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Mr Shane McAteer
Clerk
Committee for Finance and Personnel
Room 419
Parliament Buildings
Stormont

22 April 2013

Dear Shane

**PRINCIPAL CIVIL SERVICE PENSION SCHEME (NORTHERN IRELAND) –
DEPARTMENT OF FINANCE AND PERSONNEL INITIAL OUTCOME OF
RESPONSE TO CONSULTATION ON PROPOSED PUBLIC SERVICE
PENSIONS BILL.**

The purpose of the proposed Bill will be to implement the Executive decision made on 8 March 2012 to:

- i) 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) 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.

The Department of Finance and Personnel launched the Policy Consultation document on 22 January 2013 with a closing date of 15 April 2013. The Consultation document was circulated to all members of the Principal Civil Service Pension Scheme and individual letters were issued to other Public Service Pension Scheme departmental officials notifying them of the consultation exercise the Department of Finance and Personnel was engaging in on the policy and core provisions which will be contained in the Bill. The letters advised the Departments to issue notification of the consultation to relevant groups in line with the guidance

produced by OFMDFM for distribution of departmental publications and consultation documents.

The purpose of the consultation document was to seek views on the policy underpinning the proposal for the introduction of a Public Service Pensions Bill in the Northern Ireland Assembly.

A collective total of 46 responses including 35 individual public service member responses, 4 organisational bodies responses, 6 individual trade union responses and a collective NIC-ICTU response on behalf of all trade unions was received by the Department of Finance and Personnel.

The Department's initial analysis of the collective responses is as follows:

- the vast majority of respondents submitted their views on aspects of the public service pension reforms that are outside the remit of this particular consultation and indicated their general disapproval and rejection to overall austerity reforms; and,
- individual employees' comments specific to the policy are endorsements to the Trade Union responses.

The response paper from NIC-ICTU is a composite of the submissions on the Public Service Pensions Bill by individual unions and endeavours to offer a flavour of the views being offered by the trade union on behalf of their members presently in these pension schemes. There are a number of issues raised by Trade Union Side and the main issues cited, although not exhaustive, are as follows:

- the overall need for reform of public service pension schemes;
- managing pension costs and the actuarial analysis;
- core provisions and the impact on public servants;
- the move to the Career Averaged Revalued Earnings (CARE) scheme;
- the linking of normal retirement age to state pension age and;
- the screening out of a full Equality Impact Assessment (EQIA).

DFP Officials are scheduled to attend a Departmental Committee meeting on 24 April regarding the response by individuals and groups to the consultation process. It is the Department's intention to respond to the issues raised in their Consultation Response document which will be made available on the Civil Service Pension Website at: www.dfpni.gov.uk/civilservicepensions-ni. A further session to update the Committee on the Department's response is provisionally scheduled for 8 May.

Yours sincerely,



JUDITH FINLAY
Departmental Assembly Liaison Officer

