Government Circular No. 18/61
G.O. Reference No. S.2803/56

ISLE OF MAN
TO WIT

By His Excellency Sir Ronald Herbert Garvey, K.C.M.G., K.C.V.O., M.B.E., Lieutenant Governor of the said Isle, &c., &c., &c.

THE NATIONAL INSURANCE (ISLE OF MAN) (MODIFICATION OF THE SUPERANNUATION ACTS) ORDER, 1961

I, the said Lieutenant Governor, in exercise of the powers conferred upon me by subsection (4) of section sixty of the National Insurance (Isle of Man) Act, 1948, as extended by section 14 of the National Insurance (Isle of Man) Act, 1961, and of all other powers enabling me in that behalf, hereby make the following Order :-

1. Where a superannuation allowance is granted under the Superannuation Acts to a person who, immediately before he ceased to be employed in the service of the Isle of Man Government, was employed in a non-participating employment, so much of his superannuation allowance as is equal to the amount of his notional graduated retirement benefit shall, notwithstanding anything in the Superannuation Acts, not be capable of being terminated or suspended except for such causes as may be prescribed by regulations made by the Isle of Man Board of Social Services under paragraph (c) of subsection (1) of section 7 of the Act of 1961.

2.(1) Where a person who is employed in the service of the Isle of Man Government in a non-participating employment, or who, immediately before he ceased to be employed in the service of the Isle of Man Government, was employed in a non-participating employment, surrenders part of a superannuation allowance under section 2 of the Superannuation Act, 1935, the part of the allowance surrendered by him shall, notwithstanding anything in that section or any Rules made thereunder, not exceed the difference between the amount of the allowance and his notional graduated retirement benefit.

(2) Where a person who, immediately before he ceased to be employed in the service of the Isle of Man Government, was employed in a non-participating employment surrenders part of a superannuation

allowance under section 33 of the Superannuation Act, 1949, the part of the allowance surrendered by him under that section together with any part thereof surrendered under section 2 of the Superannuation Act, 1935, shall, notwithstanding anything in the said section 33 or any Rules made thereunder, not exceed the difference between the amount of the allowance and his notional graduated retirement benefit.

3. Where -

(a) an allowance under section 6 of the Superannuation Act, 1909, (which relates to compensation for abolition of office) has been granted to a person who, immediately before he ceased to be employed in the service of the Isle of Man Government, was employed in a non-participating employment, and

(b) he makes an application under the Pensions Commutation Acts, 1871 to 1882, for the commutation of the said allowance or a portion thereof by the payment of a capital sum of money,

so much of the said allowance as is equal to the amount of his notional graduated retirement benefit shall, notwithstanding anything in the Pensions Commutation Acts, 1871 to 1882, not be capable of being commuted under those Acts.

4.(1) Where -

(a) a person to whom a superannuation allowance is granted under the Superannuation Acts is entitled to graduated retirement benefit, or would be so entitled if he were over pensionable age and had retired from regular employment, and

(b) the whole or any part of such graduated retirement benefit is attributable to graduated contributions paid, or treated by virtue of subsection (3) of section 6 of the Act of 1961 as having been paid, by him during any period of his reckonable service in respect of his employment in the service of the Isle of Man Government, and

(c) the number of units of such graduated contributions, ascertained in accordance with subsections (3) and (4) of section 4 of the Act of 1961, exceeds four,

his superannuation allowance shall, in respect of any period after he has attained pensionable age, be reduced in accordance with the next following paragraph.

(2) The yearly date of such person's superannuatio allowance shall be reduced by one pound six shilling for every unit, ascertained in accordance with

subsections (3) and (4) of section 4 of the Act of 1961, of graduated contributions paid, or treated by virtue of subsection (3) of section 6 of that Act as having been paid, by him during any period of his reckonable service in respect of his employment in the service of the Isle of Man Government.

