



Jersey

# **PUBLIC EMPLOYEES (PENSION SCHEME) (FUNDING AND VALUATION) (JERSEY) REGULATIONS 2015**

## **Official Consolidated Version**

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# **PUBLIC EMPLOYEES (PENSION SCHEME) (FUNDING AND VALUATION) (JERSEY) REGULATIONS 2015**

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## **PUBLIC EMPLOYEES (PENSION SCHEME) (FUNDING AND VALUATION) (JERSEY) REGULATIONS 2015**

**THE STATES**, in pursuance of Articles 2, 4, 5, 6 and 7 of, and Schedule 1 to the [Public Employees \(Pensions\) \(Jersey\) Law 2014](#) and Article 3 of the [Public Employees \(Retirement\) \(Jersey\) Law 1967](#), have made the following Regulations –

Commencement [[see endnotes](#)]

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### **PART 1**

#### **INTERPRETATION**

##### **1 Interpretation<sup>1</sup>**

In these Regulations, unless the context indicates otherwise –

“1967 Scheme” has the meaning given in Article 1(1) of the Law;

“1967 Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Jersey\) Regulations 1967](#);

“1967 Scheme benefits” means retirement benefits accrued under the 1967 Scheme;

“1967 Scheme employer” means an employer –

(a) who, before 1st January 2016, was admitted to the 1967 Scheme under repealed Regulation 9 of the General Regulations;

(b) who, before 1st January 2016, was treated as if admitted to the 1967 Scheme under any enactment which provided for that employer to become an employer for the purposes of that scheme in respect of members of that scheme whose employment with the States Employment Board was transferred to that employer; or

(c) who is treated as if admitted to the 1967 Scheme under Regulation 7 of, and paragraph 2(5) of Schedule 1 to, the Membership and Benefits Regulations;

“1967 Scheme Regulations” has the meaning given in Article 1(1) of the Law;

“1992 Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Former Hospital Scheme\) \(Jersey\) Regulations 1992](#);

“accrual rate” shall be construed in accordance with Regulation 7;

“active member” has the same meaning as in Regulation 1 of the Membership and Benefits Regulations;

“Actuary” means a person appointed in accordance with Regulation 10 of the Administration Regulations, to give actuarial advice in respect of the fund;

“Administration Regulations” means the [Public Employees \(Pension Scheme\) \(Administration\) \(Jersey\) Regulations 2015](#);

“Administrator” shall be construed in accordance with Regulation 19 of the Administration Regulations;

“admitted employer” means an employer other than the States Employment Board –

(a) admitted to the Scheme under –

- (i) Regulation 7 of, and paragraph 2(1) of Schedule 1 to, the Membership and Benefits Regulations,
- (ii) Regulation 16(1) of the Transitional Regulations, or
- (iii) Article 10(5) of the Law;

(b) treated as if admitted to the Scheme under any enactment which provides for that employer to become an employer for the purposes of the Scheme in respect of members of the Scheme whose employment with the States Employment Board is transferred to that employer; or

(c) who is a 1967 Scheme Employer;

“AIRPI” means the All Items Retail Prices Index Rate for Jersey as recorded over the year to September of the year preceding the annual pension increase;

“annual pension increase” shall be construed in accordance with Regulation 8;

“assets” means anything tangible or intangible that is owned or controlled to produce an economic value (including investments, debts or cash);

“category A member” and “category B member” has the meaning given in Regulation 1 of the Existing Members Regulations and Regulation 1 of the New Members Regulations;

“category C member” has the meaning given in Regulation 1 of the New Members Regulations;

“cohabiting partner” has the meaning given in Regulation 3 of the Membership and Benefits Regulations;

“Committee” shall be construed in accordance with Article 4 of the Law and Regulation 2 of the Administration Regulations;

“continuing members of the 1967 Scheme” means contributing members of that scheme construed in accordance with Regulation 3(2)(b) of the Transitional Regulations;

“contributing members of the 1967 Scheme” means a –

- (a) contributory member;
- (b) category A member, category B member, or category C member;
- (c) “member” within the meaning of Regulation 1 of the Existing Members Regulations and Regulation 1 of the New Members Regulations, who is not a category A, category B or category C member; and
- (d) “member” within the meaning of Regulation 1 of the 1992 Regulations;

“contributory member” has the meaning given in Regulation 4 of the 1967 Regulations;

“deferred or pensioner members of the Scheme” shall be construed in accordance with Regulations 11 and 12 respectively of the Membership and Benefits Regulations;

“deferred or pensioner members of the 1967 Scheme” means –

- (a) in the case of a deferred member of that scheme, a person who –
  - (i) has ceased to make contributions under the 1967 Scheme Regulations, and
  - (ii) is not in receipt of retirement benefits under those Regulations;
- (b) in the case of a pensioner member of that scheme, a person who is in receipt of retirement benefits under the 1967 Scheme Regulations (regardless of whether or not he or she is an active member of the Scheme);

“employer” means an admitted employer or the States Employment Board;

“Existing Members Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(Existing Members\) \(Jersey\) Regulations 1989](#);

“funding level” shall be construed in accordance with Regulation 17;

“funding strategy statement” has the meaning given in Regulation 2;

“General Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(General\) \(Jersey\) Regulations 1989](#);

“Law” means the [Public Employees \(Pensions\) \(Jersey\) Law 2014](#);

“liabilities” means the costs of future benefits and other outgoings payable under the respective schemes, accrued as at the valuation date;

“members of the respective schemes” means active members of the Scheme and continuing members of the 1967 Scheme;

“Membership and Benefits Regulations” means the [Public Employees \(Pension Scheme\) \(Membership and Benefits\) \(Jersey\) Regulations 2015](#);

“Minister” means the Chief Minister;

“New Members Regulations” means the [Public Employees \(Contributory Retirement Scheme\) \(New Members\) \(Jersey\) Regulations 1989](#);

“ordinary member” means an active member of the Scheme who is not a uniformed member;

“pensionable earnings” has the same meaning as in Regulation 4 of the Membership and Benefits Regulations;

“pension record” is a record established and maintained in accordance with Regulation 20 of the Membership and Benefits Regulations;

“pensionable service” in relation to the Scheme, means a period of Scheme employment computed in years and complete days;

“pre-1988 liability” shall be construed in accordance with Schedule 5;

“prudent assumptions” means a set of actuarial assumptions that, when taken together, are more likely to overestimate than underestimate the amount of money actually required to meet the costs of funding the liabilities of the Scheme;

“rates and adjustments certificate” means a certificate produced in accordance with Regulation 3;

“relevant trade unions” means any organization within the meaning of Article 3 of the [Employment Relations \(Jersey\) Law 2007](#) whose membership consists (whether wholly or mainly) of members of the respective schemes;

“repealed Regulation 9 of the General Regulations” means Regulation 9 of the General Regulations as it was in force immediately prior to its repeal by the Transitional Regulations;

“respective schemes” has the meaning given in Article 1(1) of the Law, and “schemes” shall be construed accordingly;

“revaluation rate” shall be construed in accordance with Regulation 9;

“Scheme” means the Public Employees Pension Scheme referred to in Article 2(1) of the Law;

“Scheme employment” means employment by virtue of which a person is entitled to be a member of the Scheme;

“scheme year” means a period of 12 months beginning on 1st January and ending 31st December;

“transition members” means contributing members of the 1967 Scheme who become members of the Scheme in accordance with Regulation 2 or 3(2)(a) or (c) of the Transitional Regulations;

“Transitional Regulations” means the [Public Employees \(Pension Scheme\) \(Transitional Provisions, Savings and Consequential Amendments\) \(Jersey\) Regulations 2015](#);

“Treasurer” means the Treasurer of the States;

“uniformed member” in relation to the Scheme has the same meaning as in Regulation 1 of the Membership and Benefits Regulations;

“valuation” has the meaning given in Regulation 3(1);

“valuation date” means the date as at which the Actuary carries out a valuation of the fund in accordance with Regulation 3(1) or 5(1);

“valuation of the fund” means an actuarial valuation of the fund by reference to the assets and liabilities of the respective schemes.

