



Northern Ireland
Assembly

Committee for Finance and Personnel

OFFICIAL REPORT (Hansard)

Public Sector Exit Payments –
Legislative Consent Motion:
Department of Finance and Personnel

4 November 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Daithí McKay (Chairperson)
Mr Dominic Bradley (Deputy Chairperson)
Ms Michaela Boyle
Mr Leslie Cree
Mr Gordon Lyons
Mr Ian McCrea
Mr Máirtín Ó Muilleoir
Mr Jim Wells

Witnesses:

Mrs Grace Nesbitt	Department of Finance and Personnel
Mrs Blathnaid Smyth	Department of Finance and Personnel

The Chairperson (Mr McKay): I welcome Grace Nesbitt, head of pensions division; and Blathnaid Smyth, also from pensions division. Grace, would you like to make some opening comments?

Mrs Grace Nesbitt (Department of Finance and Personnel): Thank you for the opportunity to give members an overview of the proposed cap on public sector exit payments. The Committee will be aware of this matter from previous written briefings, one on 16 September and two in October. In my overview, I will cover the background and rationale of the change; some of the detail — not all of it — and the impact of the proposed change; the actions that have been taken to date; the options for us in Northern Ireland; and the next steps. Then, of course, I will be happy to take questions.

On the background and rationale, the Enterprise Bill was introduced to the House of Lords on 16 September. The Bill contains provisions on a range of business-related policies and, specifically, measures to cap public sector exit payments at £95,000 before tax. This measure is very much designed to complement the reforms, which, members may remember, the Assembly supported through a legislative consent motion under the Small Business, Enterprise and Employment Act 2015, to claw back exit payments made to high earners — over £100,000 — who return to the same part of the public sector within the short period of 12 months. Her Majesty's Treasury (HMT) has the power to make regulations for Northern Ireland, and these were scheduled to be made in autumn 2015, although they have not actually been made. It is still very much work in progress.

Turning again to the cap, the detail on how it will work in practice will be fleshed out in regulations. It is expected that these rules will take effect at some stage during the next financial year. There is provision, subject to ministerial approval, to waive the cap where individuals or public bodies are in exceptional circumstances. The regulations will be made under affirmative procedure.

To ensure compliance and transparency the schemes will be required to maintain records and, indeed, to publish details annually of all exit payments made.

At the core of the proposed cap on exit payments is the choice of how much public money should be spent compensating staff for leaving the public service rather than on providing those public services. The funding for such exit payments is met by the public sector employer and, inevitably, the taxpayer. The principal intent, therefore, of this proposed change is to safeguard public finances, whilst still ensuring that public sector exit payments are fair, proportionate and seen to represent value for money for taxpayers. This proposal would also align all public service compensation schemes by providing a degree of consistency of approach for those leaving the service with the highest exit payments.

I am also very conscious that in Northern Ireland we are currently restructuring the public sector. In doing so, exit payments play, and will continue to play, a vital role in supporting public sector employees who have voluntarily or otherwise left public service. Such payments are designed to help, and have helped, support them while they move into retirement or find new work. Members may also wish to note that for employees who are entitled to statutory redundancy terms, the maximum that such employees can receive is £14,700.

I move on now to the detail and impact of the proposed changes. This measure, as I said, will place a limit or a cap on the value of exit payments to public sector workers, and it is proposed that that be set at £95,000 before tax. Some exceptions are set out in detail in the Westminster Bill, but in the context of public-sector employment in organisations that are unique to Northern Ireland, no exceptions are currently listed, nor are any being considered. The purpose of exit payments is, as I said, to provide an employee with a financial cushion to assist them between leaving employment and finding new employment or, indeed, to bridge into retirement.

You may be wondering what an exit payment is exactly. Exit payments are any payments which are made under the following circumstances: any payment on account of dismissal by reason of redundancy; any payment on voluntary exit; any payment to reduce or eliminate an actuarial reduction to a pension on early retirement or in respect of the cost to a pension scheme of such a reduction not being made; any severance payment or other ex gratia payment; any payment in respect of an outstanding entitlement; any payment of compensation under the terms of a contract; payment in lieu of notice; or payment in the form of shares or share options. There are a wide range of exit payment arrangements in the public sector. These, of course, include the current voluntary exit schemes which are being run for the Northern Ireland Civil Service and for other sectors.

