



Jersey

**PUBLIC EMPLOYEES (PENSION SCHEME)  
(ADMINISTRATION) (JERSEY)  
REGULATIONS 2015**

**Official Consolidated Version**

This is an official version of consolidated legislation compiled and issued under the authority of the Legislation (Jersey) Law 2021.

Showing the law from 23 July 2019 to Current



Jersey

## PUBLIC EMPLOYEES (PENSION SCHEME) (ADMINISTRATION) (JERSEY) REGULATIONS 2015

### Contents

#### Regulation

<b>PART 1</b>		<b>4</b>
<hr/>		
INTERPRETATION		4
1	Interpretation .....	4
<b>PART 2</b>		<b>7</b>
<hr/>		
MANAGEMENT OF FUND		7
<i>Committee of Management</i>		
2	Committee of Management .....	7
3	Appointment of Chairman and members of the Committee .....	8
4	Term of office of Chairman and members .....	9
5	Chairman – terms of appointment and termination of office .....	10
6	Termination of office of members .....	10
7	Meetings of the Committee .....	10
8	Delegation of Committee’s functions .....	11
9	Budget .....	11
 <i>Actuary</i>		
10	Appointment of Actuary .....	12
11	Duties of Actuary .....	12
 <i>Investment managers</i>		
12	Appointment of investment managers .....	12
13	Functions of investment managers .....	13
14	Duties of Committee in relation to investment managers .....	13
 <i>Investment advisers and custodians</i>		
15	Appointment and duties of investment advisers .....	14
16	Appointment and duties of custodians .....	14
 <i>Management of assets of the fund</i>		
17	Statement of investment principles .....	15
18	Assets of the fund and investments .....	15

<b>PART 3</b>	<b>17</b>
<b>ADMINISTRATION OF SCHEMES</b>	<b>17</b>
<i>Functions of Administrator and Committee</i>	
19	Administration of Scheme and 1967 Scheme ..... 17
20	Pension administration strategy ..... 17
21	Annual report and accounts etc. .... 19
<i>Transfers</i>	
22	Transfers out of fund ..... 20
23	Transfers in to fund ..... 20
24	Transfers - supplementary..... 21
<i>General</i>	
25	Interest on late payments by employers..... 22
26	Production of information for the purposes of the respective schemes ..... 22
27	Annual benefit statements ..... 23
28	Payments due in respect of deceased persons ..... 23
29	Payments in respect of persons incapable of managing their affairs ..... 24
30	Tax deductions..... 24
31	Amendment of Regulations..... 24
<b>PART 4</b>	<b>24</b>
<b>CLOSING</b>	<b>24</b>
32	Citation ..... 24
<b>ENDNOTES</b>	<b>25</b>
Table of Legislation History..... 25	
Table of Endnote References..... 25	



Jersey

## **PUBLIC EMPLOYEES (PENSION SCHEME) (ADMINISTRATION) (JERSEY) REGULATIONS 2015**

**THE STATES**, in pursuance of Articles 2, 4, and 5 of, and Schedule 1 to the [Public Employees \(Pensions\) \(Jersey\) Law 2014](#) and Article 3 of the [Public Employees \(Retirement\) \(Jersey\) Law 1967](#), have made the following Regulations –

Commencement [[see endnotes](#)]

### **PART 1**

#### **INTERPRETATION**

##### **1 Interpretation**

- (1) In these Regulations, unless the context indicates otherwise –
- “1967 Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Jersey\) Regulations 1967](#);
- “1967 Scheme employer” means an employer –
- (a) who, before the commencement of these Regulations, was admitted to the 1967 Scheme under repealed Regulation 9 of the General Regulations;
  - (b) who, before the commencement of these Regulations, was treated as if admitted to the 1967 Scheme under any enactment which provided for that employer to become an employer for the purposes of that scheme in respect of members of that scheme whose employment with the States Employment Board was transferred to that employer; or
  - (c) who is treated as if admitted to the 1967 Scheme under Regulation 7 of, and paragraph 2(5) of Schedule 1 to, the Membership and Benefits Regulations;
- “1967 Scheme Regulations” has the meaning given in Article 1(1) of the Law;
- “1967 Scheme survivor benefits” has the meaning given in Regulation 10 of the Transitional Regulations;
- “1992 Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Former Hospital Scheme\) \(Jersey\) Regulations 1992](#);
- “active member” has the meaning given in Regulation 1 of the Membership and Benefits Regulations and “active membership” shall be construed accordingly;
- “active member pension record” shall be construed in accordance with Regulation 21 of the Membership and Benefits Regulations;

“Actuary” means a person appointed in accordance with Regulation 10 to give actuarial advice in respect of the fund;

“Administrator” shall be construed in accordance with Regulation 19;

“admitted employer” means an employer other than the States Employment Board –

- (a) admitted to the Scheme under –
  - (i) Regulation 7 of, and paragraph 2(1) of Schedule 1 to, the Membership and Benefits Regulations,
  - (ii) Regulation 16(1) of the Transitional Regulations, or
  - (iii) Article 10(5) of the Law;
- (b) treated as if admitted to the Scheme under any enactment which provides for that employer to become an employer for the purposes of the Scheme in respect of members of the Scheme whose employment with the States Employment Board is transferred to that employer; or
- (c) who is a 1967 Scheme Employer;

“admitted employer representative” means a person appointed to the Committee on behalf of an admitted employer;

“approved drawdown contract” means a contract approved under Article 131D of the Income Tax Law;

“approved Jersey scheme” has the meaning given in Article 130 of the Income Tax Law;

“assets” means anything tangible or intangible that is owned or controlled and which may or may not produce an economic value (such as investments, debts or cash);

“budget” shall be construed in accordance with Regulation 9;

“civil partnership” shall be construed in accordance with Article 2 of the [Civil Partnership \(Jersey\) Law 2012](#);

“Committee” and “Committee of Management” shall be construed in accordance with Article 4 of the Law and Regulation 2;

