

**DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (NEW MEMBERS)
(AMENDMENT No. 7) (JERSEY) REGULATIONS 200**

**Lodged au Greffe on 20th June 2000
by the Human Resources Committee**



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Report

The Human Resources Committee are promoting a number of amendments to the Regulations governing the operation of the Public Employees' Contributory Retirement Scheme (PECRS).

These amendments deal primarily with the following changes to the provisions of the Scheme -

- the introduction of early retirement for emergency ambulance staff;
- compulsory membership for "low hours" employees;
- restriction of the refund of contributions option;
- an easing of the time limit on the transfer value option;
- a change to the female notional retirement ages in cases of Voluntary Early Retirement; and
- appointment of a global custodian.

The first item deals with the bringing into effect of an agreement made with the Transport and General Workers Union during the latter part of 1998 on early retirement provisions for emergency ambulance staff. These Regulations will be implemented retroactively to 1st January 1999 in order to meet the terms of that agreement. The early retirement provisions will only apply to those ambulance staff who are involved in "front line" activities and who were in service on or after 1st January 1999. Under the agreement, the overall remuneration of emergency ambulance staff has been adjusted to partially offset the cost of implementing the early retirement provisions. The Regulations set out that the employer of the emergency ambulance staff, the Health and Social Services Committee, will meet the cost of the early retirement provisions and that those costs will be specified by the Actuary to the Scheme.

Second, the facility by which part-time employees working an average of less than 18 hours per week can opt not to join the Scheme is to be ceased for new recruits coming into service on or after 1st August 2000. This means that part-time staff, irrespective of their number of contractual hours, will be treated on an equal basis with their full-time counterparts.

Third, the option for PECRS members to take a refund of their own contributions to the Scheme is to be limited with effect from 1st August 2000. Though this change will not affect current members rights, new members who have more than two years pensionable service will, in the future, be unable to take a refund of their contributions. This will bring the Scheme in line with best practice in occupational scheme provision in other jurisdictions. Scheme members with more than two years service will retain the option to either defer their benefits within the Scheme, or transfer them out to either a new employers scheme or a personal pension plan.

These three initial items are being brought forward following consultation between the Human Resources Committee and the Public Employees' Pension Scheme Joint Negotiating Group, which is a body comprised of representatives of all of the unions and association with members in the PECRS, and with the agreement of the PECRS Committee of Management.

The last three items, together with further amendments of a house keeping nature, resolve identified anomalies, account for demographic changes in the profile of the membership of the Scheme and clarify certain matters. Examples of these would be -

- extending the time limit under which members leaving the Scheme before retirement can take up an option to transfer their pension rights to a new employers scheme or a personal pension plan, as an alternative to leaving those rights deferred within the Public Employees' Contributory Retirement Scheme;
- equalizing the assumptions on average retirement ages as between male and female members to reflect the later age at which female members are retiring, raising it from 60 to 63;
- permitting, explicitly, the appointment of a single global custodian to hold the assets being invested by the fund managers;
- updating cross-references to definitions of salary to be used in cases of death in service.

To bring about all of the foregoing amendments the States are asked to pass the attached Regulations -

- Public Employees (Contributory Retirement Scheme) (New Members) (Amendment No. 7) (Jersey) Regulations 2000 (P.102/2000);
- Public Employees (Contributory Retirement Scheme) (Existing Members) (Amendment No. 5) (Jersey) Regulations 2000 (P.103/2000);
- Public Employees (Contributory Retirement Scheme) (General) (Amendment No. 7) (Jersey) Regulations 2000 (P.104/2000);
- Public Employees (Contributory Retirement Scheme) (Amendment No. 16) (Jersey) Regulations 2000 (P.105/2000).

Further details are set out in Explanatory Notes which accompany each of the four sets of amendments.

These amendments are presented by the Human Resources Committee with the agreement and full support of the Committee of Management of the Public Employees' Contributory Retirement Scheme.

Explanatory Note

The objects of these Regulations are -

- (a) to provide that persons employed as Emergency Ambulance Officers in the States of Jersey Ambulance Service be treated as category "A" members of the Public Employees Contributory Retirement Scheme except if they left the scheme before 1st January 1999;
- (b) to require the States of Jersey Ambulance Service to pay additional contributions to the scheme commensurate with the increase in the cost to the scheme represented by the changes referred to above;
- (c) to put low-hours employees who enter service on or after 1st August 2000 on the same footing as other employees when it comes to whether their membership of the scheme is optional or compulsory and in relation to how the option is exercised and treated if their membership is optional;
- (d) broadly speaking, to make readmission to the scheme, where readmission is already compulsory for full-timers and part-timers other than low-hours employees, compulsory also for low-hours employees who enter or re-enter service on or after 1st August 2000;
- (e) to restrict, in the case where a member leaves the scheme, the availability of refunds of contributions to those members who last entered the scheme before 1st August 2000 and to those members who, although they joined the scheme on or after that date, left the scheme with less than 2 years' qualifying service;
- (f) to allow a member who leaves the scheme to elect to receive at any time after so doing the transfer value of his contributions, except that a member who leaves with less than 2 years' qualifying service will still be subject to a 12 months' period for claiming the transfer value of his contributions; and
- (g) to update a cross-reference that appears in a number of places.