5.(1) In this Order, the following expressions have the meanings hereby respectively assigned to them, that is to say :

"the Act of 1961" means the National Insurance (Isle of Man) Act, 1961;

"graduated contributions" means graduated contributions under the Act of 1961;

"graduated retirement benefit" means graduated retirement benefit under the Act of 1961;

"non-participating employment" has the meaning assigned to it by subsection (2) of section 6 of the Act of 1961;

"non-participating service" means, in relation to any person, so much of his service in a non-participating employment after the third day of April, nineteen hundred and sixty-one, as is either -

(a) service in the service of the Isle of Man Government, or

(b) other service which is reckonable service;

"notional graduated retirement benefit" means, in relation to any person, the amount, expressed as a yearly rate, of the graduated retirement benefit which would be payable to him in return for an amount of graduated contributions equal to one such contribution paid in each week of the period of his non-participating service in respect of a weekly payment of remuneration of fifteen pounds;

"pensionable age" has the meaning assigned to it by subsection (1) of section 67 of the National Insurance (Isle of Man) Act, 1948;

"reckonable service" means, in relation to any person, service which is reckonable for the purpose of determining the amount of his superannuation allowance;

"the Superannuation Acts" means the Superannuation Acts, 1834 to 1960, of the Imperial Parliament as applied in the Isle of Man under and by virtue of the Resolution of Tynwald of the 17th April, 1958.

"superannuation allowance" includes any annual superannuation, compensation or retiring allowance payable under the Superannuation Acts, but does not include any annual allowance granted in the case of injury arising from service in accordance with the terms of a Treasury warrant made under section 41 of the Superannuation Act, 1949.

(2) Any reference in this Order to the provisions of any enactment shall be construed, except where the context otherwise requires, as a reference to those provisions as amended or re-enacted by any subsequent enactment.

(3) The Interpretation Act, 1949, shall apply for the interpretation of this Order as it applies for the interpretation of an Act of Tynwald.

6. This Order may be cited as the National Insurance (Isle of Man) (Modification of the Superannuation Acts) Order, 1961, and shall come into operation on the third day of April, nineteen hundred and sixty-one.

Dated this day of nineteen hundred and sixty-one.

Lieutenant Governor.

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EXPLANATORY NOTE

(This Note is not part of the Order, but is intended to indicate its general purport.)

The purpose of this Order is to modify the Superannuation Acts, 1834 to 1960, of the Imperial Parliament as applied in the Isle of Man under and by virtue of the Resolution of Tynwald of the 17th April, 1958, in connection with the operation of the provisions of the National Insurance (Isle of Man) Act, 1961.

By virtue of Section 6(2) of that Act, an employment may not be contracted out of the graduated National Insurance scheme unless those employed in it qualify for equivalent pension benefits. Section 7(1) of the Act lays down the conditions which must be satisfied if an occupational pension scheme is to be treated as providing equivalent pention benefits. The purpose of paragraphs 1 to 3 of this Order is to modify the Superannuation Acts so that the superannuation allowances payable to established officers of the Isle of Man Government

will satisfy these conditions. Paragraph 1 prevents the termination or suspension (except for prescribed causes) of so much of a superannuation allowance as is equivalent to the amount of graduated pension which would be payable if graduated contributions were paid at the maximum rate (i.e. on earnings of £15 a week) throughout a like period of service. Paragraphs 2 and 3 prevent the surrender or commutation of a similar portion of a superannuation allowance.

Paragraph 4 provides for the reduction of the superannuation allowance payable during any period after age 65 (60 for women) to an established Government Officer who is entitled to a graduated National Insurance pension, where any of the graduated pension is attributable to service which is reckonable for determining the amount of his superannuation allowance. The amount of the reduction is equivalent to the amount of graduated pension attributable to such service, except in respect of service after age 65 (60 for women) where it may be less than the full equivalent.

This Order was approved by resolution of Tynwald on the day of March, 1961.

Government Circular No. 24/61. (amended).
G. O. Reference No. S.2803/55 and S.2803/49

ISLE OF MAN
TO WIT

By His Excellency Sir Ronald Herbert Garvey, K.C.M.G., K.C.V.O., M.B.E., Lieutenant Governor of the said Isle &c. &c. &c.

NATIONAL INSURANCE

The National Insurance (Modification of the Superannuation (Officers of Boards) (Isle of Man Electricity Board) Scheme, 1960) Regulations, 1961.

I, the said Lieutenant Governor, in exercise of the powers conferred upon me by subsection (4) of section sixty of the National Insurance (Isle of Man) Act, 1948, as extended by section fourteen of the National Insurance (Isle of Man) Act, 1961, and of all other powers enabling me in that behalf, hereby make the following Order:-

PART I - GENERAL.