“conflict of interest” has the meaning given in Article 4(5) of the Law;

“continuing member of the 1967 Scheme” shall be construed in accordance with Regulation 3(2)(b) of the Transitional Regulations;

“contributing member of the 1967 Scheme” means a –

- (a) “contributory member” within the meaning of Regulation 4 of the 1967 Regulations;
- (b) “category A member” and “category B member” within the meaning of Regulation 1 of the Existing Members Regulations and Regulation 1 of the New Members Regulations;
- (c) “category C” member within the meaning of Regulation 1 of the New Members Regulations;
- (d) “member” within the meaning of Regulation 1 of the Existing Members Regulations and Regulation 1 of the New Members Regulations, who is not a category A, category B or category C member (within the meaning of those Regulations); and
- (e) “member” within the meaning of Regulation 1 of the 1992 Regulations;

“deferred member” has the meaning given in Regulation 11 of the Membership and Benefits Regulations;

“eligible child” has the meaning given in Regulation 2 of the Membership and Benefits Regulations;

“employer” means an admitted employer or the States Employment Board;

“employer representatives” means persons appointed to the Committee on behalf of the States Employment Board;

“Existing Members Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Existing Members\) \(Jersey\) Regulations 1989](#);

“equivalent scheme established outside Jersey” shall be construed in accordance with Article 131CG of the Income Tax Law;

“financial year” means a period of 12 months beginning on 1st January and ending on 31st December;

“functions” has the meaning given in Article 1(1) of the Law;

“fund” shall be construed in accordance with Article 5 of the Law;

“Funding and Valuation Regulations” means the [Public Employees \(Pension Scheme\) \(Funding and Valuation\) \(Jersey\) Regulations 2015](#);

“Income Tax Law” means the [Income Tax \(Jersey\) Law 1961](#);

“investment manager” means a person appointed in accordance with Regulation 12;

“Law” means the [Public Employees \(Pensions\) \(Jersey\) Law 2014](#);

“member of the 1967 Scheme” means a continuing member of the 1967 Scheme or a contributing member of the 1967 Scheme;

“Membership and Benefits Regulations” means the [Public Employees \(Pension Scheme\) \(Membership and Benefits\) \(Jersey\) Regulations 2015](#);

“member representatives” has the meaning given in Article 4(5) of the Law”;

“Minister” means the Chief Minister;

“New Members Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(New Members\) \(Jersey\) Regulations 1989](#);

“pensioner representatives” means persons appointed to the Committee on behalf of pensioner members of the Scheme (within the meaning of Regulation 12 of the Membership and Benefits Regulations) and pensioners (within the meaning of the 1967 Scheme Regulations);

“proper advice” means advice received from an investment adviser appointed under Regulation 15;

“repealed Regulation 9 of the General Regulations” means Regulation 9 of the [Public Employees \(Contributory Retirement Scheme\) \(General\) \(Jersey\) Regulations 1989](#) as it was in force immediately prior to its repeal by the Transitional Regulations;

“retirement benefits” means any annual pension, lump sum or other benefit due to, or in respect of a person which has accrued under the Scheme, the 1967 Scheme, another approved Jersey scheme, an approved drawdown contract, a personal pension scheme or an equivalent scheme established outside Jersey;

“relevant actuarial transfer factors” means factors based on actuarial assumptions which have been set according to the principles set out in the funding strategy

statement prepared under Regulation 2 of the Funding and Valuation Regulations, for the purposes of calculating transfer payments under Regulations 22 or 23 and which are approved by the Committee;

“relevant transferee” and “relevant transferor” means the managers or trustees of an approved Jersey scheme, an approved drawdown contract, a personal pension scheme or an equivalent scheme established outside Jersey;

“respective schemes” has the meaning given in Article 1(1) of the Law, and “schemes” shall be construed accordingly;

“Scheme” means the Public Employees Pension Scheme referred to in Article 2(1) of the Law;

“Scheme employment” means employment by virtue of which a person is eligible to be an active member of the Scheme;

“statement of investment principles” shall be construed in accordance with Regulation 17;

“Transitional Regulations” means the [Public Employees \(Pension Scheme\) \(Transitional Provisions, Savings and Consequential Amendments\) \(Jersey\) Regulations 2015](#);

“Treasurer” means the Treasurer of the States;

“United Kingdom transferring arrangement” means a registered pension scheme within the meaning of section 150(2) of the Finance Act 2004 (c.12) of the United Kingdom;

“valuation of the fund” means an actuarial valuation of the fund by reference to the assets and liabilities of the respective schemes.

- (2) In these Regulations, unless the context indicates otherwise, where a word or expression is used in relation to the 1967 Scheme Regulations, that word or expression is to be construed in accordance with the meaning given to it in those Regulations.

## PART 2

### MANAGEMENT OF FUND

#### *Committee of Management*

## 2 Committee of Management

- (1) The Committee shall have and exercise all the functions that are vested in it by the Law, under Scheme Regulations or under the 1967 Scheme Regulations, and must secure compliance with that legislation.
- (2) The Committee must be comprised of –
- (a) a Chairman; and
  - (b) subject to paragraph (6), 12 members of the Committee (excluding the Chairman) divided into each of the following categories –
    - (i) 5 employer representatives,
    - (ii) 4 member representatives,

- (iii) 2 pensioner representatives, and
- (iv) 1 admitted employer representative.
- (3) Unless indicated otherwise, a reference in these Regulations to “employer representatives” is taken to include the admitted employer representative, and a reference to “member representatives” is taken to include the pensioner representatives.
- (4) Except in the circumstances described in paragraphs (5) and (9), the number of employer representatives must always be equal to the number of member representatives.
- (5) If a vacancy arises on either the employer representative side, or on the member representative side, the equal representation requirement in paragraph (4) shall not apply until such time as the vacancy is filled by a member of the same category as that of the member who is no longer on the Committee.
- (6) This paragraph applies where a vacancy occurs under any category described in paragraph (2)(b)(i) to (iii), and the Minister, with the agreement of the Chairman and a majority of the employer representatives and a majority of the member representatives, determines that in the light of that vacancy, the Committee may thereafter be comprised of fewer than 12 members.
- (7) Where paragraph (6) applies, and for the purposes of securing that the number of employer representatives must always be equal to the number of member representatives, subject to paragraph (9), the table in paragraph (8), applies as follows –
- (a) columns 1 and 2 of the table set out the ratio of members within each of the employer and member representative sides that must be maintained; and
- (b) column 3 sets out the total number of Committee members that must be maintained.
- (8) For the purpose of the table –
- (a) “ER” means employer representatives;
- (b) “AER” means admitted employer representative;
- (c) “MR” means member representatives;
- (d) “PR” means pensioner representatives.

