



Jersey

TEACHERS' SUPERANNUATION (COMMUTATION OF SMALL PENSIONS – AMENDMENTS) (JERSEY) ORDER 2013

Arrangement

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TEACHERS' SUPERANNUATION (COMMUTATION OF SMALL PENSIONS – AMENDMENTS) (JERSEY) ORDER 2013

Made

Coming into force

THE CHIEF MINISTER, in pursuance of Articles 2 and 7 of the Teachers' Superannuation (Jersey) Law 1979, orders as follows –

PART 1

AMENDMENTS TO THE TEACHERS' SUPERANNUATION (NEW MEMBERS) (JERSEY) ORDER 2007

1 Interpretation

In this Part, “principal Order” means the Teachers' Superannuation (New Members) (Jersey) Order 2007.

2 Article 1 amended

In Article 1 of the principal Order, after the definition “full-time employee” there is inserted the following definition –

“ ‘Income Tax Law’ means the Income Tax (Jersey) Law 1961;”.

3 Article 34 substituted

For Article 34 of the principal Order, there is substituted the following Article –

“34 Conversion of pension to lump sum not exceeding £30,000

- (1) Subject to fulfilment of the conditions set out in paragraph (2), when a member or deferred pensioner becomes entitled to payment of a pension under the scheme, he or she may elect to receive in lieu of his or her pension, a lump sum by way of commutation of all the benefits to which he or she is entitled under the scheme.

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- (2) The conditions are that –
- (a) a member or deferred pensioner must have attained the age of 60; and
 - (b) the aggregate of –
 - (i) the value of the member's or deferred pensioner's accrued benefits in the Fund at the time of the election, and
 - (ii) all lump sums that the member or deferred pensioner has previously elected to receive under Article 5(2D) of the Income Tax (Superannuation Funds) (Jersey) Order 1972, or under Article 131B(3)(f) or Article 131CA(4)(g) of the Income Tax Law,must not, at the time of the election, exceed £30,000 or such other sum as may from time to time be prescribed in an Order made under Article 131 of the Income Tax Law.
- (3) An election under paragraph (1) shall be made in such form and manner as the Management Board may specify.
- (4) The calculation of the lump sum payable under this Article shall be determined by the Management Board after consulting the Actuary.
- (5) Payment of the lump sum shall extinguish the member's or deferred pensioner's rights to any other benefit payable under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon the member's or deferred pensioner's death.”.

4 Article 34A inserted

After Article 34 of the principal Order, there is inserted the following Article –

“34A Conversion of pension to lump sum not exceeding £5,000

- (1) This Article applies to a member who ceases to be an employee and who would in accordance with the provisions of Article 20, be entitled to a deferred pension.
- (2) Subject to fulfilment of the conditions set out in paragraph (3), a member to whom this Article applies, may, on or after ceasing employment, elect to exchange his or her entitlement to a deferred pension for immediate payment of a lump sum by way of commutation of all the benefits to which he or she is entitled under the scheme.
- (3) The conditions are that –
 - (a) the employer does not make any contributions on the member's behalf to another fund or scheme approved under Article 131 of the Income Tax Law;

- (b) the lump sum does not exceed £5,000 or such other sum as may from time to time be prescribed in an Order made under Article 131 of the Income Tax Law; and
 - (c) that sum does not represent any benefits in respect of which a transfer payment has been made, such rights having accrued in any other fund or scheme (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).
- (4) An election under paragraph (1) shall be made in such form and manner as the Management Board may specify.
 - (5) The calculation of the lump sum payable under this Article shall be determined by the Management Board after consulting the Actuary.
 - (6) Payment of the lump sum shall extinguish the member's rights to any other benefit payable under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon the member's death.”.

PART 2

AMENDMENTS TO THE TEACHERS' SUPERANNUATION (EXISTING MEMBERS) (JERSEY) ORDER 1986

5 Interpretation

In this Part, “principal Order” means the Teachers' Superannuation (Existing Members) (Jersey) Order 1986.

6 Article 1 amended

In Article 1(1) of the principal Order, after the definition “guaranteed minimum allowance” and “guaranteed minimum pension” there is inserted the following definition –

“ ‘Income Tax Law’ means the Income Tax (Jersey) Law 1961;”.

7 Articles 44 and 45 amended

In Articles 44 and 45 of the principal Order, for the words “Income Tax (Jersey) Law 1961” there are substituted the words “Income Tax Law”.

8 Articles 59A and 59B inserted

After Article 59 of the principal Order, there are inserted the following Articles –

“59A Payment of lump sum not exceeding £30,000

- (1) Subject to fulfilment of the conditions set out in paragraph (2), when a teacher becomes entitled to allowances payable under Article 51, he or she may elect to receive in lieu of his or her allowances, a lump sum by way of commutation of all the benefits to which he or she is entitled out of the Fund.
- (2) The conditions are that –
 - (a) a teacher must have attained the age of 60; and
 - (b) the aggregate of –
 - (i) the value of the teacher's accrued benefits in the Fund at the time of the election, and
 - (ii) all lump sums that the teacher has previously elected to receive under Article 5(2D) of the Income Tax (Superannuation Funds) (Jersey) Order 1972, or under Article 131B(3)(f) or Article 131CA(4)(g) of the Income Tax Law,must not, at the time of the election, exceed £30,000 or such other sum as may from time to time be prescribed in an Order made under Article 131 of the Income Tax Law.
- (3) An election under paragraph (1) shall be made in such form and manner as the Management Board may specify.
- (4) The calculation of the lump sum payable under this Article shall be determined by the Management Board after consulting the Actuary.
- (5) Payment of the lump sum shall extinguish the teacher's rights to any other benefit payable under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon the teacher's death.

59B Former teacher: payment of lump sum not exceeding £5,000

- (1) Subject to fulfilment of the conditions set out in paragraph (2), a teacher who ceases to be employed in reckonable service (other than by reason of retirement) may, on or after ceasing employment, elect to exchange his or her entitlement to allowances payable under Article 51 for immediate payment of a lump sum by way of commutation of all the benefits to which he or she is entitled out of the Fund.
- (2) The conditions are that –
 - (a) the employer does not make any contributions on the teacher's behalf to another fund or scheme approved under Article 131 of the Income Tax Law;
 - (b) the lump sum does not exceed £5,000 or such other sum as may from time to time be prescribed in an Order made under Article 131 of the Income Tax Law; and
 - (c) that sum does not represent any benefits in respect of which a transfer payment has been made, such rights having

accrued in any other fund or scheme (however called and whether approved under any Article of the Income Tax Law or under the jurisdiction of a country or territory outside Jersey).

- (3) An election under paragraph (1) shall be made in such form and manner as the Management Board may specify.
- (4) The calculation of the lump sum payable under this Article shall be determined by the Management Board after consulting the Actuary.
- (5) Payment of the lump sum shall extinguish the teacher's rights to any other benefit payable under the scheme, as well as the rights of any person contingently entitled to any benefit payable upon the teacher's death."

PART 3

CLOSING

9 Citation and commencement

This Order may be cited as the Teachers' Superannuation (Commutation of Small Pensions – Amendments) (Jersey) Order 2013 and shall come into force 7 days after it is made.

Signed.....

Date.....

Chief Minister

