



Jersey

# **PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (MISCELLANEOUS AMENDMENTS) (No. 2) (JERSEY) REGULATIONS 2020**

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## **PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (MISCELLANEOUS AMENDMENTS) (No. 2) (JERSEY) REGULATIONS 2020**

*Made*

*14th July 2020*

*Coming into force*

*21st July 2020*

**THE STATES** make these Regulations under Article 2 of the Public Employees (Retirement) (Jersey) Law 1967<sup>1</sup> –

### **1 Amendment of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989**

- (1) The Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989<sup>2</sup> are amended in accordance with this Regulation.
- (2) For Regulation 16 (conversion of pension into lump sum not exceeding £30,000) there is substituted –

#### **“16 Exchange of small pension for lump sum**

- (1) In accordance with Article 131CE (permitted commutation – trivial pension) of the Income Tax Law and this Regulation, a member or deferred pensioner is permitted to elect to exchange the whole of the capital value of his or her pension accrued under the scheme for a lump sum not exceeding such amounts as are specified in Article 131CE of that Law.
- (2) For the purposes of this Regulation, Article 131CE of the Income Tax Law is to be read as if for the words and phrases set out in column 1 of the following table there were substituted the words and phrases set out in column 2 of the table –

<b>1 – Words and phrases used in Article 131CE of the Income Tax Law</b>	<b>2 – Substituted words and phrases for the purposes of these Regulations</b>
“An approved Jersey scheme”	“The pension scheme established by the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 <sup>3</sup> (the “scheme”)”
“commute”	“exchange”
“pension holder”	“member or deferred pensioner of the scheme”
“fund value”	“capital value of the member’s or deferred pensioner’s pension accrued under the scheme”.

- (3) An exchange under paragraph (1) is not permitted where the capital value of the member’s or deferred pensioner’s pension accrued under the scheme, includes any amount transferred from another scheme, trust or contract (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).
- (4) An election under paragraph (1) must be made in such form and manner as the Administrator specifies.
- (5) The calculation of the lump sum payable under this Regulation is to be determined by the Committee after consulting the Actuary.
- (6) Payment of the lump sum –
  - (a) must in the case of –
    - (i) a member, be made on the day after the member ceases employment, or
    - (ii) a deferred pensioner, be made not later than 3 months after the date of the election under paragraph (1);
  - (b) extinguishes the member’s or deferred pensioner’s rights to any other benefits under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon that member’s or deferred pensioner’s death.”.
- (3) Regulation 16A (conversion of pension into lump sum not exceeding £18,000) is deleted.
- (4) For Regulation 18(13) (pensionable allowances) there is substituted –
 

“(13) The revocation of a pensionable allowance declaration takes effect upon the expiry of the notice given by the employer under paragraph (9).”.

## **2 Amendment of the Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992**

- (1) The Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992<sup>4</sup> are amended in accordance with this Regulation.

- (2) For Regulation 14 (conversion of pension into lump sum not exceeding £30,000) there is substituted –

**“14 Exchange of small pension for lump sum**

- (1) In accordance with Article 131CE (permitted commutation – trivial pension) of the Income Tax Law and this Regulation, a member or deferred pensioner is permitted to elect to exchange the whole of the capital value of his or her pension accrued under the scheme for a lump sum not exceeding such amounts as are specified in Article 131CE of that Law.
- (2) For the purposes of this Regulation, Article 131CE of the Income Tax Law is to be read as if for the words and phrases set out in column 1 of the following table there were substituted the words and phrases set out in column 2 of the table –

<b>1 – Words and phrases used in Article 131CE of the Income Tax Law</b>	<b>2 – Substituted words and phrases for the purposes of these Regulations</b>
“An approved Jersey scheme”	“The pension scheme established by the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 <sup>5</sup> (the “scheme”)”
“commute”	“exchange”
“pension holder”	“member or deferred pensioner of the scheme”
“fund value”	“capital value of the member’s or deferred pensioner’s pension accrued under the scheme”.

- (3) An exchange under paragraph (1) is not permitted where the capital value of the member’s or deferred pensioner’s pension accrued under the scheme, includes any amount transferred from another scheme, trust or contract (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).
- (4) An election under paragraph (1) must be made in such form and manner as the Administrator specifies.
- (5) The calculation of the lump sum payable under this Regulation is to be determined by the Committee after consulting the Actuary.
- (6) Payment of the lump sum –
- (a) must in the case of –
    - (i) a member, be made on the day after the member ceases employment, or
    - (ii) a deferred pensioner, be made not later than 3 months after the date of the election under paragraph (1);
  - (b) extinguishes the member’s or deferred pensioner’s rights to any other benefits under the scheme, as well as the rights of

any person contingently entitled to any benefit payable upon that member's or deferred pensioner's death.”.

- (3) For Regulation 16(13) (pensionable allowances) there is substituted –
- “(13) The revocation of a pensionable allowance declaration takes effect upon the expiry of the notice given by the employer under paragraph (9).”.