It is important to note what is not included in this measure. This measure does not impact on members' accrued pension entitlements, nor does it impact on a number of other payments made to public sector workers or, indeed, their families, in certain difficult circumstances, such as the death of a member, ill health or the medical retirement of a member or, indeed, under the injury benefit scheme.

What will be the actual effect of the cap? It will depend on the number of individuals qualifying for payments in excess of the threshold who volunteer or are otherwise selected for early exit. It is difficult to say exactly what the outworkings will be, because they depend on how many people are in that position. I will illustrate by reference to the Civil Service. The proposed cap of £95,000 would begin to impact on individuals eligible through length of service for a maximum of 21 months' salary on voluntary exit and those who were earning slightly over £54,000 per year. In terms of grade, if that helps members, some staff at grade 7 — principal officer level — who are in receipt of certain additional allowances, most staff at grade 6 and all senior civil servants would be affected.

There is scope in the Bill for the cap to be waived, as it is recognised that there may be exceptional circumstances in which it is necessary to waive the cap. Payments in excess of the cap may, for example, be needed to support a particular programme of reorganisation or restructuring or, indeed, where there are special circumstances pertaining to a particular employee or officeholder. Alternatively, a waiver may be granted in respect of special severance payments to settle a statutory dispute or claims, or to settle disputes involving claims under an individual employment contract. More details will be set out in the regulations.

The next area I want to cover is the actions that have been taken to date on this measure. The trade unions have been briefed at the central consultative forum, which is held regularly under the auspices of the Northern Ireland Committee of the Irish Congress of Trade Unions. They have also been alerted to the consultation in Great Britain so that they could — and, indeed, they did — respond to that. Officials in other public sector pension schemes have also been updated regularly on the

proposed measure and advised to update their relevant employers. Minister Foster, given the time pressure, got the approval of the First and deputy First Ministers, which is why we have reached this point, for the matter to be considered under urgent procedure. Minister Foster has also recently written to update her ministerial colleagues.

The last area that I want to deal with now is that of the options for Northern Ireland and the next steps. As with the clawback arrangements for exit redundancy payments that are set out in the Small Business, Enterprise and Employment Act 2015, the Northern Ireland Assembly has devolved responsibility to legislate regarding the cap. However, it is clear that the legislative consent motion (LCM) measure is the most effective and timely way to ensure that public servants in Northern Ireland are not treated more favourably than their counterparts in the rest of the United Kingdom. The next step in the proposed timescale, which the Committee might be aware of, is the report. I understand that your report is due to be completed by 18 November, and that the Assembly debate is then likely to be scheduled week beginning 7 December.

In conclusion on this measure, public-sector employers have traditionally tended to find alternative employment for their employees rather than run exit or redundancy schemes. However, where this is not possible, exit payments can and do facilitate reorganisation and reform while providing support for those employees to help bridge them into future employment or, indeed, towards retirement. Exit payments for the public sector are paid from the public purse, and therefore need to be proportionate and provide value for money, particularly at this time when, as we are all aware, we are facing various financial pressures. It is important that we make the very best use of our finite public funding in order to protect the integrity of public finances and the interests of public services, public servants and, indeed, the taxpayer in Northern Ireland.

I trust that this was helpful to members, and I am happy to take questions.

The Chairperson (Mr McKay): Thank you, Grace. Obviously, this has attracted a significant degree of criticism from trade unions. The Committee has also raised concerns in general about the timescales for scrutiny with legislative consent motions, particularly when the issue is complex and contentious. What is the justification for using an LCM in this instance, given that the subject matter is contentious? Would it not have been a better option to look at an Assembly Bill, which would have received full scrutiny, as opposed to an LCM that gives us a couple of weeks in which to make a decision?

Mrs G Nesbitt: At the end of the day, that is very much a political decision. The reason why our Minister has gone with the proposal for a legislative consent motion is because of timing and public money. If we made our own primary legislation and regulations, by the time we got through the process, it would be unlikely that we would get the primary legislation completed in this session before the elections, which I understand are planned for May next year. By the time we got our primary legislation through and then the regulations, we would definitely be looking at some point during 2017-18. During that period, we would have paid out more money, so it is very much a choice for our Assembly to make. This is the most prudent and most effective way to get the change introduced in a timely way.