<b>1</b>	<b>2</b>	<b>3</b>
<b>Employer representatives</b>	<b>Member representatives</b>	<b>Total number of Committee members</b>
4 ER : 1 AER = 5	3 MR : 2 PR = 5	10
3 ER : 1 AER = 4	2 MR : 2 PR = 4	8

- (9) Where paragraph (6) applies, the equal representation requirement in paragraph (4) shall not apply until such time as the appropriate ratios set out in columns 1 or 2 of the table in paragraph (8) are attained.

### **3 Appointment of Chairman and members of the Committee**

- (1) Subject to the provisions of this Regulation, the recruitment of the Chairman and members of the Committee must be overseen by the Jersey Appointments



Commission, and conducted in accordance with the guidelines produced by the Commission under Article 24 of the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#).

- (2) The Chairman and members of the Committee must be appointed by the Minister on the recommendation of the Minister for Treasury and Resources, and in the case of the Chairman, his or her recommendation for appointment must be agreed by a majority of the employer representatives and a majority of the member representatives.
- (3) A person may not –
  - (a) be recommended for appointment under paragraph (2) to be the Chairman of the Committee, if he or she is a member of the Committee or has at any time served as a member of the Committee;
  - (b) having already served the maximum term of office permitted under Regulation 4(2), be nominated to apply for appointment as a member of the Committee under paragraph (4) or (5), or apply for appointment as an employer or a pensioner representative.
- (4) In the case of a proposed appointment in respect of an admitted employer representative, the Minister for Treasury and Resources may only recommend a person for appointment where that person has been nominated by an admitted employer, to apply for appointment as a member of the Committee.
- (5) In the case of proposed appointments in respect of member representatives, the Minister for Treasury and Resources may only recommend a person for appointment where that person has been nominated by a representative association of members of the respective schemes, to apply for appointment as a member of the Committee.
- (6) In paragraph (5), the reference to “member representatives” does not include pensioner representatives.
- (7) Before appointing a person as the Chairman or a member of the Committee, the Minister must be satisfied that the person to be appointed does not have a conflict of interest.
- (8) For the purposes of paragraph (7), the person must produce promptly such information as the Minister reasonably requires for the purpose of satisfying himself or herself that the person has no conflict of interest.

#### **4 Term of office of Chairman and members**

- (1) The Chairman and members of the Committee must be appointed for such period not exceeding 5 years as the Minister specifies at the time of making the appointment.
- (2) In the case of a member of the Committee, the Minister may extend the member’s initial term of office by re-appointing the member for a second but final term of office not exceeding 5 years.
- (3) In the case of the Chairman, the Minister may extend the Chairman’s –
  - (a) initial term of office by re-appointing the Chairman for a second term of office not exceeding 5 years;
  - (b) second and any subsequent term of office thereafter, by re-appointing the Chairman for a further term of office not exceeding 5 years.

- (4) Regulation 3 shall not apply in respect of a re-appointment under paragraph (2) or (3) but, nothing in those paragraphs prevents a re-appointment from being made in accordance with that Regulation.
- (5) The Minister must from time to time satisfy himself or herself that none of the members of the Committee, including the Chairman, has a conflict of interest, by requiring any member or the Chairman (as the case may be) to produce promptly, such information as the Minister reasonably requires for the purpose of satisfying himself or herself that the member or the Chairman has no conflict of interest.

## **5 Chairman – terms of appointment and termination of office**

- (1) The Chairman must on appointment (or re-appointment, as the case may be), enter into a contract for services with the States Employment Board which must specify such fee and reasonable expenses to be paid to the Chairman out of the fund, as is determined by the Minister for Treasury and Resources in consultation with the Committee.
- (2) The Chairman must cease to hold office on resigning, by giving such period of written notice as is specified in his or her contract for services, to the Minister.
- (3) Subject to paragraph (4), the Chairman must cease to hold office (other than by resignation) upon the determination of the Minister.
- (4) The Minister may only determine the Chairman's termination of office under paragraph (3) where the Minister has secured the agreement to that termination by a majority of the employer representatives and a majority of the member representatives.

## **6 Termination of office of members**

- (1) A member of the Committee must cease to hold office on resigning by giving a period of 3 months written notice to the Chairman.
- (2) With the agreement of the Minister, a member of the Committee must cease to hold office where the Committee has passed a vote of no confidence in that member supported by a majority of the employer representatives and a majority of the member representatives.
- (3) Termination of office under paragraph (2) must take effect as soon as the Chairman receives the Minister's written agreement.

## **7 Meetings of the Committee**

- (1) The Committee may meet for the conduct of business, adjourn and otherwise regulate its meetings as it thinks fit, but subject to the following provisions –
  - (a) if the Chairman is not present at any meeting, those present must elect a chairman from their number for that meeting;
  - (b) a quorum must be formed by not less than half of the employer representatives and half of the member representatives;
  - (c) save as provided in Regulation 2(6), 3(2), 5(4), 6(2), 10(1)(b), 12(1)(b), 15(1)(b) and 31(2), all business brought before a meeting must be decided by a majority of the members present;

- (d) a Chairman appointed under Regulation 3 or re-appointed under Regulation 4 must not have a vote other than a casting vote;
  - (e) a chairman elected under sub-paragraph (a) may exercise a casting vote, or exercise the right to vote that he or she has as a member of the Committee, but must not exercise both votes in relation to the same matter;
  - (f) invite the attendance of any person at any meeting of the Committee, as the Committee determines.
- (2) If the Committee so agrees, the Treasurer is permitted to attend any meeting of the Committee.
  - (3) The Chairman and each member of the Committee must be indemnified by the States against all personal liabilities incurred by them in the exercise of their functions under the Law, Scheme Regulations and the 1967 Scheme Regulations (other than those incurred by the Chairman's or the member's own wilful default).

