

SOUTHERN EDUCATION AND LIBRARY BOARD

PENSION POLICY FOR STAFF WHO ARE MEMBERS OF THE LOCAL GOVERNMENT PENSION SCHEME (NI)

1 Introduction

On 1 April 2009 the Local Government Pension Scheme LGPS (NI) will be updated. One of the features of the new look scheme is the requirement for members to pay different contribution rates in accordance with their pay band as determined by their Employer. This policy specifies how and when contribution bands will be allocated by The Southern Education and Library Board.

2 Joining the Local Government Pension Scheme (NI) and Contribution Rates

Employees will be eligible to join the pension scheme, providing they are employed under a contract of employment lasting for at least 3 months. If a contract extends beyond three months then the individual would be eligible to join and backdate to the start of the original contract unless they have opted out.

Employees who have previously opted out of the old scheme will be provided with an opportunity to opt into the new scheme.

Employees who opt out of the 'new look' scheme more than once and later apply to rejoin the Scheme will be admitted in accordance with the criteria set out in this policy.

3 Banding

The banding rates applicable will be as determined by the Department of Environment annually.

The contribution band will be assessed using the full-time equivalent salary plus any permanent pensionable extra payments.

Any appeal against a decision regarding an employee's pension contribution banding, or any other decision relating to an employee's rights or liabilities under the scheme, will be as detailed in paragraph 16.

4 Changes to Working Hours

All assessments with regard to banding are based on the whole time equivalent pay rate for the post so reductions in working hours, changes to working patterns, flexible working, job share etc do not affect the employee's contribution band.

In the event of an employee moving from a 52 week contract to a term-time contract the rate will be reassessed.

5 Part-time Members

The contribution band to which a part-time member will be allocated will be assessed by reference to their full-time equivalent (FTE) salary. For example based on 2009 bandings:

A full-timer earning £20,000 will pay 6.5% of their pay

A part-time member who holds a half-time post whose FTE salary is £20,000 will receive £10,000 in pay and will also pay a contribution rate of 6.5%.

Family Friendly patterns are treated as part-time and not term-time eg where an employee works 11 months out of 12.

6 Term-time - Non Retainer Fee Members

Term-time only members will have their contribution band assessed by reference to their FTE term-time pay and not the FTE grossed up to 52 weeks. For example based on 2009 bandings:

- (i) A Term-time member on a 38 week contract with less than 5 years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculated as follows:

$$\text{FTE Salary}/52 \times 43.2 = \text{£}16,615.38 = \text{a contribution rate of 5.9\%}.$$

- (ii) A Term-time member on a 40 week contract with less than 5 years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculated as follows:

$$\text{FTE Salary}/52 \times 45.2 = \text{£}17,384.62 = \text{contribution rate of 5.9\%}.$$

- (iii) A Term-time member on a 38 week contract with 5 or more years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculated as follows:

$$\text{FTE Salary}/52 \times 44.4 = \text{£}17,076.92 = \text{contribution rate of 5.9\%}.$$

- (iv) A Term-time member on a 40 week contract with 5 or more years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculated as follows:

$$\text{FTE Salary}/52 \times 46.4 = \text{£}17,846.15 = \text{contribution rate of 5.9\%}$$

7 Term-Time - Retainer Fee Members

- (i) A Retainer-fee member with less than 5 years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculates as follows based on 2009 bandings:

$$\text{FTE Salary}/52 \times 48.3 = \text{£}18,576.92 = \text{contribution rate of 5.9\%}.$$

- (ii) A Retainer-fee member with 5 or more years service with the employer at 31 March who holds a post where the FTE salary for a non term-timer is £20,000 will have his/her contribution band calculates as follows:

$$\text{FTE Salary}/52 \times 49.1 = £18,884.62 = \text{contribution rate of } 5.9\%.$$

8 Sessional and Casual Workers

Where there is mutuality of obligation, and the mutuality of obligation contract is open ended (or is for at least 3 months), the member will remain in the scheme on and from 1 April 2009 until such time as the mutuality of obligation contract ends (but they cannot remain in the scheme on or after the day before they reach age 75).

Where there is no mutuality of obligation (i.e. the employer is not obligated to offer work or, where work is offered, the person is not obligated to accept it), the member will be removed from the scheme on the first day on or after 1 April 2009 when they are not offered work or are offered work but do not accept it.

The key features of casual workers are:

- Individuals are retained on a list to be available at short notice.
- Intended to cover work which occurs only once (e.g. one shift) or occurs more often but on an irregular or unpredictable basis.
- The employer is not obliged to offer work – the manager decides if work is available.
- The individual is not obliged to accept the offer of work – the individual decides if he/she is available.
- Individuals are paid an hourly rate for the hours worked.