The Chairperson (Mr McKay): The proposal appears to give DFP a regulation-making power to prescribe what payments are within or exempt from the scope of the restriction. Could the types of payment that apply not be specified in the Bill, rather than providing a regulation-making power to DFP that means that MLAs would surrender those powers to the Department, which we are always reluctant to do?

Mrs G Nesbitt: You will remember that the Bill is a Westminster one, so what we are saying is that we would be availing ourselves of the broad provisions of the Westminster Bill. However, there will, as I said, be flexibilities and waivers, and we could also look at the level of the cap, which we would set in Northern Ireland as well, even while we are going with the Westminster Bill. We would still have certain flexibilities in Northern Ireland.

The Chairperson (Mr McKay): In terms of the Assembly controls that the powers would be subject to, would that involve affirmative procedure, which provides the Assembly with greater control?

Mrs G Nesbitt: Yes. If we were doing our own regulations, it would be affirmative procedure.

Mr Cree: Good morning, Grace. Given that the Treasury consultation ran for about four weeks over the summer, how can that be construed as proper consultation?

Mrs G Nesbitt: I cannot comment on the Treasury consultation. I had no remit or influence on that.

Mr Cree: But you have in the local context and in case law here. Did the Department complain? Did it make any representation at all to the Treasury on this?

Mrs G Nesbitt: I made no comment to the Treasury, nor would it be appropriate for me to make a comment to the Treasury on how it runs its consultations.

Mr Cree: The answer is no.

Mrs G Nesbitt: No.

Mr Cree: Given section 75 equality concerns, NIPSA responded to the Treasury consultation. It also laboured at some length the DFP equality screening document. What arrangements did DFP have with the Equality Commission in undertaking that screening and reaching a decision that a full equality impact assessment was not necessary?

Mrs G Nesbitt: We are not required to engage with the Equality Commission on equality screening, but I will pass over to my colleague, who will comment more on the equality screening that we did do, if that would be helpful.

Mrs Blathnaid Smyth (Department of Finance and Personnel): It was done at a departmental level and approved by the departmental equality officer. One thing that did come out of it, which was seen as minor, was that as a consequence of how exit payments are calculated there is a possibility that a proposed cap could have an adverse differential impact on older age groups with longer service.

Mr Cree: I am glad you mentioned that, because that was my next question. What was DFP's justification for classing the adverse differential impact on some longer-serving members — and, presumably, that means older members — as a minor level of impact? Surely that is ridiculous.

Mrs G Nesbitt: We have to look at the policy intent of this change and the purpose of payments made under compensation schemes. The intent of any compensation scheme is to help somebody as a bridge towards employment or retirement. If they are older members, they are very likely to be closer to retirement. I know that the retirement age is a moving feast, given our links to the state pension age, but they will be closer to retirement.

The compensation payments are not a reward for long service. That is not the policy intent behind any compensation payment —

Mr Cree: No, but they should recognise long service.

Mrs G Nesbitt: And indeed they do and will continue to. The thrust behind this proposal is whether the levels that are being paid out are appropriate, fair and proportionate. The view is that in some cases they are excessive and need to be capped. In saying that, it is still reasonable for somebody to receive £95,000, particularly if they are close to retirement and can draw their pension, or in terms of a cushion towards finding other employment. That is the view of the detail of the substance that is set out in the legislation.

Mr Cree: For someone leaving at the age of 58, the impact would be quite dramatic. The likelihood of further employment would be very low.

Mrs G Nesbitt: If somebody was leaving at the age of 58, for most public-sector pensions —

Mr Wells: There is nothing wrong in being 58, by the way.

Mr Cree: No.

Mr Wells: It is not a crime.

Mr Cree: But you are not made redundant yet.

Mrs G Nesbitt: I have to declare an interest and personally agree. *[Laughter.]* For somebody who is aged 58, in most public-sector pension schemes, provided they were employed at April 2012 — this is going back to pension reform — they will be enjoying a high level of protection. Most will be able to lift their pensions when they are 60 years old. I am not giving advice, just information. *[Laughter.]* They may be able to use some of their compensation payment to choose to bring their pensions into payment earlier. That is seen to be reasonable, fair and proportionate.

When we are looking at older people with longer service and who are closer to retirement, to get a full picture you also need to look at what is happening with their pension and when they can take their pension. If they have long service, it is likely that they will have a reasonable pension to draw on, as well. We have to go back and look at this in the context of what a compensation scheme is designed for and to remind ourselves about that. It might be helpful for members to consider that.

