Act 2004”.
- (10) The following rules are omitted from Part 4—
- (i) rule 4.3(a);
- (ii) rule 4.5; and
- (iii) rule 4.8.
- (11) In rule 4.7 of Part 4—
- (a) in the opening words, for “at any time before benefits provided under Rule 4.1 are taken” substitute “in relation to all or part of the Member’s Scheme Assets at any time before those Assets are applied under Rule 4.1”;
- (b) in sub-paragraphs (i), (ii) and (iv), for “the value of the Member’s accrued benefits” substitute “all or part of the Member’s Scheme Assets”;
- (c) in sub-paragraph (iii), for “or the PCSPS(NI)” substitute “, the PCSPS(NI) or the 2015 Scheme”;
- (d) in sub-paragraph (iii), for “his or her accrued benefits” substitute “the Member’s Scheme Assets”; and
- (e) for the words after sub-paragraph (iv) substitute—
- “(v) to apply all or part of the Member’s Scheme Assets in any other way which is not an unauthorised payment in relation to this

Scheme within the meaning of section 160 of the Finance Act 2004.”.

(12) In rule 4.9 of Part 4—

- (a) for the words “benefits payable under this Scheme” each time they occur (and, in the paragraph commencing “Where a Member has accrued benefits”, for the words “any benefits payable under this Scheme”) substitute “all or part of the Member’s Scheme Assets”;
- (b) before the paragraph commencing “Where a Member has accrued benefits” insert—

“In the case of a Member who belongs to the 2015 Scheme, the Department may withhold all or part of the Member’s Scheme Assets which arise by virtue of any employer’s contributions—

- (i) in the circumstances set out in regulation 165 of the 2014 Regulations; or
 - (ii) to a person to whom regulation 166 of the 2014 Regulations applies.”; and
- (c) in the last paragraph of rule 4.9—
- (i) for “benefits” substitute “a Member’s Scheme Assets”;
 - (ii) for “or” substitute “, ”; and
 - (iii) after “2007 Section” insert “or regulation 169 of the 2014 Regulations”.

Part 6

In rule 6.2(b) of Part 6, for “the value of the Member’s accrued benefits” substitute “the Member’s Scheme Assets”.

Part 7

Insert after rule 7.3 of Part 7—

“7.4 (1) This rule applies where—

- (a) a Member gives valid notice to the Department of joint and several liability for some or all of an annual allowance charge under section 237B(3) of the Finance Act 2004; and
- (b) the Department satisfies the liability specified in the notice.

- (2) The amount or value of the Member's Scheme Assets for the tax year to which the notice relates must be reduced by the Department in accordance with paragraph (3).
- (3) The amount or value of the reduction of the Member's Scheme Assets must fully reflect the amount paid by the Department.”.

Part 9

- (1) In rule 9.2 of Part 9, for “act” substitute “Act”.
- (2) In rule 9.3(a) of Part 9, for “pension” substitute “Pension”.
- (3) In rule 9.3 of Part 9, for paragraphs (c) – (f) substitute—
 - “(c) The Department may pay the amount of the Pension Credit calculated in accordance with rule 9.2 to such of the persons specified in paragraph (d) as the Department considers appropriate.
 - (d) The persons specified in this paragraph are—
 - (i) the person or persons nominated by the Ex-spouse or Ex-civil partner in accordance with paragraph (b);
 - (ii) the Ex-spouse or Ex-civil partner's personal representatives; or
 - (iii) such other person or persons as the Department considers appropriate, being the Ex-spouse or Ex-civil partner's surviving spouse, surviving civil partner or eligible child (within the meaning of regulation 113 of the 2014 Regulations), or some other person who is (or was at the time of the Ex-spouse or Ex-civil partner's death) financially dependent on the Ex-spouse or Ex-civil partner.”.

EXPLANATORY NOTE

(This note is not part of the scheme)

The Schedule to this scheme amends the rules of the Northern Ireland Civil Service Additional Voluntary Contribution Scheme (“the AVC Scheme”), made under Article 3 of the Superannuation (Northern Ireland) Order 1972 (N.I.10).

The amendments consist of amendments consequential on the coming into force of the scheme established by regulation 3 of the Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014, to enable members of that scheme to be members of the AVC Scheme; amendments to enable members of the AVC Scheme to take advantage of the changes in tax legislation made by the Finance Act 2014 (c.26) and the Taxation of Pensions Act 2014 (c.30); and amendments which update the rules of the AVC Scheme more generally.

The amendments which are consequential on the coming into force of the scheme established by regulation 3 of the Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 come into force on 1st April 2015. The remainder of the amendments come into force on 6th April 2015.