



Northern Ireland  
Assembly

Committee for Education

# OFFICIAL REPORT (Hansard)

Public Service Pensions Bill: Northern  
Ireland Teachers' Council Briefing

11 September 2013

# NORTHERN IRELAND ASSEMBLY

## Committee for Education

### Public Service Pensions Bill: Northern Ireland Teachers' Council Briefing

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**Members present for all or part of the proceedings:**

Mr Mervyn Storey (Chairperson)  
Mr Danny Kinahan (Deputy Chairperson)  
Ms Michaela Boyle  
Mr Jonathan Craig  
Mrs Jo-Anne Dobson  
Mrs Brenda Hale  
Mr Chris Hazzard  
Mr Trevor Lunn  
Miss Michelle McIlveen  
Mr Sean Rogers  
Mr Pat Sheehan

**Witnesses:**

Ms Nuala O'Donnell	Irish National Teachers' Organisation
Mr Seamus Searson	National Association of Schoolmasters Union of Women Teachers
Ms Avril Hall-Callaghan	Ulster Teachers' Union

**The Chairperson:** I welcome Avril, Nuala and Seamus. Apologies for the slight delay. I am sure that many issues that were raised in the previous session were of interest to you and your members, and we will, no doubt, have a discussion with you about those issues. Thank you for taking the time to come today when you could have been at the Trades Union Congress (TUC) conference. You decided to come to the Education Committee. We appreciate that this is an important issue for your members. We want to hear your views, and then members will ask questions.

**Ms Avril Hall-Callaghan (Ulster Teachers' Union):** First, I will introduce our delegation. A body called the Northern Ireland Teachers' Council encompasses all the teaching unions. The three of us here today represent between 90% and 95% of the teaching force in Northern Ireland. Nuala O'Donnell is from the Irish National Teachers' Organisation (INTO); Seamus Searson is from the National Association of Schoolmasters Union of Women Teachers (NASUWT); and I am from the Ulster Teachers' Union (UTU) and am chair of the Northern Ireland Teachers' Council.

Pensions are a complex issue. I am aware that you have lots of pages in front of you that you can read and digest in your own time. The three of us want to simplify it all and bring it down to how the teacher in the classroom will be affected.

**The Chairperson:** That would be very useful, Avril.

**Ms Hall-Callaghan:** In the INTO/UTU submission, which I believe you have, we have included the wider trade union comments. Seamus will talk to the amendments that we want made, and then

Nuala will give a professional account of the pensions. One of the major factors that will affect the teaching workforce is that they are already facing so many issues such as the Education and Skills Authority (ESA), which has not come about yet, and so on. Morale is at an all-time low, and the pensions issue has added to that. There are unprecedented upheavals in the education service at the moment, and this is just one more nail in the coffin for teachers. They are coping very well; we have had cutbacks all over the education service and they are coping with all of that. However, they are now looking at the pensions Bill and saying that they are not being valued for the work that they do in schools. In many ways, they are holding schools together as we go through all the hiatus that the ESA has caused.

We believed that pensions were secure because we entered into talks in 2005 and, at that time, we were given statistics that we analysed. There were many meetings in England, some of which I attended, where we looked at what could and could not be done for the future. We realise that there is a big hole in the pensions budget, so we made changes to the teachers' pension scheme: teachers coming to teach in Northern Ireland after 2007 will have to teach until the age of 65, which is their normal retirement age. We were happy to accept that because we knew that there were problems. We were led to believe at that stage that that would secure the teachers' pension scheme; now, however, six years later, we are back at the table being told that there is not enough money to sustain the scheme into the future. However, we have not been given the statistics to back that up. The Government stopped producing actuarial reports every three years, and without those hard statistics, how do you know how the pensions scheme should be changed? They have reinstated actuarial reports, but they only start from 2012, so there is a period for which information is missing.

In addition, and without statistical basis, teachers' contributions have increased over the past two years. Some teachers are now paying £200 a month more towards their pension at a time when they are being told that their pension will not come to them until they are 68 and that it will be much reduced when they do get it because it will be based on a career average.

I know that you are in a hard place because you have been told that the block grant will be reduced unless you make the changes that are needed, but what we ask is that, first, you tell the Westminster Government that this really is not on; that Northern Ireland is different, and that we were told that there would be a peace dividend, which has disappeared into the ether. Moreover, we would like you to look creatively at how you could change the proposed Pensions Bill: it does not have to be the same as in England and Wales. As I said, we have suggested some amendments that Seamus will talk to in a minute.

