

To: Salaries and Wages
Human Resources
Pension Contacts

Circular 12/2015
20 July 2015

At: All Employing Authorities

Dear Colleagues,

The Funded Public Service Pension Schemes (Reduction of Cash Equivalents) Regulations (Northern Ireland) 2015 - (SRNI 2015 No. 272)

The Department of Finance and Personnel made the above regulations on 11 June 2015 and they came into effect on 7 July 2015. These regulations apply to the funded public service pension schemes in Northern Ireland, which include the Local Government Pension Scheme (Northern Ireland) (LGPS (NI)), Northern Ireland Water Pension Scheme, Ulster Supported Employment Pension Scheme and the Assembly Members' Pension Scheme.

These regulations allow funded schemes to reduce cash equivalent transfer values (CETVs) if there is a risk to taxpayer funds caused by members transferring out of the scheme to access flexible benefits. Circular 07/2015 explained the new flexibilities that apply to members of defined contribution (DC) schemes. Members of the LGPS (NI), which is a defined benefits (DB) scheme, can only access flexible benefits if they transfer their pension benefits to a DC scheme that offers these new facilities.

It is highly unlikely that NILGOSC will need to implement this safeguard. However, if it is deemed necessary, the Department of the Environment will designate the Scheme and set the transfer value reduction amount. The Scheme's actuary will report on the level of reduction that should apply and the Department can set a level of reduction up to the level reported by the actuary. The designation can last for up to two years and the Department can revoke it during that period. A copy of the regulations is available in the Document Library of our [website](#).

If you have any questions regarding the content of this Circular please contact our Technical Officer, Christina McMaster, or myself.

Yours sincerely



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