## PART 2

### FUNDING STRATEGY AND VALUATIONS

#### 2 Funding strategy statement

- (1) The Committee shall instruct the Actuary to prepare a written statement setting out the funding strategy for the respective schemes (the “funding strategy statement”).
- (2) The funding strategy statement shall –
  - (a) following consultation with the Treasurer, be agreed by the Committee and the Minister for Treasury and Resources, and published by the Committee by no later than 31st December 2017;
  - (b) be kept under review by the Committee and –
    - (i) following a material change to any of the matters contained in the statement, the Actuary shall make such revisions as are appropriate and consulted upon and agreed in accordance with sub-paragraph (a),
    - (ii) if revisions are made, the Committee shall publish the statement as revised;

(c) set out the following matters –

- (i) subject to paragraph (3), the methodology for the allocation of employer and member contributions made under the respective schemes, towards the costs of funding benefits under the respective schemes over a specified period,
- (ii) the methodology for maintaining, within the caps specified under Regulation 16, the sharing of the respective costs of employer and member contributions on an expected ratio of 2:1 with “2” being the employer proportion of contributions and “1” being the member proportion of contributions,
- (iii) the methodology for the allocation of administration, investment management and other costs attributable to the funding of benefits under the respective schemes,
- (iv) the overarching principles for the setting of assumptions to be applied to the actuarial valuation of the fund, which shall include the use of prudent assumptions in relation to the costs of funding benefits under the Scheme,
- (v) the overarching principles for the setting of assumptions for the purposes of calculating –
  - (A) the value of retirement benefits transferred under Regulations 22 or 23 of the Administration Regulations,
  - (B) amounts payable in respect of additional voluntary contributions required under Regulation 15 of the Membership and Benefits Regulations or equivalent provisions under the 1967 Scheme Regulations,
  - (C) the amount by which retirement benefits are actuarially reduced where those benefits are paid early under Regulations 29, 30 or 32 of the Membership and Benefits Regulations, or equivalent provisions under the 1967 Scheme Regulations,
- (vi) the degree of prudence to be applied when setting key financial assumptions for the purposes of actuarial valuations,
- (vii) the methodology for adjusting –
  - (A) the annual pension increase rates and contribution rates for the respective schemes, and
  - (B) the future accrual rate and revaluation rate for the Scheme,
- (viii) the identification of risks to the solvency of the fund and mitigation of such risks,
- (ix) the process for implementing any adjustments to any of the rates specified in the rates and adjustments certificate,
- (x) the methodology for accounting for the costs of funding benefits attributable to –
  - (A) transfer payments out of the fund under Regulation 22 of the Administration Regulations, and
  - (B) transfer payments credited to the fund under Regulation 23 of those Regulations.

(3) This paragraph sets out what matters the Actuary must include within the methodology for the allocation of member and employer contributions referred to in paragraph (2)(c)(i), as follows –

- (a) the proportion of employer and member contributions received under the respective schemes that shall be required to fund –
  - (i) the costs of applying the interim contribution rates set out in paragraph 5(3) and (4) of Schedule 1 in respect of the 1967 Scheme,
  - (ii) the costs of applying the transitional contribution rates set out in Schedule 3 in respect of the continuing members of the 1967 Scheme,
  - (iii) the costs of 1967 Scheme benefits accrued after 1st January 2019 in respect of continuing members of the 1967 Scheme, and
  - (iv) the costs of providing survivor benefits to a cohabiting partner under Regulation 11 of the Transitional Regulations; and
- (b) the proportion of employer and member contributions received under the respective schemes that shall, in the sequence set out in this sub-paragraph, be required –
  - (i) firstly, to fund 1967 Scheme benefits accrued (without any increase or reduction to those benefits) in respect of –
    - (A) continuing members of the 1967 Scheme,
    - (B) contributing, deferred or pensioner members of the 1967 Scheme, and
    - (C) contributing members of the 1967 Scheme who become active members of the Scheme under Regulation 2, 3(2)(a) or (c) or 4 of the Transitional Regulations,
  - (ii) secondly, after clause (i) is achieved, to fund –
    - (A) the accrued retirement benefits under the Scheme (as increased by the annual pension increase at a minimum rate of 50% of AIRPI) of deferred or pensioner members of the Scheme, and
    - (B) the accrued retirement benefits under the Scheme (as revalued by a minimum rate of 50% of (AIRPI + 1%)) of active members of the Scheme, and as subsequently increased by the annual pension increase at a minimum rate of 50% of AIRPI, when those members become deferred or pensioner members of the Scheme, and
  - (iii) thirdly, after clauses (i) and (ii) are achieved, to fund the future accrual of benefits under the respective schemes.<sup>2</sup>

### 3 Actuarial valuations

(1) The Committee shall instruct the Actuary to prepare –

- (a) a valuation of the fund as at 31st December 2016, 31st December 2018 and 31st December 2021, and thereafter at intervals of not more than 3 years;
- (b) a report in respect of the valuation; and
- (c) a rates and adjustments certificate, and

those documents shall collectively be referred to as the “valuation”.

- (2) In preparing each of the documents specified in paragraph (1), the Actuary must have regard to –
  - (a) the existing and prospective liabilities of the fund in relation to the respective schemes; and
  - (b) the funding strategy statement (as revised from time to time).
- (3) Subject to Regulation 4(3) and (5), the valuation must be presented to the Minister by the Committee before the expiry of 15 months after the valuation date, and the Minister shall lay a copy of the valuation before the States as soon as practicable thereafter.
- (4) A report under paragraph (1)(b) shall –
  - (a) separately identify the assets and liabilities of the respective schemes;
  - (b) contain an assessment of whether any change in the fund's funding level is due to long-term trends of a demographic, investment or other nature;
  - (c) contain an assessment of whether the accrual of future benefits under the respective schemes is affordable within the contribution cost caps referred to in Regulation 16(1).
- (5) A rates and adjustments certificate under paragraph (1)(c) is a certificate which specifies any adjustments to –
  - (a) the accrual rate for the Scheme;
  - (b) the rates for the annual pension increase for the respective schemes;
  - (c) the employer and member contribution rates (expressed as a percentage of pensionable earnings) for the respective schemes; and
  - (d) the revaluation rate for the Scheme,without the need to amend these Regulations or the 1967 Scheme Regulations (as the case may be).
- (6) Subject to Regulation 17 and 18 (if applicable), the Actuary shall, when preparing the rates and adjustments certificate, specify any adjustments –
  - (a) to the accrual rate subject to Regulations 7(2) and 12(3);
  - (b) to the annual pension increase rates subject to the minimum and maximum percentages of AIRPI specified in Regulation 8 and Regulation 12(3);
  - (c) to the employer and member contribution rates subject to Regulations 11, 12(4), 13(2), 14(2) and 15(2);
  - (d) to the revaluation rate subject to Regulations 9 and 12(3).
- (7) The contribution rates referred to in paragraph (5)(c) shall specify a primary and secondary rate, where –
  - (a) the primary rate of employer and member contributions is the amount required to fund the cost of future accrual of benefits under the respective schemes which, according to the methodology set out in the funding strategy statement, should be paid to the fund, expressed as a percentage of pensionable earnings; and
  - (b) the secondary rate of employer and member contributions is the percentage of pensionable pay by which, according to the methodology set out in the funding strategy statement, contributions at the primary rate should be increased or reduced (as the case may be) to fund the costs of –

