



Northern Ireland  
Assembly

Committee for Finance and Personnel

# OFFICIAL REPORT (Hansard)

Public Service Pensions Bill: Department of  
Finance and Personnel

16 October 2013

# 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)  
Mr Leslie Cree  
Ms Megan Fearon  
Mr Paul Girvan  
Mr John McCallister  
Mr Mitchel McLaughlin  
Mr Adrian McQuillan  
Mr Peter Weir

**Witnesses:**

Ms Margaret Coyle	Department of Finance and Personnel
Mrs Grace Nesbitt	Department of Finance and Personnel
Mrs Blathnaid Smyth	Department of Finance and Personnel

**The Chairperson:** I welcome the departmental officials. We are well ahead of time, so we have two hours in which to grill you today. *[Laughter.]* We are trying to get to the nub of some of these issues, and there are a lot of clauses to go through. We will go through the Bill clause by clause and take questions from members for clarification from the Department.

We will start with clause 1. A number of concerns and questions were raised by some of the unions with regard to different bodies, particularly the arm's-length bodies (ALB). Given the person specified in clause 1(2) and the definitions at Schedule 1 of the Bill, what provision exists to enable those ALBs to piggyback on the main schemes currently and to continue to do so in the new schemes? Invest NI is included in the principal Civil Service pension scheme, and the Tourist Board is included in the local government pension scheme. Is that provided for under clause 25?

**Mrs Grace Nesbitt (Department of Finance and Personnel):** Some of the bodies that you have talked about are members of the principal Civil Service pension scheme. I supplied information to the Committee, albeit some time ago. I can reissue that, if that would be helpful. We have what we call a schedule attached to our membership. Most of our membership for the principal Civil Service pension scheme is made up of civil servants. About 80% are civil servants, but around 15% or 20% are made up of various others, or what we term schedule 1 bodies. That includes some of the bodies that you have mentioned. They would be included automatically and be part of the reforms that we are rolling out. If it would be helpful, I can supply that list to the Committee again. Would that be helpful?

**The Chairperson:** Yes.

**Mrs Nesbitt:** OK.

**The Chairperson:** Someone, I cannot remember who, made reference to clause 1(2)(c), which refers to local government workers, and thought that it would be better if it referred to "staff" instead of "workers", in case people thought it was people who work for local government, rather than those employed by local government.

**Mrs G Nesbitt:** In my view, doing work as a contractor for local government does not make you a local government worker. It is something that we looked at quite carefully when we were drafting the Bill, and it is something that we will take further legal advice on. However, at this point in time, my view is that that term is entirely appropriate, not confusing and consistent with our approach in pensions legislation previously. We will take advice, and I will come back to the Committee on that. My initial view is that there is no issue.

**The Chairperson:** Are members content with clause 1?

*Members indicated assent.*

**The Chairperson:** No issues were raised with clause 2. Are members content with clause 2?

*Members indicated assent.*

**The Chairperson:** Clause 3(3)(c) states that scheme regulations may allow any person to exercise a discretion. Can you elaborate on that?

**Mrs G Nesbitt:** No, I will have to get back to the Committee to give you further information on that.

**The Chairperson:** NASUWT raised concerns about clause 3 (5), which states that:

*"Scheme regulations require the consent of the Department of Finance and Personnel before being made, unless they are to be made by that Department".*

This is a recurring theme throughout the Bill; whether the Assembly should have some sort of say in some of those decisions.

**Ms Margaret Coyle (Department of Finance and Personnel):** It is all a requirement of the Superannuation Order 1972. The Department of Finance and Personnel (DFP) advocated that it has to approve the secondary legislation. The local government scheme was an exception to that. The Bill will formalise the scheme governance and cost control, and it is appropriate that DFP consent is required for all the schemes including the local government scheme. However, the point that must be made is that the local government scheme, as well as all the other schemes, will retain its responsibility for scheme-level discussions and consultations for employers and trade union side. That element has not gone, but the local government scheme will be included in the Bill under the responsibilities of the Department of Finance and Personnel.

**Mrs G Nesbitt:** You referred to the Assembly.

**The Chairperson:** Yes.

**Mrs G Nesbitt:** Our view is that the provision is adequate. That would be a matter for Ministers and would be a political decision, really, but this is how our pensions have been dealt with to date. Going back to the primary founding legislation for how pensions have been dealt with, that control has rested with the Department of Finance and Personnel, which would and will continue to consult on changes. Some of the issues that have come up have been questioning whether the Department will be consulting on valuations and directions, and yes, we will. We have not considered and will not propose any changes to that; it would be a matter for the Assembly.

I know Mr Weir wants to get in, but the intention is to wind back a little bit. The purpose behind all these reforms started by Lord Hutton under the Labour Government was to find a fair balance between the taxpayer, employer, citizen, however you want to describe that, and members of public service pension schemes. There are quite robust governance arrangements in there to ensure that that happens, with the intention, and I think that it is a laudable intention, of making public sector

pensions fairer while also making them sustainable. There are quite a lot of controls already built in, but if a political decision was that this should be a matter for the Assembly, that would be a political decision.

**Mr Weir:** Thank you, Grace. What we are saying is that the current system of approval is being rolled forward. No particular change is being made to that with the one exception of the anomaly that is the local government side being brought into line with the remainder of the public sector.

**Mrs G Nesbitt:** Yes. The intention is to bring the local government scheme into line but also to make the whole governance and management around that a more robust system with the view of protecting — I make that argument as a public servant — and making public sector pensions sustainable for everybody, not just higher earners.

