



Templeton House  
411 Hollywood Road  
Belfast, BT4 2LP  
T: 0345 3197 320  
E: [info@nilgosc.org.uk](mailto:info@nilgosc.org.uk)  
[www.nilgosc.org.uk](http://www.nilgosc.org.uk)

To: Chief Executives  
Salaries and Wages  
Human Resources  
Pension Contacts

Circular 10/2021  
26 October 2021

At: All Employing Authorities

Dear Colleagues,

## **Department for Communities Consultation on the Draft Local Government Pension Scheme (Amendment) Regulations (Northern Ireland) 2022**

The purpose of this circular is to draw your attention to the current consultation on Scheme amendments. The Department published the consultation on 8 October 2021 and it closes on 10 December 2021. It is available on the Department's [website](#). The proposed key changes that may affect employers are set out below. NILGOSC is currently preparing its response and will publish this on our [website](#) in due course.

### **1. Survivor Benefits**

Historically the Local Government Pension Scheme (Northern Ireland) ("LGPS (NI)") had different treatments for survivors of marriages than took place while the member was either a deferred member or a pensioner. A surviving widow's pension was based on service from 6 April 1978, whereas a surviving widower's pension was based on service from 6 April 1988. Surviving civil partners were treated as widowers. Earlier in January 2020, amendments made some headway towards equalising survivors' benefits. Same-sex survivors' benefits were equalised with widows of opposite sex marriages and male survivors of opposite sex civil partnerships had the same benefits as widowers of opposite sex marriages for deaths from 13 January 2020. However, it is now proposed that both the changes made in January

2020 and these amendments are backdated to 2005 and that there will be equal treatment regardless of gender of the [deceased] member or the surviving spouse or civil partner.

## **2. 30 Day Rule**

At present members pay contributions for the first 30 consecutive days of absence e.g., while on a career break or authorised unpaid leave. It is proposed that this rule is amended so that employees only pay contributions where the break is for 30 consecutive days or less. **Employers should consider what changes may need to be made to payroll systems to cope with this change.**

## **3. Additional Voluntary Contributions (AVCs) – removal of 50% limit**

The regulations currently restrict member contributions to an AVC to 50% of pensionable pay in each pay period. It is proposed that this limit is removed.

## **4. Refunds – discretion to pay out after five years**

Under current regulations refunds must be paid by NILGOSC within five years of the date of leaving. The amending regulations propose giving NILGOSC discretion to pay refunds out after five years has elapsed. Refunds must be paid out before age 75.

## **5. Death Grants**

Currently a death grant can only be paid where a member dies before age 75. It is proposed that this age limit is removed, and death grants would be paid to the estates/survivors of those over age 75 on the same basis as pensioners i.e., 10 times the annual pension earned less any pension payments already made. It is proposed that this is backdated to 1 April 2015.

## **6. Exit certificates**

It is proposed that NILGOSC could issue an interim exit certificate subject to the Department's approval and conditions. This proposal would allow NILGOSC to react quickly in some circumstances and issue an interim exit certificate e.g., insolvency. The final exit

certificate would then be issued in due course once all the data was available and the actuary had calculated the exit position.

## **7. Internal dispute resolution procedures**

The amending regulations propose increasing the time for each of the two stages from two to four months.

## **8. Forfeiture**

At present it is difficult for an employer to seek forfeiture of pension rights as an offence must have been committed in connection with an employment for which an employee is convicted and because of which they left employment. Generally, these offences are not uncovered until after the employee has left employment. The amendments propose removing the requirement that the person must have left their employment because of the offence. As before, the forfeiture certificate can only be issued by a Minister.

## **9. Fluctuating emolument for final salary pay**

Currently, for calculation of final salary pay, fluctuating emoluments are averaged over the period that they were paid for, if it is less than three years; otherwise, they are averaged over three years. The amendments propose reverting to the earlier position where these fluctuating emoluments are always averaged over three years. This only applies to those members who have final salary membership i.e., before 1 April 2015.

If you have any questions on this consultation, then please contact me or any member of the Pensions Development Team.

Yours sincerely

Zena Kee

Head of Pensions Policy