

STATES OF JERSEY



DRAFT PUBLIC EMPLOYEES (PENSIONS) (DEFERRED PENSIONS, TRANSFER PAYMENTS AND REFUND OF CONTRIBUTIONS) (MISCELLANEOUS AMENDMENTS) (JERSEY) REGULATIONS 201-

**Lodged au Greffe on 10th October 2017
by the Chief Minister**

STATES GREFFE



Jersey

**DRAFT PUBLIC EMPLOYEES (PENSIONS)
(DEFERRED PENSIONS, TRANSFER PAYMENTS
AND REFUND OF CONTRIBUTIONS)
(MISCELLANEOUS AMENDMENTS) (JERSEY)
REGULATIONS 201-**

REPORT

The Chief Minister has agreed the following amendments to the Public Employees Contributory Retirement Scheme (“PECRS”) and the Public Employees Pensions Scheme (“PEPS”) as requested by the Committee of Management. The amendments were agreed in order to deal with inconsistencies as a result of recent changes to Income Tax legislation.

The amendments would permit a member of the PECRS or PEPS on leaving employment to –

- choose to defer his or her pension until it becomes payable, regardless of qualifying service;
- choose to apply for a transfer payment out of the Fund into another pension scheme on leaving the Scheme, regardless of whether or not the member is eligible to draw his or her PECRS pension at that time;
- choose to receive a refund of all of his or her pension contributions on leaving the Scheme, if the member has completed less than 5 years’ qualifying service.

Under these amendments, the qualifying service restrictions would be removed to allow more choice in respect of deferred pensions and pension transfers. In addition, a member may also choose to take a refund of their own contributions if they have completed less than 5 years’ qualifying service.

Collective responsibility under Standing Order 21(3A)

The Council of Ministers has a single policy position on this proposition, and as such, all Ministers, and the Assistant Ministers to the Chief Minister, are bound by the principle of collective responsibility to support the proposition, as outlined in the Code of Conduct and Practice for Ministers and Assistant Ministers ([R.11/2015](#) refers).

Financial and manpower implications

There are no financial or manpower implications for the States arising from the adoption of these draft Regulations.

Explanatory Note

These draft Regulations would amend the Regulations which regulate the operation of the Public Employees Contributory Retirement Scheme (“PECRS”) established under the Public Employees (Retirement) (Jersey) Law 1967 and the Public Employees Pension Scheme established under the Public Employees (Pensions) (Jersey) Law 2014.

Regulation 1 would amend Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989 (“Existing Members Regulations”) the effect of which would be to permit a member of the PECRS on leaving employment, to –

- (a) defer his or her pension until it becomes payable on the member attaining the age of 60;
- (b) apply for a transfer payment out of the fund into another pension scheme (regardless of whether or not the member is eligible to draw his or her PECRS pension at that time); or
- (c) receive a refund of all of his or her pension contributions, but only if the member has completed less than 5 years’ service qualifying him or her to receive a pension under the PECRS.

The present position is that if a member wants to defer his or her pension, or transfer it to another pension scheme, the member must have completed not less than 2 years’ service qualifying him or her to receive a pension under the PECRS. A member is only entitled to a refund of contributions if he or she has completed less than 2 years qualifying service. Accordingly, under this amendment, the qualifying service restrictions presently under the Existing Members Regulations would be removed in respect of deferred pensions and pension transfers out, and the cut-off period for a refund of contributions would be increased to up to 5 years’ qualifying service.

Regulation 2 would amend Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992, the effect of which would be to remove the now “spent” qualifying service and age restrictions in respect of deferred pensions and pension transfers out.

Regulation 3 would amend Regulation 11 of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 for the same reasons given for *Regulation 2*.

Regulation 4 would amend Regulation 8 of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989 for the same reasons given for *Regulation 1*.

Regulation 5 would amend Regulation 19 of the Public Employees (Pension Scheme) (Membership and Benefits) (Jersey) Regulations 2015 to clarify that a member on leaving employment, may defer his or her pension, seek a transfer-out or a refund of contributions (subject to completion of less than 5 years’ pensionable service) regardless of whether or not the member would otherwise be entitled to draw his or her retirement benefits at that time. The opportunity is also taken to correct a paragraph reference within Regulation 19(2)(a).

Regulation 6 gives the title of these Regulations and provides for their coming into force 7 days after they are made.