**Mr Mitchel McLaughlin:** Is there not an issue here in that the Department is seen as having to have an absolute control? I do not think that it is a sufficient response to the concerns that have been brought forward in evidence to say that that is the way it has always been done and that we are just going to iron out the anomaly of the local government schemes. We need to be able to look at the argument for the Department's position and an evidence-based rationale that shows that is the best way of doing it, or else you will have to give us a response that examines the merits and demerits of some democratic oversight team.

**Mrs G Nesbitt:** This is primary legislation, enabling legislation and framework legislation, and the fact that there are more robust and transparent measures in there should assure members. It still leaves discretion at ministerial level for each sector and each scheme to look at how they want to manage their scheme to relate to the concerns of their workforce. That is another safeguard. It is not that total and absolute power resides in the Department of Finance and Personnel; there are high-level parameters. I may wish that it did, but it does not. *[Laughter.]* I know that is what you were thinking.

**Mr Mitchel McLaughlin:** You are trying to reassure me but I do not feel reassured. *[Laughter.]*

**Mrs G Nesbitt:** I will maybe have to try harder or give you something in writing if that helps, Mr McLaughlin. It is important, wearing my Civil Service pension hat and not my wider public sector coordinating hat, that each scheme and each Minister has scope to look at how they want to manage their scheme.

At the end of the day, what is a pension scheme about? To go back to real basics, it is about people paying something in and getting something out and being supported, as we have heard, by their employer. That is absolutely right, and that should continue. It is important that each sector has the scope, and we have given the Committee information on variances that each sector and each Minister can make to adjust to their workforce. It is enabling legislation, and there is a degree of discretion. It is not completely binding, and a 2% variance is permitted in the cost. So, I think it is reasonable. I will set out something in writing to maybe convince you a bit more because I do not think that I have done that.

**Mr Mitchel McLaughlin:** You are so kind. Thank you.

**Mrs Blathnaid Smyth (Department of Finance and Personnel):** DFP has a dual role, because we have a Treasury-like hat on and are safeguarding the purse strings, but we also have the wider public sector pensions policy. So, in checking and approving any scheme regulations, we ensure that they fall within the current wider public sector pensions policy.

**Mr Mitchel McLaughlin:** Those same kinds of safeguards and information would inform the Assembly if it was given a role in moving forward. I accept that those are the functions, but that information can be applied in different ways.

**Mrs G Nesbitt:** I suppose that it depends what the Assembly views as its role and what it wants to do business in. I would argue and contend that, because we are having our own primary legislation on pensions in Northern Ireland, this is the opportunity for the Assembly to look at the detail of that, become familiar with it and be assured, or otherwise, that that sets the right parameters and the right roles and responsibilities for the Department of Finance and Personnel, in its overall role, and with the Treasury role as well, which the Department has here. However, it must also have the balance right

between discretion and what other Ministers and other schemes can do. I argue for both, and I do not think that there is a conflict between both.

**Mr Cree:** Grace, I did not like your comment that the definition was putting something in and getting something out, because it matters to most people how much you put in and what you get out; it is an evaluation. I rather like the term "deferred pay", because that is what it really is. Will we not fall between the proverbial umpteen stools here by leaving flexibility in and having different schemes, albeit that some of those differences are very small? Why does the Department not take the opportunity to rationalise those schemes?

**Mrs G Nesbitt:** We have looked at the research by Lord Hutton and at what happened elsewhere. You could argue that we should have had a public sector pension scheme, and some thought that that was perhaps what Lord Hutton would do. As I said, it is important that schemes and workforces have flexibility to look at what they are doing. That is flexibility to a degree, because other high-level things will be constraining factors on them. We have got a balance and a reasonable way forward.

Could we look, as some colleagues in Wales are, at having a public service pension scheme for everybody and re-baselining? I think that that is what we are tending towards, in a sense, but I think that it would be very dramatic and, potentially, very costly to the public purse to have a single public service pension scheme in Northern Ireland. I think that we have got a reasonable compromise here. We have some high level principles and approaches and a framework that are going to apply to all parts of the public sector —

**Mr Cree:** What work have you done on deciding the costs that you refer to?

**Mrs G Nesbitt:** I have not done any work on that, so I cannot give you any costs. However, I imagine that unless you had the baseline at the highest and the best scheme, you would have to buy people out, because, as you said, pension is deferred pay, so people will have accrued rights.

One of the good things about this legislation, which has been honoured by Lord Hutton, is that there are significant transitional protections. As I have said, people who were 50 at April have a full 10 years, and there is a sliding scale of three and a half years before that. So, then there are the people who were 46 and a half at April. If you start looking at those sorts of things and start to make dramatic changes, those things tend to be costly. However, I have not done an exact piece of work on that, so I cannot give you a figure on it.

**Ms Coyle:** You are certainly right; there are complexities in all of these variations in the scheme. However, that cannot be avoided, because we have to consider the accrued rights that members have gained to date, and they should not lose those accrued rights. You could have people with reserved rights, or whatever, and that is where the complications come in. It is not as straightforward as broadlining it and saying that we are going to have one scheme, because it would be detrimental to a lot of people who may have built up service within their schemes to date.

**Mr Cree:** But you are tackling some major areas there that people are not happy about?

**Mrs G Nesbitt:** Yes, we are.

**Mr Cree:** You might have taken an opportunity to rationalise some of the smaller ones. Are new entrants to the Civil Service still joining the appropriate schemes?

**Mrs G Nesbitt:** No. I will clarify that. I apologise if I have not made that clear. Going forward, new entrants to every scheme will be joining new, if I can term it as that, career average schemes.

