

RULES OF THE NORTHERN IRELAND PARTNERSHIP PENSION ACCOUNT ILL HEALTH BENEFITS SCHEME

INTERPRETATION

A.1 Interpretation: general

(1) In these rules, unless the context otherwise requires, the following expressions shall have the following meanings-

“PCSPS(NI)” means the Principal Civil Service Pension Scheme (Northern Ireland);

“the 2002 Section” means Section I of the PCSPS(NI);

“assumed pay” shall have the same meaning as in rule A.3 of the 2002 Section;

“Civil Service Compensation Scheme (Northern Ireland)” means the Civil Service Compensation Scheme (Northern Ireland) which was made on 28th August 1996 under Article 3 of the Superannuation (Northern Ireland) Order 1972;

“eligible employment” means-

- (a) employment in the Civil Service of the State, or
- (b) employment that is listed for the time being in Schedule 1 to the Superannuation (Northern Ireland) Order 1972;

“eligible service” has the meaning given in rule A.2 of this Scheme;

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

“final pensionable earnings” has the meaning given in rule A.3 of this Scheme;

“partnership pension account”, in relation to a person in eligible employment, means-

- (a) a stakeholder pension scheme or a personal pension scheme to which the person’s employer is paying contributions,
- (b) a stakeholder pension scheme or personal pension scheme to which his employer is not making contributions because:
 - (i) the person received benefits under section 2 of the Civil Service Compensation Scheme (Northern Ireland)

(compulsory retirement and redundancy) or section 3 of that Scheme (flexible retirement) on the basis of enhanced reckonable service, and

- (ii) the period by which his reckonable service was enhanced exceeds the period beginning with the day on which the person's retirement under those sections began and ending with the day before he was re-employed in the eligible employment, or
- (c) a stakeholder pension scheme or personal pension scheme to which his employer is not making contributions because he is not receiving earnings which are pensionable earnings for the purposes of this Scheme (other than because he is on an unauthorised absence);

“pension age” means the age of 60;

“pensionable earnings” shall have the same meaning as in rule A.2 of the 2002 Section;

“permanent pensionable earnings” shall have the same meaning as in rule A.2 of the 2002 Section;

“permitted maximum” means the applicable figure for the tax year in which the person's eligible employment ends, which shall be-

- (a) in relation to any tax year before the tax year 2006-07, the figure specified for that tax year in an order made under section 590C of the Income and Corporation Taxes Act 1988, and
- (b) in relation to any later year, the figure found for that year by virtue of paragraphs (3) to (5);

“personal pension scheme” means a personal pension scheme within the meaning of section 1 of the Pension Schemes (Northern Ireland) Act 1993 which has been approved under Chapter IV of Part XIV of the Income and Corporation Taxes Act 1988 or provisionally approved under section 655(5) of that Act;

“qualifying service” means the aggregate of the following periods-

- (a) any period beginning on or after 1st October 2002 falling within a person's latest period of eligible employment during which he has a partnership pension account (regardless of whether his employer pays contributions);
- (b) any period which counts as qualifying service under the 2002 Section provided that the last day of such period was immediately before he held a partnership pension account, and
- (c) in the case of a person who is transferred to eligible employment without his consent and who has a partnership pension account

immediately after that transfer, the whole of the period during which that person was a member of any occupational pension scheme to which he belonged in his former employment;

“Scheme” means the Northern Ireland Partnership Pension Account III Health Benefits Scheme;

“scheme year” means a period of one year beginning 1st April and ending 31st March (both dates inclusive);

“stakeholder pension scheme” means a scheme which is a stakeholder pension scheme for the purposes of Part II of the Welfare Reform and Pensions (Northern Ireland) Order 1999;

“the Department” means the Department of Finance and Personnel;

“the Scheme medical adviser” means -

- (a) the medical adviser appointed by the Department for the time being to provide a consulting service on medical matters relevant to this Scheme, or
- (b) in a case where a function normally exercisable by that adviser is being exercised by another person on an appeal from that adviser’s decision in accordance with procedures that are acceptable to the Department, that other person.