We all have to think about the Northern Ireland economy and how it will be affected. Pensioners spend their disposable income in shops and businesses throughout this Province. If we reduce what they have to spend, not only will they not spend in those businesses, but they will be more dependent on the state. A teacher who is expected to go on to the age of 65, 66, 67 or 68 will probably see their health go downhill, so there will be a substantial drain there, and perhaps sick leave as well.

**Ms Nuala O'Donnell (Irish National Teachers' Organisation):** As Avril said, teachers are paying more, will be working for longer, and will be getting less. Many things are going on in education: the strategic forum is looking at ways to raise standards and is looking at the workforce review and so on. However, how can you have a workforce review when you are told that teachers will have to work until they are 68? We have an example that we use of a 68-year-old teacher who will forget more often about the homework than the pupils will. It gets to a ridiculous state. Very few teachers remain after the age of 60. The numbers have slightly increased recently, but that is because of the economic situation — they just cannot afford to retire. They will say themselves that once they get to the age of 55, it gets more and more difficult to do their job and perform to the levels that they wish to perform to and to the levels that the children are entitled to expect. That is the issue.

One of the issues that you will be looking at is the inspectorate and raising standards in schools. However, you are trying to raise standards in schools while asking teachers to continue teaching to the age of 65, 66, 67, or 68. One of the things that we will look at is the link between the normal retirement age and the state pension age. That is where it will move, because, currently, the link is 65, and then it will go to 66, 67 or 68, and it could even go beyond that. Does anybody want their child or grandchild to be taught by a teacher who is 65, 66, 67 or 68? Can they really deliver what we are looking for from our education system? The potential impact is that, with the greatest will, teachers will not be able to deliver the levels that will be required by the system. That will cause issues for the system itself, and, as Avril pointed out in relation to ill health, the strong likelihood is that there will be many more ill-health absences for older teachers, which will also impact on the workings in schools, and then there will be more ill-health retirements as well. We are looking at how those issues will

impact, not just on teachers but on the system and the problems that it could cause in the system and for pupils as well.

**Mr Searson:** In our paper we list a number of amendments. I do not intend to go through each one in turn, but I will give you a general impression of what they are about. As has been said, the Pensions Bill provides the architecture for the teachers' scheme, so we will probably be coming back to you at some point in future to deal with the teachers' scheme. I will not relate to those, but if the Bill goes through as it stands, there will be knock-on effects that will be written into the teachers' scheme that will have a detrimental effect on teachers. That is the starting point. I will just identify a couple of issues. If these changes are agreed, there will be some protection for teachers. I will start off with 8.2. If it is deleted, it would mean that teachers would have a defined benefits scheme. That means that teachers could plan and organise what they will receive when they get to pension age. If that element is left in, the scheme could be changed. People will be paying in, but they will not necessarily know what they are getting at the other end. That is an important point for us. It is important for anybody planning their pension to know that if they put so much money away, they will receive a specific amount when they retire so that they can plan their life accordingly.

The second thing that worries us with the Bill is the lack of democracy in the changes that may come in future. As the Bill stands, it could be that decisions will be made not by the Assembly, if the pension schemes are changed in future, but by a Department or a Minister who could make regulations to change the scheme. We feel that that is very important because we are not the same as England and Wales. If they make decisions, it does not necessarily carry over that the same things apply here in Northern Ireland, so we feel that it is very important that the Northern Ireland Assembly agree the changes because the impact will be felt here in Northern Ireland.

As has already been said, teachers working beyond a certain age will have a knock-on effect on newly qualified teachers. In Northern Ireland, people who have gathered their pension are restricted in what they can do in respect of teaching because they are taking up the positions. Therefore we could have a worse situation with newly qualified teachers not being able to get work. That is important, and that is one of the other clauses.

There is another issue, which is to do with people who leave the scheme for five years. We think that this has real potential for discrimination, particularly against women and other carers. If you leave the scheme, your contribution is re-evaluated. At the moment, it uses the consumer price index (CPI). However, if you leave for less than five years, it is CPI plus 1.6%, so there is a knock-on effect. However, in normal family arrangements, people are often out for more than five years, and they could be severely affected, so that is something that we feel needs to be changed as well.