**Mr Cree:** I am talking about this point in time. If I want to join a particular Department, do I join that scheme?

**Mrs G Nesbitt:** Yes. If you were joining the Civil Service now, you would not be able to avail yourself of a final salary pension scheme, because our regulations changed, as did other schemes, by and large, a few years ago. They changed around 2008. We already have had reform of public service pension schemes, with the move to career average from final salary for new joiners, and, as has been mentioned by some of the contributors this morning, the actual increase in retirement age from 60 to

65. So, this is not a leap with everybody having to work to 65 or 68, because new joiners are already having to work until 65.

I can speak more authoritatively about the Civil Service, because I know that in more detail. A significant amount of people there, about one third, will be in the full 10 years' protection — we are all quite old, obviously — so they will be able to retire at 60. So, the impact on the economy that some of the other witnesses commented on is going to be delayed. It is not going to happen in 2015.

**Mr Cree:** This is my final point, Chair. If you move all of that along, Grace, when will there be one scheme?

**Mrs G Nesbitt:** There will be one scheme for the Civil Service in April 2015, but we must honour people's accrued rights, as I think it is right to do, so there will be people who will have transitional protection. That is going to take 14 and a half years to work out of the system. Each sector will have one scheme, but there will be people who will eventually retire or die —

**Mr Cree:** Retire, hopefully.

**Mrs G Nesbitt:** I was trying to avoid saying die. There will be other people who will be no longer active members of the scheme.

**Mr Cree:** That is a good way of putting it. Thank you.

**The Chairperson:** Clause 4 deals with the scheme manager. In what circumstances would it be necessary for the scheme manager to be different from the responsible authority?

**Mrs G Nesbitt:** Again, I will come back to the Committee with something in writing. We have left that more as a permissive clause in that they may be the responsible authority. We have another two sessions scheduled with the Committee to go through the Bill clause by clause, so I can give you more information on that then.

**The Chairperson:** Generally, how do clauses 4, 5, 6 and 7 compare to the existing arrangements?

**Mrs G Nesbitt:** In general, they are more robust and transparent. I can provide you with more detail on that. That was one of the key recommendations in Lord Hutton's report, that we should have better governance arrangements for pensions. The reason for that is that we should be able to sustain public service pensions and better manage pension liability.

**Mr Weir:** As we are on clause 5, I do not think that there has been a specific response to the Northern Ireland Local Government Association (NILGA) and the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) in relation to clause 5(2). What is the Department's position with regard to that?

**Mrs G Nesbitt:** We may change the wording. It says, "must provide for the appointment". We want to give flexibility and recognise that there are different arrangements for local government, without taking up too much of your time. On reflection, we may change that to "may". That would then mean that, in the secondary legislation, it will —

**Mr Weir:** It will allow the scheme-specific type of thing.

**Mrs G Nesbitt:** That was always our intention. We will reflect on that, get legal advice and possibly change that.

**Ms Coyle:** NILGOSC requested that we change that from "must" to "may", and we saw no argument with it. An amendment will probably be made at Consideration Stage. It should not be a problem.

**The Chairperson:** With regard to clause 7 (Scheme advisory board), if the scheme advisory board is to advise on the desirability of changes to the schemes, do you feel that there needs to be a degree of independence? How do you assure yourselves of that?

**Ms Coyle:** Basically, clause 5 requires that the scheme provides a pension board; clause 7, that there is an advisory board. There should be no conflict of interest between the two. So, although there are certain concerns from local government that someone on the pensions board might also be on the advisory board, that should not be the case. There should be no conflict of interest. That is relatively clear.

The other thing is that we have recently been speaking to the Pensions Regulator. The regulator is now in the process of preparing guidance and a code of practice on how the pensions board and the advisory board will apply. They will consult on this guidance in Northern Ireland as well. That will be an opportunity for any of the schemes which have certain issues, particularly in relation to health, as we saw this morning, and, potentially, local government, to get into the detail of that.

Again, the secondary legislation process provides scope for the Departments to further refine the scheme level arrangements. That is something that they should not forget, because they can get into the minor issues and make slight amendments to suit their area, when it comes to the secondary legislation.

**The Chairperson:** You are saying that, if the Pensions Regulator raises issues, you will address them?

**Ms Coyle:** Yes. Where the regulator gives guidance, it should be adhered to. The schemes will all have a copy of the guidance and will be consulted on it. I would say that, once the Act has been passed, they will be consulted right away.

**The Chairperson:** Are there any other points, members, up to clause 7?

In regard to clause 8 (Types of scheme), what requirement is there for the provision in clause 8(1)(c), which enables the establishment of schemes other than "defined benefits" or "defined contributions schemes"? What does the word "other" mean there?

**Mrs Smyth:** It is just written in that way because it would be inappropriate to limit the options available to current and future generations of public service workers by removing any flexibilities. There are currently defined benefits and defined contribution schemes.

**Mrs G Nesbitt:** To put it in non-legal language, it is a catch-all clause, because the intention is that these reforms, and this framework, should apply to the public service.

**Mrs Smyth:** It is expected that, for the foreseeable future, all defined benefit schemes will be career average schemes. The Bill makes provision to protect the career average scheme design so that it will last for 25 years.

**Ms Coyle:** It applies enhanced processes for trade union side consultation and Assembly scrutiny if that is not the case. That is not to say that they can be applied without any consultation if they were to go beyond a career average revalued earnings (CARE) scheme design.