9 Multiple Job Members

Employees with more than one contract of employment have the right to choose which posts they wish to be pensionable (opt out in all or some of their employments).

Where a member has more than one contract of employment their contribution band will be assessed separately based on the full-time equivalent pensionable pay of each contract or the rules governing term-time or retainer fee staff (see paragraphs 6 and 7).

10 Maternity/Paternity/Adoption/Sick Leave and Career Breaks

Members on maternity, paternity, adoption, half/no/ssp sick leave or career breaks who go on reduced pay during the year must continue to pay contributions on their allocated band but on the reduced amount of pensionable pay they receive. When

determining a contribution rate for staff already on half pay or no pay at 31 March, their contribution rate will be based on the full-time equivalent rate of pay that would have been received.

Members paying Additional Regular Contributions, contributions to purchase Added Years or Additional Voluntary Contributions (AVCs) for life cover must continue these contributions during any periods of maternity/paternity/adoption/sick leave or career breaks.

11 Keep in Touch Days (KIT)

Pension contributions on Keep in Touch Days (KIT) days are payable based on the pay received.

If a KIT day is taken then it is deemed to be pensionable at whatever stage of the maternity leave period it is received.

12 Overtime/Additional hours

Contractual overtime/additional hours is included in pensionable pay. Non contractual overtime/additional hours is excluded.

The board in conjunction with schools and service managers will undertake a review of employees who have undertaken additional hours up to and including 31 March 2009 to determine if the additional hours are contractual and update records to ensure that staff can continue to pay contributions where appropriate. Where it is determined that the overtime is not contractual the member of staff will be informed that they can no longer pay contributions on the additional hours. Up to 31 March 2009 the board will have informed NILGOSC on an annual basis of the total annual hours worked by each employee and scheme service will have been adjusted accordingly.

As from 1 April 2009 extra hours worked by employees outside their normal contracts will no longer be pensionable unless they have a separate contract for 3 months or more.

The board will regularly review additional hours worked to ensure that staff are provided with an opportunity to pay contributions on additional hours where they are contractual and for a period of three months or more.

13 Acting-Up/Secondment/Honorarium

Since an acting-up/secondment/honorarium is normally temporary, the member's contribution rate will not be adjusted during the year although contributions will be based on actual earnings. If the acting-up/secondment/honorarium is to apply for the whole of the next year it will be taken into account when determining the band.

14 Former Manual Workers

Former manual workers who previously retained the right to pay a 5% contribution will have their contribution rate increased on a phased basis. From 1 April 2009 they will pay 5.25%; from 1 April 2010 they will pay 5.5% and from 1 April 2011

they will pay 6.5% or the rate applicable to their pay range at the time (whichever is lower). From 1 April 2012 they will pay the rate applicable to their pay range.

15 Reassessment of Banding

The Southern Education and Library Board will re-assess bandings for all members every March unless there is a permanent change to the contract which results in a promotion/demotion in which case an immediate reassessment will take place.

The Southern Education and Library Board will not re-assess pension contribution bandings after a back-dated pay award.

A backdated pay increase due to Job Evaluation is a permanent material change which affects pensionable pay however, while the pay increase may be backdated, the revised contribution rate will not be backdated but will be changed at the next payroll date. In instances where a pay increase is backdated over previous years the contributions due on arrears will be deducted at the rate already set for the year (ie the rate the member was paying in that year).

All employees who are members of the scheme shall be informed of their current or new pension contribution banding after every reassessment.

16 Appeals

An employee is entitled to appeal against the Board's decision with regard to contribution banding, by giving written notice, setting out the grounds for the appeal, normally within 10 working days of the decision, or as soon as is reasonably practical following receipt of the decision.

The written notice of appeal should be sent to the Head of Human Resources, Southern Education and Library Board, 3 Charlemont Place, The Mall, Armagh BT61 9AX.

Appeals will be dealt with by the Chief Finance Officer or her nominee and Head of Human Resources or her nominee. The employee will be invited to attend a meeting to consider the appeal. The employee will be informed of the right to be accompanied by a trade union representative or a work colleague at that meeting. Appeals will be held within 10 working days of receipt of written correspondence from the employee or as soon as possible thereafter if a suitable date can not be agreed between the parties within 10 working days.

The employee will be informed of the outcome of the meeting within 5 working days.

If the employee remains dissatisfied, he/she may refer the matter to the County Court.

17 Consultation

This policy has been the subject of initial consultation with the recognised trade unions. A number of amendments have been suggested by Trade Union Side and

where agreed by Management Side these have been addressed in this policy. However, given Trade Union Side's concerns regarding the potential implications of some of the changes to the 'new look' Pension Scheme it has reserved its position on the policy at this time. These matters will be the subject of ongoing discussions and the policy may be amended in the future when the outcome of those discussions are known.

Imc
30 March 2009