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Arrangement

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Made

[date to be inserted]

Coming into force

[date to be inserted]

THE STATES, in pursuance of Article 2 of the Public Employees (Retirement) (Jersey) Law 1967¹ and Article 2 of, and the Schedule to, the Public Employees (Pensions) (Jersey) Law 2014², have made the following Regulations –

1 Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989 amended

In Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989³ –

(a) for paragraph (1) there is substituted the following paragraph –

“(1) Where a member ceases to be an employee, he or she shall be entitled –

- (a) to a deferred pension calculated in accordance with Regulation 5 and payable from the attainment of the age of 60 years or normal retiring age, if earlier;
- (b) to apply for a transfer payment out of the fund under Regulation 22 of the Administration Regulations; or
- (c) only if he or she has completed less than 5 years’ qualifying service, to a refund of his or her contributions calculated in accordance with paragraph (3).”;

(b) paragraph (2) is deleted;

(c) in paragraph (3), for the words “a member to whom paragraph (2) applies” there are substituted the words “a member to whom paragraph (1)(c) applies”.

2 Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992 amended

In Regulation 8 of the Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992⁴ –

- (a) in paragraph (1), for the words commencing with “Where a member who has completed not less than 10 years’ qualifying service” and ending with the words “the member” there are substituted the words “Where a member ceases to be an employee, he or she”;
- (b) paragraph (2) is deleted.

3 Regulation 11 of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 amended

For Regulation 11 of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967⁵ there is substituted the following Regulation –

“11 Deferred pension or transfer payment

Where a contributory member ceases to hold employment with the States, he or she shall be entitled –

- (a) to a deferred retirement pension payable on his or her attaining normal retiring age calculated in accordance with Regulation 7(2);
or
- (b) to apply for a transfer payment out of the fund under Regulation 22 of the Administration Regulations.”.

4 Regulation 8 of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989 amended

In Regulation 8 of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989⁶ –

- (a) for paragraph (1) there is substituted the following paragraph –
“(1) This Regulation applies to a member who ceases to be an employee.”;
- (b) in paragraph (1A), for the words “member to whom paragraph (1) applies” there are substituted the words “member to whom this Regulation applies”;
- (c) in paragraph (1A)(a)(ii), for the words “years; or” there is substituted the word “years.”;
- (d) in paragraph (1A)(b), for the word “Regulations.” there are substituted the words “Regulations; or”;
- (e) after paragraph (1A)(b) there is added the following sub-paragraph –

- “(c) only if he or she has completed less than 5 years’ qualifying service, to a refund of his or her contributions calculated in accordance with paragraph (3).”;
- (f) in paragraph (3), for the words “a member to whom paragraph (2) applies” there are substituted the words “a member to whom paragraph (1A)(c) applies”;
- (g) paragraphs (2) and (7) are deleted.

5 Regulation 19 of the Public Employees (Pension Scheme) (Membership and Benefits) (Jersey) Regulations 2015 amended

In Regulation 19 of the Public Employees (Pension Scheme) (Membership and Benefits) (Jersey) Regulations 2015⁷ –

- (a) for paragraph (1) there is substituted the following paragraph –
 - “(1) This paragraph applies to an active member who leaves Scheme employment having completed less than 5 years pensionable service including any earlier aggregated periods of service recorded within that member’s active member pension record.”;
- (b) for paragraph (2)(a) there is substituted the following sub-paragraph –
 - “(a) to a deferred pension once that member becomes so eligible under Regulation 29(5) or (6).”;
- (c) for paragraph (4) there is substituted the following paragraph –
 - “(4) This paragraph applies to an active member who leaves Scheme employment having completed at least 5 years pensionable service including any earlier aggregated periods of service recorded within that member’s active member pension record.”.

6 Citation and commencement

These Regulations may be cited as the Public Employees (Pensions) (Deferred Pensions, Transfer Payments and Refund of Contributions) (Miscellaneous Amendments) (Jersey) Regulations 201- and shall come into force 7 days after the day they are made.

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- 1 *chapter 16.650*
 - 2 *chapter 16.640*
 - 3 *chapter 16.650.12*
 - 4 *chapter 16.650.24*
 - 5 *chapter 16.650.48*
 - 6 *chapter 16.650.60*
 - 7 *chapter 16.640.30*