**The Chairperson:** Some have raised concerns about clause 8(5). They wonder why it is negative resolution rather than affirmative resolution. That point has already been covered in an earlier discussion.

Clause 9 concerns revaluation. Clause 9(2) states:

*"The change in prices or earnings to be applied ... is to be such percentage increase or decrease as an order made by the Department of Finance and Personnel".*

Does there have to be any consultation, or should there be some reference to consultation?

**Ms Coyle:** It would be a rare case, but affirmative procedure will apply if there is negative revaluation. It must be pointed out that, if there is any negative revaluation at any stage, which would be a very rare case, there will certainly be affirmative procedure in that type of scenario. For all other revaluations —

**The Chairperson:** Where is that at?

**Mrs G Nesbitt:** It is set out in clause 9(5)(a).

**The Chairperson:** Why the difference? There is an affirmative procedure for a percentage decrease, but, in any other case, it is negative resolution.

**Ms Coyle:** If it is not negative, it will obviously be positive for the member. It would not be appropriate to have to go through affirmative procedure in that scenario because, if it was negative procedure, it would certainly be discussed with the Assembly, but you would not probably have to go into the detail that you would if there was negative.

**The Chairperson:** To be devil's advocate, if there is going to be an added cost, that would be in the Assembly's interest as well.

**Mrs Smyth:** The negative procedure is considered to provide an appropriate degree of —

**Ms Coyle:** Yes; it will be discussed at Assembly level.

**Mrs Smyth:** It would be similar to the uprating of benefits in the social security administration.

**Ms Coyle:** That is dealt with via negative resolution as well. It is aligning with the pension increase under —

**Mrs Smyth:** Yes; under the Pensions Increase Act.

**Mr Cree:** We can fix that.

**The Chairperson:** Clause 9(6) states:

*"For the purposes of subsection (1) any gap in the person's pensionable service which does not exceed 5 years is to be disregarded."*

There were concerns about equality screening and the equality impact of the Bill. Some contributors argued that that would impact on women more than men given that there are gaps in the workplace due to five-year family breaks etc.

**Mrs G Nesbitt:** Five years is the normal amount of time that is generally used for the specific issue that you have raised. That is the normal benchmark in other policies that I am aware of from employment legislation.

**The Chairperson:** Have you sought any views on that from any particular groups?

**Ms Coyle:** There are more females than males in the public services, but the reason for that was an external factor; it was not the make-up of how the public service pensions were set up. It was screened out for that reason. We will get you more detail on that, but I think that that was the initial thinking behind that.

**The Chairperson:** Did you have any discussions with the likes of the Equality Commission about that?

**Ms Coyle:** Yes. When we did the policy screening, the Equality Commission agreed with our decision on the screening out of it at that time.

**The Chairperson:** Were you aware of any other concerns from any other groups?

**Mrs G Nesbitt:** No. Nobody else raised any, to the best of my knowledge.

**The Chairperson:** OK. Members, anything else on clause 9? We come to clause 10 on pension age.

**Mr Girvan:** Chair, I appreciate that there is evidence here from a number of the unions in relation to pension age. One that is not included but was mentioned here this morning is the British Medical



Association (BMA). I appreciate that we have had a strong lobby from the Fire Brigades Union (FBU). Should any Department wish to make any variance to this, it would have to absorb any local changes that it would make. Is that correct?

**Mrs G Nesbitt:** Yes. It would have to absorb changes; that is the stance that we have had. Those changes could be absorbed in a number of ways. You may or may not be familiar with the slightly different stance that was taken in Scotland for firefighters. If you have not already got it, I can provide you with the details of what Scotland is doing with regard to firefighters. Basically, Scotland is looking at the accrual rate, so that people can leave earlier and not take such a hit in their pension. In secondary legislation, sectors will have the scope to do that. If they do that within the overall cost envelope of their scheme, that is OK. However, if they exceed that and decide to have — if I could just describe it very simply — a more generous arrangement on any of the variances that they wish to make, the stance that we have taken, and which was advised by Minister Wilson in his time, is that those costs would have to be met by that sector. So, there is scope within the overall cost envelope to vary it. There is also scope to go outside it. That brings with it a consequence for the funding for that sector. So, to answer your question: yes.

**Mr Girvan:** So, the protection of accrued rights is an issue. I am looking at what was presented this morning in relation to the BMA, where the proposal is to move from 65 to 68. If, for argument's sake, someone wished to take a reduction and take the three years, that could be a 5% reduction per year. Would that be the case?

**Mrs G Nesbitt:** I do not have the detail of the health service pension scheme. In the Civil Service, that would be our reduction rate and what people would have to do.

I will make a couple of general points about state pension age. As came out in the earlier session with the BMA, the retirement age for new workers to the public service has, over the past few years, increased in all sectors, generally from 60 to 65. For firefighters it increased from 55 to 60. I did give the dates of that to the Committee, and I can supply those again if you want. So, the increase in the age is not a new thing. I accept that linking most parts of the public service to state pension age is new. The reason for that was that it was a key recommendation for cost management going forward. So, it goes back to the financial sustainability of the pension schemes. Schemes will have scope within that to make arrangements so that people can choose to retire earlier and still have a pension to live on — maybe not as full a pension as if they had worked longer. Also, because we have the transitional protection, people have time to look at that. The move to career average and the increase in state pension age is not actually going to come into effect for people for some years to come. We have talked about private sector pensions. People could decide to take out that. They could look at buying added years. There are lots of flexibilities there. When it comes to capability, if people are not capable of doing the job, we do have provision for early retirement and medical retirement. Those things can all be looked at. I know that, in certain sectors, there are concerns about capability for firefighters and health professionals, and various reviews are going on. Those things can inform scheme design and specific secondary legislation going forward. If necessary, changes can be made.