## **8 Delegation of Committee's functions**

- (1) Subject to paragraph (2), the Committee may delegate its functions to such persons as the Committee considers appropriate, on such terms as to remuneration or otherwise as the Committee must agree within the budget approved under Regulation 9.
- (2) The Committee may delegate such of its administrative functions to the Administrator as it considers appropriate.
- (3) Any decision of the Committee which under these Regulations requires the support of a majority of the employer representatives and a majority of the member representatives, must not be delegated.
- (4) The Committee may revoke any delegation made under this Regulation.

## **9 Budget**

- (1) The Committee must, in every financial year –
  - (a) determine a draft budget in respect of the costs of discharging the Committee's functions in relation to the fund, for the following financial year; and
  - (b) submit the draft budget determined under sub-paragraph (a) for approval by the Minister for Treasury and Resources.
- (2) The costs referred to in paragraph (1)(a) may include the costs of legal advice or such other advice as is required to facilitate, or is conducive or incidental to the discharge of the Committee's functions.
- (3) Where the costs of any advice exceeds the amount approved in the Committee's budget under paragraph (4), the Committee must, before the expiry of 3 months from the date those costs are incurred, submit a report to the Minister for Treasury and Resources with an explanation for the level of, and reasons for, such expenditure.
- (4) The Minister for Treasury and Resources must approve the draft budget under paragraph (1)(a) by no later than the end of the financial year preceding the financial year to which the draft budget relates.

*Actuary***10 Appointment of Actuary**

- (1) Subject to the approval of the Minister, the Committee –
  - (a) must, having consulted the Treasurer, appoint a person to give actuarial advice in respect of the fund (the “Actuary”), such person being a fellow of the Institute and Faculty of Actuaries (the “Institute”), or if that person is a firm, any actuary employed by that firm to advise in respect of the fund who is a fellow of the Institute;
  - (b) may terminate an appointment under paragraph (1)(a), provided that the Committee has first consulted with the Treasurer, and has the support of a majority of the employer representatives and a majority of the member representatives.
- (2) The Actuary must on appointment enter into a contract for services with the Committee which must specify –
  - (a) the Actuary’s terms of remuneration; and
  - (b) such other terms and conditions of the Actuary’s appointment, as the Committee determines.

**11 Duties of Actuary**

The Actuary must discharge such functions as are vested in that person under Scheme Regulations or under the 1967 Scheme Regulations, such functions to include –

- (a) a duty to give such advice in relation to the funding of the respective schemes as the Committee requires; and
- (b) a duty to provide such information and advice in relation to the administration of the respective schemes as the Administrator requires.

*Investment managers***12 Appointment of investment managers**

- (1) Subject to the provisions of this Regulation and with the approval of the Minister for Treasury and Resources, the Committee –
  - (a) must appoint one or more investment managers;
  - (b) may terminate without notice an appointment under paragraph (1)(a), provided that the Committee has the support of a majority of the employer representatives and a majority of member representatives.
- (2) Notwithstanding paragraph (1)(b), the Minister for Treasury and Resources may require the Committee to terminate without notice an appointment under paragraph (1)(a).
- (3) The Committee must not appoint an investment manager unless it has considered the value of the assets of the fund which are to be managed by the investment manager, or as the case may be, by each of the investment managers to be appointed, and it is satisfied that the value of those assets is not excessive, having regard to –

- (a) proper advice;
  - (b) the desirability of securing diversification of the assets of the fund; and
  - (c) the total value of the assets of the fund.
- (4) The Committee must not appoint a person to be an investment manager unless the Committee reasonably believes the person to be suitably qualified by ability in, and practical experience of, financial matters, to make investment decisions on the Committee's behalf.
- (5) The investment manager must on appointment enter into a contract for services with the Committee which must specify –
- (a) the investment manager's terms of remuneration; and
  - (b) such other terms and conditions of the investment manager's appointment, as are determined by the Committee and the Minister for Treasury and Resources.

### **13 Functions of investment managers**

- (1) Each investment manager must provide to the Committee and the Treasurer, quarterly reports on the assets under the investment manager's control.
- (2) An investment manager must exercise the powers of investment in relation to the assets of the fund that the Committee authorizes the manager to perform.
- (3) The Committee may authorize an investment manager to delegate to such other person, as the investment manager thinks fit, the powers of investment that the Committee has authorized the manager to perform.

### **14 Duties of Committee in relation to investment managers**

The Committee must –

- (a) ensure that each investment manager –
  - (i) complies with such instructions as the Committee, subject to the statement of investment principles, may give, and
  - (ii) has regard to the suitability of investments of any description which the investment manager proposes to make, and of any investment proposed as an investment of that description;
- (b) agree with each investment manager, an investment mandate for the fund which is a document which –
  - (i) specifies the proposed class of investments, geographic area of investments and restrictions on investments in relation to the assets of the fund,
  - (ii) may include such other matters as the Committee requires,
  - (iii) meets the requirements of the statement of investment principles under Regulation 17, and
  - (iv) is approved by the Minister for Treasury and Resources;
- (c) after it has appointed an investment manager, review quarterly the investments made by that investment manager; and
- (d) from time to time consider the desirability of continuing or revoking the appointment of an investment manager.