Citation and Commencement

1. These Regulations may be cited as the National Insurance (Modification of the Superannuation (Officers of Boards)(Isle of Man Electricity Board) Scheme, 1960) Regulations, 1961, and shall come into operation on the third day of April, nineteen hundred and sixty-one.

Interpretation.

2. (1) In these Regulations, the following expressions have the meanings hereby respectively assigned to them, that is to say:

"the Act of 1948" means the National Insurance (Isle of Man) Act, 1948;
"the Act of 1961" means the National Insurance (Isle of Man) Act, 1961;
"graduated contributions" means graduated contributions under the Act of 1961;
"graduated retirement benefit" means graduated contributions benefit under the Act of 1961;

"non-participating employment" has the meaning assigned to it by subsection (2) of section 6 of the Act of 1961;

"non-participating service" means, in relation to any person, so much of his service in a non-participating employment after the third day of April, nineteen hundred and sixty-one, as is either -

(a) service in the service of the Board; or

(b) other service which is reckonable service;

"notional graduated retirement benefit" means, in relation to any person, the amount, expressed as a yearly rate, of the graduated contributions equal to one such contribution paid in each week of the period of his non-participating service in respect of a weekly payment of remuneration of fifteen pounds;

"the Board" means the Isle of Man Electricity Board;

"Officer" has the same meaning as in the Superannuation (Officers of Boards) Acts, 1934 to 1939;

"the Scheme" means the Superannuation (Officers of Boards)(Isle of Man Electricity Board) Scheme, 1960;

"pensionable age" has the meaning assigned to it by subsection (1) of section 67 of the National Insurance (Isle of Man) Act, 1948;

"reckonable service" means in relation to any person, service which is reckonable for the purpose of determining the amount of his superannuation allowance;

"superannuation allowance" includes any annual superannuation, compensation or retiring allowance payable under the Scheme, but does not include any annual allowance granted in the case of injury arising from service in accordance with the terms of a Treasury warrant made under section 41 of the Superannuation Act, 1949, of the Imperial Parliament.

(2) Reference in this Order to Acts of the Imperial Parliament and Rules and Warrants made thereunder shall be construed as references to those Acts, Rules and Warrants as applied in the Isle of Man under the provisions of the Scheme.

(3) Any reference in this Order to the provisions of any enactments shall be construed, except where the context otherwise requires, as a reference to those

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provisions as amended or re-enacted by any subsequent enactment.

(4) The Interpretation Act, 1949, shall apply for the interpretation of these Regulations as it applies for the interpretation of an Act of Tynwald.

Modification of the Scheme.

3. The Scheme shall, as from the 3rd day of April, 1961, have effect subject to the modifications contained in these Regulations.

PART II - MODIFICATION OF CONTRIBUTIONS

Reduction of Contributions

4. Subject to the provisions of this Order the amount of the contributions payable by an officer under paragraph 10 of the Scheme in respect of any period of participating employment shall be reduced by whichever of the amounts specified in sub-paragraphs (a) or (b) hereunder is the greater; that is to say :-

(a) an amount equal to one per centum of so much of his remuneration as does not exceed £780 per annum, or

(b) (i) in the case of a man, the sum of three pounds and eightpence per annum, or

(ii) in the case of a woman, the sum of three pounds and five shillings per annum.

Officers whose contributions are not subject to reduction in connection with the Act of 1948

5. In the case of an officer to whom by virtue of sub-paragraph (2) of paragraph 6 of the Scheme, sub-paragraph (1) of that paragraph does not for the time being apply, there shall be deducted from the amount by which the contributions payable by that officer are to be reduced under the last foregoing regulation, the sum of three pounds and eightpence per annum if the officer is a man or three pounds and five shillings per annum if the officer is a woman.

Board's contribtuions

6. Where the contribtuions payable by an officer are subject to reduction under these Regulations the contributions to be paid in respect of him by the Board under the provisions of paragraph 12 of the Scheme shall be reduced in the like manner as is provided in this part of these Regulations.

Exclusion of existing provisions for reduction of contributions.