**Mr Girvan:** I am happy enough with that.

I have one other point that I would like clarification on from the Department's point of view. Mention was made this morning of making a higher percentage contribution for the same outputs as another scheme. Is that down to the scheme?

**Mrs G Nesbitt:** Yes. It is down to the scheme, and Ministers for each scheme will have their own view on that. Again, if I just refer to the increased contributions that we are experiencing in public service pension schemes, one of the things which I would personally support is protecting those members who are lower paid. There was a tiered contribution for most of the schemes. Basically, people who are paid more pay more in contributions. I think that that is quite fair — not particularly fair, maybe, if you are one of those people who is paying more, but in the grand scheme of things, I think that it is fair and reasonable. At the minute with our final salary pension scheme, lower-paid people are subsidising those who are higher paid. I think that we have got it the wrong way round with regard to fairness and how we manage our workforce.

In going forward, yes — as someone said this morning — career average will level that out, in that the higher earners no longer have the huge advantage of their best last year and final salary with whatever may happen in your best last year out of three for your final salary. Therefore, it will level that out. It is a fairer system, particularly for those who do not have the opportunity or the scope,

within their particular job or career, for advancement. It is really up to each sector to decide who pays. Should what you pay in be totally influenced by what you get out, or is it reasonable in a scheme design for those people who are paid more to pay more into the pension scheme to help other people in that particular workforce or sector who are less well paid? That is a matter for secondary legislation, but there is a fairness in tiered contributions.

**The Chairperson:** Following on from Paul's point about age, obviously, there will be exceptional circumstances and early retirements, etc, which will be looked at individually.

**Mrs G Nesbitt:** Yes.

**The Chairperson:** However, there is not that degree of flexibility in the scheme. I do not see why there could not be more flexibility in the primary legislation regarding some of those issues so that there is that flexibility. There are a number of reports; the BMA raised the issue, and the FBU has also raised an issue about the report. That will factor into consideration of retirement age. I do not see why the flexibility — and the FBU has proposed an amendment for firefighters, which is reasonable, because it passes it down to the next level to be decided on. However, it is not saying that it should stay the same. I think that that would be a more common-sense approach, rather than putting it in primary legislation that it must be 60.

**Mrs G Nesbitt:** The difficulty is when you look at a particular workforce. I will touch on health first, but I will come back to the Fire Service. If we had flexibility for the health service pension scheme — I do not have the figures to hand, but I can get them if that would be helpful to the Committee. How many members of the health service pension scheme are doctors? How many of them work in A&E, or whatever situation? Are you going to say that, for the whole of the health service pension scheme — I am just trying to work through the logistics of this — there will be a reduced pension age, or are you going to say that this particular group of workers and not that particular group of workers will have a different age in the same pension scheme? That could be particularly divisive, and it would be difficult to make those rulings and those judgements. In the Civil Service pension scheme, we have prison officers, who would also contend — and evidence has been given — that they should have a different pension age. Again, that gets very difficult within a scheme, because we may have other members of our pension scheme, maybe even in our schedule 1 bodies that I alluded to earlier, who would say that a difference should be made for them. Therefore, if a particular sector wants to look at that, it is appropriate for them to do that in the secondary legislation.

Lord Hutton looked long and hard at the pension age, and he made exceptions. His view is that those are the only exceptions. It could get really difficult to decide whether to have a different age for the whole of the health service scheme or just parts of the health service scheme, for some workers. With regard to firefighters, the pension age actually changed to 60 some time ago. These reforms are not increasing it to 60; it is staying at 60. There may or may not be scope in that workforce for them to manage that by not doing front line firefighting, if I can describe it like that. And if there is not, it is really for that workforce to look at and see how they want to ease the transition, if they find that their workforce is failing on their capability and fitness tests. I think that the parameters that we have set should stay.

**The Chairperson:** The issue that I was focusing on was that of the firefighters, as opposed to the health service.

**Mrs G Nesbitt:** OK. That came up earlier.

**The Chairperson:** The difficulty for the Fire Service is that it has a lack of backroom staff. The police, obviously, have a much larger backroom staff, in terms of the percentage of its workforce. If a report comes out now and says that firefighters who are 60 and on the front line represent a percentage increase in the risk to the public, ultimately, we, as politicians, need to be in a position to respond to that. I do not think that this being in primary legislation gives us that assurance.

**Ms Coyle:** Just on the point that Grace has made, as the firefighters stand at the moment, I understand that those who came in from 2006 — that date may not be exactly right — have a retirement age of 60. Prior to that, it was something like 55. Already, you have a discrepancy within the Fire Service as regards retirement age. So again, if this were in secondary legislation, and we were discussing and consulting on it, would we look at those who previously had the 55 retirement age, and say that we need to make some kind of commitment to those people, because their pension

age was originally 55? We now have people who have had a retirement age of 60 since they came into the Fire Service. Do you degress with those and take them back to an earlier age? There are so many discrepancies within each scheme.

**The Chairperson:** And there are discrepancies, and that is the status quo, but ultimately we will have to make a decision based on both public safety and the pension arrangements, so that is a difficulty.

**Mrs G Nesbitt:** I was just checking my notes there. The retirement age for firefighters actually changed in April 2006, seven years ago. That was the view that was taken then, and implemented. Obviously, Lord Hutton looked at the various retirement ages that there were in each sector. If we are saying that, by and large, new entrants to the public sector who joined in two thousand and whatever could work a bit longer, then we have honoured those with that existing accrued right, I have said, in terms of having an earlier pension age, but it is difficult to argue that we should unwind and unpick that, where we have increased the pension age.

