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**Education**

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## **DEPARTMENT OF EDUCATION**

### **Consultation on NITPS Teachers' Superannuation (Additional Voluntary Contributions (Amendment) Regulations (Northern Ireland) 2015**

#### **Outcome of Consultation**

June 2015

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## **1. Introduction**

1.1 The consultation document

[http://www.deni.gov.uk/consultation\\_on\\_nitps\\_superannuation\\_avcs\\_amendment\\_regs\\_2015.pdf](http://www.deni.gov.uk/consultation_on_nitps_superannuation_avcs_amendment_regs_2015.pdf) sets out the Department of Education's proposals to make amendments to the Teachers' Superannuation (Additional Voluntary Contributions) Regulations (Northern Ireland) 1996. The draft regulations permit members of the NI Teachers' Pension Scheme access to the additional voluntary contributions scheme ("the scheme"). They enable members to utilise the additional flexibilities for defined contribution pension schemes provided for in the Pension Schemes Act 2015 and takes account of changes to tax treatment of individuals' pension funds introduced by the Taxation of Pensions Act 2014. The proposed amendments ensure that all members of the NITPS are able to avail of the greater flexibility over how they access their money purchase pension pots. The proposed amendments will ensure that the regulations are clear, unambiguous and will allow NITPS members to enjoy the full range of choices now available to pension savers in defined contribution pension schemes. The regulations will allow members who contribute to the AVC arrangements a range of choices over how they access their AVC scheme savings.

## **2. Consultation process**

2.1 The Department published a consultation document on 20 May 2015, initiating a 4 week consultation proposing to amend the 1996 regulations to:

- define a member's AVC normal pension age by reference to the member's normal pension age under the relevant NI Teachers' Superannuation Scheme principal regulations at the time the AVC election is made;
- allow any person in pensionable service to make an inward transfer of rights from a registered pension scheme or qualifying recognised overseas pension scheme (QROPS);
- permit any person to make an outward transfer of the value of some or all of their AVC investments to a registered pension scheme or QROPS;
- permit the payment of any AVC benefit from normal minimum pension age (currently age 55) and permit members to make benefits elections

on more than one occasion;

- permit a member to request one or more uncrystallised fund pension lump sum payments (from 6 April 2015) and/or one or more annuities;
- permit payment to a member of one or more pension; commencement lump sums where permitted by Finance Act 2004;
- permit payment of a small pension lump sum under regulation 11, 11A or 12 of The Registered Pension Schemes (Authorised Payments) Regulations 2009; and
- permit payment, from 1 October 2015, of a short service refund where a person leaves pensionable service with qualifying service of less than 30 days. Before 1 October 2015 permit payment of a short service refund where a person receives a repayment of contributions under the principal regulations.

On the basis that these regulations will introduce improvements, rather than any detriments, to members of the NITPS, the Department proposed that they would be retrospective i.e. with a coming into operation date of 6 April 2015 to ensure no member of NITPS is disadvantaged.

- 2.2 The consultation document was published on the Department's website. The Department notified bodies in the education sector, other stakeholders, and other interested parties. In addition, schools were emailed. Responses could be returned by email or by post. The consultation closed on 17 June 2015.

### **3. Key Findings**

- 3.1 Four responses to the consultation were received; from a teachers' union; from an employer; from a serving teacher; and from Prudential. All the responses were supportive of the changes. The union expressed the hope that either the Department or the supplier, Prudential, would engage in communications exercise to inform members of the changes and the new options available for them to collect benefits. The AVC provider, Prudential, suggested some technical amendments.

#### **4. Conclusion and next steps**

4.1 The Department is grateful for the responses to the consultation and thanks the respondents.

4.2 The Department has concluded that the proposals set out in the consultation document represent the most appropriate way forward.

4.3 The Department will proceed to make the legislation.