Mr Cree: But it is not really very fair to people who will collect their pension at the age of 67 or perhaps older.

Mrs G Nesbitt: People who are older are likely to have less chance of being impacted by the cap, because they in turn will have shorter service.

Mr Cree: You are a hard woman, Grace.

Ms Boyle: Good morning, ladies. Grace, what assessment has DFP made of how the cap might influence uptake of the Executive's voluntary exit scheme in the future, considering and including the risk identified by NIPSA that it will skew any workforce cuts to those in grades that fall below £95,000?

Mrs G Nesbitt: As I said, for the Civil Service, the numbers that are impacted will generally be some of the people in grade 6 and a few people in grade 7 who are in receipt of additional allowances, so it depends on — as I referred to in my opening remarks — where the public sector needs to make reductions generally, and how that reflects the grade profile and the salary profile. That is a work in progress, but it might be helpful to remind members that, if it was felt that there was a need to exit senior civil servants, for example — if that was felt to be a compelling need and the right use of public money — there will be provisions there to exercise the waiver. There is a degree of flexibility built in there.

Ms Boyle: So it is a piece of work that is ongoing —

Mrs G Nesbitt: Well, it is a piece of work —

Ms Boyle: It is like a phase.

Mrs G Nesbitt: In terms of the exits?

Ms Boyle: Yes.

Mrs G Nesbitt: The exits are being considered by each public-sector employer in relation to what they need in terms of their future workforce planning and restructuring, so I do not have the information on that. What I am saying is that there are certain flexibilities built in there, if it was felt that there was a need and it was in the public interest to look at the waiver in terms of exiting those people who would potentially be adversely impacted by the cap.

Mrs Smyth: Also, with the Civil Service scheme being the most advanced, we had looked into it, and, of the 7,285 who applied for the scheme, it would impact less than 1%.

Mrs G Nesbitt: Also, the intention — it is by accident rather than design — is that the Civil Service scheme be completed this financial year. The cap will not be in place this financial year.

Mr Ó Muilleoir: Ladies, thanks for the presentation. We know that in the London legislation there were a number of exemptions for broadcasters, RBS and the Bank of England. There will be no

exemptions in this, but you do talk about waivers. In the case of the local councils and their exit scheme, will that introduce a differential in how people are paid and how they exit in the time ahead?

Mrs G Nesbitt: There are no plans. There are no exemptions for the local government pension scheme in the Westminster legislation, and there are no plans to have an exemption applied to that scheme here.

Mr Ó Muilleoir: What are you minded to do on waivers? There could be a differential here between how councils approach the issue of exiting and how central government approaches it.

Mrs G Nesbitt: That is something that we will have to set out in the detail of the regulations as to when a waiver can be applied, to ensure fairness, consistency and, ultimately, best use of public money. There is a provision for waivers, irrespective of which scheme it is.

Mr Ó Muilleoir: OK, but no work has been done on that. You want to be fair, and you had representation saying that the system itself will not be fair, but you have no proposals on who that will affect, other than that you want it to be fair.

Mrs G Nesbitt: There are some details set out, but more details will be set out in the regulations. When you make any sort of exception or difference, that needs quite a bit of work. The key point at this stage in the legislative process is that there is provision to have a waiver, but I absolutely agree that the detail of the waiver will have to be carefully worked out and be seen to be justified.

Mr Ó Muilleoir: We will be asked to approve it and welcome it. You are talking about it coming to the Assembly in December, so it is a short period, but you have no more information about whom that waiver might affect.

Mrs G Nesbitt: No, not at this point. I do not know whether there is anything that we can add.

Mrs Smyth: There are no plans to use the waiver at this stage. The policy would apply to local government as to all other areas or sectors.

Mrs G Nesbitt: We could do it within the scheme. Just to be clear, local government will not be exempt, and the local government pensions scheme will be within scope. The details of the waiver and how it will be applied have still to be worked out, but the key point to note is that there is provision to exercise a waiver. In other instances, there is not always the possibility of making pensions exceptions. There is the provision to have a waiver here, and the impact of that will mean an exemption. It is not an exemption for the scheme but for groups of people within the scheme, if that is clear.

