

**2005 No. 181**

**EDUCATION**

**The Teachers' Superannuation (Amendment) Regulations  
(Northern Ireland) 2005**

*Made* - - - - - *31st March 2005*

*Coming into operation* *31st March 2005*

The Department of Education, in exercise of the powers conferred on it by Article 11(1)(a), (2), (3A)(b) and Article 14(1) of and paragraphs 1 and 13 of Schedule 3 to the Superannuation (Northern Ireland) Order 1972(c) and of every other power enabling it in that behalf, and after consultation with representatives of education and library boards, and of teachers and with such representatives of other persons likely to be affected as required by Article 11(5) of that Order, and with the consent of the Department of Finance and Personnel(d), hereby makes the following Regulations:

**Citation, interpretation and commencement**

1. These Regulations may be cited as the Teachers' Superannuation (Amendment) Regulations (Northern Ireland) 2005 and shall come into operation on 31st March 2005. Regulations 4, 6 and 10 shall have effect on and from 31st March 2002, and regulations 5 and 7 shall have effect on and from 31st March 2001.

2. In these regulations "the principal regulations" means the Teachers' Superannuation Regulations (Northern Ireland) 1998(e).

**Amendment of the principal regulations**

3. The principal regulations shall be amended in accordance with regulations 4 to 11.

4. For regulation G1 substitute the following –

**"Teachers' Pension Account**

**G1.**—(1) An account in a form approved by the Department of Finance and Personnel is to be prepared by the Department for every financial year starting with the financial year ending with 31st March 2002.

(2) The account shall be open to examination by the Comptroller and Auditor General."

5. In regulation G2 –

(a) at the beginning of paragraph (4)(a) insert "subject to paragraph (aa),":

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(a) As amended by S.I. 1990/1509 (N.I. 13) Article 13(1)  
(b) As amended by S.I. 1990/1509 (N.I. 13) Article 6(1)  
(c) S.I. 1972/1073 (N.I. 10)  
(d) Formerly Department of Finance; see S.I. 1982/338 (N.I. 6) Article 3  
(e) S.R. 1998 No. 333 as amended by S.R. 2003 No. 147

- (b) after paragraph (4)(a) insert the following new sub-paragraph –  
 “(aa) the closing balance in the account for the financial year ending on 31st March 2001 as determined by the Government Actuary by reference to the value of the scheme assets mentioned in regulation G4(6),”;
- (c) for paragraph (4)(e) substitute the following –  
 “the notional investment income for the financial year on the balance in the account.”;
- (d) after paragraph (4)(e) insert the following –  
 “(5) For the purposes of paragraph (4)(e), the notional investment income for the financial years commencing on or after 1st April 2001 shall be determined by the Government Actuary and derived using a percentage return as specified from time to time by the Government Actuary.”

6. In regulation G3 after sub-paragraph (e) insert the following sub-paragraph –  
 “(f) increases payable under the Pensions (Increase) Act (Northern Ireland) 1971(a).”

7. For regulation G4 substitute the following –

**“Actuarial Review**

**G4.**—(1) The Government Actuary shall, from time to time, make an actuarial review on the position in relation to the account as at the date determined by the Department (“the review date”).

(1A) In making a determination under paragraph (1) the Department shall secure that –

- (a) the next review date is no later than 31st March 2001; and
- (b) the review date for each subsequent report is no later than 5 years after the previous review date.

(1B) The Government Actuary, with the agreement of the Department, shall specify the funding methodology to be used in making the actuarial review.

(1C) Any determination in relation to an actuarial inquiry made by the Department under paragraph (1) before 1st April 2005 shall have effect as if it were a determination in relation to an actuarial review.

(2) The Government Actuary shall make a report on the review to the Department as soon as practicable after the review date and the Department shall lay the report before the Assembly.

(3) The report is to specify the standard contribution rate (expressed as a percentage) at which contributions should be paid during the period beginning and ending on days (following the date of the report) determined by the Department (“the relevant period”).

(4) The report is to state the amount by which, at the review date, the value of the scheme assets exceeded or fell short of that of the scheme liabilities.

(5) Subject to paragraph (6), the scheme assets and the scheme liabilities shall be determined in accordance with the funding methodology specified in paragraph (1B).

(6) For the purposes of the actuarial review reporting on the position in relation to the account as at 31st March 2001, the value of the scheme assets shall equal the value of the scheme liabilities.