We mentioned pensions at the age of 65. We went through quite a bit of detail on that, and it is important that we work out its impact on our service in Northern Ireland, not only with respect to quality but also in making provision for the future.

We were asked to explain what the pensions boards are. In our view, there are two different bodies. There is a pensions board, which is like a trustee to administer the scheme. We also want there to be a scheme advisory body to deal with problems in the scheme. In future, if things do not work financially — there is an argument as to whether that is the motive behind any of this in the first place — the advisory body will become a negotiating body to find out how the problem can be solved if that is what comes forward. Equally, the membership of those bodies is important. They need to be representative of the workforce and not nominees of the Minister. In England, for example, the Minister would nominate who would sit on those panels. We feel that that is very wrong.

Briefly, those are the issues that, we believe, our amendments will deliver. It is worth saying that the amendments are very similar to those proposed by the Irish Congress of Trade Unions (ICTU) relating to the whole Pensions Bill. In many respects, all the unions are working along the same lines. If we had a choice, we would tell you to do away with the Pensions Bill and not let it go through. However, we know that that is not realistic. Therefore we want to make sure that the measures put in place make it a little bit safer for people.

**The Chairperson:** There is a huge amount of information. I commend Peter, our Committee Clerk, for the way in which he has prepared all the information for us today. When you look at the provisions and the procedure, the practice and who is responsible for pensions in Northern Ireland — I know that we have to narrow it down specifically to teachers — in relation to the Pensions Bill, the Education Minister, the Environment Minister, the Finance Minister, the Health Minister, the Justice Minister and

probably the Regional Development Minister too, are all involved. They all have issues with this in their Departments.

Generally, are the unions — and the NITC, as their umbrella body — coming at this with a consensus as to the core issues that need to be resolved? I know that there will always be differences in emphasis in certain areas. That is in the nature of having different organisations, and we accept that that is the case. I accept Seamus's point. In a perfect world, you would prefer not to have this Bill and keep things as they are, but modified slightly, as opposed to having what you see as a very radical change in the situation. When you boil it down to the core main problems — and you have tried to give us those this morning — one is in relation to the extension of the time for which teachers are now being asked to work. Is there an issue around comparators? Teachers are being compared with other elements of the sector, perhaps unfairly. You are not being compared with teachers; you are being considered as equivalent even to non-teaching staff in the profession. So the way in which the average sum of money set aside for teacher is presented is not the average sum that a teacher actually makes in the system. Is that compounding the problem? There is that issue. What are the fundamental core issues that you cannot remove, but which must be resolved? Is there an issue about how the system has presented the information on the basis of comparators?

**Ms Hall-Callaghan:** As I said, Mervyn, the statistics are not available to let us analyse it in any great depth for any of those sectors of the public service.

**The Chairperson:** Avril, you said that the previous Westminster Government had stopped that. Labour, or whoever it was, had stopped it but they are now starting to do it again.

**Ms Hall-Callaghan:** They started from 2012, and my understanding is that they will do a further report. However, we have nothing to compare it with. Previously, it was done on a three-year basis. You could, therefore, look at this year's three-year report and see in what areas it is different. We are starting from a blank space now; we have nothing to compare it with. We have no information from the changes that were made in 2006.

**Mr Searson:** As Avril said, the teachers' scheme was negotiated with the government in 2005, 2006 and 2007, and it was implemented here as it came through the system. That was because things had to change, and there was a negotiation. As far as we were concerned, that would be the situation for the next 20 or 25 years. In reality, you asked how this was presented and there was the question about whether the pension scheme is unaffordable. That is not true, because the evidence is not there to prove that. Since 2012, teachers' pension contributions, for example, are going from 6.4% to 9.6% in 2014. Therefore you would think the scheme would be better than what we have at the moment or that it would meet all the challenges. However, all the money has gone to the Treasury to be used elsewhere; it has not gone into the scheme. When we discussed this with our members during the past 12 or 18 months, the question was this: "If I put more money in, will I get a better scheme at the end of it?" However, they will not get any better a scheme than what they had before, but they are paying more. As Avril highlighted, people are feeling the pinch. They made their contributions, but they are now being told that the scheme will change fundamentally on top of that.

There is a lot of information, as you say, but I think that there is misinformation going out from government about why these things have to change. However, as I highlighted, I understand the situation that you are in and that we cannot throw this away. However, it is clear that things are not as they appear.