Mr Ó Muilleoir: It is clear, but I would have thought that there would be more meat on the bones, rather than your saying that there may be a waiver, that you have no intention of using it but that you can use it. Surely —

Mrs Smyth: You would have to look at the individual circumstances. If local government was running a scheme, you would have to look at its impacts, how successful it would be and whether a waiver would be required for any aspect.

Mrs G Nesbitt: As I said in my opening remarks, we will look at things such as whether it would be seen to be in the public interest to restructure and get a number of groups of people to exit. If there was an evidence base that the application of the cap would mean that those people would not exit, those would be circumstances in which you would have to look at the waiver. How it is rolled out will depend on the shape of the public sector in Northern Ireland. We would need to look at whether the cap will hit on the individuals whom they need to exit. It would then have to be considered.

Mr Ó Muilleoir: Is it just a case of "Trust the Minister and carry on"?

Mrs G Nesbitt: Of course.

The Chairperson (Mr McKay): Without question.

I note that NILGOSC flagged up an interesting example about lower-paid staff. It stated:

"a female, aged 55 with 35 years' service earning £27,000 could cause an employer to bear a cost of £95000.99 and therefore would breach the Cap in its own right before adding on any redundancy payment also received. In this example the pension received by the individual would be £15,780."

With examples like that, is £95,000 the best cap for our circumstances in the North? This is obviously Westminster legislation that is primarily aimed elsewhere, but, when you look at examples like that, lower-paid workers will be impacted.

Mrs G Nesbitt: I will pass to my colleague.

Mrs Smyth: That could be an exceptional case. Each scheme would obviously have different arrangements. It has been flagged up that, in local government, the early introduction of the pension is an employer cost that would be caused by the cap. We also have another example of someone of the same age group with a salary of £38,000.

Different parts of the scheme and different protections apply to individuals. The rules apply differently in different circumstances, and every circumstance would have to be looked at. There is then the waiver for exceptional circumstances for individuals or groups.

The Chairperson (Mr McKay): Might you consider using the waiver for that?

Mrs G Nesbitt: It could be looked at. We are genuinely keen that it is seen to be fair and proportionate in how it is rolled out. There will always be people who, maybe because they have been on a scheme for quite a while and have quite a long service — maybe they are or are not 58 — will have better provisions in what they can do with their pension and in buying out their pension. There are different levels of provisions, particularly in local government pension schemes. Those things would be looked at in detail.

The key point to emphasise is that there is scope to have a waiver, which is quite unusual with pensions. That provision is there, which is helpful. Those things would have to be looked at. If somebody who was leaving on a salary of £27,000 was receiving a reasonable pension amount and perhaps a lump sum was involved, you would have to weigh up whether that was reasonable with respect to the cushion that I referred to. You would have to go back to the intent of a compensation scheme: is the amount that they get reasonable?

The Chairperson (Mr McKay): Is it?

Mrs G Nesbitt: If you compare somebody who retires on a salary of £27,000 and receives a pension of £15,000 and potentially a lump sum with other sectors and the statutory redundancy level, people out there would view that as potentially reasonable.

The Chairperson (Mr McKay): I knew that you would give an answer like that.

It is worth highlighting the workers who are coming in at just under £30,000 who will be caught out. They have given so many years' service and have paid into the scheme over many years and rightly feel cheated to a degree. Given that the waiver is an option and that there are a couple of weeks before the Assembly decides whether to vote for the legislation, is there any possibility of getting some assurances? Will the Department look at some of those cases and indicate that, given the powers that we will have, we will put a waiver in place so that members might be more minded to support it going through the Assembly.

Mrs G Nesbitt: I do not think that we would want to give a guarantee that a waiver would apply in x circumstances. It would be unhelpful to give a definitive list. Public-sector employers, who are paying for this, and, ultimately, the taxpayer would want to have some discretion.

Maybe it would be helpful if I emphasise again that the measure does not impact people's accrued pension rights. It is not about stealing or cheating them out of their pension. That remains entirely protected and is not being touched by the measure at all. The compensation payment or exit payment has not been paid for by members. They are paying for their pension; they are not paying for their

compensation payment. I will enlarge on that a little by way of example. We have had civil servants leaving who are not members of the Civil Service pension scheme arrangements. They are still entitled to compensation payments. They have not paid anything into the Civil Service pension but are entitled to compensation payments. There are two different schemes. The vast majority of people in the Civil Service are, obviously, members of our pension scheme. I am very glad and proud to say that, but compensation is not what members have paid for. Was that distinction helpful? It may not have been apparent to everybody, but it is maybe helpful to make that point.