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(a) 1971 c. 35 (N.I.). Part 1 of the Act has been amended by Article 23(1) of, and paragraphs 8 to 10 of Schedule 6 to the Superannuation (Northern Ireland) Order 1972 (S.I. 1972/1073(N.I. 10)); Articles 5(2) and (3) of the Pensions (Increase) (Northern Ireland) Order 1974 (S.I. 1974/1267 (N.I. 2)); Article 74(2) of, and Schedule 6 to the Social Security Pensions (Northern Ireland) Order 1975 (S.I. 1975/1503 (N.I. 15) and Article 2 of the Pensions Increase (Reduction of Qualifying Age) Order 1972 (S.R. & O. (N.I.) 1972 No 264)). *See also* Articles 69 and 69A of the Social Security Pensions (Northern Ireland) Order 1975/1503 (N.I. 15) which have effect as if they were contained in Part V of that Act. Article 69A was inserted by the Social Security (Northern Ireland) Order 1979 (S.I. 1979/396 (N.I. 5) Article 10(3) Part 1 of the Act has also been amended by the Pensions (Miscellaneous Provisions) (Northern Ireland) Order 1990 (S.I. 1990/1509 (N.I. 13)), S.R. 1977 No. 260, S.I. 1987/2203 (N.I. 22), S.I. 1995/313 (N.I. 22) and S.I. 1999/3147 (N.I. 11)

(7) If the report states that the value of the scheme liabilities exceeded that of the scheme assets, it is to specify a rate (expressed as a percentage) at which, during the relevant period, supplementary contributions should be paid by employers of persons in pensionable employment so as to remove the deficiency within the period of 15 years beginning on the first day of the relevant period.

(8) If the report states that the value of the scheme assets exceeded that of the scheme liabilities, it is to specify a rate (expressed as a percentage) at which, during the relevant period, the employers of persons in pensionable employment should receive a contribution rebate so as to remove the surplus within the period of 15 years beginning on the first day of the relevant period.

(9) The rate referred to in paragraphs (7) and (8) is to be expressed as a percentage of the contributable salaries from time to time of persons in pensionable employment, and the percentage must be a multiple of 0.05.

(9A) Any determination made by the Department for the purpose of this regulation shall be made with the consent of the Department of Finance and Personnel.

(10) In this regulation “employees’ contributions” and “employers’ contributions” are to be construed in accordance with regulation G2(2) and (3) respectively.”

**8.** In regulation G5 for paragraph (2) substitute the following –

“(2) The required percentage for every relevant period beginning with the relevant period starting on 1st April 2006 is –

$$(A-6) + (B-C)$$

or, if the result would be less than zero, zero, where –

A is the percentage specified for the relevant period under regulation G4(3);

B is any percentage specified for the relevant period under regulation G4(7) and (9); and

C is any percentage specified for the relevant period under regulation G4(8) and (9).”.

**9.** In regulation G6, in paragraph (2)(a), for “monthly in arrear” substitute “monthly in arrears”.

**10.** Schedule 12 shall be deleted.

**11.** The Teachers’ Superannuation (Amendment) Regulations (Northern Ireland) 2003(a) are hereby revoked.

Sealed with the Official Seal of the Department of Education on 31st March 2005.

(L.S.)

*C. Jendoubi*

A senior officer of the Department of Education

The Department of Finance and Personnel hereby consents to the foregoing Regulations.

Sealed with the Official Seal of the Department of Finance and Personnel on 31st March 2005.

(L.S.)

*C. Doran*

A senior officer of the Department of Finance and Personnel

## EXPLANATORY NOTE

*(This note is not part of the Regulations)*

These Regulations amend the Teachers' Superannuation Regulations (Northern Ireland) 1998 ("the 1998 Regulations") and revoke the Teachers' Superannuation (Amendment) Regulations (Northern Ireland) 2003.

Regulations 4, 6 and 10 are to have retrospective effect as from 31st March 2002 and regulations 5 and 7 are to have retrospective effect as from 31st March 2001 by virtue of Article 14(1) of the Superannuation (Northern Ireland) Order 1972.

Regulations 4 and 10 retrospectively recognise the Department of Finance and Personnel's request that the scheme's accounts move from cash-based to resource-based accounting. Regulation 10 deletes Schedule 12 to the 1998 Regulations.

Regulation 5 amends regulation G2. It provides that the closing balance in the teachers' superannuation account for the financial year ending on 31st March 2001 be an amount determined by the Government Actuary by reference to the value of the scheme assets mentioned in regulation G4(6).

Regulation 6 amends regulation G3 and provides that increases paid under the Pensions Increases Act (Northern Ireland) 1971 are debited to the teachers' superannuation account.

Regulation 7 amends regulation G4 to ensure that the language used is consistent with modern actuarial methods. Reference to the end of the financial year is removed. The insertion of paragraph (1B) requires the Government Actuary, with the agreement of the Department, to specify a funding methodology for each actuarial review, and paragraph (3) provides that the standard contribution rate must be specified in the actuarial review. The insertion of paragraph (1A)(b) specifies that a valuation should be made at no longer than 5 yearly intervals and the amendment to paragraph (5) provides that the scheme assets and scheme liabilities are to be determined using the specified funding methodology.

Regulation 8 amends regulation G5 of the 1998 regulations as a consequence of the amendment to regulation G4(9).

Regulation 9 corrects a typing error.

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