### 3 Amendment of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967

For Regulation 11A (conversion of pension into lump sum not exceeding £30,000) of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967<sup>6</sup> there is substituted –

#### “11A Exchange of trivial pension for lump sum

- (1) In accordance with Article 131CE (permitted commutation – trivial pension) of the Income Tax Law and this Regulation, a contributory member entitled to a retirement pension under Regulation 7 (“contributory member”), or a member entitled to a deferred pension under Regulation 11 (“deferred pension member”) is permitted to elect to exchange the whole of the capital value of his or her pension accrued under the scheme for a lump sum not exceeding such amounts as are specified in Article 131CE of that Law.
- (2) For the purposes of this Regulation, Article 131CE of the Income Tax Law is to be read as if for the words and phrases set out in column 1 of the following table there were substituted the words and phrases set out in column 2 of the table –

1 – Words and phrases used in Article 131CE of the Income Tax Law	2 – Substituted word and phrases for the purposes of these Regulations
“An approved Jersey scheme”	“The pension scheme established by the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 <sup>7</sup> (the “scheme”)”
“commute”	“exchange”
“pension holder”	“contributory member or deferred pension member of the scheme”
“fund value”	“capital value of the contributory member's or deferred pension member's pension accrued under the scheme”.

- (3) An exchange under paragraph (1) is not permitted where the capital value of the contributory member's or deferred pension member's pension accrued under the scheme, includes any amount transferred from another scheme, trust or contract (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).

- (4) An election under paragraph (1) must be made in such form and manner as the Administrator specifies.
- (5) The calculation of the lump sum payable under this Regulation is to be determined by the Committee after consulting the Actuary.
- (6) Payment of the lump sum –
  - (a) must in the case of –
    - (i) a contributory member, be made on the day after the member ceases employment, or
    - (ii) a deferred pension member, be made not later than 3 months after the date of the election under paragraph (1);
  - (b) extinguishes the contributory member's or deferred pension member's rights to any other benefits under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon that member's death."

#### **4 Amendment of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989**

- (1) The Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989<sup>8</sup> are amended in accordance with this Regulation.
- (2) In Regulation 6 (pensions payable before normal retiring age to members with 10 years' pensionable service) –
  - (a) for paragraphs (1), (1A) and (2) there is substituted –
    - "(1) Subject to paragraph (2), this Regulation applies to a member who has completed a minimum of 10 years' pensionable service and who –
      - (a) in the case of a Crown Officer or the Magistrate, retires or has his or her appointment terminated at any time after attaining the age of 60 up to (but not including) the age of 65; or
      - (b) in any other case, retires or has his or her employment terminated at any time not more than 5 years before attaining normal retiring age.
  - (2) This Regulation does not apply to a member who became, on or after 1st March 2009, a category A member of the scheme under these Regulations.";
  - (b) in paragraphs (6) and (7) for "or Magistrate" there is substituted "or the Magistrate".
- (3) For Regulation 16 (conversion of pension into lump sum not exceeding £30,000) there is substituted –

#### **"16 Exchange of trivial pension for lump sum**

- (1) In accordance with Article 131CE (permitted commutation – trivial pension) of the Income Tax Law and this Regulation, a member or deferred pensioner is permitted to elect to exchange the whole of the

capital value of his or her pension accrued under the scheme for a lump sum not exceeding such amounts as are specified in Article 131CE of that Law.

- (2) For the purposes of this Regulation, Article 131CE of the Income Tax Law is to be read as if for the words and phrases set out in column 1 of the following table there were substituted the words and phrases set out in column 2 of the table –

<b>1 – Words and phrases used in Article 131CE of the Income Tax Law</b>	<b>2 – Substituted words and phrases for the purposes of these Regulations</b>
“An approved Jersey scheme”	“The pension scheme established by the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967 <sup>9</sup> (the “scheme”)”
“commute”	“exchange”
“pension holder”	“member or deferred pensioner of the scheme”
“fund value”	“capital value of the member’s or deferred pensioner’s pension accrued under the scheme”.

- (3) An exchange under paragraph (1) is not permitted where the capital value of the member’s or deferred pensioner’s pension accrued under the scheme, includes any amount transferred from another scheme, trust or contract (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).
- (4) An election under paragraph (1) must be made in such form and manner as the Administrator specifies.
- (5) The calculation of the lump sum payable under this Regulation is to be determined by the Committee after consulting the Actuary.
- (6) Payment of the lump sum –
- (a) must in the case of –
    - (i) a member, be made on the day after the member ceases employment, or
    - (ii) a deferred pensioner, be made not later than 3 months after the date of the election under paragraph (1);
  - (b) extinguishes the member’s or deferred pensioner’s rights to any other benefits under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon that member’s or deferred pensioner’s death.”.
- (4) Regulation 16A (conversion of pension into lump sum not exceeding £18,000) is deleted.
- (5) For Regulation 18(13) (pensionable allowances) there is substituted –



“(13) The revocation of a pensionable allowance declaration takes effect upon the expiry of the notice given by the employer under paragraph (9).”.

## **5 Citation and commencement**

These Regulations may be cited as the Public Employees (Contributory Retirement Scheme) (Miscellaneous Amendments) (No. 2) (Jersey) Regulations 2020 and come into force 7 days after the day on which they are made.

## ENDNOTES

### Table of Endnote Reference

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1	<i>chapter 16.650</i>
2	<i>chapter 16.650.12</i>
3	<i>chapter 16.650.48</i>
4	<i>chapter 16.650.24</i>
5	<i>chapter 16.650.48</i>
6	<i>chapter 16.650.48</i>
7	<i>chapter 16.650.48</i>
8	<i>chapter 16.650.60</i>
9	<i>chapter 16.650.48</i>