

The Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions (Northern Ireland) 2024

Made - - - - 9 May 2024

Coming into operation - 9 May 2024

The Department of Finance make the following Directions in exercise of the powers conferred by sections 23(3)(b), 27(1), (3) and (4), 29(6), 59(3)(b), 62(1), (3) and (4), 82(3)(b), and 85(1), (3) and (4) of the Public Service Pensions and Judicial Offices Act 2022(a).

In accordance with sections 27(4), 62(4) and 85(4) of that Act, these Directions are made after consultation with the Government Actuary.

Citation, commencement, extent and application

1.—(1) These Directions may be cited as the Public Service Pensions (Exercise of Powers, Compensation and Information) (Amendment) Directions (Northern Ireland) 2024.

(2) These Directions come into operation on 9 May 2024.

(3) These Directions apply in relation to—

- (a) Chapter 1 schemes,
- (b) judicial schemes, and
- (c) local government schemes.

(4) Terms used in these Directions are defined as in the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions (Northern Ireland) 2023, save where otherwise indicated.

Amendment of the Public Service Pensions (Exercise of Powers, Compensation and Information) Directions (Northern Ireland) 2023

2. The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions (Northern Ireland) 2023 are amended as follows.

Amendment of Part 1: Introductory

3. In direction 2, in the appropriate place insert—

““FA 2009” means the Finance Act 2009(b); and

“Public Sector Transfer Club” means the arrangements contained in the Public Sector Transfer Club memorandum(c) issued by the Cabinet Office, as amended from time to time;”.

Amendment of Part 2: Chapter 1 schemes (schemes other than judicial schemes and local government schemes)

4. In direction 6(5)(b), after “person” in the place it first appears insert “(or another registered pension scheme in respect of that person)”.

(a) 2022 c. 7.

(b) 2009. c. 10.

(c) The latest version of the memorandum came into force on 1 October 2023 and can be viewed by following the link:
<https://www.civilservicepensionscheme.org.uk/media/4x1ji4cc/club-memorandum-29september2023.pdf>

5. In direction 9, after paragraph (6)(c) insert—

“(ca) where, by reason of the operation of section 2(1) of PSPJOA 2022, a member has—

- (i) incurred a penalty pursuant to Schedule 56 of the FA 2009; or
- (ii) interest pursuant to section 101 of the FA 2009,

the sum of that penalty and interest minus any amounts of underpaid annual allowance charge or lifetime allowance charge relating to an out-of-scope tax year;”.

6. In direction 14—

(a) in paragraph (5)—

- (i) after “Save where paragraph (4)” insert “or paragraph (5A)”, and
- (ii) after “pay an amount to a person” insert “or another registered pension scheme”;

(b) after paragraph (5) insert—

“(5A) Subject to paragraph (5B), where a scheme manager is required to pay an amount to a person or another registered pension scheme in the circumstances described in direction 15(18A) and where the Public Sector Transfer Club does not apply in relation to that payment—

- (a) interest must be calculated as simple interest which accrues from day to day, and
- (b) subject to paragraph (6), the rate of interest to be applied must be the rate fixed, for the time being, by Order 42, rule 9(2) of the Rules of the Court of Judicature (Northern Ireland) 1980(a).

(5B) At the end of the period of 28 days beginning with the day on which the scheme manager provides to a person, a person’s personal representative or another registered pension scheme a transferred out remediable service statement pursuant to direction 6(2)—

- (a) interest must be calculated as compound interest which accrues from day to day, and
- (b) the rate of interest to be applied must be the NS&I Equivalent Savings Rate for the time being.”; and
- (c) in paragraph (7)(b), for “such interest rate for the time being as determined and published by the Department of Finance periodically” substitute “such interest rate for the time being as applies to a Direct Saver account offered by National Savings & Investments (NS&I), as determined by NS&I(b)”.

7. In direction 15, after paragraph (18) insert—

“(18A) Where the scheme manager is required to pay an amount in respect of remediable service not covered by the Public Sector Transfer Club to the appropriate person, or another registered pension scheme in respect of the appropriate person, under scheme regulations made by virtue of section 21(1)(a) PSPJOA 22 (see direction 6(5)), interest must be calculated on that amount from the date on which the rights in respect of remediable service were transferred out of the Chapter 1 scheme to the date on which the amount is paid.”.

Amendment of Part 3: Chapter 2 schemes (judicial schemes)

8. In direction 26—

- (a) in paragraph (4)(c), after “and the member is unable to recover the amount of the overpaid” insert “annual allowance charge or”;
- (b) after paragraph (4)(c) insert—

“(ca) where, by reason of the operation of section 2(1) of PSPJOA 2022, a member has—

- (i) incurred a penalty pursuant to Schedule 56 of the FA 2009; or

(a) S.R. 1980 No. 346; The Rules of the Supreme Court (Northern Ireland) 1980 were renamed in accordance with paragraph 3 of Schedule 11 of the Constitutional Reform Act 2005 (c.4).

(b) The interest rate applicable to a Direct Saver account is currently published on the NS&I website and can be viewed by following the link: <https://www.nsandi.com/historical-interest-rates>

- (ii) interest pursuant to section 101 of the FA 2009,
the sum of that penalty and interest minus any amounts of underpaid annual allowance charge or lifetime allowance charge relating to an out-of-scope tax year;”;
- (c) at the end of paragraph (4)(e) omit “or”;
- (d) after paragraph (4)(f) insert—
“; or
- (g) where, by reason of a 2015 scheme election being made or being treated as made by virtue of section 44(1) or 47(2) of PSPJOA 2022 respectively (which have the effect set out in section 45(2) to (5)), a member with remediable service in an employment or office that is mixed service has not received tax relief amounts in respect of pension contributions made in an out-of-scope tax year, an amount equivalent to those tax relief amounts”; and
- (e) in direction 28(7) in subparagraph (b), for “such interest rate for the time being as determined and published by the Department of Finance periodically” substitute “such interest rate for the time being as applies to a Direct Saver account offered by National Savings & Investments (NS&I), as determined by NS&I(a)”.

Amendment of Part 4: Chapter 3 schemes (local government schemes)

- 9.** In direction 34—
 - (a) at the end of paragraph (4)(a) omit “or”; and
 - (b) after paragraph 4(b) insert—
“; or
 - (c) where, by reason of the operation of section 2(1) of PSPJOA 2022, a member has—
 - (i) incurred a penalty pursuant to Schedule 56 of the FA 2009; or
 - (ii) interest pursuant to section 101 of the FA 2009,
the sum of that penalty and interest minus any amounts of underpaid annual allowance charge or lifetime allowance charge relating to an out-of-scope tax year.”.
- 10.** In direction 38—
 - (a) omit paragraph (3); and
 - (b) in paragraph (6)(b), for “such interest rate for the time being as determined and published by the Department of Finance periodically” substitute “such interest rate for the time being as applies to a Direct Saver account offered by National Savings & Investments (NS&I), as determined by NS&I”.
- 11.** Omit direction 43.

Signed

Colette Heaney

9 May 2024

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(a) The interest rate applicable to a Direct Saver account is currently published on the NS&I website and can be viewed by following the link: <https://www.nsandi.com/historical-interest-rates>