**Ms Hall-Callaghan:** You mentioned the fundamental issues for us. One of them is that it allows teachers' pensions to be linked, automatically, to state pension age, which, at the moment, they are saying will go up to 68. What is to stop it going up to 70 or 72? As somebody asked me, "Would you like a 72-year-old teaching your P1 child to do a forward roll?" It is not feasible into the future. I know that there are issues for the likes of the Fire Service as well. Can you expect a 60- or 65-year-old to climb ladders to rescue people?

**Mr Searson:** The number of people working beyond the age of 60 is relatively small. You ask why that is the case. Most of our members say that when they get to their late 50s, particularly now, they have done their bit, they cannot do anymore, and they need to get away from it. That is the reality. All the redundancies that we have had this year have been taken up by volunteers, because it is that age group of people who are saying that they cannot give anymore and that they need to go. If they suddenly realise that they are expected to work on to their late 60s, we will, I think, have a very different situation, and, for all sorts of reasons, it will not be good for morale.

**Ms O'Donnell:** It is important to stress that it is not that they are incapable of doing the job; however, they just do not have the energy for it. Teachers give a lot to the job; it is a vocation not just a job. They put a lot of energy into it, but, after 35 or 40 years, they have no energy left. As you get older, you have less energy. That is an issue.

Linking the pension age to the state pension age is an issue for the whole public sector, as it ties our hands and leaves no flexibility for individual schemes in the secondary legislation. It does not take account of the individual schemes and the needs of the members of those individual schemes. That is why the issue is very important at this stage of the Public Service Pensions Bill. If it goes ahead now, it restricts them. It means that it is through, there are no flexibilities, and it does not take account of the individual needs of the likes of the teachers' scheme.

One of the other issues is that they said there was the 10-year protection, with the tapering for teachers who were within 10 years of their retirement. That, in fact, is taken from 1 April 2012. This will come into force on 1 April 2015; therefore, in effect, it is seven years. If it is to be 10 years, it should be 10 years from 2015.

There are a few such issues that apply across, and then there are the issues that apply to the individual schemes as well, which would affect teachers differently from some of the other sectors in the public sector.

**The Chairperson:** As an organisation, within your own structures you have conversations with your colleagues in other jurisdictions in the rest of the United Kingdom, and there are specifics, as there always are in these cases, in relation to Northern Ireland. Across the UK, do you see from your colleagues that they believe that they have been treated more adversely in the past than we have been, or do we see that we have been treated more adversely than they have been? Even though we do not have the raw data to give us a comparison, how do we compare to colleagues in the rest of the United Kingdom, or how do they view us? I think that there is always a perception from other jurisdictions that somehow everything here is gold-plated and that Northern Ireland is such a special case that any money that is coming out of the Treasury must go to Northern Ireland first before it goes to any other part of the United Kingdom, which is not always the case.

**Ms Hall-Callaghan:** The pension schemes have been similar. In Scotland, England and Wales there is a separate scheme, and then there is Northern Ireland; however, we were all involved in the talks in 2006 because the schemes were so similar. There were slight differences between them, but they were all brought together at that stage. Interestingly, this time, both Scotland and Northern Ireland have been excluded from any talks on the current situation, although we asked to be included. That says something. England and Wales want to have their own scheme, and we can have ours.

**The Chairperson:** I want to tease that out a wee bit, Avril. Have we been excluded by the Westminster Government from the discussions? Have the discussions to date taken place with England only?

**Ms Hall-Callaghan:** England and Wales. We wrote separately — as did Scotland — asking whether we could be included in the side discussions, and we were rejected.

**The Chairperson:** That will feed in to the argument, depending on where you are and how it plays out, on the issue of parity. If we have parity we have parity; if we do not have parity, there is clearly an issue. In one sense they are saying that we need to be very careful that we do not break parity, but then you would assume that we would be at the table for the discussions. When we talk about being at the table, we are referring to the teacher unions. That is interesting. We will pursue that and try to find out why that is the case.

We had a debate at Committee among ourselves as to whether we should bring you or the Department here first, because we thought that perhaps we should bring the Department so that you would hear what it said, but the Department is here to listen to what you are saying anyway, and vice versa. We want to try to get a sense of what the good elements are and what elements are of major concern and will have major impact. That is where the Committee is at, rather than just trying to take a political view in relation to the issue.

