

## Assembly Section

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Committee for Finance and Personnel  
Room 419  
Parliament Buildings  
Stormont

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13 December 2012

### **Update to the DFP Committee – Revised Pension Scheme Arrangements from April 2015 – Assembly Public Service Pensions Bill**

**Dear Shane,**

This paper informs the Committee of the Minister of Finance and Personnel's intention to commence preparatory work on a proposed Public Service Pensions Bill to be introduced in the Northern Ireland Assembly.

The purpose of the Bill will be to give legislative effect to the decision taken by the Northern Ireland Executive on 8 March 2012

- I. to commit to the policy for a new career average revalued earnings (CARE) scheme model with pension age linked to State Pension Age to be adopted for general use in the public service schemes; and
- II. to adopt this approach consistently for each of the different public sector pension schemes in line with their equivalent scheme in Great Britain and not to adopt different approaches for Northern Ireland.

### **Background**

A Public Service Pensions Bill was introduced in the House of Commons on 13 September 2012. The Westminster Bill implements the recommendations made by the Independent Public Service Pensions Commission for the reform of public service pension schemes in the United Kingdom. These recommendations were accepted by the Coalition Government as the basis for its programme of public service pension reform at Budget 2011. The commitment made by the Executive on 8 March 2012 requires a legislative approach to be adopted to implement the main pension reform measures recommended by the Commission in the Northern Ireland public service pension schemes.

I wrote to you on 24 September to provide an update to the Committee on the background, purpose, and core provisions of the Westminster Bill and also of the intention of the Minister of Finance and Personnel to propose a legislative consent motion in the Assembly to extend the Bill in Northern Ireland.

### **Legislative Consent Motion**

The proposal for a legislative consent motion was discussed by the Executive on 22 November 2012 and the Executive has not given its agreement to adopt this legislative approach.

The Minister has written to the Chief Secretary to the Treasury to inform him of the position and has requested that the provisions contained in the Westminster Bill which would legislate for Northern Ireland be removed at the earliest opportunity.

### **Public Service Pensions Assembly Bill**

It is the Minister's intention to introduce a Bill in the Assembly to implement the core provisions of the pension reform programme recommended by the Independent Public Service Pension Commission and which the Executive committed to on 8 March 2012.

The proposed Bill will implement the reform of public service pension schemes made for the following classes of public service employees in Northern Ireland:

- civil servants;
- local government workers;
- health service workers;
- teachers;
- fire and rescue workers;
- members of the police force.

The main Northern Ireland public service schemes and their responsible Departments are:

Northern Ireland Teachers' Pension Scheme	Department of Education
Local Government Pension Scheme (Northern Ireland)	Department of Environment
Principal Civil Service Pension Scheme (Northern Ireland)	Department of Finance and Personnel
Health and Social Care Pension Scheme (Northern Ireland)	Department of Health, Social Services and Public Safety
Firefighters' Pension Scheme (Northern Ireland)	Department of Health, Social Services and Public Safety

Police Service of Northern Ireland Pension Scheme	Department of Justice
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The policy intention is that the provisions of the proposed Bill will apply to all public sector schemes in Northern Ireland including bespoke schemes which make pension provision for employees of public bodies not captured by the above categories.

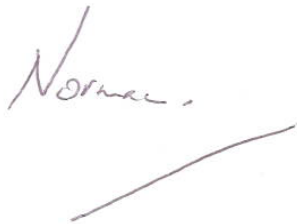
### **Timescales for an Assembly Bill**

In line with the decision taken by the Executive to implement these reform measures consistently for each of the different public sector pension schemes in parity with the equivalent schemes in Great Britain the proposed Bill cannot be introduced until the final content of the Westminster Bill is known. The Westminster Bill is expected to receive Royal Assent in May 2013.

The Department intends to engage fully with the Committee on the policy, consultation and scrutiny stages associated with the passage of the proposed Bill in the Assembly and arrangements are in place for officials to attend the Committee on 9 January 2013 to provide a policy briefing. A briefing paper will be made available to Committee members in advance of this date.

I would be grateful if you could forward this update on this issue to the Committee. Officials will keep the Committee updated on this matter.

Yours sincerely,



**NORMAN IRWIN**