7. So long as the contributions payable by any officer under paragraph 10 of the Scheme or by the Board are subject to reduction in accordance with the foregoing regulations, those contributions shall not be subject to reduction under paragraph 6 of the Scheme.

PART III - MODIFICATION OF BENEFITS ETC.,

8. (1) Where -

(a) a person to whom a superannuation allowance is granted under the Scheme is entitled to graduated retirement benefit, or would be so entitled if he were over pensionable age and had retired from regular employment, and

(b) the whole or any part of such graduated retirement benefit is attributable to graduated contribtuions paid, or treated by virtue of subsection (3) of section 6 of the Act of 1961 as having been paid, by him during any period of his reckonable service in respect of his employment in the service of the Board, and

(c) the number of units of such graduated contributions, ascertained in accordance with subsections (3) and (4) of the Act of 1961, exceeds four, his superannuation allowance shall in respect of any period after he has attained pensionable age, be reduced in accordance with the next following paragraph.

(2) The yearly rate of such a person's superannuation allowance shall be reduced by one pound six shillings for every unit, ascertained in accordance with subsections (3) and (4) of section 4 of the Act of 1961, of graduated contributions paid, or treated by virtue of subsection (3) of section 6 of that Act as having been paid, by him during any period of his reckonable service in respect of his employment in

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in the service of the Board.

Officers whose superannuation allowance is subject to reduction in connection with the Act of 1948.

9. Where a superannuation allowance payable to any officer would, apart from these regulations, be subject to reduction under paragraph 6 of the Scheme, so much of that superannuation allowance as is attributable to any period of participating employment shall be reduced in accordance with the said paragraph 6 and shall be further reduced in accordance with regulation 8 of these regulations.

Reduction of retiring allowances, short service gratuities and death gratuities.

10. (1) Subject to the provisions of this regulation, if no superannuation allowance is payable to an officer, but there is payable to or in respect of him a retiring allowance, a short service gratuity or a death gratuity and by reason of the cessation of his employment, a payment in lieu of contributions is required to be made under the Act of 1961, or such a payment has previously been made under the Act of 1961, in circumstances not involving a return of contributions, the retiring allowance, short service gratuity, death gratuity or similar benefit shall be reduced by a sum amounting to half of the payment in lieu of contributions or half the aggregate of such payments if more than one has been made.

(2) No payment in lieu of contributions shall be taken into account for the purpose of this regulation -

(a) on more than one occasion;

(b) if the payment was made on the termination of any period of employment which is not reckonable as service for the purposes of the Scheme; or

(c) if the payment is one which has been reduced under regulation 13 of the National Insurance (Isle of Man) (Non-participation - Assurance of Equivalent Pension Benefits) Regulations, 1961.

Adjustments following payments in lieu of contributions.

11. (1) Subject to the provisions of this regulation, where an officer leaves employment or dies in circumstances in which under the Scheme there is payable to or in respect of him an amount by way of return of contributions and a payment in lieu of contributions under the Act of 1961, has previously been made in respect of him in circumstances not involving a return of contributions, the amount payable to or in respect of him by way of return of contributions shall be reduced by a sum equal to the amount, or aggregate of the amounts, by which, under sub-section 5 of section 9 of the Act of 1961, any payment by way of return of contributions could have been reduced if one had been made at the time when the previous payment in lieu of contributions was made.

(2) No payment in lieu of contributions shall be taken into account for the purposes of this regulation -

(a) on more than one occasion; or

(b) if the payment is one which has been reduced under regulation 13 of the National Insurance (Isle of Man) (Non-Participation - Assurance of Equivalent Pension Benefits) Regulations, 1961,

(3) Where a payment to any officer by way of return of contributions is reduced under sub-section (5) of section 9 of the Act of 1961, or under paragraph (1) of this regulation, the amount by which the payment is reduced shall be treated for the purposes of any subsequent return of contributions to which the officer may become entitled as having been returned to and retained by the officer.

PART IV - MISCELLANEOUS

Contributions deemed to have been made

12. If in respect of any period an officer pays no contributions under the Scheme by reason of the fact that the amount of the reduction in his contributions provided for by these Regulations equals or exceeds the

the amount of his contributions he shall, nevertheless, be deemed for the purposes of the Scheme to have made the contributions required by the Scheme in respect of that period.