**Mr Craig:** I am not at all surprised that you found yourselves out of the negotiations; that seems to be common practice with Northern Ireland. As Trevor and I know well, the same thing happened to the PSNI in similar negotiations.

Seamus, I want to explore something that you raised that has become a massive issue in policing. There is so much projected change in the pension system, and none of it is positive; we have to be honest about that. It is all negative, and you will be negatively affected, whatever one of those changes is implemented. Because of that, I am increasingly seeing that those who have been there for a long time and are close to the maximum pension entitlement anyway are taking the opportunity to get out as fast as possible. I have witnessed that locally, where I sit on a board of governors. Are we seeing any evidence that that is starting to accelerate across the board? That creates a problem, in that you are losing senior people from the teaching profession. We need their experience, no matter what anyone says about burnout or anything else.

**Mr Searson:** As I said earlier, people need to know what they will receive when they claim their pension. In the past couple of years, since this started to roll out, people have been asking when is the most opportune time to take their pension so that they do not lose out. However, because of the tapering arrangements, those in the latter stages of their career are not losing out as much as those at the bottom end of their career. Even those who are 47 years old in 2012 have some sort of protection. It is tapered protection, but everybody below that will be hit severely by these changes. They are the ones who will lose out right across the board. The problem with this is that they will start to ask whether teaching is a career for them and whether they want to be in the pension scheme because retirement is so far away. That, in itself, will create problems because the more people who opt out, the less viable the whole scheme becomes and it then becomes unmanageable.

You probably know about talking to youngsters on planning for the future. They do not think that way. As much as we try to tell them about pensions, the real knock-on effect will be on young teachers, who will be asking why they should bother joining the pension scheme or choosing teaching as a career. We are fortunate in Northern Ireland in that teaching is still regarded as a good place to be, and people are committed to teaching. Therefore, we want to carry that on. These changes will have a knock-on effect on that and I can see people making decisions based on, "If I stay on longer, I will lose out," and they will leave.

As you say, we will have people leaving at the bottom but we will also have people leaving at the top because they will not want to see things change. They want to protect what they have and go at that time. That is why it is crucial that we predict what will happen, and it worries me considerably.

**Mr Craig:** That is a vital issue. I am no expert on pensions but I have seen this issue before. There is a critical mass that allows a pension scheme to be viable; so if there is a big enough negative impact on the scheme it will not be viable. You say that, primarily, it will be those who have been in the profession for a short time and who will make that decision when they look 30 or 40 years in the future. I understand why some of them will come to that conclusion. I have almost come to the conclusion that there will be no state pension for me by the time I reach retirement, and they will reach that same conclusion. There is then a danger that the scheme implodes and cannot work financially.

**Mr Searson:** There will be a tipping point when that will be true. At the moment, we are fortunate that only a very small number of teachers are not in the scheme. It is a good scheme, and why would you not be in it. If you are a career teacher, you think, "This is where I will be and I will accrue my service", but that could change.

**Ms Hall-Callaghan:** We have noticed something since the contributions rate went up. The first time it went up, people were still saying, "Ah well, it is still a good scheme." However, it went up again in April and is going up again next April, and people are now wondering, "We will not get out of this scheme what we thought we would get, so we will move elsewhere."

**The Chairperson:** Is it the case, Avril, that despite the 50% increase in teachers' contributions, pensions will decrease in value by something like 33% after 2015?

**Ms Hall-Callaghan:** At the moment, people get a pension based on their finishing salary. The Government's proposal is that it will be a career average, which, for most people, will mean a much-reduced pension.

**The Chairperson:** So, that average value will fall from 23% of a member's salary to something like 14%?

**Ms Hall-Callaghan:** Yes.

**The Chairperson:** That is the reality of how it works out for teachers, because we really want to get to how this will affect teachers. I would be cautious about the age issue. I have constituents who wrote to me concerned that because they have reached a certain age, they are almost now thrown on the scrap heap, but they still have a valuable contribution to make to the education of our children. You could not buy the experience that those teachers have. I see the point that is being made in that there comes a time when a person has to make a decision to leave any occupation. However, when it comes to teachers, there has been a particular concern. I have one particular constituent who has been very exercised about this issue. In fact, I have now referred the case to the Commissioner for Older People to look at and to get some understanding of it. I also accept where we are in respect of young teachers who are frustrated because they cannot get in, and the Department is caught by European legislation in respect of ageism. My view is that we need to find an appropriate balance. At the minute, the Public Service Pensions Bill may add to that problem. It does not resolve that problem; it contributes to it.