- (i) 1967 Scheme benefits (without any reduction to those benefits) accrued in respect of –
  - (A) deferred or pensioner members of the 1967 Scheme,
  - (B) continuing members of the 1967 Scheme,
  - (C) contributing members of the 1967 Scheme up to 1st January 2019, and
  - (D) contributing members of the 1967 Scheme who become active members of the Scheme under Regulation 2, 3(2)(a) or (c) or 4 of the Transitional Regulations,
- (ii) the accrued retirement benefits of deferred or pensioner members of the Scheme, as increased by the annual pension increase at a minimum rate of 50% of AIRPI, and
- (iii) the accrued retirement benefits of active members of the Scheme –
  - (A) as revalued by a minimum rate of 50% of (AIRPI + 1%), and
  - (B) as subsequently increased by the annual pension increase at a minimum rate of 50% of AIRPI, when those members become deferred or pensioner members of the Scheme.<sup>3</sup>

#### **4 Agreement as to the setting of assumptions for actuarial valuations**

- (1) In the course of preparing a valuation under Regulation 3, the Actuary shall –
  - (a) consult with the Committee, the Minister for Treasury and Resources and the Treasurer; and
  - (b) determine, having regard to the funding strategy statement, an appropriate set of assumptions to be applied in respect of the valuation.
- (2) In relation to the costs of funding the Scheme the Actuary shall, following the consultation referred to in paragraph (1)(a), determine the prudent assumptions to be applied in respect of the valuation but must secure the agreement of –
  - (a) the Committee; and
  - (b) the Minister for Treasury and Resources,before applying those assumptions.
- (3) If upon the expiry of 18 months from the valuation date no agreement is secured under paragraph (2), the Minister shall request the President of the Institute and Faculty of Actuaries (the “Institute”) to nominate a fellow of the Institute, to determine the prudent assumptions that shall apply in default of any agreement.
- (4) In relation to the costs of funding the 1967 Scheme the Actuary shall, following the consultation referred to in paragraph (1)(a), determine the assumptions to be applied in respect of the valuation and shall aim to reach agreement with –
  - (a) the Committee; and
  - (b) the Minister for Treasury and Resources,before applying those assumptions.
- (5) If upon the expiry of 12 months from the valuation date no agreement is reached under paragraph (4), the Actuary’s determination shall apply in default of any agreement.

## 5 Actuarial valuations at the request of the Minister

- (1) Notwithstanding Regulation 3, the Minister may require the Committee to instruct the Actuary to undertake a valuation of the fund as at any date.
- (2) Where paragraph (1) applies, the provisions of Regulations 3 and 4 (including any adjustment to the rates specified in the rates and adjustments certificate) shall operate as if the valuation had been carried out under Regulation 3.

## 6 Implementation of rates and adjustments certificate

The Administrator shall by 1st January not later than the 3rd year following the valuation date, apply all the rates specified in the rates and adjustments certificate for that valuation.

# PART 3

## RATES

### 7 Scheme accrual rate

- (1) “accrual rate” means the rate, expressed as a fraction of pensionable earnings, at which pension benefits build up per £1.00 of pensionable earnings paid in each scheme year for each year of pensionable service.
- (2) Subject to Regulation 12 and paragraph 1 of Schedule 1, the accrual rate shall be such rate as is specified in the rates and adjustments certificate and the Actuary may at any valuation adjust the accrual rate subject to –
  - (a) the methodology as referred to in Regulation 2(2)(c)(vii) and 2(3)(b)(i) and(ii);
  - (b) following the process as referred to in Regulation 2(2)(c)(ix); and
  - (c) Regulation 16,provided that adjusted rate is not greater than 1/66th.

### 8 Annual increases in pension

- (1) Subject to Regulation 12 and paragraph 2 of Schedule 1, all retirement benefits in payment and all deferred retirement benefits under the respective schemes shall be increased on 1st January each year by the rate referred to in paragraph (2) (the “annual pension increase”).
- (2) The annual pension increase to be applied shall be a rate expressed as a percentage of AIRPI specified in the rates and adjustments certificate, subject to the minimum and maximum percentages of AIRPI specified in paragraphs (3) and (4).
- (3) In respect of the Scheme, the percentage of AIRPI to be specified in the rates and adjustments certificate for the purposes of applying the annual pension increase, shall be a minimum of 50% of AIRPI up to and including a maximum of 100% of AIRPI.
- (4) In respect of the 1967 Scheme –
  - (a) the percentage of AIRPI to be specified in the rates and adjustments certificate for the purposes of applying the annual pension increase, shall be

- a minimum of 0% of AIRPI up to and including a maximum of 100% of AIRPI;
- (b) paragraph (5) applies if, during the year preceding the year in which the annual pension increase is applied –
  - (i) retirement benefits come into payment, or
  - (ii) entitlement to deferred retirement benefits (including any deferred lump sum under the 1992 Regulations) arises.<sup>4</sup>
- (5) Retirement benefits referred to in paragraph (4)(b) are to be increased only by 1/365 of the full annual pension increase rate for each day of payment or entitlement.<sup>5</sup>

## 9 **Revaluation rate**

- (1) This Regulation applies to the revaluation of retirement benefits under the Scheme.
- (2) By no later than 31st December of every scheme year, the opening balance of an active member's pension record for that scheme year shall be revalued by the rate referred to in paragraph (3) (the "revaluation rate").
- (3) Subject to Regulation 12 and paragraph 3 of Schedule 1, the revaluation rate to be applied shall be (AIRPI + 1%) multiplied by a percentage rate of between 50% and 100% as shall be determined by the Actuary and specified in the rates and adjustments certificate.
- (4) In paragraph (2), "opening balance" means the amount of benefits accrued in the active member's pension record as at the beginning of the scheme year.

## 10 **Negative AIRPI**

- (1) This Regulation applies where AIRPI is recorded at less than 0%.
- (2) Where this Regulation applies, for the purposes of Regulations 8 and 9 the AIRPI to be applied shall be taken to be 0%.

