

To all members of the Local Government Pension Scheme

The Local Government Pension Scheme Regulations (Northern Ireland), require all employing authorities to publish a Policy Statement regarding certain sections of the Regulations. In December 2003, the Council of the University approved a Policy Statement to meet this requirement. A copy of the Policy Statement is attached and can be accessed at:

UNIVERSITY OF ULSTER

POLICY STATEMENT ON EMPLOYER'S DISCRETIONS – NILGOS PENSION SCHEME

1 INTRODUCTION

1.1 Under regulation 108 of the Local Government Pension Scheme Regulations (Northern Ireland) 2002, which came into operation on 1 February 2003, the University of Ulster is required to publish and keep under review a Statement of its Policy on certain discretions, which it can exercise under the Regulations.

1.2 In formulating this Policy Statement, the University of Ulster has ensured that its discretionary powers:

- have been exercised reasonably
- will not be used for an ulterior motive
- will be used with regard to all relevant factors
- will be duly recorded when used.

1.3 The Policy Statement has been prepared following consideration of the views of:

- the Department for Employment and Learning
- the NILGOS Committee
- the recognised trade unions

1.4 In applying this Policy, the University of Ulster confirms that its discretions will be applied reasonably, will not be fettered and will be used when necessary.

2 POLICY STATEMENTS

2.1 Regulation 33 – Employees and Former Employees

2.1.1 From age 50, employees who are members of the Pension Scheme and former employees with deferred benefits for membership after 31 January 2003 have the right to apply for early payment of their benefits subject to the consent of the University if they are under age 60.

2.1.2 Employees or former employees who are aged 60 or over do not require the University's consent to retire early.

2.1.3 If the sum of employees or former employees age and scheme membership (in whole years) is less than 85 years, reduced benefits are payable. This is known as the '85 Year Rule'.

2.1.4 The University of Ulster may on compassionate grounds waive the reduction in benefits where the '85 year rule' is not satisfied.

2.2 Policy

2.2.1 The University does not at present intend to exercise this discretion because of the cost involved. This discretion will however be reviewed in three years time.

-2-

2.3 Regulation 54 – To grant additional service to members who leave after age 50

2.3.1 The University of Ulster has the power to increase Scheme membership for members who leave employment aged 50 or over. The additional period of membership must not exceed the shortest of:

- the member's total membership
- 40 years minus the member's total membership
- potential membership from the date of leaving to age 65
- 6 years 243 days

2.4 Policy

2.4.1 This discretion will only be exercised in cases of retirement on redundancy or in the interests of efficiency of the service in accordance with the University of Ulster's current severance package i.e. subject to a maximum of 5 added years.

2.5 Regulation 55 – To grant additional years of service to new members

2.5.1 This discretion allows the University of Ulster to grant additional years of service to new members. The additional service must be granted within 6 months of the employee becoming a scheme member and the employee must be aged less than 59 when joining the scheme.

2.5.2 The membership granted must not exceed the maximum allowed by the Inland Revenue after taking account of any period for any retained benefits in any other pension arrangement and will be the shorter of:

- the period by which the member's potential period of membership to age 65 falls short of 40 years
- the member's potential period of membership to age 65.

2.5.3 The additional period granted will not count as part of the member's total membership if the member leaves before being entitled to an immediate pension.

2.6 Policy

2.6.1 This discretion will not be exercised by the University of Ulster at present as it believes there are no circumstances to justify the awarding of additional service to a new employee and because of the cost to the University. The University believes that its existing terms and conditions are adequate inducement to the attraction and retention of new employees. This discretion will however be subject to review in three years time.

2.7 Regulation 69 – To introduce a Shared Cost AVC Arrangement

- 2.7.1 The University of Ulster may establish and maintain a Shared Cost Additional Voluntary Contributions Scheme (SCAVC) to provide a top up pension or death in service cover for employees.

-3-

2.8 Policy

- 2.8.1 This discretion will not be exercised by the University of Ulster because of the cost to the University. Additional Voluntary contributions (AVC's) will continue to be available through NILGOS and/or Prudential.

2.9 Regulation 6 (9) (a) – Re-entry to the Scheme for members who have opted out

- 2.9.1 The University of Ulster has the discretion to allow an employee who has opted-out of the Scheme more than once to re-join the Pension Scheme.

2.10 Policy

- 2.10.1 The University will allow employees who have opted out of the Scheme more than once to re-join the Pension Scheme on one further occasion subject to a satisfactory medical examination if required.

2.11 Regulation 14 – Contributions Waiver where Scheme membership exceeds 40 years

- 2.11.1 The University of Ulster has the discretion to reduce or waive an employee's standard contribution once the employee has completed 40 years scheme membership in local government employment excluding any transferred in service.

2.12 Policy

- 2.12.1 This discretion will be exercised for employees who complete 40 years membership in the University's employment. The employee's contributions will be waived and paid by the University from the date 40 years service is attained until the employee reaches age 60.

3 IMPLEMENTATION

- 3.1 The policy Statement was approved by the Council of the University of Ulster on 12 December 2003.
- 3.1.2 The policy discretions will be subject to review in three years time.