**Ms O'Donnell:** As you said, the key point is where you choose the age to retire. The difficulty is that the legislation coming through with this Bill is tying it so that if the normal retirement age is going up, people are not getting the choice, and they are being forced to access their pension. There are a few cases, such as the one you mentioned, but, as Seamus said earlier, if you look at the statistics for teachers in Northern Ireland, the number who are over 60 is very small. It has increased slightly in the past couple of years because of the economic situation, but it is still the position, and we are all in receipt of calls from teachers regularly, that, once they get to their mid-to-late 50s, they feel — and currently they have the choice to take their pension early, albeit with an actuarial reduction, but they do have the choice to access their pension before 60 or wait until they are 60. If that goes up to 65, 66, 67, 68 or 70, the choices are going to be reduced dramatically. The key factor is that we are trying to give people choice.

**The Chairperson:** We got information from the Department in relation to teachers' workforce statistics, which indicated an increase in the median age of teachers to 40.9 years. That is what they are saying is the median age profile of teachers.

**Ms O'Donnell:** If you look at the numbers, there are fewer younger teachers. That is part of the problem.

**The Chairperson:** That adds to it.

**Ms O'Donnell:** It does add to it because we have seen that too.

**Mr Craig:** I have only one question. I am trying understanding this. With regard to the teachers' pension scheme, what is the unions' understanding of how viable the scheme actually is? Does it pay for itself? Is it in good shape or is it heavily subsidised? What are your thoughts on that?

**Ms Hall-Callaghan:** That is what we do not know, Jonathan, because the Government pulled the plug on statistics. You could take a very cynical view of that and say that they did not want people to know how well the scheme was doing. It is not a scheme of money that is invested anywhere; it is Government money. So, it is not an actual scheme, such as the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) scheme, which comprises funds that are invested in various places. This money goes into the Government's coffers, and they guarantee to pay out a pension. They did the notional figures up until recently and then, suddenly, stopped doing so.

**Mr Searson:** Just to add to that, the negotiations in 2005-06 took all that into account and planned for the next 25 years. At that time, we were trying to secure the future so that people knew where they were going to be. We are surprised that, a short period afterwards, the Government are doing this without the supporting evidence, which is what you are asking about. We need to know how serious the problem is; and it was agreed with the unions back in 2006 that if there was a problem the Government would get back and negotiate to resolve the problem. They have taken away the rules, or the information, with which to make that decision.

**Mr Craig:** In other words, you are left with no visibility as to how good, bad or indifferent the situation actually is. That is interesting.



**Mr Lunn:** Pension pots ebb and flow over the years. A few years back, when you and I were here, Mervyn, the teachers' pension scheme had a bit of a crisis, according to the Department, because teachers were going out on early retirement who were being encouraged to do so with somewhat enhanced benefits, and the Department stepped in and said that that could not be sustained because the pot was not big enough, and that was stopped. However, a couple of years later, it was perfectly obvious that the scheme had recovered pretty well, not because they had stopped that particular enhancement, but because stock market conditions had changed and the value of the pension fund had increased considerably. I read in the paper at the weekend that the Arctic ice cap has increased by 60% in the past year, so Sammy Wilson was right.

**The Chairperson:** As he normally is; but I am biased in these things.

**Mr Lunn:** It is about ebb and flow. The Government are talking about trying to plan for the next 25 or 50 years, and they keep on changing things. I am not sure that you can look that far ahead. I have a lot more questions, but I wanted to come in on the back of that.

**Mr Kinahan:** I fully agree with where you started: it is the teachers who are holding schools together at the moment, with all that is being thrown at them. I am intrigued by the problem of extending everyone's working life; it is getting longer and longer. I echo what Mervyn said about taking care, but I had it put to me in a different way than the guy who is trying to show you how to do forward rolls in the gym. It was that senior teachers are struggling to understand new technology. I am example of that, here; I do not have my tablet with me.