## 11 **Employer and member contribution rates**

- (1) For the purposes of this Regulation –
  - (a) "uniformed members of the respective schemes" in relation to –
    - (i) an active member of the Scheme, means a uniformed member, and
    - (ii) a continuing member of the 1967 Scheme, means –
      - (A) a category A member and category B member within the meaning of Regulation 1 of the Existing Members Regulations or Regulation 1 of the New Members Regulations,
      - (B) a category C member within the meaning of Regulation 1 of the New Members Regulations, or
      - (C) a contributory member within the meaning of Regulation 4 of the 1967 Regulations, in respect of whom Regulation 17, 18, 19, 20 or 20A of those Regulations applies;
  - (b) "ordinary members of the respective schemes" in relation to –
    - (i) an active member of the Scheme, means an ordinary member, and

(ii) a continuing member of the 1967 Scheme, means –

- (A) a member within the meaning of Regulation 1 of the Existing Members Regulations or Regulation 1 of the New Members Regulations, who is not a category A, category B or category C member,
- (B) a member within the meaning of Regulation 1 of the 1992 Regulations, or
- (C) a contributory member within the meaning of Regulation 4 of the 1967 Regulations, in respect of whom Regulation 17, 18, 19, 20 or 20A of those Regulations does not apply; and

(c) for the purposes of the calculation under the formula set out in paragraph (3)(d), the reference to pensionable earnings shall be taken to be a reference to pensionable earnings paid over the scheme year to the valuation date.

(2) Subject to –

- (a) Regulation 12 and paragraphs 4 and 5 of Schedule 1;
- (b) Regulation 13 and Schedule 2;
- (c) Regulation 14 and Schedule 3; and
- (d) Regulation 15 and Schedule 4,

employers and members of the respective schemes must pay contributions of such an amount as is specified in the rates and adjustments certificate, expressed as a rate equivalent to a percentage of pensionable earnings of all members of the respective schemes.

(3) For the purposes of paragraph (2) the rates and adjustments certificate must specify –

- (a) the employer contribution rate in respect of all members of the respective schemes;
- (b) the member contribution rate in respect of uniformed members of the respective schemes (“MCUM”);
- (c) the member contribution rate in respect of ordinary members of the respective schemes (“MCOM”); and
- (d) the member aggregated contribution rate which shall be calculated in accordance with the following formula –

$$\left[ \frac{\text{Total pensionable earnings of uniformed members of respective schemes}}{\text{Total pensionable earnings of members of respective schemes}} \times \text{MCUM} \right] + \left[ \frac{\text{Total pensionable earnings of ordinary members of respective schemes}}{\text{Total pensionable earnings of members of respective schemes}} \times \text{MCOM} \right]$$

= member aggregated contribution rate.

(4) For the purposes of the employer contribution cost cap under Regulation 16(1)(a), the employer contribution rate specified in the rates and adjustments certificate must not exceed 16.5% of pensionable earnings of all members of the respective schemes.

(5) Subject to paragraph (6), for the purposes of the member contribution cost cap under Regulation 16(1)(b), the member aggregated contribution rate specified in

the rates and adjustments certificate must not exceed 8.25% of pensionable earnings of all members of the respective schemes.

(6) Paragraph (5) shall not apply where the member contribution cost cap is increased under Regulation 16(4), but in the event that it is so increased, the member aggregated contribution rate to be specified in the rates and adjustments certificate must not exceed the member contribution cost cap as so increased.

(7) An employer shall pay to the Administrator the relevant amount of employer contribution according to –

- (a) the employer contribution rate specified in the rates and adjustments certificate;
- (b) the interim contribution rates specified in paragraphs 4(3) and 5(3) of Schedule 1; or
- (c) the transitional contribution rates specified in Schedule 4,  
by no later than the end of the month following the month in which the contribution falls due.

(8) An employer shall pay to the Administrator the relevant amount of member contribution deducted from members' pensionable earnings according to –

- (a) the MCUM or MCOM rate (as the case may be) specified in the rates and adjustments certificate;
- (b) the interim contribution rates specified in paragraph 4(4) or (5) and 5(4) of Schedule 1; or
- (c) the transitional contribution rates specified in Schedules 2 and 3,  
by no later than the end of the month following the month in which the contribution is deducted.

## 12 Interim rates

(1) Schedule 1 sets out –

- (a) the annual pension increase rate in respect of retirement benefits under the 1967 Scheme;
- (b) the annual pension increase rate in respect of retirement benefits under the Scheme;
- (c) in respect of the Scheme –
  - (i) the accrual rate, and
  - (ii) the revaluation rate; and
- (d) the employer and member contribution rates under the respective schemes, which shall apply from 1st January 2016 until the dates specified in paragraph (2).<sup>6</sup>

(2) In the case of –

- (a) the annual pension increase rate referred to in paragraph (1)(a), that rate shall apply until 31st December 2018;
- (b) the rates referred to in paragraphs (1)(b) and (c), those rates shall apply until 31st December 2020; and
- (c) the employer and member contribution rates referred to in paragraph (1)(d) –
  - (i) in relation to the Scheme, those rates shall apply until 31st December 2023, and

(ii) in relation to the 1967 Scheme, those rates shall apply until 31st December 2018.

(3) In the case of the accrual rate, the annual pension increase rate in respect of retirement benefits under the Scheme and the revaluation rate, any valuation occurring as at a date earlier than 31st December 2018 shall not affect those rates specified in Schedule 1, and Regulation 3(6)(a), (b) or (d) and Regulation 17 shall not apply for the purposes of adjusting the rates and adjustments certificate in respect of any such earlier valuation.

(4) In the case of the employer and member contribution rates (in relation to the Scheme), any valuation occurring as at a date earlier than 31st December 2021 shall not affect those rates specified in Schedule 1, and Regulations 3(6)(c) and Regulations 17 and 18 (if applicable) shall not apply for the purposes of adjusting the rates and adjustments certificate in respect of any such earlier valuation.

### **13 Scheme member transitional contribution rates**

(1) Schedule 2 sets out the contributions rates –

- (a) payable by transition members; and
- (b) which shall apply from 1st January 2019 until 31st December 2023.<sup>7</sup>

(2) Any valuation occurring as at a date earlier than 31st December 2021 shall not affect the rates specified in Schedule 2, and Regulations 3(6)(c), 17 and 18 (if applicable) shall not apply for the purposes of adjusting the rates and adjustments certificate in respect of any such earlier valuation.

### **14 Continuing members of the 1967 Scheme – transitional contribution rates**

(1) Schedule 3 sets out the contribution rates payable by continuing members of the 1967 Scheme which shall apply from 1st January 2019 until 31st December 2023.<sup>8</sup>

(2) Any valuation occurring as at a date earlier than 31st December 2021 shall not affect the rates specified in Schedule 3, and Regulations 3(6)(c), 17 and 18 (if applicable) shall not apply for the purposes of adjusting the rates and adjustments certificate in respect of any such earlier valuation.

### **15 Employer transitional contribution rates**

(1) Schedule 4 sets out the contribution rates payable by employers of –

- (a) continuing members of the 1967 Scheme; or
- (b) transition members,

which shall apply from the 1st January 2019 until 31st December 2023.<sup>9</sup>

(2) Any valuation occurring as at a date earlier than 31st December 2021 shall not affect the rates specified in Schedule 4, and Regulations 3(6)(c), 17 and 18 (if applicable) shall not apply for the purposes of adjusting the rates and adjustments certificate in respect of any such earlier valuation.