Fractions of a penny

13 For the purposes of these Regulations, no account shall be taken of fractions of a penny less than a halfpenny and fractions of a penny of a halfpenny or more shall be treated as a penny.

PART V - LIMITATION OF SURRENDER, COMMUTATION etc., OF PENSIONS

14. Where a superannuation allowance is granted under the Scheme to a person who, immediately before he ceased to be employed in the service of the Board, was employed in a non-participating employment, so much of his superannuation allowance as is equal to the amount of his notional graduated retirement benefit shall, notwithstanding anything in the Scheme, not be capable of being terminated or suspended except for such causes as may be prescribed by regulations made by the Isle of Man Board of Social Services under paragraph (c) of subsection (1) of section 7 of the Act of 1961.

15. (1) Where a person who is employed in the service of the Board in a non-participating employment, or who, immediately before he ceased to be employed in the service of the Board, was employed in a non-participating employment, surrenders part of a superannuation allowance under section 2 of the Superannuation Act, 1935, of the Imperial Parliament, the part of the allowance surrendered by him shall, notwithstanding anything in that section or any Rules made thereunder, not exceed the difference between the amount of the allowance and his notional graduated retirement benefit.

(2) Where a person who, immediately before he ceased to be employed in the service of the Board, was employed in a non-participating employment surrenders part of a superannuation allowance under section 33 of the Superannuation Act, 1949, of the Imperial Parliament

the part of the allowance surrendered by him under that section together with any part thereof surrendered under Section 2 of the Superannuation Act, 1935, of the Imperial Parliament shall, notwithstanding anything in the said section 33 or any Rules made thereunder, not exceed the difference between the amount of the allowance and his notional graduated retirement benefit.

16. Where -

(a) an allowance under section 6 of the Superannuation Act, 1909, of the Imperial Parliament, (which relates to compensation for abolition of office) has been granted to a person who, immediately before he ceased to be employed in the service of the Board, was employed in a non-participating employment, and

(b) he makes an application under the Pensions Commutation Acts, 1871 to 1882, of the Imperial Parliament, for the commutation of the said allowance or a portion thereof by the payment of a capital sum of money.

so much of the said allowance as is equal to the amount of his notional graduated retirement benefit shall, notwithstanding anything in the Pensions Commutation Acts, 1871 to 1882 of the Imperial Parliament, not be capable of being commuted under those Acts.

Given under my hand this 15th day of March nineteen hundred and sixty-one.

R. H. GARVEY

Lieutenant Governor

EXPLANATORY NOTE

(This note is not part of the Regulations, but is intended to indicate their general purport).

These Regulations modify the Superannuation (Officers of Boards) (Isle of Man Electricity Board) Scheme, 1960, in connection with the operation of the National Insurance (Isle of Man) Act, 1961.

Part I of the Regulations contains definitions of words and expressions used and provides that the Scheme is to be modified in accordance with the succeeding provisions of the Regulations.

Part II provides that superannuation contributions payable under the Scheme are to be reduced during periods of participating employment for the purposes of the National Insurance (Isle of Man) Act, 1961. The method of reduction takes account of any reduction already required to be made in connection with the National Insurance (Isle of Man) Act, 1948, and provides for a single consolidated reduction.

Under Part III pensions payable under the Scheme are reduced where any service reckonable for the pension also qualifies the employee for graduated retirement benefit under the National Insurance (Isle of Man) Act, 1961. Lump sum benefits under the Scheme in respect of non-participating employment are reduced to take account of payments which the employer is required to make under the Act of 1961 on the termination of non-participating employment. This Part also includes a provision for the deduction from contributions returned to an employee of sums paid in respect of him as payments in lieu of contributions.

The miscellaneous provisions in Part IV include a provision that the contributions required by the Scheme are to be deemed for the purpose of reckoning contributing service to have been made in full, notwithstanding the reductions required by the Regulations.

In part V of the Regulations provision is made for modifying the Scheme -

(i) by limiting the right to surrender, commute or assign a pension in certain cases, and

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(ii) by limiting certain provisions for the reduction, termination or suspension of a pension.

These Regulations were approved by Tynwald on the day of March, 1961.