**The Chairperson:** I always said that you should make sure you have your tablets, Danny.

**Mr Kinahan:** I have never taken my tablets.

Should we also be looking at a review of people's roles long term and adding flexibility so that you are not a teacher for life but you could be a teacher and go off and do something else and come back, or, indeed, someone else who has a different role can learn to teach? Are we trying to build flexibility into it? We can link that to your main question, Seamus, about wanting to know what you will get at the end. I want you to expand on the parameters of what you are getting at the end, because we have heard that it varies depending on the size of the pension pot. What guarantees are you looking for within that figure?

**Ms Hall-Callaghan:** First, I will address the issue of how the marketplace is extending. We have attached a paper from the Nevin Economic Research Institute, which talks about the issues. It suddenly occurred to me that we should have brought an economist with us to talk that through with you. We can do that. If, at some future point, you want the guy who wrote that paper to come, we can get him to do so.

Teachers do not go into teaching to make a huge fortune, because they will not do that in the teaching profession. They come in because they have things that they want to offer to children, but, at the end of the day, they accept that lesser salary because they know that they will get a reasonable salary for their career and a reasonable pension at the end. That is now under question. In the future, why would you go into teaching? It used to be a secure job for life. I know that nobody has that now, but teachers generally are quite conservative and like to know what they are dealing with. They like to know that they will have enough to live on when they reach the end. They give their all to teaching while they are there, but they want to be looked after when their career ends. Does that answer your question, Danny, or do my colleagues want to add to it?

**Mr Kinahan:** It has to remain vague. I am happy with that answer.

**Mr Searson:** The other main point is that we want the Bill to not be so restrictive that we cannot look at other ways of changing things in the future. If the Bill goes through as it stands, there will be very little scope for change. If teachers have to work up to 65 and beyond, we need to make sure that they can get through the system effectively at that point. If this Bill is in place, there will be restrictions that we cannot deal with.

**Ms Hall-Callaghan:** We are involved in the workforce review at the moment through the strategic forum, and it is looking at career flexibility. The NITC has just put a paper in on that issue.

**Ms O'Donnell:** During the negotiations in 2005-06, we looked at flexibilities to allow teachers to access some of their pension and continue to teach. Very little of that is happening currently, and you are maybe talking about some sort of flexible workforce. The key factor was that we sat down and worked all of that out, and we were able to do so. As Seamus said, that door was left open had issues arisen again. We looked for a way to allow us to come back to issues and sit down and talk them through. As Seamus said, we are trying to make sure that the Public Service Pensions Bill does not put restrictions on us being able to do that with teachers' pensions.

**Mr Lunn:** I do not disagree with anything you are saying. Let me put that on the record, because we can sometimes give the wrong impression here.

Seamus, you said that the teachers' pension scheme was quite a good one: am I right in thinking that the scheme as it stands is not as good as other public service schemes? We had this discussion only a few months ago. In simple terms, by comparing contribution rates against accrual rates and pensions age and so on, it does not stack up very well against normal civil service or public service schemes, and now it looks as though it will get a lot worse. Having said that, I would be surprised if it caused any kind of a crisis in trying to get young, qualified graduates to enter the profession, because there are so many of them who want to teach and who cannot get a teaching position. That echoes back to the fact that they are now extending the pension age. You are in a vicious circle. If a newly qualified graduate entered the teaching profession and did not enter the pensions scheme, I would frankly question their right to teach, because where else would your employer throw in upwards of 20% when you make an 11% contribution? It would not make sense. The alternative would be for them to take out a private pension; but in that case, they would get no employer contribution whatsoever, so I do not think that will be —

**Ms Hall-Callaghan:** The difference is that if you are taking out a private pension, you really do not know what you are going to get at the end of it, whereas you know what you are going to get out of the scheme that they have at the minute. That is the crucial difference.

**Mr Lunn:** I am advocating that they should enter the teachers' pension scheme, whether on the present basis, what is being proposed or somewhere in between. It could be negotiated and it would still be a good deal in the long term. I think someone else has recorded that the biggest problem here is for teachers who may be around 40 years of age. At least, the younger ones coming in know what they are in for, and the older ones who are about to go out are still getting the benefits of the present scheme.

As regards the question of defined benefits, and so on, I assume that if a pension scheme's rules and benefits are changed then, normally, whatever you have accrued or paid to date remains on the basis of the old scheme. If, therefore, you have a 50-year-old teacher who was perhaps faced with the prospect of having to work to 68, then at least what he was paid between the ages of 25 and 50 has accrued defined benefits under the retail prices index (RPI) rather than the consumer prices index (CPI). That is my understanding. It is very complicated, but, at the end of the day, I hope that we can do better for teachers than what is currently coming over the horizon, because you are starting from a bad place anyway.