## PART 4

### COST CAPS AND CONTROL OF FUNDING LEVELS

#### 16 Employer and member contribution cost cap

- (1) For the purposes of Article 7 of the Law –
  - (a) The employer contribution cost cap, under the respective schemes shall be set at 16.5% of pensionable earnings of all members of the respective schemes as at the date of the valuation except that –
    - (i) contributions certified by the Actuary in respect of an admitted employer under paragraph 6(4) of Schedule 1 to the Membership and Benefits Regulations,
    - (ii) a termination contribution in respect of an admitted employer under paragraph 8(5) of Schedule 1 to the Membership and Benefits Regulations, or
    - (iii) contributions in respect of the re-payment of the pre-1988 liability under Schedule 5,shall be disregarded for the purposes of the cap;
  - (b) subject to paragraphs (2), (3) and (4), the member contribution cost cap under the respective schemes shall be set at 8.25% of pensionable earnings of all members of the respective schemes as at the date of the valuation.
- (2) This paragraph applies if, following a valuation, the Actuary reports that the future accrual of benefits under both of the respective schemes is unaffordable within the cost caps specified under paragraph (1).
- (3) Where paragraph (2) applies, the Minister shall consult with relevant trade unions as to whether or not members of the respective schemes would agree to an increase in the member contribution cost cap specified under paragraph (1)(b), so as to avoid any reduction in the future accrual of benefits under the Scheme.
- (4) If at the conclusion of a period of 3 months –
  - (a) there is agreement to an increase in the member contribution cost cap specified under paragraph (1)(b), the Actuary shall, subject to the requirement in Regulation 11(6), determine the adjusted member aggregated contribution rate to be specified in the rates and adjustments certificate;
  - (b) there is no agreement to an increase referred to in sub-paragraph (a), the Actuary shall determine the adjusted reduced accrual rate for the Scheme to be specified in the rates and adjustments certificate.

#### 17 Funding levels

- (1) For the purposes of this Regulation and Regulation 18 –
  - (a) “effective valuation date” refers to a valuation of the fund carried out as at any valuation date.
  - (b) “liabilities” means the benefits payable under the respective schemes calculated according to –
    - (i) the assumptions set by reference to the funding strategy statement, and

(ii) the rates specified in the rates and adjustments certificate in respect of the valuation of the fund carried out as at the previous valuation date;

(c) “previous valuation date” means the valuation date immediately prior to the effective valuation date;

(d) “full funding level” means that as at the valuation date, the assets of the respective schemes are 100% of the amount required to meet the liabilities of the respective schemes;

(e) “maximum funding level” means that as at the valuation date, the assets of the respective schemes are 105% of the amount required to meet the liabilities of the respective schemes;

(f) “minimum funding level” means that as at the valuation date, the assets of the respective schemes are 95% of the amount required to meet the liabilities of the respective schemes.

(2) The Committee shall, having regard to the formula set out in paragraph (3), aim to secure that the assets of the respective schemes are at a sufficient level to fund the benefits payable under the respective schemes.

(3) The Actuary shall at every valuation of the fund certify in respect of the valuation date for that valuation, the funding level of the respective schemes by reference to the following formula –

$$\frac{\text{value of assets of each scheme as at the effective valuation date}}{\text{value of liabilities of each scheme as at the effective valuation date}} \times 100 = \text{funding level (expressed as a percentage)}.$$

(4) If the Actuary certifies that either or both of the respective schemes are operating within their maximum and minimum funding levels, and the Committee determines either that –

(a) no adjustments are required in respect of any of the rates specified in the rates and adjustments certificate; or

(b) adjustments are required in respect of some or all of the rates, the Committee shall within 15 months of the valuation date, seek the Minister’s agreement to that determination.

(5) If before the expiry of 15 months from the valuation date no agreement is given under paragraph (4), the Actuary shall, subject to following the process as referred to in Regulation 2(2)(c)(ix), determine what adjustments are required (if any) in respect of any of the rates specified in the rates and adjustments certificate so as to restore either or both of the respective schemes to their full funding level.

(6) If before the expiry of 15 months from the valuation date the Minister agrees with the Committee’s determination under paragraph (4), the Actuary shall prepare the rates and adjustments certificate with or without specifying any adjustments, as the case may be.

(7) Subject to paragraph (9), if the Actuary certifies that either or both the respective schemes are operating at or above their maximum funding level, or at or below their minimum funding level, the Actuary shall, subject to following the process as referred to in Regulation 2(2)(c)(ix) and Regulation 18 (if applicable), determine what adjustments are required (if any) in respect of any of the rates specified in the rates and adjustments certificate so as to restore either or both of the respective schemes to their full funding level.

- (8) The Actuary shall, before the expiry of 15 months after the valuation date, notify the Committee and the Minister of the determination under paragraph (7).
- (9) The Actuary shall not determine any adjustments under paragraph (7) if the Committee and the Minister have otherwise agreed that no adjustments are required to any of the rates specified in the rates and adjustments certificate so as to restore either or both of the respective schemes to their full funding level.

## **18 Transitional costs of funding benefits under the respective schemes**

- (1) This Regulation applies where as at any valuation of the fund which occurs in the period commencing with the valuation of the fund as at 31st December 2018 and ending on 31st December 2032, the Actuary certifies that either or both the respective schemes are operating at or below their minimum funding level.
- (2) Where paragraph (1) applies, the Actuary shall as at that valuation date, calculate an adjusted value for the assets of the respective schemes by including within that calculation the value of future employer and member contributions to cover transitional costs equal to 0.8% of pensionable earnings over the period to 31st December 2032, and having applied the formula set out in paragraph (3) –
  - (a) certify in respect of the valuation date for that valuation, the funding level for the respective schemes as re-assessed under this Regulation; and
  - (b) determine what adjustments are required (if any) in respect of any of the rates specified in the rates and adjustments certificate so as to restore either or both of the respective schemes to their full funding level.
- (3) The formula referred to in paragraph (2) is –

$$\frac{\text{value of adjusted assets of each scheme as at the effective valuation date}}{\text{value of liabilities of each scheme as at the effective valuation date}} \times 100 = \text{funding level (expressed as a percentage)}.$$

- (4) The Actuary shall, before the expiry of 15 months of the valuation date, notify the Committee and the Minister of the determination under paragraph (2)(b).
- (5) The transitional costs referred to in paragraph (2) include the costs of –
  - (a) benefits accruing in respect of continuing members of the 1967 Scheme which are in excess of the costs of retirement benefits concurrently accruing in respect of active members of the Scheme;
  - (b) applying the transitional contribution rates set out in Schedules 2, 3 and 4;
  - (c) providing survivor benefits to a cohabiting partner under Regulation 11 of the Transitional Regulations.<sup>10</sup>

## PART 5

### 1967 SCHEME ASSETS

#### **19 Ring-fencing of 1967 Scheme assets**

- (1) The Committee shall ensure that the assets of the 1967 Scheme which have accrued in respect of that scheme up to, and including the day before 1st January 2019, shall only be used for the purpose of funding the costs of benefits under that scheme.
- (2) For the purposes of this Regulation, the assets of the 1967 Scheme shall include the re-payment of the pre-1988 liability under Regulation 20 and Schedule 5.<sup>11</sup>

#### **20 Re-payment of the pre-1988 liability**

Schedule 5 gives effect to the re-payment of the pre-1988 liability in respect of the 1967 Scheme and that re-payment shall be treated as an asset of that scheme for the purposes of valuations under Regulation 3.