For firefighters, the age is 60. We are not proposing to increase that more. For other public service workers, by and large, it is from 60 to 65. I accept that that will go up with the increase in state pension age as well. If we start going back, we are unpicking what has been done before.

Yes, if there is compelling evidence, from someone living in Northern Ireland, to say that this needs to be looked at in terms of fire safety and how we deal with that, that is different. However, I am aware of no major outcry in 2006 when the age was increased to 60. I am not sure why we would unravel that now. It is being looked at. It will be reviewed, and that gives me assurance that, if there is a real issue there, we can look at it. There will be flexibility within the scheme to look at that and manage the scheme costs as well.

**Mr McCallister:** On that, the big concern is really whether it will fit in secondary legislation or be left up to the individual scheme for firefighters. It was completely unclear as to whether, if a firefighter took early retirement, say at 57, his pension would be downgraded by three years, until he is 60, or, indeed, depending on his age, whether there was 67 retirement or 68. Will that be worked out by the individual scheme? Can we give them some comfort?

**Mrs G Nesbitt:** This is primary legislation. I cannot emphasise that enough. So that would be very much a matter for each scheme to look at, as to how easy or comfortable they want to make it for people who, for whatever reason, are leaving a public service pension scheme early. They will be looking at how they can do that, in view of the needs of their workforce and what they are asking people to do, and also the overall cost and affordability of the scheme. So that is a matter for the secondary legislation for the scheme. I think that that is entirely appropriate.

**Mr McCallister:** To leave it in that?

**Mrs G Nesbitt:** To leave it in the primary legislation but to allow discretion for variances, which can be set out within the scheme-specific legislation, in response to the needs of the workforce or, indeed, reviewing that, as you say, as new research and new thinking come forward.

**Ms Coyle:** That was a success story in Scotland in relation to the Fire Service, because they eked that out. Most of the schemes at the moment have between a 4% and 6% reduction per year. I know that this was debated at last week's evidence session, too. Potentially, you could have a scheme saying that 5% is too much and it will consider 3%. In this particular scenario, where those people are working —

**Mr McCallister:** They were using 4% as an average, but they did not have an issue with the 4%. They certainly had a big issue if it was 4% to the state retirement age.

**Mrs Smyth:** It would be normal retirement age for the scheme, which would be legislated for at 60.

**Mr McCallister:** So you are saying that it would be 60?

**Mrs G Nesbitt:** Firefighters are one of the groups that are an exception to linking scheme retirement age with state pension age. I think the thinking is that that will reach 68, but it could potentially increase. Firefighters are one of the exceptions, so the retirement age for firefighters will be 60. Obviously, people will have transitional protection arrangements. That goes without saying, as I

explained earlier. Also, those people who were recruited after April 2006 will not actually see a change in their retirement age, because their retirement age will be 60, and they came in knowing that. Does that explain it?

**Mr McCallister:** It is a point that was raised, and I think it would make a huge difference. So you are telling me that the retirement age would be 60. If someone took retirement at 58, it could be —

**Ms Coyle:** It would be 3% per year up to the age of 60, not up to the age —

**Mrs G Nesbitt:** Not up the age of 67 or 68.

**Mr McCallister:** I think that will be of tremendous comfort to the Fire Brigades Union, because last week there was —

**Mrs G Nesbitt:** I would have thought that they would have known that, actually.

**Mr Weir:** On that specific point, I appreciate the answer. In many ways, the answers, then, are probably in Hansard, in that regard. I think it might be useful in dealing with John's point about giving that specific comfort if the Department was to formally produce a letter on that specific point to explain what the situation is. Then, when we are dealing with it in Consideration Stage, whether it is through the Chair or whatever, it may be useful for that to be read into the record.

**Mrs G Nesbitt:** I am happy to take the point, and we will set that out.

**Mr Weir:** That is OK. On a second, more general, point, I suppose what is being said is that, if there are those variations, it is probably best at a scheme-specific level on that side of things. Is the danger of naming particular groups or bodies on the face of it the concern from a practical point of view in terms of the complexity that it would engender into the legislation? To what extent is it also an issue of the law of unforeseen consequences in terms of any legal problems that may arise once you start putting in particular provisions for particular bodies, particularly if you are differentiating on the face of primary legislation in terms of specific schemes, or whether you leave it open? Mention was made of the wider bit. To be fair, I probably have more sympathy with the situation of the firefighters than perhaps some of the other cases that have been presented to us.

**Mr McCallister:** Very delicately put.

**The Chairperson:** What ones are you talking about?

**Mr Weir:** One wonders at the terrible problem of a lot of doctors suffering on £100,000 a year or more, but that is by the by. If you open up something on the face of primary legislation to try to cover specific situations, do you then get perhaps the other 96% of people on that specific scheme who are not covered by it taking some sort of court action and saying, "Well, actually, here is the same scheme on the face of the legislation; why am I not covered?" and trying to take legal action to open up the floodgates? Presumably it would be both those concerns, the practical and the legal.

**Mrs G Nesbitt:** It would, absolutely. Without repeating what I have said, I think that what we have struck here is a fair balance between the broad parameters at one level and at the other level, at the secondary stage, giving Ministers responsible for each scheme for their sector the flexibility to respond to the needs of their workforce, whatever they are. Within that there are safeguards, like medical retirement or whatever.

