



Jersey

R&O – 105/2005

**PUBLIC EMPLOYEES (RETIREMENT)  
(ADDITIONAL CONTRIBUTIONS –  
AMENDMENTS) (JERSEY) REGULATIONS 2005**

**Arrangement**

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**Regulation**

- 1 Regulation 4 of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 amended
- 2 New Regulation 4A of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989
- 3 Regulation 6 of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 amended
- 4 Amendment of other relevant Regulations
- 5 Regulation 4A of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 substituted
- 6 Citation and commencement





Jersey

## **PUBLIC EMPLOYEES (RETIREMENT) (ADDITIONAL CONTRIBUTIONS – AMENDMENTS) (JERSEY) REGULATIONS 2005**

*Made*

*27th September 2005*

*Coming into force*

*in accordance with Regulation 6*

**THE STATES**, in pursuance of Article 2 of the Public Employees (Retirement) (Jersey) Law 1967,<sup>1</sup> have made the following Regulations –

### **1 Regulation 4 of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 amended**

After Regulation 4(6) of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989<sup>2</sup> there shall be added the following paragraph –

“(7) If an employer delays paying into the scheme all or any part of a contribution mentioned in paragraph (1)(a) the employer shall pay interest on the amount of the delayed payment at such rate as the Committee determines on the advice of the Actuary.”.

### **2 New Regulation 4A of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989**

After Regulation 4 of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 there shall be inserted the following Regulation –

#### **“4A Debt payment contributions**

(1) In this Regulation –

‘1988 liability’, in respect of the Policy and Resources Committee, means so much of the capitalised value from time to time of the debt transferred to the scheme when the scheme was amended with effect from 1st January 1988 that is attributable to the Policy and Resources Committee, being an amount calculated by the Actuary

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to be £177,500,000 as at 31st December 2001 (£14,300,000 of which was repaid in August 2003);

‘debt payment period’ means the period that starts on 1st January 2002 and ends on 31st December 2083 (both dates being part of the period);

‘member’ includes a former member, and the widow or widower, child or dependant of a member.

- (2) The Policy and Resources Committee shall pay off its 1988 liability during the debt payment period.
  - (3) It shall do so without –
    - (a) the imposition of an obligation on members;
    - (b) an adverse effect on the benefits received or to be received by members; or
    - (c) an increase in the contributions paid or to be paid by members.
  - (4) To pay off its 1988 liability the Policy and Resources Committee shall during the debt payment period pay to the scheme by equal monthly contributions payable before the end of each month –
    - (a) for the year starting 1st January 2002, £2,735,200; and
    - (b) for each subsequent year, the amount payable during the previous year increased by the same percentage increase as the average percentage increase during that previous year in the salaries of those members who were employed with the States during the whole of that year.
  - (5) The Policy and Resources Committee may at any time –
    - (a) extinguish its liability to make contributions in accordance with paragraph (4) by paying to the scheme a contribution equal to the amount of its 1988 liability at that time, as determined by the Actuary; or
    - (b) pay any amount to the scheme, either as a lump sum contribution or by way of increased contributions, to reduce its 1988 liability.
  - (6) Where –
    - (a) a report under Regulation 6(1) discloses a surplus;
    - (b) a surplus continues to exist after the operation of Regulation 6(3)(a); and
    - (c) the Policy and Resources Committee and the Committee agree,

all or any part of that surplus may be used to extinguish or reduce the 1988 liability of the Policy and Resources Committee.
  - (7) Where –
    - (a) the Policy and Resources Committee makes a contribution to the scheme in accordance with paragraph (5)(b);
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- (b) the 1988 liability of the Policy and Resources Committee is reduced in accordance with paragraph (6);
  - (c) the scheme is amended to end or adjust any future benefit accrual for any members;
  - (d) the actuary determines that there has been a change of circumstances of the scheme or an event, which need not be connected with the scheme, that has made compliance by the Policy and Resources Committee with paragraph (4) inadequate to ensure that both paragraphs (2) and (3) are complied with; or
  - (e) the actuary determines that there has been a change that makes the provisions of this Regulation unacceptable as an asset of the scheme for the purposes of a review of the scheme in accordance with Regulation 6,

the Policy and Resources Committee shall, after receiving the comments of the Committee acting on the advice of the Actuary, recommend to the States amendments to this Regulation that are adequate to ensure that both paragraphs (2) and (3) are complied with.

(8) The recommendation –

- (a) may, amongst other things, recommend a variation in the length of the debt payment period or a variation in the amount of the contributions to be paid by the Policy and Resources Committee; but
- (b) shall not recommend an amendment of paragraph (3).”.

### **3 Regulation 6 of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 amended**

For Regulation 6(3)(c)(ii) of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 there shall be substituted the following clause –

- “(ii) two-thirds of the remaining surplus shall be applied to a reduction in the rate of contributions payable by the employers under the scheme (otherwise than under Regulation 4A) without the need for proposals or amendment of the Regulations governing the scheme;”.