## PART 6

### CLOSING

#### **21 Citation and commencement**

- (1) These Regulations may be cited as the Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015.
- (2) Regulations 13 to 15 and 18, and Schedules 2 to 4 shall come into force on 1st January 2019.<sup>12</sup>

## **SCHEDULE 1<sup>13</sup>**

(Regulation 12)

### **INTERIM RATES**

#### **1 Accrual rate until 31st December 2020**

- (1) The accrual rate specified in sub-paragraph (2) shall apply from 1st January 2016 until the scheme year ending 31st December 2020.
- (2) The accrual rate in respect of the Scheme shall be 1/66th of an active member's pensionable earnings paid in each scheme year.
- (3) Subject to sub-paragraph (4), following the valuation as at 31st December 2018, an adjusted accrual rate (if any) specified in the rates and adjustments certificate under Regulation 3(6)(a) shall, in accordance with Regulation 6, be applied for the scheme year beginning on 1st January 2021.
- (4) If as a result of the valuation as at 31st December 2018, the accrual rate specified in sub-paragraph (2) does not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(a), that rate shall continue to have effect until such time as it is adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

#### **2 Annual increases in pension – rate for 1967 Scheme until 31st December 2018 and rate for Scheme until 31st December 2020**

- (1) From 1st January 2016 until the scheme year ending 31st December 2018, the annual pension increase rate in respect of retirement benefits under the 1967 Scheme shall be 100% of AIRPI.
- (2) Subject to paragraph (3), following the valuation as at 31st December 2016, an adjusted annual pension increase rate (if any) specified in the rates and adjustments certificate under Regulation 3(6)(b) shall, in accordance with Regulation 6, be applied for the scheme year beginning on 1st January 2019.
- (3) If as a result of the valuation as at 31st December 2016, the rate specified in sub-paragraph (1) does not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(b), that rate shall in relation to the 1967 Scheme, continue to have effect on 1st January 2019 until such time as it is adjusted following any subsequent valuation and applied in accordance with Regulation 6.
- (4) From 1st January 2016 until the scheme year ending 31st December 2020, the annual pension increase rate in respect of retirement benefits under the Scheme shall be 100% of AIRPI.
- (5) Subject to sub-paragraph (6), following the valuation as at 31st December 2018, an adjusted annual pension increase rate (if any) specified in the rates and adjustments certificate under Regulation 3(6)(b) shall, in accordance with Regulation 6, be applied for the scheme year beginning on 1st January 2021.
- (6) If as a result of the valuation as at 31st December 2018, the rate specified in sub-paragraph (4) does not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(b), that rate shall in relation to the

Scheme, continue to have effect on 1st January 2021 until such time as it is adjusted following any subsequent valuation and applied in accordance with Regulation 6.

### **3 Revaluation rate until 31st December 2020**

- (1) The revaluation rate specified in sub-paragraph (2) shall apply from 1st January 2016 until the scheme year ending 31st December 2020.
- (2) The revaluation rate in respect of the Scheme shall be  $(\text{AIRPI} + 1\%) \times 100\%$ .
- (3) Subject to sub-paragraph (4), following the valuation as at 31st December 2018, an adjusted rate (if any) specified in the rates and adjustments certificate under Regulation 3(6)(d) shall, in accordance with Regulation 6, be applied for the purposes of the revaluation of the scheme year ending on 31st December 2020.
- (4) If as a result of the valuation as at 31st December 2018, the rate specified in sub-paragraph (2) does not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(d), that rate shall continue to have effect for the purposes of the revaluation of the scheme year ending on 31st December 2020 until such time as it is adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

### **4 Scheme – employer and member contribution rates until 31st December 2023**

- (1) This paragraph applies to –
  - (a) employers of persons described in clauses (b) to (d);
  - (b) persons (excluding transition members) who, on or after 1st January 2016, become active members of the Scheme;
  - (c) deferred or pensioner members of the Scheme (including such members who were formerly transition members) who, before the rates specified in sub-paragraphs (4) or (5) (as the case may be) cease to have effect, become active members on resuming Scheme employment;
  - (d) a person who at any time after 1st January 2019 becomes an active member of the Scheme by virtue of Regulation 4 of the Transitional Regulations (change of category of membership).
- (2) The contribution rates specified in sub-paragraphs (3), (4) and (5) shall apply from 1st January 2016 until the scheme year ending 31st December 2023.
- (3) An employer shall pay contributions of an amount equivalent to 16% of the total aggregated pensionable earnings of the members employed by that employer.
- (4) An ordinary member of the Scheme shall pay contributions of an amount equivalent to 7.75% of his or her pensionable earnings.
- (5) A uniformed member of the Scheme shall pay contributions of an amount equivalent to 10.10% of his or her pensionable earnings.
- (6) Subject to sub-paragraph (7), following the valuation as at 31st December 2021, adjusted rates (if any) specified in the rates and adjustments certificate under Regulation 3(6)(c) shall, in accordance with Regulation 6, be applied for the scheme year beginning on 1st January 2024.
- (7) If as a result of the valuation as at 31st December 2021 any of the rates specified in sub-paragraphs (3), (4) and (5) do not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(c), such rates shall continue

to have effect on 1st January 2024 until such time as those rates are adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

## **5 1967 Scheme – employer and member contribution rates until 31st December 2018**

- (1) This paragraph applies to –
  - (a) employers of contributing members of the 1967 Scheme; and
  - (b) contributing members of the 1967 Scheme.
- (2) The contribution rates specified in sub-paragraphs (3) and (4) shall apply from 1st January 2016 until the scheme year ending 31st December 2018.
- (3) An employer shall pay contributions of an amount equivalent to 13.60% of the total aggregated pensionable earnings of the members employed by that employer.
- (4) Contributing members of the 1967 Scheme in respect of whom the Regulations specified in column 1 of the Table apply, shall pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of the Table –

1 1967 Scheme Regulations	2 Percentage of pensionable earnings
1967 Regulations	6%
1992 Regulations	6%
Existing Members Regulations	6.25%
New Members Regulations	5%

- (5) As at 1st January 2019 –
  - (a) employers shall pay contributions in accordance with Schedule 4;
  - (b) contributing members of the 1967 Scheme who become transition members of the Scheme shall pay contributions in accordance with Schedule 2; and
  - (c) contributing members of the 1967 Scheme who remain as continuing members of that scheme shall pay contributions in accordance with Schedule 3.

## SCHEDULE 2

(Regulation 13)

### TRANSITION MEMBERS – TRANSITIONAL CONTRIBUTION RATES

#### 1 Application and interpretation

This Schedule sets out the contribution rates applicable to transition members.

#### 2 Ordinary member contribution rates

- (1) This sub-paragraph applies to transition members who –
  - (a) were members of the 1967 Scheme under the New Members Regulations;
  - (b) were not category A, category B or category C members, and who become ordinary members of the Scheme.
- (2) The transition members to whom sub-paragraph (1) applies, shall, in respect of each scheme year specified in column 1 of Table 1, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 1		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	5.75%	6%
2020	6.50%	7%
2021	7.25%	7.75%
2022 up to and including 2023	7.75%	7.75%

- (3) This sub-paragraph applies to transition members who –
  - (a) were members of the 1967 Scheme under the Existing Members Regulations;
  - (b) were not category A or category B members, and who become ordinary members of the Scheme.
- (4) The transition members to whom sub-paragraph (3) applies, shall, in respect of each scheme year specified in column 1 of Table 2, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 2		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	6.69%	6.84%
2020	7.13%	7.43%
2021	7.57%	7.75%
2022 up to and including 2023	7.75%	7.75%

(5) This sub-paragraph applies to transition members who were members of the 1967 Scheme under –

- (a) the 1967 Regulations in respect of whom Regulation 17, 18, 19, 20 or 20A of the 1967 Regulations did not apply; or
- (b) the 1992 Regulations, and

who become ordinary members of the Scheme.