Mr D Bradley: Good morning.

Mrs G Nesbitt: Good morning.

Mr D Bradley: I see that the response from the Northern Ireland Public Service Alliance (NIPSA) highlights the fact that certain provisions in the LCM would "represent a breach of contract" and that, in addition, for specific schemes, it will:

"breach specific agreements on severance and ... see differential treatment of staff both between and within sectors"

depending on when the cap was applied. The NASUWT highlighted potential breaches of "statutory and contractual entitlements" in respect of including compensation for pay in lieu of notice, as that represents a separate contractual entitlement. Can DFP provide any assurance, including on the basis of any legal advice taken, that the proposed approach is not vulnerable in that regard?

Mrs G Nesbitt: We have not taken specific legal advice in Northern Ireland. I cannot remember all the points that members made, but compensation in lieu of notice is not a contractual entitlement. Maybe that example needs to be looked at. That is a provision that the employer may or may not provide for. If somebody wants to leave early, you basically buy out their notice period, which, for the Civil Service scheme, is three months. We have chosen not to do that in the current scheme as it was not seen as a good use of public money.

Our view is that it does not breach any contractual entitlements. I would be fairly confident that legal advice would have been obtained by the Treasury when it was drafting the legislation to cover all the points that the unions made and the member raised.

Mr D Bradley: Presumably, NIPSA and the NASUWT have taken legal advice. I am sure that they are not making those points off the top of their heads. Considering that you do not know whether the Treasury has taken legal advice, would it not be sensible for you to take legal advice to ensure that the Department is not vulnerable?

Mrs Smyth: We have been in contact with our departmental solicitor, and there are no contractual issues. We had raised that issue.

Mr D Bradley: So you have taken legal advice.

Mrs G Nesbitt: My apologies.

Mrs Smyth: On the contractual issues that NIPSA may have raised, it was responding to the consultation document.

Mr D Bradley: That is right.

Mrs Smyth: The original consultation document had included untaken annual leave entitlements, and that was removed before introduction. On the impacts on different schemes, there is provision to amend the schemes taken forward in the legislation. In schemes such as the local government scheme, the rules are written so that payment goes in unreduced. Early pension payment can be paid, but those rules will be changed by the legislation.

Mr D Bradley: Have you had any face-to-face discussions with the trade union side?

Mrs Smyth: Yes.

Mr D Bradley: What issues arose?

Mrs G Nesbitt: Exactly the ones that have been set out. The trade union side sees this as unfair, and it will oppose it as being not in the interests of its members. That is a fair summary.

Mr D Bradley: Was there no meeting of minds?

Mrs G Nesbitt: No.

Mr D Bradley: There seems to be a contradiction between the unions' point of view and yours. You say that you have taken legal advice and are happy with it.

Mrs G Nesbitt: Yes.

Mr D Bradley: I notice that the Irish Congress of Trade Unions (ICTU) and NIPSA highlighted the fact that there may be implications in the LCM for some retrospective changes to the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) protections. They say that that may amount to further erosions of the acquired rights directive and is liable to be contrary to European law. What is the Department's view on that argument?

Mrs Smyth: We will confirm that for you, but, as far as we know, TUPE protections are not impacted by it. We will confirm that.

Mr D Bradley: It would be useful if you could do that. Thank you very much.

Mr I McCrea: You will be aware that the Fire Brigades Union responded to the Committee about a band of its members who were unable to maintain the operational fitness aspect beyond the age of 55. As far as I am aware, the Treasury has accepted that, and we have the response confirmed that that would not be within the scope and would not be subject to the cap. Is the Department mirroring that provision?

Mrs G Nesbitt: Yes. As I said in my opening remarks, a number of areas are not impacted. Accrued pension is not impacted, and benefits that might result from the death of a member to their families are not impacted. Medical retirement or, as it is sometimes called, ill-health retirement is not impacted, and injury payments are not impacted by the cap. They are not within the scope of the measure and will definitely not be impacted by it. Certainly, we intend to do exactly the same here.

Mr I McCrea: That is fine. Thank you.

The Chairperson (Mr McKay): Thank you very much.