**Mr Searson:** The unions have always argued that teachers should be in the scheme and then make a conscious decision to opt out. There was a problem in the past, especially with part-timers. They were allowed to join the scheme but had to make the decision to go in. Obviously, they would look at the end of the month and think "Well, I am only earning a certain amount of money; can I afford to put that money into a pension?". We have always argued that it is not as good as it could be, but it is fairly good. We argue that people should always stay in the scheme and not opt out of it, but that can become more and more difficult as this goes on. As you rightly say, it is no different from when I started teaching. A pension was the last thing on my agenda and that was when the possibility of leaving was when you were in your 50s rather than in your 60s.

**Ms O'Donnell:** One of the issues that we are seeing now is that there are increased contributions, as Avril said earlier, with one year and then a second year, and we are now coming up to a third year of increased contributions. For younger teachers in particular, who may be paying off student loans and so on, having those increased contributions makes them see quite a whack coming out of their salaries that they were not expecting. Also, pensions are complicated enough, but the proposals here are making them even more complicated, and things look so far away, much farther away than they did, as Seamus said, when he started teaching, which makes it all the more complicated. We have

had a number of people coming to us and saying that they are thinking of pulling out of the scheme, which we would not have had in previous years, and that will probably increase from 1 April 2014.

**Mr Lunn:** It used to be that you could have a two-tier scheme, whereby if somebody paid 6%, they got perhaps one-eightieth accrual; if they paid 11.5%, it came down to sixtieths, or came down from sixtieths to fortieths. There was a benefit to paying more in. However, this is going into reverse.

I would also thank you to stop implying that 67-years-olds are losing their marbles. *[Laughter.]*

**Mr Craig:** I declare an interest, Chair.

**The Chairperson:** With no reference to that, I will ask Sean to speak.

**Mr Rogers:** I have a very quick question. I apologise for missing the start of your presentation. So many groups are going to be disadvantaged by these proposals. Has an equality impact assessment (EQIA) been carried out, or are there any plans for one?

**Ms Hall-Callaghan:** No; and we would call for an EQIA to be done.

**Ms O'Donnell:** We have been trying to push for that, through ICTU, the Department of Finance and Personnel and the Committee for Finance and Personnel. It has not been done, and there are issues about that.

**Mr Hazzard:** Thank you for the information. On the back of Sean's point and the likes of an EQIA, what are the main things that the DE here can do to mitigate some of this? We can talk about amendments to the Bill itself, but what should we be looking to do now? The EQIA is, perhaps, one issue. What do you think is the most important thing?

**Ms Hall-Callaghan:** It would be to look carefully at the amendments that we are suggesting. As I suggested at the start, we are separate over here. There is no reason why we should go blindly into the same legislation. I think that the politicians in Northern Ireland have come a long way in a very short time, and you are more than capable of putting together a scheme that is fit for public servants in Northern Ireland. We have a different make-up of the population, we are looking at our economy and we want it to grow, and I do not think that this Bill is appropriate for here.

**The Chairperson:** Avril, Nuala and Seamus, thank you very much.

**Mr Lunn:** Sorry.

**The Chairperson:** Trevor, can you be brief, because I am well aware that we are running over time?

**Mr Lunn:** You mentioned that the actuarial reports have not been produced for a period. To me, all that means is that they have not been published. They must have an annual actuarial re-evaluation of the scheme.

**Ms O'Donnell:** They tell us that it has not been done. That is all that we can say, and we have asked.

**Mr Lunn:** I would regard that as negligent, not just careless.

**Ms O'Donnell:** I agree.

**The Chairperson:** The Department will be coming here next week, and you are invited to listen online or come in person. You have raised some issues today. In fairness, although the Department will now have them, we will convey them to the Department, so that we will have some response back by next week, which we will then feed back to you. There is an ongoing process here: there is a Bill, and we have to scrutinise part of it with regard to teachers. Therefore, we have a job of work to do.

Thank you for your presentations and the papers you provided. I assure you that there will be a genuine attempt by the Committee to ensure that, as far as our teachers are concerned, they will get the best possible outcome and their genuine concerns and fears will be listened to.