(6) The transition members to whom sub-paragraph (5) applies, shall, in respect of each scheme year specified in column 1 of Table 3, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 3		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	6.50%	6.67%
2020	7%	7.34%
2021	7.50%	7.75%
2022 up to and including 2023	7.75%	7.75%

### 3 Uniformed member contribution rates

(1) This sub-paragraph applies to transition members who –

- (a) were members of the 1967 Scheme under the New Members Regulations;
- (b) were category A, category B or category C members, and

who become uniformed members of the Scheme.

(2) The transition members to whom sub-paragraph (1) applies, shall, in respect of each scheme year specified in column 1 of Table 1, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table –

Table 1	
1 Scheme year	2 Percentage of pensionable earnings
2019	6.02%
2020	7.04%
2021	8.06%
2022	9.08%
2023	10.10%

(3) This sub-paragraph applies to transition members who were category A or category B members of the 1967 Scheme under the Existing Members Regulations and who become uniformed members of the Scheme.

(4) The transition members to whom sub-paragraph (3) applies, shall, in respect of each scheme year specified in column 1 of Table 2, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table.

Table 2	
1 Scheme year	2 Percentage of pensionable earnings
2019	7.02%
2020	7.79%
2021	8.56%
2022	9.33%
2023	10.10%

(5) This sub-paragraph applies to transition members who were members of the 1967 Scheme in respect of whom Regulation 17, 18, 19, 20 or 20A of the 1967 Regulations applied, and who become uniformed members of the Scheme.

(6) The transition members to whom sub-paragraph (5) applies, shall, in respect of each scheme year specified in column 1 of Table 3, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table –

Table 3	
1 Scheme year	2 Percentage of pensionable earnings
2019	6.82%
2020	7.64%
2021	8.46%
2022	9.28%
2023	10.10%

#### 4 Contribution rates from 1st January 2024

If, as a result of the valuation as at 31st December 2021, any of the contribution rates specified in this Schedule applicable for the scheme year 2023 do not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(c), any such rates shall continue to have effect for the scheme year beginning on 1st January 2024 until such time as those rates are adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

## SCHEDULE 3

(Regulation 14)

### 1967 SCHEME – CONTINUING MEMBERS TRANSITIONAL CONTRIBUTION RATES

#### 1 Application and interpretation

- (1) This Schedule sets out the contribution rates applicable to continuing members of the 1967 Scheme.
- (2) In this Schedule –  
“members” in relation to the 1992 Regulations has the same meaning as in Regulation 1 of those Regulations;  
“members” in relation to the Existing Members Regulations and New Members Regulations has the same meaning as in Regulation 1 of those Regulations.

#### 2 1967 Regulations – contributory member contribution rates

- (1) Contributory members in respect of whom Regulation 17, 18, 19, 20 or 20A of the 1967 Regulations does not apply, shall, in respect of each scheme year specified in column 1 of Table 1, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 1		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	6.50%	6.67%
2020	7%	7.34%
2021	7.50%	7.75%
2022 up to and including 2023	7.75%	7.75%

- (2) Contributory members in respect of whom Regulation 17, 18, 19, 20 or 20A of the 1967 Regulations applies, shall, in respect of each scheme year specified in column 1 of Table 2, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table –

Table 2	
1 Scheme year	2 Percentage of pensionable earnings
2019	6.82%
2020	7.64%
2021	8.46%
2022	9.28%
2023	10.10%

### 3 1992 Regulations – member contribution rates

Members in respect of whom the 1992 Regulations apply, shall, in respect of each scheme year specified in column 1 of the Table, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of the Table –

1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	6.50%	6.67%
2020	7%	7.34%
2021	7.50%	7.75%
2022 up to and including 2023	7.75%	7.75%

### 4 Existing Members Regulations – member contribution rates

- (1) This paragraph applies to members in respect of whom the Existing Members Regulations apply.
- (2) Members who are not category A or category B members, shall, in respect of each scheme year specified in column 1 of Table 1, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 1		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	6.69%	6.84%
2020	7.13%	7.43%
2021	7.57%	7.75%
2022 up to and including 2023	7.75%	7.75%

(3) Category A or category B members, shall, in respect of each scheme year specified in column 1 of Table 2, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table –

Table 2	
1 Scheme year	2 Percentage of pensionable earnings
2019	7.02%
2020	7.79%
2021	8.56%
2022	9.33%
2023	10.10%

## 5 New Members Regulations – member contribution rates

(1) This paragraph applies to members in respect of whom the New Members Regulations apply.

(2) Members who are not category A, category B or category C members, shall, in respect of each scheme year specified in column 1 of Table 1, pay contributions based on the salary applicable to the person as at the date, and at the percentage rate specified in columns 2 and 3 of that Table –

Table 1		
1 Scheme year	2 Full-time equivalent basic annual salary: under £30,000 as at 31st December 2018	3 Full-time equivalent basic annual salary: £30,000 and over as at 31st December 2018
2019	5.75%	6.00%
2020	6.50%	7.00%
2021	7.25%	7.75%
2022 up to and including 2023	7.75%	7.75%

(3) Category A, category B or category C members, shall, in respect of each scheme year specified in column 1 of Table 2, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of that Table –

Table 2	
1 Scheme year	2 Percentage of pensionable earnings
2019	6.02%
2020	7.04%
2021	8.06%
2022	9.08%
2023	10.10%

## 6 Contribution rates from 1st January 2024

If, as a result of the valuation as at 31st December 2021, any of the contribution rates specified in this Schedule applicable for the scheme year 2023 do not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(c), any such rates shall continue to have effect for the scheme year beginning on 1st January 2024 until such time as those rates are adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

**SCHEDULE 4**

(Regulation 15)

**EMPLOYER TRANSITIONAL CONTRIBUTION RATES**

(1) This Schedule applies to employers referred to in Regulation 15(1) who shall in respect of each scheme year specified in column 1 of the Table, pay contributions of an amount equivalent to the percentage of pensionable earnings specified in column 2 of the Table –

1 Scheme year	2 Percentage of pensionable earnings of continuing members of the 1967 Scheme; or transition members
2019	14.40%
2020	15.20%
2021 up to and including 2023	16%

(2) If, as a result of the valuation as at 31st December 2021, the contribution rate specified in this Schedule applicable for the scheme year 2023 does not require an adjustment to be specified in the rates and adjustments certificate under Regulation 3(6)(c), that rate shall continue to have effect for the scheme year beginning on 1st January 2024 until such time as that rate is adjusted following any subsequent valuation, and applied in accordance with Regulation 6.