**Ms Coyle:** The NASUWT had issues with the age of retirement in its evidence session last week. That could go on; you could have certain groups of people in every one of the schemes coming and saying that they are unique in this particular area, so it would be a quagmire to try and put it into the Bill.

**Mr Weir:** Perhaps contradictory concerns have been raised over this. Last week, there was a concern that the impact on teachers would act as a blocking mechanism and that people would remain at the top end of things and young people would not get in. We then had evidence today from the BMA, which had the concern that too many people would opt for early retirement and get out, although curiously enough, that also seemed to get married in with consultants working to the age of 68, so

people were both leaving early and staying too late simultaneously. I am not quite sure how that works.

**Mrs G Nesbitt:** Obviously, people have personal choices to make, and being a member of a public service pension scheme gives you as an individual a fair degree of flexibility in when you want to retire.

**Mr Weir:** Presumably nobody is compelled to take part in these pension schemes; they could opt out.

**Mrs G Nesbitt:** Nobody is compelled to join our scheme. In other countries, you are compelled to join the scheme if you are a member of the public service, but we have not done that. If people do not want to pay in, they can leave. I can supply the Committee with evidence on opt-out rates if it would be helpful. I do not have that detail to hand today, but I can get it. We looked at opt-out rates, because it was one of the areas that we said that we would look at just generally going forward, with increased contributions. With year three of increased contributions scheduled to begin in April next year, the opt-out rate has been very low, and of those people who have opted out, very few said that they did so because of increased contributions. They tend to be younger people: perhaps it is their first job and they have just looked at the bottom line of their take-home pay and have not quite made an informed decision, but there has been no increase in opt-out rates because of increased contributions. I think that is because of the point that members have made, that public service pension schemes — even reformed ones — are still excellent pension schemes to be a member of, not least because of the governance around it, the confidence that you can have that it will actually pay out at the end of the day, and the employers' contribution, which is still going to be significant. If you would like more information on opt-outs, I can get it.

**The Chairperson:** On that point, in terms of opt-outs but more so in terms of uptake, the pension age has changed for new entrants; it is now 65. Have there been any trends or any change in the uptake?

**Mrs G Nesbitt:** No. The uptake is still very high.

**The Chairperson:** Do you have any figures on that?

**Mrs G Nesbitt:** I can get you some figures on that, but certainly in the case of the Civil Service, it is a few per cent of staff who are not members of the principal Civil Service pension scheme. It is in single figures.

**The Chairperson:** Is that the same for all the different areas?

**Mrs G Nesbitt:** I would need to check with other sectors, but I know that there has not been any increase in opt-outs from increased contributions. Well, it would be wrong to say "none", but very little — minimal amounts. However, I can get you more figures about opt-outs and the trends there.

**Ms Coyle:** Paul made a point about concerns that there would be opt-outs because of the increased contributions and now the wider reform, but, to date, there does not seem to have been any sign of that.

**Mr Girvan:** I have no concern about there being opt-outs; I was just wondering what the options were.

**Ms Coyle:** Even though people are paying higher contributions, they still know that to stay in the scheme, even the 2015 scheme, is beneficial to them.

**Mrs G Nesbitt:** Just to add to that; what I think has been helpful is that there have been changes in national insurance contributions, in tax bands and percentage tax paid, especially for lower-paid people. That has cushioned the increase in contributions, so people have been able to manage what they have to live on and still pay the increases in contributions. That is good, because we want people to stay in our pension scheme.

**The Chairperson:** Just one final point regarding clause 10. Clause 10(1)(a) is quite conclusive in that it links a person's pension age to state pension age. There would be concerns if that could knock out any consultation of the local Executive or Assembly in regard to that, because Westminster could ultimately make a decision to put it up to 70 and, because that is a new clause, as you said, that age

will automatically become 70. So, some flexibility in clause 10(1)(a), whereby it could be the state pension age or the pension age as applied through a certain scheme, might introduce a flexibility that would suit us as a devolved Assembly.

**Mrs G Nesbitt:** It depends on how you define "suit". If you have the flexibility and we do not keep pace, we could vary — indeed, we could come back and change our primary legislation if the Assembly desired. If we change that, that will have a cost, which Treasury will expect us to pay. That would be the first point.

On this specific issue, the Executive on, I think, 8 March 2012, made a decision and said specifically that they agreed that this would be the policy that would be adopted in Northern Ireland across the public service schemes. I can give you the wording of that decision if that would be helpful. This is already a matter that the Executive have considered and made a decision on the specific point about linking scheme pension age to state pension age.

**The Chairperson:** The state pension age rising to 68, or the state pension age at 65?

**Mrs G Nesbitt:** The state pension age would be rising, because the exact wording was that they would do and follow what happened in GB. Again, I can provide the Committee with that wording. So, the Executive would —

**The Chairperson:** But nothing has happened yet with regard to the rise to 68.

**Mrs G Nesbitt:** No, but the Executive made that decision in the knowledge that it would rise. It is common knowledge that state pension age will increase, so the Executive made that decision in that knowledge.

**The Chairperson:** To 65?

**Mrs G Nesbitt:** No, they knew that the state pension age would be increasing.

**The Chairperson:** Members, any other questions on clause 10? Clause 11? With regard to clause 12, "Employer cost cap", what rationale can the Department give for having the various powers of direction in regard to clause 12(3) and 12(4)? I think Hutton said that there would be a consultation process around the cost cap.

**Ms Coyle:** Yes. There will certainly be a 12-week consultation on implementing the directions and employer cost cap. We have already issued the HMT directions to the trade unions — NICICTU — for them to have a look at and come back and comment on them. We will certainly be carrying out our own consultation with the unions here in Northern Ireland.