*Investment advisers and custodians***15 Appointment and duties of investment advisers**

- (1) Subject to the provisions of this Regulation and with the approval of the Minister for Treasury and Resources, the Committee –
  - (a) must appoint one or more investment advisers; and
  - (b) may terminate without notice an appointment under paragraph (1)(a), provided that the Committee has the support of a majority of the employer representatives and a majority of the member representatives.
- (2) The Committee must not appoint a person to be an investment adviser unless the Committee reasonably believes the person to be suitably qualified by ability in, and practical experience of, financial matters, to offer advice in respect of the investment strategy for the fund and the statement of investment principles, and to advise on investments generally.
- (3) The investment adviser must on appointment enter into a contract for services with the Committee which must specify –
  - (a) the investment adviser's terms of remuneration; and
  - (b) such other terms and conditions of the investment adviser's appointment, as are determined by the Committee and the Minister for Treasury and Resources.
- (4) Each investment adviser must –
  - (a) comply with such instructions as the Committee may give; and
  - (b) having regard to the need for diversification of investment of the assets of the fund, advise the Committee on the investment strategy for the fund, including –
    - (i) the suitability of investments to meet the fund's investment objectives,
    - (ii) the suitability of proposed investment managers to manage and invest the assets of the fund, and
    - (iii) the decisions made by, or proposed decisions of the fund's investment managers on behalf of the Committee.

**16 Appointment and duties of custodians**

- (1) One or more custodians for the fund must be appointed by the Minister for Treasury and Resources in consultation with the Committee and the Treasurer.
- (2) A custodian must on appointment enter into a contract for services with the Minister for Treasury and Resources which must specify –
  - (a) the custodian's terms of remuneration; and
  - (b) such other terms and conditions of the custodian's appointment, as are determined by the Minister for Treasury and Resources after consultation with the Committee and the Treasurer.
- (3) A custodian must hold and safeguard such assets of the fund as may from time to time be determined by the Treasurer, in consultation with the Committee.

*Management of assets of the fund***17 Statement of investment principles**

- (1) The Committee must prepare a written statement setting out the policies and principles governing the Committee's decisions in relation to the investment of the assets of the fund (the "statement of investment principles"), which may contain any of the matters set out in paragraph (2).
- (2) The matters are –
  - (a) the descriptions of investments to be held;
  - (b) the balance between different descriptions of investments;
  - (c) risk, including the ways in which risks are to be measured and managed;
  - (d) the expected return on investments;
  - (e) the realization of investments;
  - (f) the approach taken and the extent (if at all) to which social, environment or ethical considerations are taken into account in the selection, retention and realization of investments;
  - (g) the approach taken on the exercising of any rights (including voting rights) attaching to investments, if the Committee has any such policy; and
  - (h) the approach taken on stock lending.
- (3) The Committee must –
  - (a) keep the statement of investment principles under annual review; and
  - (b) make such revisions as are appropriate following a material change to its policies and principles in relation to any of the matters contained in the statement.
- (4) In preparing or reviewing and making revisions to the statement of investment principles, the Committee must consult with the Treasurer.
- (5) The Committee must, subject to the approval of the Minister for Treasury and Resources, publish –
  - (a) the statement of investment principles; and
  - (b) where revisions are made to it, the statement of investment principles as revised, before the expiry of 3 months from the date of those revisions.

**18 Assets of the fund and investments**

- (1) The following must be paid into the fund –
  - (a) contributions paid under the respective schemes by members and employers;
  - (b) any dividends or interest or other returns arising out of the investment of the assets of the fund or any part thereof, and any capital sums resulting from the realization of any such investments;
  - (c) any other sums which may be paid into the fund under Scheme Regulations or otherwise.
- (2) If an employer delays paying into the fund all or any part of a contribution mentioned in paragraph (1)(a) the employer must pay interest on the amount of the delayed payment in accordance with Regulation 25.

- (3) Except as provided in Regulation 13(1) and 16(3), the assets of the fund must be held by the Treasurer on behalf of the Committee, in accordance with the provisions of these Regulations.
- (4) The Treasurer must receive amounts paid into the fund under paragraph (1) and from the assets of the fund must pay pensions and other benefits under the respective schemes, pay refunds under the schemes, meet any reasonable expenses of administering the fund (including those of the Treasurer) and pay any remuneration which becomes due under these Regulations.
- (5) Any assets which are not for the time being required for the purpose of paragraph (4), or are not otherwise being invested in accordance with Regulation 13(2) or (3), must be invested by the Treasurer on the direction of the Committee in accordance with paragraph (6), provided that the Minister for Treasury and Resources so approves.
- (6) The Committee has the same full and unrestricted powers of investing, transposing and varying of investments, contracts, policies or deposits in all respects as if the Committee were absolutely and beneficially entitled to such investments, contracts, policies or deposits, and accordingly the assets of the fund may be invested or applied in whole or in part –
- (a) in the purchase of or at interest upon, the security of such funds, securities, bonds, debentures, stocks, shares or property (including any interest in land) or other investments of any kind, that the Committee thinks fit, wherever the investments are situated and whether or not they –
- (i) involve liability,
- (ii) are income producing, or
- (iii) are held in possession or reversion,
- and the funds, securities, bonds, debentures, stocks, shares and other investments may be underwritten or sub-underwritten and their subscription guaranteed;
- (b) in or towards effecting and maintaining with any insurance company or insurance office of good repute any annuity contracts, or annuity policies or life assurance policies;
- (c) by placing part or all of the assets of the fund on deposit at interest with any company or mutual institution or other society or body of good repute, incorporated or carrying on business within the United Kingdom or the Channel Islands which carries on the business of banking or insurance or bill discounting;
- (d) by entering into any contract for the purpose of stock lending or dealing in financial futures and traded options;
- (e) without prejudice to the generality of sub-paragraphs (a) to (d), in or towards subscribing for –
- (i) units in a unit trust, mutual fund or policy linked unit trust scheme, and
- (ii) units or other interest offered by an insurance company of good repute in a managed fund,
- and the Committee is expressly authorized to commingle the assets of the fund or any part of the assets of the fund with other funds upon the terms as to sharing, division, valuation, apportionment and administration and otherwise that may be contained from time to time in the trust deed,



declaration of trust policy or contract governing investment in such commingled assets.

