

Statutory Document No. 2017/0020



Public Sector Pensions Act 2011

ISLE OF MAN GOVERNMENT UNIFIED SCHEME (AMENDMENT) SCHEME 2017

Made: 11 January 2017
Coming into Operation: 1 April 2017
Approved By Tynwald

The Public Sector Pensions Authority makes the following Scheme under section 6 (1) (c) of the Public Sector Pensions Act 2011.

1 Title

This Scheme is the Isle of Man Government Unified Scheme (Amendment) Scheme 2017.

2 Commencement

The Schedule to this Scheme comes into operation on 1 April 2017.

3 Interpretation

In this Scheme —

“the rules of the Isle of Man Government Unified Scheme” means the rules set out in the Schedule of the Isle of Man Government Unified Scheme 2011.

4 Amendments to the Rules of the Isle of Man Government Unified Scheme 2011

The rules of the Isle of Man Government Unified Scheme are amended by the modifications set out in the Schedule.

MADE

11 January 2017



Chairman of the Public Sector Pensions Authority

SCHEDULE

(Paragraph 4)

MODIFICATIONS TO ISLE OF MAN GOVERNMENT UNIFIED SCHEME 2011

The modifications to the Rules of Isle of Man Government Unified Scheme 2011 are as follows:

1 Definitions and Interpretation

- (1) In the definition of “40 Year Member” after the word “a” and before the word “Civil” insert –
“ former ”
- (2) Replace the definition of “Civil Servant” with –
“ Civil Servant ” means a public servant previously appointed under the Civil Service Act 1990 and employed under the Public Service Commission Act 2015. ”

2 Moving Between Sections

In Rule 18A.1 –

- (1) At the end of subparagraph (a) after “;” insert –
“ or ”
- (2) At the end of subparagraph (b) substitute “; or” with –
“ . ”
- (3) Delete subparagraph (c).

3 Calculation of Short service Benefit

In rule 22.3 replace sub-paragraph (a) with –

“ is calculated in accordance with rule 31; and ”

4 Member Contributions

Replace Rule 26.1 and the accompanying Table with –

“ 26.1 Subject to Rule 17, an Active member must pay contributions of an amount equal to the percentage of his or her Pensionable Pay as determined by the PSPA and set out in Schedules I and II to these Rules after –

- (i) seeking the advice of the Scheme Actuary;
- (ii) consulting with Treasury and Scheme Members; and

- (iii) having obtained Tynwald approval. **22**

5 Retirement Pension for Active Members

- (1) In Rule 31.3 at the beginning insert –

23 Subject to Rule 31.3A **22**

- (2) After Rule 31.3 insert –

23 31.3A Any benefits that are payable as a consequence of the payment of Contractual Additional Pension Contributions shall not be subject to the calculation set out in Rule 31.4 (b). **22**

- (3) For Rule 31.4 substitute –

23 31.4 Subject to Rules 2.5 and 31.5, the level of pension payable for each Member is –

- (a) For Pensionable Service up to and including 31 March 2017 the percentage of the Active Member's Final Pensionable Pay set out in the relevant table at Rule 31.7 for each complete year of the Active Member's Pensionable Service with additional completed days of Pensionable Service counting proportionately; plus
- (b) For Service from 1 April 2017 up to the date of retirement the sum of **A multiplied by B**

where –

A is the percentage of the Active Member's Final Pensionable Pay set out in the relevant table at Rule 31.7 for each complete year of the Active Member's Pensionable Service with additional completed days of Pensionable Service counting proportionately;

and

B is 94%.

6 Death of Active Member

- (1) In Rule 50.6 for "Subject to Rule 50.7" substitute –

23 Subject to Rule 50.6A 50.7 and 50.7A **22**

- (2) After Rule 50.6 (b) insert –

50.6A For Section 1 to 7 Members, the pension calculated under Rule 50.6, any pension attributable to Pensionable Service from 1 April 2017 will be the sum of **A multiplied by B**

Where -

A is the pension calculated in accordance with rule 50.6
and

B is 94%

(3) After rule 50.7 insert –

50.7A For Section 1-7 Members, the pension calculated under Rule 50.7, any pension attributable to Pensionable Service from 1 April 2017 will be the sum of **A multiplied by B**

Where -

A is the pension calculated in accordance with rule 50.7
and

B is 94%

7 Death of a Deferred Member

(1) In Rule 52.1 before “On the Death of a Deferred Member” insert –

Subject to Rule 52.1A

(2) After Rule 52.1 and before Rule 52.2 insert –

52.1A For Section 1 to 7 Members, Any Lump Sum or Pension which is calculated under Rules 52.2, 52.4 and 52.5 will be subject to the following calculation –

The lump sum (under Rule 52.2) or pension (under Rule 52.4 or 52.5) which is attributable to Pensionable Service from 1 April 2017 will be the sum of **A multiplied by B**

Where -

A is the lump sum or pension calculated in accordance with Rule 52.2 or 52.4 or 52.5, as the case may be

and

B is 94%

8 Schedules

(1) Renumber the existing Schedule to –

Schedule I

- (2) Before the Heading “Transitional Provisions relating to Transfer Member following a Bulk Transfer” insert

☒ Transitional Phase I - ☒

- (3) After Paragraph 9 of the renumbered Schedule I insert –

☒ Transitional Phase II - Transitional Provisions relating to Active Members in Sections 1 to 7 on or before 31 March 2017

10 From 1 April 2018 active Section 2 to 7 Members, who are subject to Transitional Phase I, as set out in paragraphs 1 to 9, have reached the Section contribution rate, as set out in the table below, all Active Section 1 to 7 Members whose active membership commenced on or before 31 March 2017 shall have their contribution rate increased from the following April. The rate of increase shall be by an amount not exceeding 1% of the Member’s Pensionable Pay until the Member is paying the Section Contribution Rate applicable to the Member, set out in Schedule II to this Scheme.

Phase I Contribution Rate

Category of Membership	Percentage rate of Pensionable Pay payable
Section 1 (Standard) Member	5.00%
Section 2 Member	7.75%
Section 3 Member	9.75%
Section 4 Member	6.60%
Section 5 Member	9.50%
Section 6 Member	8.40%
Section 7 Member	11.00%
Protected Hospital Doctor Member	9.6%

- (4) After the renumbered Schedule I insert –

☒ Schedule II

Member Contributions

Category of Membership	Percentage rate of Pensionable Pay payable
Section 1 (Standard) Member	7.5%

(appointed after 01/04/2017)	
Section 1 (Standard) Member (appointed before 01/04/2017)	7.5%
Section 2 Member	10.25%
Section 3 Member	12.25%
Section 4 Member	9.10%
Section 5 Member	12.00%
Section 6 Member	10.90%
Section 7 Member	13.50%
Section 8 Member	10.00%
Section 8 (a) or (b) Member	15.00%
Protected Hospital Doctor Member	12.10%

EXPLANATORY NOTE
(This note is not part of the Scheme)

This Scheme introduces provisions which updates the Isle of Man Government Unified Scheme (GUS) through the introduction of a cost envelope approach, which seeks to reduce the overall cost of providing benefits to Scheme members. In summary the Scheme introduces the following:

For existing Section 1-7 Members:

- A reduction in all future service benefits from 1 April 2017 by 6%; and
- An increase of Member Contributions of 2.5%, which will be introduced on a phased basis from 1 April 2018.

For New Section 1 or 7 Members who join the Scheme on or after 1 April 2017:

- Benefit accrual reduced by 6%;
- A contribution rate of 7.5%; and
- Section 7 Members (Firefighters) a contribution rate of 13.5%