The Regulations come into effect on 1st August 2000.

Public Employees (Retirement) (Jersey) Law 1967

PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (NEW MEMBERS) (AMENDMENT No. 7)
(JERSEY) REGULATIONS 2000

(Promulgated on the day of 2000)

STATES OF JERSEY

The day of 2000

THE STATES, in pursuance of Article 2 of the Public Employees (Retirement) (Jersey) Law 1967,^[1] as amended,^[2] have made the following Regulations -

1. In Regulation 1(1) of the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989,^[3] as amended^[4] (hereinafter referred to as the “principal Regulations”), for the definition of “category A member” there shall be substituted the following definition -

“category A member” means -

- (a) a member employed in the States of Jersey Police Force, the States of Jersey Fire Service, the States of Jersey Prison Service, the States of Jersey Port Control Unit or the States of Jersey Airport Fire Service; or
- (b) a member employed as an Emergency Ambulance Officer in the States of Jersey Ambulance Service, other than a person who ceased to be a member before 1st January 1999,

not being a category B member;”.

2. In Regulation 2 of the principal Regulations -

- (a) in paragraph (8)(b) and (e) after the words “low-hours employee”, wherever occurring, there shall be inserted the words “who entered service before 1st August 2000”;
- (b) in paragraph (8)(e) after the expression “1st July 1998”, there shall be inserted the words “or the date on which he entered service (whichever date is the later)”;
- (c) in paragraph (11)(b) after the words “low-hours employee” there shall be inserted the words “who has been a low-hours employee continuously since a date before 1st August 2000”;
- (d) in paragraph (11)(b) after the expression “1st July 1998”, there shall be inserted the words “or the date on which he entered service (whichever date is the later)”.

3. In Regulation 4 of the principal Regulations -

- (a) after paragraph (1A) there shall be inserted the following paragraphs -

“(1B) With effect from 1st January 1999, the employer of each member who is employed as an Emergency Ambulance Officer in the States of Jersey Ambulance Service shall pay additional contributions to the scheme that represent the total difference in cost between providing all such members’ benefits and the cost that would have been incurred to the scheme if those members had not been category A members.

(1C) The amount to be paid in any year under paragraph (1B) shall be the amount specified in respect of that year by the Actuary in a certificate provided to the Committee.”;

- (b) in paragraph (4), for the expression “Paragraphs (1), (1A) and (2)” there shall be substituted the expression

“Paragraphs (1) - (2)”.

4. In Regulation 8 of the principal Regulations -

- (a) in paragraph (1)(b) before the words “to a refund” there shall be inserted the words “in the case of a person who ceases to be an employee on or after 1st August 2000 but who was, under these Regulations, most recently admitted or re-admitted to the scheme before that date - ”;
- (b) for paragraph (4) there shall be substituted the following paragraph -

“(4) Unless a member to whom paragraph (1)(b) applies informs the Treasurer in writing within three months of his ceasing to be an employee that he wishes to receive a refund of his own contributions to the scheme, he shall be entitled under paragraph (1) only to a deferred pension or a transfer value.”.

5. In Regulations 9(7), 9(8), 10(2) and 11(2)(b) of the principal Regulations for the words “subject to proviso (ii)” there shall be substituted the words “subject to proviso (b)”.

6. In Regulation 10(5) of the principal Regulations for the words “subject to proviso (ii) to the definition of ‘average salary’” there shall be substituted the words “subject to proviso (b) to the definition of ‘final pensionable salary’”.

7. These Regulations may be cited as the Public Employees (Contributory Retirement Scheme) (New Members) (Amendment No. 7) (Jersey) Regulations 2000 and shall come into force on the first day of August 2000.

^[1] Recueil des Lois, Volume 1966-1967, page 528.

^[2] Recueil des Lois, Volume 1988-1989, page 25 and Volume 1994-1995, pages 121 and 427.

^[3] No. 7955.

^[4] Nos. 8445, 8807, 8885 and 9252.