- (7) The Committee in the exercise of its functions in relation to the investment of the assets of the fund under paragraph (6) must have regard to –
- (a) the need for diversification of investments of the assets of the fund;
  - (b) the suitability of the investment it proposes to make; and
  - (c) proper advice obtained at reasonable intervals.

## PART 3

### ADMINISTRATION OF SCHEMES

#### *Functions of Administrator and Committee*

#### **19 Administration of Scheme and 1967 Scheme**

- (1) The administration of the respective schemes must be carried out by –
- (a) the Treasurer; or
  - (b) an appointed administrator being a person appointed pursuant to the adoption by the States of a proposition referred to in paragraph (2),
- and any reference to “Administrator” in the Scheme Regulations or the 1967 Regulations, unless indicated otherwise, means the Treasurer or the appointed administrator, as the case may be.
- (2) The Chief Minister may, with the agreement of the Committee, lodge a proposition before the States setting out proposals as to the appointment by tender of a person (including the Treasurer) to carry out the administration of the respective schemes.
- (3) The Treasurer must be the Administrator –
- (a) pending the appointment of an appointed administrator; or
  - (b) on the termination of an appointed administrator’s appointment where no further such appointment is pending.
- (4) Subject to paragraph (5), the Administrator may, subject to the agreement of the Committee, delegate such administrative functions as may be conferred under the Scheme Regulations or the 1967 Scheme Regulations, or delegated under Regulation 8, to such persons as the Administrator considers appropriate.
- (5) If the Treasurer is the Administrator, the agreement of the Committee under paragraph (4) is not required where under Article 36 of the [Public Finances \(Jersey\) Law 2019](#), the Treasurer authorizes people employed in the Treasury to carry out any of the Treasurer’s administrative functions conferred under the Scheme Regulations or the 1967 Scheme Regulations.<sup>1</sup>

#### **20 Pension administration strategy**

- (1) The Committee must, in consultation with the Administrator, prepare a pension administration strategy which must be comprised of a written statement of –

- 
- (a) policies and procedures governing the administration of the respective schemes, which may contain the matters set out in paragraph (3); and
  - (b) obligations which may be required of 1967 Scheme employers –
    - (i) admitted to the Scheme under Regulation 16(1) of the Transitional Regulations in respect of whom there is no requirement to enter into an admission agreement under Regulation 16(3) of those Regulations; and
    - (ii) in respect of whom Regulations 9A and 9B of the [Public Employees \(Contributory Retirement Scheme\) \(General\) \(Jersey\) Regulations 1989](#) applied immediately before those Regulations were repealed by the Transitional Regulations.
- (2) The Administrator and employers must, when carrying out their functions under the Scheme Regulations or the 1967 Scheme Regulations, discharge those functions in accordance with the policies, procedures and obligations set out in the pension administration strategy.
- (3) The matters referred to in paragraph (1) are –
- (a) procedures for liaison and communication between the Administrator and employers, including communication about their functions under the respective schemes;
  - (b) the establishment of levels of performance which the Administrator and employers are expected to achieve in carrying out their functions under the respective schemes by –
    - (i) the setting of performance targets,
    - (ii) the making of agreements about levels of performance and associated matters, or
    - (iii) such other matters the Committee considers appropriate;
  - (c) procedures which aim to secure that the Administrator and employers comply with their functions under the respective schemes, and with any agreement about levels of performance;
  - (d) the circumstances in which the Committee may require the Administrator or any employer who in the opinion of the Committee has caused additional costs to the fund on account of the Administrator's or that employer's unsatisfactory performance in the discharge of their functions under the respective schemes when measured against levels of performance established under sub-paragraph (b), to refund the costs so incurred;
  - (e) the publication by the Committee of annual reports dealing with –
    - (i) the extent to which the Administrator and employers have achieved the levels of performance established under sub-paragraph (b), and
    - (ii) such other matters arising from its pension administration strategy as it considers appropriate; and
  - (f) such other matters as appear to the Committee after consulting the employers and such other persons as the Committee considers appropriate, to be suitable for inclusion in that strategy.
- (4) The Committee must –
- (a) keep the pension administration strategy under annual review; and

- (b) make such revisions as are appropriate following a material change to its policies in relation to any of the matters contained in the strategy.
- (5) In preparing or reviewing and making revisions to the pension administration strategy, the Committee must consult with the Administrator, employers and such other persons as the Committee considers appropriate.
- (6) The Committee must publish in such manner as it thinks fit –
  - (a) the pension administration strategy; and
  - (b) where revisions are made to it, the strategy as revised, and send a copy of it to every employer and the Administrator.

## **21 Annual report and accounts etc.**

- (1) The Committee must –
  - (a) before the end of the 3rd month following the end of every financial year, prepare an annual report in respect of the fund (the “annual report”); and
  - (b) before the end of the 5th month following the end of every financial year, publish the annual report.
- (2) The annual report must contain –
  - (a) a statement of the Committee about the management and financial performance of the fund during the year;
  - (b) a statement of the Committee explaining the investment policy in respect of the fund and reviewing investment performance during the year;
  - (c) a statement of the Actuary of the assets and liabilities of the fund and the level of valuation disclosed at the last valuation of the fund performed in accordance with Regulation 3 of the Funding and Valuation Regulations;
  - (d) a report dealing with the extent to which the Administrator and employers have met administration performance standards set out in the published pension administration strategy referred to in Regulation 20;
  - (e) the fund accounts; and
  - (f) any other material concerning the respective schemes and the fund, as the Committee considers appropriate.
- (3) The Treasurer, or such other person as may be appointed by the Minister for Treasury and Resources after consultation with the Committee must –
  - (a) prepare the fund accounts; and
  - (b) keep all the records necessary for the proper working of the fund and the respective schemes.
- (4) The Comptroller and Auditor General (within the meaning of Article 1(1) of the [Comptroller and Auditor General \(Jersey\) Law 2014](#)), must appoint auditors to audit the fund accounts.
- (5) The fund accounts must contain –
  - (a) the balance sheet and profit and loss account with supporting notes and disclosures prepared in accordance with generally accepted accounting practices; and
  - (b) a report of the auditors in relation to the fund accounts.