(2) The Interpretation Act (Northern Ireland) 1954 applies for the interpretation of the rules of this Scheme as it applies to an Act of the Northern Ireland Assembly.

(3) The figure referred to in paragraph (b) of the definition of “permitted maximum” is £108,600. This is subject to paragraphs (4) and (5).

(4) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is higher than it was for the previous September, the figure for that year shall be an amount arrived at by –

- (a) increasing the figure for the previous tax year by the same percentage as the percentage increase in the retail prices index, and
- (b) if the result is not a multiple of £600, rounding it up to the nearest amount which is such a multiple.

(5) If the retail prices index for the month of September preceding the tax year 2007-08 or any later tax year is not higher than it was for the previous September, the figure for that year shall be the same as for the previous tax year.”.

A.2 Meaning of “eligible service”

- (1) In this Scheme, “eligible service” means the aggregate of the following periods of service:
 - (a) any period of service falling within a person’s current period of eligible employment to which paragraph (2) applies and during which he has a partnership pension account to which his employer is paying contributions, and
 - (b) any period of reckonable service that the person may count as a member of the 2002 Section provided that the last day of such period was immediately before he held a partnership pension account.
- (2) This paragraph applies to a period of service in eligible employment in respect of which the person –
 - (a) receives pensionable earnings, or
 - (b) is treated as receiving assumed pay.
- (3) If a person to whom this Scheme applies is in part-time service at any time during the period referred to in paragraph (1), the service in respect of that period which is taken into account for the purposes of calculating eligible service is calculated by counting the period when he is in such service in which he does not work the full-time number of hours as **$A / N \times 52.2$ years**, where –
 - A** is the number of hours of the person’s part-time service in the period in question, including meal breaks if they are paid for part-time staff, and
 - N** is the number of weekly full-time conditioned hours for a person in the same grade as the person to whom this Scheme applies (excluding meal breaks unless they are paid for part-time staff).
- (4) If the number of those weekly full-time conditioned hours varies during the period in question, the calculation referred to in paragraph (3) must be made separately for each period within the period in question during which that number remains the same.

A.3 Meaning of “final pensionable earnings”

- (1) In this Scheme, “final pensionable earnings” means the greater of:
 - (a) the person’s permanent pensionable earnings in the 12 months ending on the last day of his eligible service;
 - (b) the person’s permanent pensionable earnings in one of the last two complete scheme years ending on or before the last day on which he was in eligible employment.

- (2) If at any time during any period that is relevant for paragraph (1) a person to whom this Scheme applies is treated as receiving assumed pay, for the purposes of that paragraph his permanent pensionable earnings for that period include that assumed pay.
- (3) If a person to whom this Scheme applies was employed part-time during any period the earnings in which are relevant for paragraph (1), his final pensionable earnings are calculated as if he received the full-time rate during that period.
- (4) If a person to whom this Scheme applies was not in eligible employment during the whole of the period of 12 months mentioned in paragraph 1(a), that paragraph applies as if it referred to the person's annualised permanent pensionable earnings in the latest period of eligible employment ending with the last day of his eligible service.
- (5) The person's annualised permanent pensionable earnings for a period are **PPE x 365/N** where –
PPE is the person's permanent pensionable earnings for the period, and
N is the number of days in the period.
- (6) But if that period includes the date 29th February, paragraph (5) has effect with the substitution for "365" of "366".
- (7) Subject to paragraph (8), for the purposes of paragraph (1), only pensionable earnings in the latest period of eligible employment may be taken into account.
- (8) Where the latest period of eligible employment is separated from an earlier period of eligible employment to which paragraph (9) applies, pensionable earnings in the earlier period of eligible employment may be taken into account.
- (9) This paragraph applies where a person to whom this Scheme applies ceases to be employed in eligible employment and after a period not exceeding 6 months becomes employed again in eligible employment.
- (10) If the calculation of final pensionable earnings produces an amount exceeding the permitted maximum, the excess is disregarded.