## SCHEDULE 5<sup>14</sup>

(Regulation 20)

### RE-PAYMENT OF PRE-1988 LIABILITY

(1) In this Schedule –

“1967 Scheme employer” means an employer who before 1st January 2016 was –

- (a) admitted to the 1967 Scheme under repealed Regulation 9 of the General Regulations; or
- (b) treated as if admitted to the 1967 Scheme under any enactment which provided for that employer to become an employer for the purposes of that scheme in respect of members of that scheme whose employment with the States Employment Board was transferred to that employer;

“pre-1988 liability”, in respect of the States Employment Board, means so much of the capitalized value from time to time of the debt transferred to the fund in respect of the 1967 Scheme when that scheme was amended with effect from 1st January 1988 that is attributable to the States Employment Board, being an amount calculated by the Actuary to be £280,268,529 as at 31st December 2014;

“administration of the States” has the meaning given in Article 1 of the [Employment of States of Jersey Employees \(Jersey\) Law 2005](#);

“admitted employer” means an employer other than the States Employment Board;

(a) who in relation to the Scheme –

- (i) is admitted to the Scheme under Regulation 7 of, and paragraph 2(1) of Schedule 1 to, the Membership and Benefits Regulations,
- (ii) is admitted to the Scheme under Regulation 16(1) of the Transitional Regulations,
- (iii) is admitted to the Scheme under Article 10(5) of the Law, or
- (iv) is treated as if admitted to the Scheme under any enactment which provides for that employer to become an employer for the purposes of the Scheme in respect of members of the Scheme whose employment with the States Employment Board is transferred to that employer; and

(b) who, on or after 1st January 2016, is treated as if admitted to the 1967 Scheme under Regulation 7 of, and paragraph 2(5) of Schedule 1 to, the Membership and Benefits Regulations;

“debt payment period” means the period that started on 1st January 2002 and ends on 29th September 2053 (both dates being part of the period);

“member” means a contributing, deferred or pensioner member of the 1967 Scheme, and the widow or widower or surviving civil partner, child or dependant of such a member.

(2) The States Employment Board shall on 1st January 2016 continue to pay off its pre-1988 liability for the remaining term of the debt payment period.

(3) The States Employment Board shall do so without –

- (a) the imposition of an obligation on members;
- (b) an adverse effect on the benefits received or to be received by members; or
- (c) an increase in the contributions paid or to be paid by members.

(4) To pay off its pre-1988 liability the States Employment Board shall during the remaining term of the debt payment period, pay to the fund by equal monthly contributions payable before the end of each month –

(a) for the year commencing on 1st January 2016, an amount equivalent to –

(i) the sum of £4,406,724, increased by the same percentage increase as the average percentage increase in 2014 and 2015 in the pensionable earnings of those contributing members who were employed by the States Employment Board during the whole of those years, adjusted to take account of any extinguished liability where in 2015 a 1967 Scheme employer has –

(A) replaced an administration of the States, and

(B) paid such capital amount into the fund as is required to settle such portion of the pre-1988 liability as is attributable to that employer by reason of becoming a 1967 Scheme employer who has replaced an administration of the States, and

(ii) the sum of £3,000,000 pursuant to a decision of the States to adopt P.69/2012 in respect of the medium term financial plan approved under the Public Finances (Jersey) Law 2005, increased by the same percentage increase as the average percentage increase in 2015 in the pensionable earnings of those contributing members who were employed by the States Employment Board during the whole of that year; and

(b) for each subsequent year, the amount payable during the previous year increased by the same percentage increase as the average percentage increase during that previous year in the pensionable earnings of those members of the respective schemes who were employed by the States Employment Board during the whole of that year.

(5) The States Employment Board may at any time –

(a) extinguish its liability to make contributions in accordance with paragraph (4) by paying to the fund a contribution equal to the amount of its pre-1988 liability at that time, as determined by the Actuary;

(b) reduce its pre-1988 liability by paying any amount to the fund, either as a lump sum contribution or by way of increased contributions; or

(c) reduce the length of the debt payment period where the fund has received payment of a capital amount at any time after 1st January 2016, in respect of an admitted employer who –

(i) has replaced an administration of the States, and

(ii) has paid such capital amount into the fund as is required to settle such portion of the pre-1988 liability as is attributable to that employer by reason of becoming an admitted employer who has replaced an administration of the States.

(6) Where –

(a) the States Employment Board makes a contribution to the fund in accordance with paragraph (5)(b);

(b) the 1967 Scheme is amended to end or adjust any future benefit accrual for any members;

- (c) the Actuary determines that there has been a change of circumstances of the 1967 Scheme or an event, which need not be connected with that scheme, that has made compliance by the States Employment Board with paragraph (4) inadequate to ensure that both paragraphs (2) and (3) are complied with; or
- (d) the Actuary determines that there has been a change that makes the debt repayment provisions of this Schedule unacceptable as an asset of the 1967 Scheme for the purposes of a valuation in accordance with Regulation 3,

the States Employment Board shall, after receiving the comments of the Committee acting on the advice of the Actuary, propose to the States amendments to this Schedule that are adequate to ensure that both paragraphs (2) and (3) are complied with.

(7) The proposition –

- (a) may, amongst other things, propose a variation in the length of the debt payment period or a variation in the amount of the contributions to be paid by the States Employment Board; but
- (b) shall not propose an amendment of paragraph (3).

## ENDNOTES

### Table of Legislation History

Legislation	Year and No	Commencement	◦Projet No (where applicable)
Public Employees (Pension Scheme) (Funding and Valuation) (Jersey) Regulations 2015	<a href="#">R&amp;O.140/2015</a>	1 January 2016 – Regulations 1 to 12, 16, 17, 19 to 21 and Schedules 1 and 5  1 January 2019 – Regulations 13 to 15, 18 and Schedules 2 to 4	<a href="#">P.97/2015</a>
Public Employees (Pension Scheme) (Miscellaneous Amendments) (No. 2) (Jersey) Regulations 2020	<a href="#">R&amp;O.99/2020</a>	21 July 2020	<a href="#">P.74/2020</a>

◦Projets available at [www.statesassembly.gov.je](http://www.statesassembly.gov.je)

### Table of Renumbered Provisions

Original	Current
21(2)(a)	spent, omitted
21(2)(b)	21(2)

### Table of Endnote References

<sup>1</sup> Regulation 1	amended by R&O.99/2020
<sup>2</sup> Regulation 2(3)	amended by R&O.99/2020
<sup>3</sup> Regulation 3(7)	amended by R&O.99/2020
<sup>4</sup> Regulation 8(4)	substituted by R&O.99/2020
<sup>5</sup> Regulation 8(5)	inserted by R&O.99/2020
<sup>6</sup> Regulation 12(1)	amended by R&O.99/2020
<sup>7</sup> Regulation 13(1)	amended by R&O.99/2020
<sup>8</sup> Regulation 14(1)	amended by R&O.99/2020
<sup>9</sup> Regulation 15(1)	amended by R&O.99/2020
<sup>10</sup> Regulation 18(5)	amended by R&O.99/2020
<sup>11</sup> Regulation 19(1)	amended by R&O.99/2020
<sup>12</sup> Regulation 21(2)	amended by R&O.99/2020
<sup>13</sup> Schedule 1	amended by R&O.99/2020
<sup>14</sup> Schedule 5	amended by R&O.99/2020, editorial change, in paragraph (1), in the definition “member”, “a such a member” deleted, “such a member” inserted instead