# DRAFT PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (AMENDMENT No. 17) (JERSEY) REGULATIONS 200

Lodged au Greffe on 26th November 2002 by the Human Resources Committee



# STATES OF JERSEY

STATES GREFFE

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#### Report

In July, 2000, the States approved Regulations which made changes to the pension conditions which apply to paramedic ambulance staff employed by the Health and Social Services Committee. This was part of a series of changes designed to develop the ambulance service into a professional, emergency service.

The effect of the changes was to place paramedic ambulance staff into category A of the pensions Regulations. This meant that they henceforth had a normal retirement age of 55 and optional retirement age of 50. (Previously the ages had been 65 and 60 respectively). Their pension calculation accrual rate was also improved - to 45<sup>ths</sup> (of salary for each year of service) for members of the 'existing members' scheme and 60<sup>ths</sup> for members of the 'new members' scheme.

It is now necessary to alter the pension conditions of the three civil service ambulance managers in order that proper succession planning can be made within the service. This is normal for the senior management grades within the emergency services, such as Police, Fire, Prison and Airport Fire and Rescue Services. This involves placing the three managers into category B of the pensions regulations. This means that officers will have a normal retirement age of 60 and optional retirement age of 55. Pension calculation accrual rate will also be improved - to 45<sup>th</sup> for members of the 'existing members' scheme and 60<sup>th</sup> for members of the 'new members' scheme.

The costs of the proposal are divided into two parts: past service liability and additional future service costs. The past service liability cost as at 1st January, 2002, was £374,700, to be paid into the PECRS fund over the next nine years. Additional ongoing costs to cover future service are £11,800 per annum. However, salaries of the three officers affected will be abated by 4% in order to contribute towards these additional costs, which will give a net additional annual cost for future service of £5,900. These costs will increase in line with annual salary increases.

The amendment relating to the Ambulance Managers affects five sets of regulations - the General Regulations, 1989; the original 1967 Regulations; the Former Hospital Scheme Regulations; the 'Existing Members' Regulations; and, the 'New Members' Regulations.

Amendment No. 8 of the General Regulations is included to provide fair pension treatment in the situation where a member moves into or out of the Ambulance Manager job category. The opportunity has also been taken to make a corresponding change to cover changes of duties for Emergency Ambulance Officers subject to the 1967 Regulations.

Note: These Amendments seek to change the terms and conditions of service for Senior Ambulance Managers and represent the final stage in an overall review of the terms and conditions of employment for all ambulance staff. All staff will, in future, be employed on conditions comparable with their counterparts in the Emergency Services.

Discussions and negotiations between the senior managers and the Human resources Committee were concluded in 2001 and agreed by the Health and Social Services Committee in June that year. In reaching an agreement, the senior managers have accepted a salary abatement in recognition of the increased benefits gained from the early retirement option and this will lower the overall cost of the proposal.

The Finance and Economics Committee therefore supports the amendments.

## **Explanatory Note**

The objects of these Regulations are -

- (a) to modify the provisions of the Public Employees Contributory Retirement Scheme (as set out in the original 1967 Regulations) that specify the retiring ages of persons employed as the Chief Ambulance Officer or an Assistant Chief Ambulance Officer in the States of Jersey Ambulance Service, and the formulae used to determine their pensions; and
- (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.

The changes are parallel to changes made to other Regulations relating to the scheme. The changes will have the effect of improving the benefits for the Chief and Assistant Chief Ambulance Officers provided their basic salaries have been reduced by 4%.

The Regulations come into effect on 1st January 2003.

## Public Employees (Retirement) (Jersey) Law 1967

PUBLIC EMPLOYEES (CONTRIBUTORY RETIREMENT SCHEME) (AMENDMENT No. 17) (JERSEY) REGULATIONS 200-

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

- 1. After Regulation 5(3B) of the Public Employees (Contributory Retirement Scheme) (Jersey) Regulations 1967,  $^{[3]}$  as amended,  $^{[4]}$  hereinafter referred to as "the principal Regulations", there shall be inserted the following paragraphs -
  - "(3C) With effect from 1st January 2003, the employer of each member who is employed as the Chie Ambulance Officer or an Assistant Chief Ambulance Officer in the States of Jersey Ambulance Service, and whose basic salary due under his contract of service has been reduced by 4%, 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 the modifications specified in Regulation 17C had not applied.
  - (3D) The amount to be paid in any year under paragraph (3C) shall be the amount specified in respect of th year by the Actuary in a certificate provided to the Committee of Management.".
  - 2. After Regulation 17B of the principal Regulations there shall be inserted the following Regulation -

#### "MODIFICATION OF SCHEME FOR THE CHIEF AND ASSISTANT CHIEF AMBULANCE OFFICERS.

- **17C.** In their application to a person employed as the Chief Ambulance Officer or an Assistant Chie Ambulance Officer in the States of Jersey Ambulance Service whose basic salary due under his contract of service has been reduced by 4%, these Regulations shall have effect subject to the following modifications -
  - (a) the normal retiring age shall be sixty years for such a person and the definition 'normal retiring age' in Regulation 1 shall be construed accordingly;
  - (b) the annual rate of retirement pension for such a person shall be calculated as 1/45th of his average salary for each year of service (calculated in completed years plus one twelfth of a year for each completed month in the final part-year up to the date of leaving service, or the date of attaining normal retiring age if earlier, plus any completed years of service between the date of attaining normal retiring age and the date of leaving service, if later), subject to a maximum of 35 years of service, and paragraph (2) of Regulation 6 shall be construed accordingly;
  - (c) for such a person, Regulation 10 shall be construed as if, for the words 'over fifty but under sixty years of age in the case of a male member or over forty-five but under fifty-five years of age in the case of a female member', there were substituted the words 'over forty-five but under fifty-five years of age'."
- **3.** These Regulations may be cited as the Public Employees (Contributory Retirement Scheme) (Amendment No. 17) (Jersey) Regulations 200 and shall come into force on 1st January 2003.

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<sup>[1]</sup> Recueil des Lois, Volume 1966-1967, page 528.

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[3] No. 5010.

 $[\underline{4}]$  Nos. 7957 and 65/2000.