**The Chairperson:** But that is not in the legislation, is it?

**Mrs Smyth:** The legislation states that the directions should be developed in consultation with the Government Actuary, but it is not covered by the legislation that there will be consultation with the trade union side on that.

**The Chairperson:** Could that be strengthened?

**Mrs G Nesbitt:** Yes, we could consider that. That is certainly happening in GB, even though it is not in their legislation.

**Mrs Smyth:** It would be seen as best practice.

**Ms Coyle:** I think it is not quoted in the Bill because directions are outside the legislation, but we could take a look at that.

**The Chairperson:** Any other points on clause 12? Clause 13 is "Employer contributions in funded schemes". Clause 13(4) states:

*"Where an actuarial valuation ... has taken place, a person appointed by the responsible authority is to report on whether the ... aims are achieved".*

How do you ensure the independence of that person and that assessment?

**Mrs G Nesbitt:** It would be understood that they obviously will be independent, because they will be appointed by the responsible authority, but we can consider enhancing that just to make that absolutely clear. I think it is operating from the premise that it is understood that people doing such work should not have a conflict of interest.

**Mrs Smyth:** Clause 13(7) says that they should be "appropriately qualified."

**Mrs G Nesbitt:** Clause 13(7) gives further clarification on that:

*"The person appointed under subsection (4) must, in the view of the responsible authority, be appropriately qualified."*

**The Chairperson:** Are there any other comments on clause 13?

Clause 13(6)(c) states:

*"the responsible authority may—*

*(i) require the scheme manager to report on progress in taking remedial steps;*

*(ii) direct the scheme manager to take such remedial steps as the responsible authority considers appropriate."*

Will that need to be amended to take account of circumstances in which the responsible authority is the scheme manager?

**Mrs G Nesbitt:** We will consider that, because the whole intention is that there is robustness and no conflict of interest. So, I will reflect on that.

**The Chairperson:** There are no questions on clauses 14 and 15. Clause 16 refers to the Department for Social Development (DSD). Why are the records kept at DSD, as opposed to DFP?

**Mrs Smyth:** It is same as the Department for Work and Pensions (DWP), in that DSD is in charge of the disclosure rights.

**The Chairperson:** There are no comments on clauses 17, 18, 19 and 20.

Where clause 21 is concerned, the NASUWT said that this should probably go through the Assembly. Do you have a view on that? This is similar to a point that was raised earlier.

**Mrs G Nesbitt:** We have covered those issues.

**The Chairperson:** Is there nothing further to add?

**Mrs G Nesbitt:** I cannot think of anything. I will try.

**The Chairperson:** There are no comments on clause 22.

Clause 23(2) states:

*"the authority must first consult the persons specified in subsection (3) with a view to reaching agreement with them."*

**Mrs G Nesbitt:** It sounds familiar. *[Laughter.]* I refer you to an evidence session from about a year ago.

**Mr Mitchel McLaughlin:** What does it mean in practice? We have heard the theory.

**Mrs G Nesbitt:** We will soon find out. It means what it says: you will consult with a view to reaching agreement. To be absolutely clear: it does not mean that you are required to reach agreement. When we had this discussion previously, we could not agree, but we had a very useful meeting. It means that there is not a union veto; I suppose that is the best way to describe it. I think that it is appropriate that there is not a union veto. To be fair, if the union were here, it would probably say that it means that there is a management veto. Again, this is about managing the whole scheme, and I think that the right balance has been struck.

**Ms Coyle:** We are required to report to the Assembly on our discussions.

**Mrs G Nesbitt:** Yes, it is very similar to the issue that we dealt with before.

**Mr Mitchel McLaughlin:** It sounded vaguely familiar.

**The Chairperson:** How do you define the term "significant adverse effects", which appears in clause 23(2)(a)?

**Mrs G Nesbitt:** I am tempted to say, "Good question." If we start trying to define that and put a form of words around it, it will get very difficult. We could just say, "an adverse effect". I think that the word "significant" is there to show that we are talking not about a few pounds but something substantial. I have no further definition to give you.

**Mr Girvan:** What is the definition of "substantial"?

**Mrs G Nesbitt:** I have no further definition to give you. This has been through the legal drafters. I do not know how we can elaborate or clarify that any more, but I welcome all contributions.

**Mr Girvan:** Significant or otherwise.

**The Chairperson:** There are no comments on clauses 24 to 31.

Clause 32(1) states:

*"A public body pension scheme established before the coming into force of this section may include—"*

It goes on to mention paragraphs (a) and (b). Is there a reason for the use of the word "may" rather than "must"?

**Mrs G Nesbitt:** I am not sure; I will come back to you in writing on that.

**The Chairperson:** There are no comments on clauses 33 to 37.

I will move now to the schedules.

**Mrs G Nesbitt:** Local government workers are defined in schedule 1. Hopefully, that will help with the point that came up.

**The Chairperson:** The section in the explanatory and financial memorandum on schedule 9 describes the fair deal provisions on the principal Civil Service pension scheme. Does that fair deal policy apply to other main schemes?

**Mrs Smyth:** Yes, fair deal will apply across all the schemes. It is slightly different for the local government scheme in that it followed the principles of it, but it will do its own consultation with trade unions on their plans for fair deal. However, the new fair deal policy will not come about in Northern Ireland until the Bill has received Royal Assent. Under the previous policy, people who transferred out of the public sector into the private sector were asked to have a pension scheme comparable to what they had. