

Statutory Document No. 20XX/XXXX



Public Sector Pensions Act 2011

ISLE OF MAN GOVERNMENT UNIFIED SCHEME (AMENDMENT) SCHEME 2022

Laid before Tynwald:

Coming into Operation: *when made*

The Public Sector Pensions Authority after consulting the members of the scheme, their representatives, their employers and the Treasury¹, makes the following Scheme under section 6(1)(c)² of the Public Sector Pensions Act 2011.

1 Title

This Scheme is the Isle of Man Government Unified Scheme (Amendment) Scheme 2022.

2 Commencement

This Scheme comes into operation when made.³

3 Interpretation

In this Scheme “**the principal scheme**” means the Isle of Man Government Unified Scheme 2011⁴ and “**the rules**” means the rules to the principal scheme set out in the Schedule to the principal scheme.

4 Amendment of the principal Scheme

The principal Scheme is amended in accordance with the Schedule.

¹ As required by 7(2) of the Public Sector Pensions Act 2011.

² Section 6(1)(c) was amended by section 6 of the Public Sector Pensions (Amendment) Act 2020.

³ Tynwald procedure – negative procedure (see section 15 of the Public Sector Pensions Act 2011)

⁴ SD 0389/11 which has been amended by 0139/12, 0178/2013, 2014/0247, 2014/0274, 2015/0267, 2016/0200, 2017/0020, 2020/046, 2020/0282 and 2021/0128.

MADE

M KIERNAN

Chairman, Public Sector Pensions Authority

DRAFT

SCHEDULE

AMENDMENT OF THE PRINCIPAL SCHEME

1 Rule 1 amended

- (1) Paragraph 1.1 (definitions and interpretation) is amended as follows.
- (2) Omit the following definitions —
- “1995 Act”;
 - “Clinical Officer of Hospice Care”;
 - “Cost Change amount”;
 - “Pre-Fresh Start Prison Officer Member”;
 - “Projected Yield from Member Contributions”;
 - “Recommended Contribution Rate”; and
 - “Shared Amount”.
- (3) In the list of definitions, in the appropriate places, insert —
- ☐ **“Annual Earnings”** means the amount of the annual salary, wages, fees and other payments paid to the Member or Pensioner Member by the Member’s or Pensionable Member’s employer in respect of the Member’s or Pensioner Member’s employment in the preceding 12 months.
 - ☐ **“Officer of Hospice Care”** means a person who is employed by Hospice Care and who is —
 - (a) a health care professional —
 - (i) within the meaning of section 3 of the Health Care Professionals Act 2014; and
 - (ii) who is a member of a profession, referred to in section 60(2) of the Health Act 1999 (an Act of Parliament); or
 - (b) an individual identified as a Health Care Assistant by Hospice Care. ☐
- (4) For the definition of “2 years’ Qualifying Service” substitute —
- ☐ **“2 years’ Qualifying Service”** means 2 years (whether a single period of that duration or two or more periods totalling 2 years) in which the member was at all times employed either —
 - (a) in Pensionable Service under the scheme;
 - (b) in service in employment which was contracted-out by reference to the scheme; or

- (c) in accordance with Rule 19 in linked qualifying service under another Public Sector pension scheme. **22**
- (5) In the definition of “Child” for “natural” substitute **23** biological. **22**.
- (6) In the definition of “Comparable Alternative Employment”, for “annual earnings”, substitute **23** Annual Earnings **22**.
- (7) For the definition of “Contracting-out Requirements” substitute —
23 “GMP Requirements” means the GMP requirements referred to in section 12E of the 1993 Act by reference to this Scheme. **22**.
- (8) For the definition of “Contribution Refund” substitute —
23 “Contribution Refund”, in relation to a Member of the Scheme has the meaning given in section 101AB (4) of the 1993 Act but for the purposes of this Scheme —
- (a) Subsection (5) of that section does not apply; and
- (b) “employee contributions” means, in relation to the Member, contributions deemed to have been made to the scheme by or on behalf of the Member on the Member’s own account. **22**.
- (9) In the definition of “Dependent’s Pensionable Service” —
- (a) in sub-paragraph (a), for “1 to 8” substitute **23** 1 to 6, 8 and 9 **22**;
and
- (b) in sub-paragraph (b) omit “or 8(b)”.
- (10) In the definition of “Gainful Employment”, for “annual earnings”, substitute **23** Annual Earnings **22** in both places.
- (11) For the definition of “Lower Tier Ill-health Criteria” substitute —
23 “Lower Tier Ill-Health Criteria”, in relation to the question whether a Member satisfies those criteria, means —
- (a) ill health or a mental or physical incapacity that renders the Member incapable of efficiently discharging the duties of —
- (i) the Member’s normal duties of work; or
- (ii) comparable alternative employment,
as determined by the Public Sector Pensions Authority having consulted the Member’s Employing Authority; and
- (b) which the Public Sector Pensions Authority, having regard to the advice of a Registered Medical Practitioner, is satisfied, on the balance of probabilities, the Member will continue to meet or satisfy at least until he or she reaches —
- (i) age 65; or

- (ii) in the case of a Section 7 Member, age 55. **22**.
- (12) In the definition of “Practitioner”, for “Department of Health”, substitute **23** Department of Health and Social Care **22**.
- (13) For the definition of “Preservation Requirements” substitute —
23 “**Preservation Requirements**” means the provisions of Chapter I of Part IV to the 1993 Act. **22**
- (14) In the definition of “Registered Medical Practitioner”, for “the Medical Act 1985” substitute **23** the Health Care Professionals Act 2014 **22**.
- (15) In the definition of “Section 1 (Standard) Member”, for sub-paragraph, (c) substitute —
23 (c) was previously a Section 2-6, 8, 8(a) or 9 Member in this Scheme but has subsequently become a Section 1 (Standard) Member; or
(d) is a Member of Tynwald or a Member of the Judiciary who has elected to become a Section 1 (Standard) Member **22**.
- (16) For the definition of “Trivial Commutation Lump Sum” substitute —
23 “**Trivial Commutation Lump Sum**” means a lump sum which would be a trivial commutation lump sum under regulations made under section 2(5) of the 1978 Act if this Scheme were a retirement benefits scheme which is approved for the purposes of Section 2 of the 1978 Act. **22**.
- (17) For the definition of “Upper Tier Ill-Health Criteria” substitute —
23 “**Upper Tier Ill-Health Criteria**”, in respect of a Member, means —
(a) ill health or mental or physical incapacity that renders the Member incapable of Gainful Employment; and
(b) where the Public Sector Pensions Authority, having regard to the advice of a Registered Medical Practitioner, is satisfied that the criteria referred to in sub-paragraph (a) will, on the balance of probabilities, persist at least until the Member reaches —
(i) age 65; or
(ii) in the case of a Section 7 Member, age 55. **22**

2 Rule 3 amended

In Rule 3.1 omit “save for Rule 41.1”.

3 Rule 6 amended

In Rule 6.3 omit “and Pre-Fresh Start Prison Officer Members”.

4 Rule 7 amended

For Rule 7.1 substitute –

7.1 Subject to Rule 13.2, in the case of a Member who has spent one or more periods of Employment in part-time service, the number of days of Pensionable Service in any year shall be calculated using the formula–

$$A/B$$

where –

“A” means the total number of determined hours of part-time Employment of the Member in the year in question; and

“B” means the number of hours per annum if the membership during that period were on a whole-time basis. **22**.

5 Rule 14 amended

(1) In Rule 14.1, in sub-paragraph (f), for “a Clinical Officer”, substitute **63** an Officer **22**.

(2) In Rule 14.4 for sub-paragraph (f) substitute –

63 (f) is a Member of the Judiciary, in which case he or she will be admitted to Active Membership as a Section 9 Member, unless he or she has elected to join Section 1 (standard); or **22**

6 Rule 22 amended

In Rule 22.2 for “Subject to Rule 22. 3 unless” substitute **63** Unless **22**.

7 Rule 23 amended

In Rule 23.1 for “An Active Member” substitute **63** A Member **22**.

8 Rule 24 amended

In Rule 24.1A for “Rule 83 (Cost Sharing)” substitute - **63** the Public Sector Cost Sharing Scheme 2020⁵ **22**.

9 Rule 26 amended

In Rule 26.1, for “Schedules I and II”, substitute **63** Schedule I **22**.

⁵ SD 2020/0282

10 Rule 31 amended

- (1) For Rule 31.4 substitute –

31.4 Subject to Rules 2.5 and 31.5, the level of pension (“P”) payable for each Section 1-7 Member is calculated as follows –

- (a) for Pensionable Service up to and including 31 March 2017 the sum of –

$$P = R \times FPP \times N$$

where –

“R” = the percentage set out in the relevant table at Rule 31.7

“FPP” = Member’s Final Pensionable Pay

“N” = Number of complete years of Member’s Pensionable Service with additional completed days of Pensionable Service counting proportionately.

- (b) for Service from 1 April 2017 up to the date of retirement the sum of –

$$P = (R \times FPP \times N) \times 94\%$$

where –

“R” = the percentage set out in the relevant table at Rule 31.7

“FPP” = Member’s Final Pensionable Pay

“N” = Number of complete years of Member’s Pensionable Service with additional completed days of Pensionable Service counting proportionately.

- (2) In Rules 31.8 and 31.9 for “, Special Class Officer Member or Pre-Fresh Start Prison Officer Member”, substitute 31.8 or Special Class Officer Member 31.9.

11 Rule 37 amended

- (1) In this rule wherever it occurs for “meets” substitute 37.1 satisfies 37.1.
- (2) In Rule 37.2(b)(i)(C)(bb), for “Member’s age” substitute 37.2 Member at age 65 37.2.
- (3) In Rule 37.2(b)(ii), for “Pensionable Service” substitute “Ill-health Qualifying Pensionable Service”. 37.2
- (4) In Rule 37.2 (in each place) –

- (a) for “, 8(a) or 8(b)”, substitute **66** or 8(a) **62**;
 - (b) for “8(a) or (b)”, substitute **66** 8(a) **62**; and
 - (c) for “, 8(a), 8(b)”, substitute **66**, 8(a) **62**.
- (5) In Rule 37.9 in sub-paragraph (a), for “abated” substitute **66** suspended **62**.
 - (6) In Rule 37.14, after “necessary”, insert **66**, or the Authority has reason to believe that the Member no longer satisfies the Upper Tier or Lower Tier Ill-Health criteria, as applicable **62**.
 - (7) In Rule 37.15, for “Subject to Rules 37.6 and 37.8, if”, substitute **66** If **62**.

12 Rule 38 amended

- (1) In Rule 38.1 for “meets” substitute **66** satisfies **62**.
- (2) In Rule 38.2(aa)(ii) omit “or 8(b)”.
- (3) In Rule 38.3 omit “who satisfies the Upper Tier Ill-Health Criteria”.
- (4) Omit Rule 38.4.
- (5) In Rule 38.5 –
 - (a) omit “or 38.4”;
 - (b) in sub-paragraph (a), for “re-employment in his or her previous role or employment in comparable alternative employment commenced or is to commence”, substitute **66** Gainful Employment commenced **62**; and
 - (c) in sub-paragraph (b) –
 - (i) for “becomes eligible to”, substitute **66** may **62**; and
 - (ii) after “18” insert **66** if he or she meets the Membership eligibility criteria **62**.
- (6) In Rule 38.7 –
 - (a) omit “or 38.4”; and
 - (b) in sub-paragraph (a)(i), omit “the Lower Tier Ill-Health Criteria or”.
- (7) In Rule 38.9, after “necessary”, insert **66**, or the Authority has reason to believe that the Member no longer satisfies the Upper Tier Ill-Health criteria **62**.
- (8) In Rule 38.10, for “Subject to Rules 38.3 and 38.4, if”, substitute **66** If **62**.
- (9) In Rule 38.11 –
 - (a) omit “or Registered Medical Practitioner”; and
 - (b) for “37” substitute **66** 38 **62**.

13 Rule 40 amended

- (1) In Rule 40.1 for “and has not nominated”, substitute **66** or **67**.
- (2) In Rule 40.1A —
 - (a) for “nominates a partner under”, substitute **68** forms a partnership within the scope of **69**; and
 - (b) after “he”, insert **66** or she **67**.
- (3) In Rule 40.3, for “50.5, 51.5, 52.3 and 54.1”, substitute **66** 51.5 and 52.3 **67**.

14 Rule 41 amended

- (1) Omit Rule 41.A1.
- (2) For Rule 41.2 substitute —

68 Subject to Rule 42, the Member must take the lump sum at the same time as the pension to which it relates and it must come into payment on or before the date on which the Member starts to receive the pension to which it relates. **69**
- (3) In Rule 41.4, in Table 2 —
 - (a) in the entry relating to a member aged 56 years and 9 months, for “20.02”, substitute **66** 20.2 **67**; and
 - (b) after the row corresponding to the age of 64 years insert —

	65	16.6	
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15 Rule 43 amended

After Rule 43.1., insert —

68 “43.1A If a Deferred Member leaves a Surviving Adult Dependant, the Surviving Adult Dependant is to be paid a pension from the day following the date of the Deferred Member’s death. **69**.”

16 Rule 44 amended

In Rule 44.1 —

- (a) omit “Rule 55.2(c), and to” ;
- (b) after “43.1” insert **66** or 43.1A **67**;
- (c) after Rule 44.1 insert —

68 44.1A A Child’s Allowance is payable in accordance with Rule 55.2. **69**;
- (d) in Rule 44.2 —

- (i) at the beginning for “The” substitute **44** Subject to Rule 47.1, the **42**; and
- (ii) after “payment” insert **43** to a Pensioner Member (other than a Child) **42**; and
- (e) after Rule 44.2 insert —
 - 44**44.3 The last payment due in respect of a Child is that which coincides with eligibility ceasing in accordance with Rule 55.6 and the final instalment is to be proportioned to take account of the event that gave rise to the cessation of the pension. **42**.

17 Rule 47 amended

- (1) For Rule 47.7 substitute —
 - 44**47.7. This Rule 47.7 applies if a person has ceased to be in employment that was contracted-out by reference to this Scheme and —
 - (a) all of the person’s rights to benefits under this Scheme, except the person’s rights in respect of the person’s Guaranteed Minimum (the person’s “**Contracting-Out Rights**”), have been transferred under Rules 61 to 64;
 - (b) the person has no rights to benefits under this Scheme apart from the person’s Contracting-Out Rights; or
 - (c) the person has rights subject to Regulations made under section 37A of the 1993 Act. **42**.
- (2) In Rule 47.8, for sub-paragraph (b), substitute —
 - 44**(b) in respect of rights subject to Regulations made under section 37A of the 1993 Act, a pension subject to the prohibitions and restrictions set out therein, **42**.
- (3) In Rule 47.9, for sub-paragraph (c) substitute —
 - 44**a pension that is commuted under Rule 41.7, **42**.

18 Rule 48 amended

- (1) For Rule 48.2 substitute —
 - 44**48.2 . A Member’s nomination in accordance with Rule 48.1 is invalid or becomes void if —
 - (a) the nominated beneficiary is the Member’s Surviving Adult Dependant at the time of the nomination and the marriage, civil partnership or relationship between the Member and the Surviving Adult Dependant formally ends; or
 - (b) at the time of the Member’s death the nominee is dead; or

- (c) the nominee is convicted of the Member's murder or manslaughter.

19 Rule 49 amended

For Rule 49 substitute —

49 Surviving Partner

49.1. If, at the time of the death of a Member —

- (a) the Member has a partner who is not the Member's spouse or Civil Partner; and
- (b) the requirements in Rule 49.2 are met,

the Member's partner is entitled to the same rights and benefits on the Member's death as a Member's spouse or Civil Partner would have been..

49.2 The requirements referred to in Rule 49.1 are —

(a) the partner and the Member were —

- (i) in an exclusive, long-term, committed relationship;
- (ii) legally free to marry or enter into a civil partnership; and
- (iii) either —

(A) financially interdependent; or

(B) the partner was financially dependent on the Member or *vice versa*; and

(b) the Public Sector Pensions Authority is satisfied that the partner and Member's relationship had existed for at least 2 years or such shorter period as the Authority may at its discretion specify.

49.3 A Surviving Adult Dependant's pension under Rule 50.5, 51.5 or 52.3 is not to be paid to the Member's Partner under this Rule 49 unless the Member's Partner is able to provide satisfactory evidence to the Public Sector Pensions Authority that the requirements in Rule 49.2(a) applied at the time of the Member's death. **22**.

20 Rule 50 amended

(1) For Rule 50.6 substitute —

50.6

Subject to Rules 50.6A, 50.7, 50.7A and 50.7B, the Surviving Adult Dependant's pension ("P") payable under Rule 50.5 is to be calculated in accordance with the following formula –

$$P = 0.625\% \times FPP \times PS$$

where –

"FPP" means the Member's Final Pensionable Pay; and

"PS" means the longer of the following periods–

- (a) the period of the Dependent's Pensionable Service the Member would have accrued if the Member had remained in pensionable service until the age 65; and
- (b) the actual period of the Dependent's Pensionable Service. ~~22~~

(2) In Rule 50.6A, for "1 to 7" substitute ~~6~~ 1 to 6 ~~22~~.

(3) For Rule 50.7A substitute –

~~6~~ 50.7A For Section 7 Members, the pension calculated under Rule 50.7, any pension attributable to Pensionable Service from 1 April 2017 is to be determined in accordance with the formula –

$$P = A \times 94\%$$

where –

A is the pension calculated in accordance with rule 50.7.

50.7B In relation to a Section 8(a) Member, the Surviving Adult Dependant's pension ("SADP") payable under Rule 50.5 is to be determined in accordance with the formula –

$$SADP = A \times B.$$

Where –

A is to be determined in accordance with the formula –

$$A = 75\% \times P \times DPS/PS;$$

B is to be determined in accordance with the formula –

$$B = 0.625\% \times FPP \times PS.$$

In the formula for A –

P is the Member's Pension calculated in accordance with Rule 31A, 31B or 31C as the case may be (subject to Rule 2.5A), on his or her date of death.

DPS is the Member's period of Dependent's Pensionable Service; and

PS is the period of Pensionable Service the Active member accrued up to his or her date of death.

In the formula for B –

FPP means the Member's Final Pensionable Pay; and

"PS" means the longer of the following periods–

- (a) the length of the Pensionable Service accrued from immediately after the date the member joined the Scheme that the Member would have accrued had the Member remained in Service to age 65; and
- (b) the number of years and days of the Pensionable Service accrued from immediately after the date the member joined the Scheme. **22**.

21 Rule 51 amended

In Rule 51.6 omit the repeated “the” before “Dependent’s Pensioner Member’s”.

22 Rule 54 amended

- (1) In Rule 54.1 omit “, unless Rule 54.2 applies”.
- (2) Omit Rule 54.2.

23 Rule 61 amended

For Rule 61.2 substitute –

- 63** 61.2 An application under Rule 61.1 must –
- (a) be written;
 - (b) specify the Scheme from which the transfer value payment is to be made and the anticipated amount of the payment;
 - (c) The Transfer value payment must exceed £10,000 at the date of the written application; and
 - (d) meet such other requirements as the Public Sector Pensions Authority may specify. **22**.

24 Rule 62 amended

- (1) In Rule 62.1, for sub-paragraph (b), substitute –
 - 63** (b) the Member is a Deferred Member who is entitled to Short Service Benefit. **22**.
- (2) In Rule 62.7, for “and 64,” substitute **63** ,64 and the Occupational Pension Schemes (Transfer Values) Regulations 1996 **22**.

25 Rule 82 amended

In Rule 82.3, for “83.2”, substitute **63** 84.2 **22**.

26 Rule 84 amended

In Rule 84.3, for “Subject to Rule 83.2(b), the Scheme Actuary must” substitute **63** The Scheme Actuary must **22**.

27 Schedule I amended

For Schedule I substitute —

☐ SCHEDULE I

(Rule 26.1)

MEMBER CONTRIBUTIONS

Category of Membership	Percentage rate of Pensionable Pay payable
Section 1 (Standard) Member (appointed on or after 1 April 2017)	7.50%
Section 1 (Standard) Member (appointed before 1 April 2017)	7.50%
Section 2 Member	10.25%
Section 2 Protected Hospital Doctor Member	12.10%
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) Member	15.00%
Section 9 Member	10.00% ☐

28 Schedule II omitted

Omit Schedule II.

Explanatory Note

(This does not form part of the Scheme)

This Scheme makes a number of amendments to the Isle of Man Government Unified Scheme 2011 as amended (“the principal scheme”).

The amendments are broadly clarifying in nature, correcting drafting errors and omissions, inserting administrative changes and technical updates to the principal scheme, etc. None of the changes affects the fundamental provisions of the principal scheme or the contributions paid by members or the benefits paid to members under it.