PART B

APPLICATION

B.1 Persons to whom this Scheme applies

- (1) This Scheme applies to any person -
 - (a) who has a partnership pension account,
 - (b) who has at least two years' qualifying service,
 - (c) who is under the age of 60,
 - (d) who is not excluded from this Scheme by virtue of paragraph (4) or (5) below, and

- (e) whose employment has been terminated due to a permanent breakdown in health which, in the opinion of the Scheme medical adviser, involves incapacity for employment.
- (2) For the purpose of this rule a person's breakdown in health is "permanent" if, in the opinion of the Scheme medical adviser, it will continue until the person reaches pension age.
- (3) For the purpose of these rules a person's breakdown in health involves incapacity for employment if, in the opinion of the Scheme medical adviser, as a result of the breakdown the person is incapable of doing his own or a comparable job.
- (4) A person is excluded from this Scheme -
- (a) if -
 - (i) when he is first employed in an eligible employment he does not meet the health standard specified for the purposes of this rule by the Department, and
 - (ii) he has not been informed by the Scheme administrator by a notice in writing that he has ceased to be regarded as an excluded person for the purposes of this rule, or
 - (b) if the terms and conditions of his employment provide that this Scheme does not apply to him, or
 - (c) his employer has made alternative provision for ill-health benefits for him, or
 - (d) his employer is not paying contributions to the Department for this Scheme to apply to him, or
 - (e) if he opts for this Scheme not to apply to him.
- (5) A special adviser is excluded from this Scheme if he falls within paragraph (4) or if -
- (a) he was in eligible employment before 1st October 2002,
 - (b) he has a personal pension to which his employer was contributing before 1st October 2002, and
 - (c) he did not accept his employer's offer to provide him with ill-health benefits under this Scheme.
- (6) Where in consequence of any transfer of employment any person becomes entitled to benefits under this Scheme the Department may apply the rules of this Scheme to that person with any modifications which may be necessary to reflect:
- (a) the terms and conditions of employment relating to ill health benefits transferred with such a person; or

- (b) any undertaking by a Minister of the Crown given about ill health benefits payable to such person.

PART C

ILL HEALTH BENEFITS

C.1 Calculation of ill health benefits

- (1) A person to whom this Scheme applies may receive a lump sum calculated in accordance with this rule.
- (2) The amount of lump sum payable under this rule is equal to 20% of the person's final pensionable earnings multiplied by the length of his eligible service.

This is subject to paragraphs (3) and (4).

- (3) The amount of lump sum shall not exceed an amount equal to the person's final pensionable earnings multiplied by three.
- (4) For any person who is within three years of pension age, the amount of the lump sum shall not exceed an amount equal to the person's final pensionable earnings multiplied by three and reduced by $\frac{1}{36}$ for each month of eligible service within that three-year period, counting any part of a month as a full month.

C.2 False statements about ill health

- (1) This rule applies where –
 - (a) a lump sum has been awarded under this Scheme to a person to whom the Scheme applies, and
 - (b) subsequently it appears to the Department that the person made a false declaration about his health or deliberately suppressed a material fact that was relevant to the award.
- (2) The Department may withhold the whole or part of the lump sum or recover any payment made.

EXPLANATORY NOTE
(This note is not part of the Scheme)

The Northern Ireland Partnership Pension Account Ill Health Benefits Scheme provides for a lump sum to be paid to persons serving in the Civil Service and employees of bodies admitted to Schedule 1 of the Superannuation (Northern Ireland) Order 1972 who have opted for a partnership pension account in the event that their employment is terminated on the grounds that they have suffered a permanent breakdown in health.

This scheme is retrospective by virtue of Article 4(4) of the Superannuation (Northern Ireland) Order 1972.