

# STATES OF JERSEY

**r**

## **DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (NEW MEMBERS) (AMENDMENT No. 9) (JERSEY) REGULATIONS 200**

---

**Lodged au Greffe on 20th April 2004  
by the Policy and Resources Committee**

---

**STATES GREFFE**





Jersey

# **DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (NEW MEMBERS) (AMENDMENT No. 9) (JERSEY) REGULATIONS 200**

## **REPORT**

---

Under current arrangements, membership of the Public Employees Contributory Retirement Scheme is voluntary for permanent employees from age 20, and compulsory for permanent employees from age 30. Employees on fixed term contracts of at least 1 year and 1 day may choose to join the Scheme on a voluntary basis. Employees on fixed term contracts of less than 1 year and 1 day are not eligible to join the Scheme.

The Policy and Resources Committee wishes to make two changes to these arrangements.

### **1. Permanent employees between ages of 20 and 30:**

In practice, the vast majority of permanent employees between the ages of 20 and 30 take up the opportunity of membership of the scheme, recognising the eventual benefits of contributing towards an occupational pension.

Given that the large majority of employees in this age group are exercising the option to become members and that the Policy and Resources Committee believes that it is desirable that all eligible employees should be participating in the Scheme, the Committee is recommending that the States agree that, with effect from 1st July 2004, membership of the Scheme becomes obligatory for all permanent employees aged 20 and above. This change restores the position that existed in the scheme prior to the changes that were made in 1987.

#### **Resources**

The impact upon staff budgets should be minimal because, as has been noted earlier, there are very few employees who do not choose to join the Scheme.

This change would not be retrospective. Any employees of the States employed before 1st July 2004 would continue to have the right not to join the Scheme until aged 30.

This change has been considered by the Scheme's Committee of Management and by the Public Employees Pension Scheme Joint Negotiating Group and has the support of both those bodies.

### **2. Employees on fixed term contracts of less than 1 year and 1 day:**

The States employs a number of fixed term contract workers who have recurring contracts each for periods of less than 1 year and 1 day but in total lasting over a longer period. In some cases, there is no break of service between the contract periods and in others the break is only very short. The Policy and Resources Committee believes it would be equitable and desirable for such employees to be allowed to participate in the Scheme.

The Policy and Resources Committee is therefore recommending to the States that all eligible employees with fixed term contracts of 6 months' duration or more should be allowed to join the Scheme on a voluntary basis.

The Policy and Resources Committee is also recommending that all employees who are readmitted to the Scheme after a break in their employment and have not opted for a refund of contributions or a transfer value in respect of their previous service may elect to treat their separate periods of service as continuous for pension purposes. This option to elect for continuous service is already open to employees who are eligible for a deferred pension from their first period of service (in which case the first period of service must be greater than two years) but would not be open to those workers on recurring contracts unless the change is made.

#### **Resources**

It is anticipated that under the proposed arrangements there will be a number of additional employees who will

now be eligible to join the Scheme. However the overall cost impact is expected to be minimal. There will be no additional manpower implications.

This change would not be retrospective. The change would only impact employees who were in employment on or after 1st July 2004.

This change has been considered by the Scheme's Committee of Management and by the Public Employees Pension Scheme Joint Negotiating Group and has the support of both those bodies.

## Explanatory Note

---

These draft Regulations will –

- (a) allow the admittance of employees on contracts of at least 6 months' duration instead of a year and a day as currently (*Regulation 2*);
- (b) make membership of the PECRS New Members scheme compulsory for all employees over the age of 20 entering service after the Regulations come into force (whereas currently it is optional for 20-30 year olds) (*Regulation 3(a)*); and
- (c) provide that all employees who are re-admitted to the scheme after a break in their employment (unless they receive or choose to receive a deferred pension, refund of contributions or a transfer value) may elect to treat the separate periods of service as continuous for pension purposes (*Regulation 3(b)*). As a consequence, employees with less than 2 years' service who have not opted for a transfer value within 12 months of leaving service will not have their contributions refunded if they have elected for aggregation of service (*Regulation 4(b)*).

The Regulations are to come into force on 1st July 2004 (*Regulation 5*).





Jersey

# **DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (NEW MEMBERS) (AMENDMENT No. 9) (JERSEY) REGULATIONS 200**

*Made*

*Coming into force*

*[date to be inserted]*

*1st July 2004*

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

---

## **1 Interpretation**

In these Regulations “principal Regulations” means the Public Employees (Contributory Retirement Scheme) (New Members) (Jersey) Regulations 1989.<sup>[2]</sup>

## **2 Regulation 1 amended**

In Regulation 1(1) of the principal Regulations, in the definition of “employee” for the words “one year and one day” there shall be substituted the words “6 months”.

## **3 Regulation 2 amended**

In Regulation 2 of the principal Regulations –

(a) in paragraph 2(8)(b), after the words “if an employee” there shall be inserted the words “who entered service before 1st July 2004”;

(b) for paragraph (12)(a) there shall be substituted the following sub-paragraphs –

- “(a) Sub-paragraph (aa) applies where a member is re-admitted to the scheme in accordance with the provisions of paragraph (11) and –
  - (i) he is entitled to a deferred pension in respect of such previous period of membership (or to any corresponding deferred lump sum if the previous period of membership was under the Former Hospital Scheme Regulations) and has requested to waive such entitlement, or
  - (ii) he is not so entitled as mentioned in clause (i) and has neither elected to receive a refund of his contributions under Regulation 8(3) nor received nor is due to receive such a refund under Regulation 8(5), nor has a transfer value been paid in respect of him.

(aa) Subject to the provisions of Regulation 16 of the General Regulations, if a member to whom this sub-paragraph applies so requests, he shall have his pensionable service and qualifying service after the date of re-admittance treated as continuous with his respective previous periods of pensionable service and qualifying service, and any

entitlement to a deferred pension, deferred lump sum, refund of contributions or transfer value as mentioned in sub-paragraph (a) shall cease in respect of that member.”;

- (c) in paragraph (12)(c) for the words “sub-paragraphs (a) and (b)” there shall be substituted the words “sub-paragraphs (aa) and (b)”;
- (d) in paragraph 12(d)(i) and (ii) for the words “sub-paragraph (a) or (b)” there shall be substituted the words “sub-paragraph (aa) or (b)”.

#### **4 Regulation 8 amended**

In Regulation 8 of the principal Regulations –

- (a) in paragraph (3)(d) for the words “Regulation 2(12)(a)” there shall be substituted the words “Regulation 2(12)(aa)”;
- (b) in paragraph (5) after the words “in respect of him” there shall be inserted the words “or if he has within such period requested for his service to be treated as continuous with any previous period of service in accordance with Regulation 2(12)(aa)”.

#### **5 Citation and commencement**

These Regulations may be cited as the Public Employees (Contributory Retirement Scheme) (New Members) (Amendment No. 9) (Jersey) Regulations 200- and shall come into force on 1st July 2004.



---

[1] *Recueil des Lois, Volume 1966-1967, page 528, Volume 1988-1989, pages 25 and 26, and Volume 1994-1995, pages 121 and 427.*

[2] *Nos. 7955, 8082, 8445, 8595, 8807, 8885, 9252, 62/2000 and 172/2002.*