### STATES OF JERSEY

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# DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (EXISTING MEMBERS) (AMENDMENT No. 10)(JERSEY) REGULATIONS 200

Lodged au Greffe on 2nd December 2008 by the Chief Minister

STATES GREFFE



## DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (EXISTING MEMBERS) (AMENDMENT No. 10)(JERSEY) REGULATIONS 200

#### **REPORT**

The Chief Minister is promoting, on behalf of the States Employment Board, and supported by the Council of Ministers, an amendment to the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989 and the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989.

Under the current Regulations officers in the uniformed services (Category A) have an optional retirement age of 50 and a normal retirement age of 55. The original proposal put to the Staff Associations was to increase the optional retirement age to 55 and the normal retirement age to 60.

Extensive negotiations took place, during which strong arguments were put forward by the relevant Staff Associations against a normal retirement age of 60 for front-line operational officers. The Employer felt the arguments put forward by the Staff Associations against the proposal had some merit. Consequently, it was decided to amend the proposal by retaining a normal retirement age of 55 but to remove the option for future recruits to retire at age 50.

However, even with this concession the Employer has not been able to reach agreement with the majority of the Staff Associations affected. Nonetheless, the SEB has agreed that the amendments should go forward, the main drivers of which are –

- To reflect the situation in the UK, which has increased the minimum retirement age to 55 for Firefighters and Police recruited in the future. (Please note that unlike the case in Jersey, in the UK Prison Officers, Airport Fire Fighters and Emergency Ambulance do not enjoy preferential pension rights and early retirement). In his recent report on States Pension Schemes the Comptroller and Auditor General recommends that the States do not allow these to become significantly different from corresponding UK schemes.
- In Jersey as in most developed nations, people are living longer; this is not a temporary bulge, but rather a long-term shift in the demographic composition of the population which will result in a much smaller proportion of the population being of working age. Given today's longevity trends, there is increasing pressure to raise retirement ages generally and, a minimum retirement age of 55 is now considered more appropriate than 50.

This amendment alters the PECRS Regulations so that all Category A<u>future</u> recruits to the uniformed services on or after 1st March 2009 will have a retirement age of 55.

There are no financial or manpower implications for the States arising from these Draft Regulations.

#### **Explanatory Note**

These Regulations amend the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989 by removing the option available to category A members to take early retirement in normal health with a pension up to 5 years before their normal retirement age of 55. This option will no longer be available to a member who becomes a category A member on or after 1st March 2009.



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Made[date to be inserted]Coming into force[date to be inserted]

**THE STATES**, in pursuance of Article 2 of the Public Employees (Retirement) (Jersey) Law 1967<sup>11</sup>, have made the following Regulations –

#### 1 Regulation 6 amended

In Article 6 of the Public Employees (Contributory Retirement Scheme) (Existing Members) (Jersey) Regulations 1989<sup>[2]</sup> –

- (a) in paragraph (1) after the words "any member" there shall be inserted the words ", other than a member to whom paragraph (1A) applies,";
- (b) after paragraph (1) there shall be inserted the following paragraph—

"(1A) This paragraph applies to a member who became a category A member of the scheme under these Regulations on or after 1st March 2009.".

#### 2 Citation and commencement

- (1) These Regulations may be cited as the Public Employees (Contributory Retirement Scheme) (Existing Members) (Amendment No. 10) (Jersey) Regulations 200.
- (2) These Regulations shall come into force on 1st March 2009.

[1] chapter 16.650 [2] chapter 16.650.12