*Transfers***22 Transfers out of fund**

- (1) Where a person ceases active membership of the Scheme or ceases to be a member of the 1967 Scheme and –
  - (a) subscribes to a personal pension scheme;
  - (b) becomes a member of another approved Jersey scheme;
  - (c) on ceasing to be resident in Jersey, becomes a member of an equivalent scheme established outside Jersey; or
  - (d) enters into an approved drawdown contract,provided that person's retirement benefits under the respective schemes have not come into payment, he or she may, at any time, apply to the Administrator for a transfer payment out of the fund of his or her accrued retirement benefits.
- (2) Subject to Regulation 15(1) of the Transitional Regulations, the transfer payment under paragraph (1) must –
  - (a) be of such amount as is calculated by the Administrator using the relevant actuarial transfer factors; and
  - (b) be payable to the relevant transferees.
- (3) Up to and including 31st December 2018, where a transfer payment is paid out of the fund under this Regulation, that payment extinguishes the person's rights to any other benefits under the respective schemes, as well as the rights of any person contingently entitled to any benefit payable upon that person's death.<sup>2</sup>
- (4) From 1st January 2019, where a transfer payment is paid out of the fund under this Regulation, that payment extinguishes the person's rights to any other benefits under the 1967 Scheme or the Scheme, as the case may be, as well as the rights of any person contingently entitled to any benefit payable upon that person's death.<sup>3</sup>

**23 Transfers in to fund**

- (1) Subject to paragraph (2), an active member of the Scheme may at any time request the Administrator to accept a transfer payment from the relevant transferors, in respect of some or all of that person's retirement benefits accrued under any scheme or contract referred to in Regulation 22(1).
- (2) For the purposes of paragraph (1), retirement benefits accrued under an approved Jersey scheme must not include any retirement benefits accrued under the 1967 Scheme.
- (3) A member of the 1967 Scheme may at any time request the Administrator to accept a transfer payment from the relevant transferors, in respect of some or all of that member's retirement benefits accrued under any scheme or contract referred to in Regulation 22(1).
- (4) Where a request is made under paragraph (1) or (3) and the Administrator agrees to accept the transfer payment –
  - (a) that payment must be credited to the fund; and
  - (b) the value of the retirement benefits accrued –
    - (i) by an active member of the Scheme in respect of that transfer payment, must be –

- (A) calculated by the Administrator using the relevant actuarial transfer factors, and
  - (B) credited to that member's active member pension record as required under Regulation 20(4)(a) of the Membership and Benefits Regulations, or
- (ii) by a member of the 1967 Scheme in respect of that transfer payment, must be awarded in accordance with paragraph (5).
- (5) In the case of a member of the 1967 Scheme in respect of whom paragraph (4)(b)(ii) and –
- (a) the 1967 Regulations apply, the Committee may, on the advice of the Actuary, declare the member to have become a contributory member of the 1967 Scheme on such date as the Committee determines;
  - (b) the Existing Members Regulations or New Members Regulations apply, such a member is entitled to such added years as the Committee, on the advice of the Actuary, determines;
  - (c) the 1992 Regulations apply, such a member is entitled to such notional period of pensionable service as the Committee, on the advice of the Actuary, determines,
- having regard to the amount credited to the fund in respect of the value of the transfer payment attributable to the member concerned.

## 24 Transfers - supplementary

- (1) In this Regulation “UK tax-relieved scheme funds” has the meaning given in regulation 2(5) of the Pension Schemes (Categories of Country and Requirements for Overseas Pension Schemes and Recognised Overseas Pension Schemes) Regulations 2006 (S.I. 2006/206) of the United Kingdom.
- (2) The Minister may, after consulting the Actuary, undertake to the trustees or managers of a United Kingdom transferring arrangement, that the benefits to be provided in respect of a transfer payment under Regulation 23 must not be less than those specified in relation to guaranteed minimum pensions for the purposes of the Pensions Schemes Act 1993 (c.48) of the United Kingdom.
- (3) If the Minister gives an undertaking in accordance with paragraph (2) in relation to a person (“transferred person”), the benefits shall, if necessary so as to comply with the undertaking –
  - (a) be augmented by the Committee on the advice of the Actuary, and added to the Scheme member's active member pension record as required under Regulation 20(4)(a) of the Membership and Benefits Regulations; or
  - (b) in respect of a member of the 1967 Scheme, be awarded in accordance with Regulation 23(5).
- (4) In relation to a United Kingdom transferring arrangement –
  - (a) at least 70% of a transferred person's UK tax-relieved scheme funds must be designated by the Administrator for the purposes of providing that person with an income for life;
  - (b) no payment of a pension (including any lump sum) in respect of the funds designated under sub-paragraph (a), must be made before the day on which a transferred person reaches the age of 55, unless, immediately before he or she becomes entitled to a pension under Regulation 29 of the Membership

and Benefits Regulations or under equivalent provisions of the 1967 Scheme Regulations, that person ceases employment by reason of –

- (i) ill-health retirement under Regulation 36 of the Membership and Benefits Regulations, or
  - (ii) ill-health retirement under the equivalent ill-health retirement provisions of the 1967 Scheme Regulations;
- (c) the Minister must ascertain whether, under that transferring arrangement, a restriction applies to the refund of the transferred person's contributions, and if so, a similar restriction must apply under the respective schemes in relation to that person in respect of those contributions;
- (d) the Minister must ensure that an undertaking to maintain any restriction on the refund of a transferred person's contributions, is given by the trustees or managers of any arrangement to which a subsequent transfer is made under Regulation 22.
- (5) The Minister may give such undertakings to the taxation authorities of the United Kingdom or elsewhere, as he or she considers appropriate, in connection with transfer payments received under Regulation 23 or the maintenance of any restrictions in relation to the refund of a transferred person's contributions.
- (6) The Minister may make reciprocal arrangements with other pension schemes for transfers of members to and from the respective schemes, and the benefits to be provided in respect of a transfer payment received and a transfer payment paid shall, if necessary to comply with such arrangements, be adjusted by the Committee on the advice of the Actuary.