### **4 Amendment of other relevant Regulations**

(1) For Regulations 6(2) and (3) of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967<sup>3</sup> there shall be substituted the following paragraph –

- “(2) Except as may otherwise be provided in accordance with Regulations 6 and 9 of the General Regulations, each employer must, before the end of each month, pay to the scheme –

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- (a) during the period starting 31st January 2002 and ending 31st January 2084, an amount equivalent to 13.6%; and
- (b) after that period, an amount equivalent to 15.16%,
- of the salary earned during the previous month by each of its employees who was a contributory member during that month.”.
- (2) For Regulations 4(1) and (2) of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989,<sup>4</sup> of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989<sup>5</sup> and of the Public Employees (Contributory Retirement Scheme) (Former Hospital Scheme) (Jersey) Regulations 1992<sup>6</sup> there shall be substituted, in each case, the following paragraph –
- “(1) Except as may otherwise be provided in accordance with Regulations 6 and 9 of the General Regulations, each employer must, before the end of each month, pay to the scheme –
- (a) during the period starting 31st January 2002 and ending 31st January 2084, an amount equivalent to 13.6%; and
- (b) after that period, an amount equivalent to 15.16%,
- of the salary earned during the previous month by each of its employees who was a member during that month.”.

## **5 Regulation 4A of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 substituted**

For Regulation 4A of the Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 there shall be substituted the following Regulation –

### **“4A Debt payment contributions**

- (1) In this Regulation –
- ‘1988 liability’, in respect of the Chief Minister, means so much of the capitalised value from time to time of the debt transferred to the scheme when the scheme was amended with effect from 1st January 1988 that is attributable to the Chief Minister, being an amount calculated by the Actuary to be £177,500,000 as at 31st December 2001 (£14,300,000 of which was repaid in August 2003);
- ‘debt payment period’ means the period that starts on 1st January 2002 and ends on 31st December 2083 (both dates being part of the period);
- ‘member’ includes a former member, and the widow or widower, child or dependant of a member.
- (2) The Chief Minister shall pay off his or her 1988 liability during the debt payment period.
- (3) The Chief Minister shall do so without –

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- (a) the imposition of an obligation on members;
  - (b) an adverse effect on the benefits received or to be received by members; or
  - (c) an increase in the contributions paid or to be paid by members.
- (4) To pay off his or her 1988 liability the Chief Minister shall during the debt payment period pay to the scheme by equal monthly contributions payable before the end of each month –
- (a) for the year starting 1st January 2002, £2,735,200; and
  - (b) for each subsequent year, the amount payable during the previous year increased by the same percentage increase as the average percentage increase during that previous year in the salaries of those members who were employed with the States during the whole of that year.
- (5) The Chief Minister may at any time –
- (a) extinguish his or her liability to make contributions in accordance with paragraph (4) by paying to the scheme a contribution equal to the amount of his or her 1988 liability at that time, as determined by the Actuary; or
  - (b) pay any amount to the scheme, either as a lump sum contribution or by way of increased contributions, to reduce his or her 1988 liability.
- (6) Where –
- (a) a report under Regulation 6(1) discloses a surplus;
  - (b) a surplus continues to exist after the operation of Regulation 6(3)(a); and
  - (c) the Chief Minister and the Committee agree,
- all or any part of that surplus may be used to extinguish or reduce the 1988 liability of the Chief Minister.
- (7) Where –
- (a) the Chief Minister makes a contribution to the scheme in accordance with paragraph (5)(b);
  - (b) the 1988 liability of the Chief Minister is reduced in accordance with paragraph (6);
  - (c) the scheme is amended to end or adjust any future benefit accrual for any members;
  - (d) the actuary determines that there has been a change of circumstances of the scheme or an event, which need not be connected with the scheme, that has made compliance by the Chief Minister with paragraph (4) inadequate to ensure that both paragraphs (2) and (3) are complied with; or
  - (e) the actuary determines that there has been a change that makes the provisions of this Regulation unacceptable as an
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asset of the scheme for the purposes of a review of the scheme in accordance with Regulation 6,

the Chief Minister shall, after receiving the comments of the Committee acting on the advice of the Actuary, recommend to the States amendments to this Regulation that are adequate to ensure that both paragraphs (2) and (3) are complied with.

(8) The recommendation –

(a) may, amongst other things, recommend a variation in the length of the debt payment period or a variation in the amount of the contributions to be paid by the Chief Minister; but

(b) shall not recommend an amendment of paragraph (3).”

## 6 Citation and commencement

- (1) These Regulations may be cited as the Public Employees (Retirement) (Additional Contributions – Amendments) (Jersey) Regulations 2005.
- (2) Except as provided by paragraph (3), these Regulations shall be taken to have come into force on 1st January 2002.
- (3) Regulation 5 shall come into force on the same day as Article 42(3) of the States of Jersey Law 2005.<sup>7</sup>

**M.N. DE LA HAYE**

*Greffier of the States.*



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<sup>1</sup> Chapter 16.650.

<sup>2</sup> Chapter 16.650.36.

<sup>3</sup> Chapter 16.650.48.

<sup>4</sup> Chapter 16.650.12.

<sup>5</sup> Chapter 16.650.60.

<sup>6</sup> Chapter 16.650.24.

<sup>7</sup> L.8/2005.