

**WRITTEN QUESTION TO THE CHIEF MINISTER
BY DEPUTY M.R. HIGGINS OF ST. HELIER
ANSWER TO BE TABLED ON TUESDAY 10th SEPTEMBER 2013**

Question

Will the Chief Minister:

- (a) set out the options with respect to pension rights and/or contributions that are given to members of the Public Employees Contributory Pension Retirement Scheme (PECRS) if they leave the employment of the States or a body affiliated to the Scheme before reaching the age of retirement and explain the legal references supporting these options;
- (b) explain in detail any and all circumstances in which these options would not be available to a member who leaves before reaching the age of retirement and explain in each case the reasons why the option would not be available and legal justification/provisions for it not being available?

Answer

The PECRS has 4 separate sets of Regulations: 1967 Regulations; Former Hospital Scheme (FHS); Existing Members Regulations; New Members Regulations.

1967 Regulations and FHS

Public Employees (Contributory Retirement Scheme) (General) (Jersey) Regulations 1989 – Regulation 7 – Transfers in and out
1967 Regulations – Regulation 11 – Deferred pension
1967 Regulations – Regulation 12 – Refund of contributions in certain cases
FHS - Regulation 8 – Deferred pension, refund of contributions or transfer value

Employees who leave the employment of the States or a body affiliated to the Scheme before reaching the age of retirement under the 1967 or FHS Regulations have the following options:

A refund of their (the employee's contributions) with 3% per annum interest (less 10% being the tax levied by the Comptroller of Income Tax in regard to tax relief which may have been enjoyed when the contributions were paid).

OR

Subject to 10 years' reckonable service and over age 50 (45 in the case of women and 'uniformed' members) a deferred pension (and, for women under FHS Regulations, a deferred cash sum) payable at normal retiring age.

OR

A transfer value payable to a new employer' pension scheme or to a personal pension scheme (subject to Comptroller of Income Tax legislation). The transfer or deferred pension must be requested within 12 months of ceasing to be an employee otherwise the member is only entitled to a refund of the member's own contributions to the Scheme.

Existing Members Regulations and New Members Regulations

PECRS – Existing Members - Regulation 8 – deferred pension, refund of contributions or transfer value.

PECRS – New Members – Regulation 8 – deferred pension, refund of contributions or transfer value.

Employees who leave the employment of the States or a body affiliated to the Scheme before reaching the age of retirement under the Existing Members Regulations or the New Members Regulations have following options:

For those who last entered the Scheme before 1 August 2000 or those who entered on or after that date but have not yet completed 2 years' qualifying service: refund of contributions with 3% interest (less 10% being the tax levied by the Comptroller of Income Tax in regard to tax relief which may have been enjoyed when the contributions were paid). The refund must be requested within 3 months of the member ceasing to be an employee otherwise the member is only entitled to a deferred pension or a transfer.

OR

Subject to 2 years' qualifying service at any age: a deferred pension payable at age 60 or normal retiring age, if earlier.

OR

For those employed on or after 1 January 2006, subject to 2 years' qualifying service at any age: a deferred pension payable at normal retiring age or up to 5 years prior to normal retiring age in which case the pension is subject to an actuarial reduction. For active employees the actuarial reduction is 2.4% per year for each year the pension is taken early, and for deferred members the actuarial reduction is calculated at 'nil cost' to the Scheme by the Scheme Actuary.

OR

A transfer value payable to a new employer' pension scheme or to a personal pension scheme (subject to Comptroller of Income Tax legislation). The transfer must be requested within 12 months of ceasing to be an employee otherwise the member is only entitled to a refund of the member's own contributions to the Scheme.

Answer (b)

There is no reason why the various options available under the relevant set of Regulations (applicable to that member) would not be available if the member leaves before reaching the age of retirement.