#### *General*

### **25 Interest on late payments by employers**

- (1) The Committee may require an employer or former employer from which any payment under –
- (a) Regulation 6(5)(b)(i), 30(4), 41(4) of, or paragraph 7 of Schedule 1 to the Membership and Benefits Regulations; or
  - (b) Regulation 11(7) and (8) of, or Schedule 5 to the Funding and Valuation Regulations,
- is overdue, to pay interest on that amount.
- (2) The date on which any amount due under the Regulations referred to in paragraph (1) is overdue, is one month after the date of payment specified in those Regulations.
- (3) Interest payable under paragraph (1) must be paid at such rate as is determined by the Committee, on the advice of the Actuary.

### **26 Production of information for the purposes of the respective schemes**

- (1) Subject to paragraph (2), before the expiry of 3 months beginning with the date on which a person enters Scheme employment, the Committee must ask the person in writing for evidence relating to the age, marriage, civil partnership, health or such

other evidence as the Committee may reasonably require for the purposes of the Scheme.

- (2) The Committee may dispense with making a request under paragraph (1) where the Committee is satisfied that it already has all material information.
- (3) A request under paragraph (1) must contain a conspicuous statement that it is important that the person gives full and accurate information for ascertaining the person's rights under the Scheme.
- (4) The Committee may make –
  - (a) membership of the Scheme;
  - (b) the payment of retirement benefits under Part 5 or the payment of survivor benefits under Part 6 of the Membership and Benefits Regulations;
  - (c) the payment of retirement benefits accrued under the 1967 Scheme; or
  - (d) the payment of 1967 Scheme survivor benefits,conditional upon the production of such evidence as the Committee may reasonably require.

## **27 Annual benefit statements**

- (1) The Administrator must issue an annual benefit statement to every member of the respective schemes who is not in receipt of retirement benefits.
- (2) A statement under this Regulation must include –
  - (a) a description of the retirement benefits accrued by a member in respect of his or her pensionable service;
  - (b) such other information as the Administrator may specify.
- (3) The first annual benefit statements to be issued after the commencement of these Regulations must be issued before 31st May 2017 and thereafter such statements must be issued no later than 6 months after the end of the scheme year to which they relate.
- (4) Subject to paragraph (5), where a person referred to paragraph (1) makes a written request to the Administrator for an additional annual benefit statement, one must be issued showing such up to date information as set out in paragraph (2), as the Administrator has available.
- (5) The Administrator is not required to issue a statement under paragraph (4) if the relevant data is not available.

## **28 Payments due in respect of deceased persons**

- (1) Paragraph (2) applies if, when a person dies, the total amount due to that person's executor or administrator under either of the respective schemes (including anything due at that person's death) does not exceed £5,000 (or such higher amount as the Minister for Treasury and Resources may by instrument in writing direct).
- (2) The Committee may pay the whole or part of the amount due from the fund to –
  - (a) the person's executor or administrator; or
  - (b) any person or person appearing to the Committee to be beneficially entitled to the estate, without the production of probate or letters of administration of the person's estate.

- (3) A payment under paragraph (2) discharges the Committee from accounting for the amount paid.
- (4) A receipt given by a person to whom a payment is made under paragraph (2)(b) shall be a valid discharge as though it had been given by an executor or administrator.

## **29 Payments in respect of persons incapable of managing their affairs**

- (1) If it appears to the Committee that a person other than a child (within the meaning of the 1967 Scheme Regulations) or an eligible child is entitled to the payment of benefits under either of the respective schemes, but is by reason of physical or mental impairment incapable of managing his or her affairs or of giving proper receipt of a benefit –
  - (a) the Committee may pay the benefits or any part of them to a person having the care of the person entitled, or such other person as the Committee may determine, to be applied for the benefit of the person so entitled; and
  - (b) in so far as the Committee does not pay the benefits in the manner described in sub-paragraph (a), the Committee may apply them in such manner as the Committee may determine, for the benefit of the person entitled, or any beneficiaries of the person entitled.
- (2) If a person receives payment of benefits under paragraph (1)(a), the Committee is discharged from accounting for the benefits paid and is under no liability to see to the application of the benefits in respect of the person so entitled.

## **30 Tax deductions**

The Administrator must deduct from any payment of any pension or other benefit under the respective schemes, any tax for which the Administrator or the respective schemes may be liable in respect of that payment.

## **31 Amendment of Regulations**

- (1) The Committee may, from time to time, propose to the Minister such amendments as may be required to the Scheme Regulations or the 1967 Scheme Regulations.
- (2) Any proposal under paragraph (1) must be supported by a majority of the employer representatives and a majority of the member representatives.

## **PART 4**

### **CLOSING**

## **32 Citation**

These Regulations may be cited as the Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015.



## ENDNOTES

### Table of Legislation History

Legislation	Year and No	Commencement
Public Employees (Pension Scheme) (Administration) (Jersey) Regulations 2015	<a href="#">R&amp;O.139/2015</a>	1 January 2016
Public Employees (Pension Scheme) (Miscellaneous Amendments) (Jersey) Regulations 2019	<a href="#">R&amp;O.5/2019</a>	15 January 2019
Public Finances (Jersey) Law 2019	<a href="#">L.10/2019</a>	23 July 2019 ( <a href="#">R&amp;O.67/2019</a> )

### Table of Endnote References

- 
- <sup>1</sup> Regulation 19(5)      amended by L.10/2019  
<sup>2</sup> Regulation 22(3)      substituted by R&O.5/2019  
<sup>3</sup> Regulation 22(4)      inserted by R&O.5/2019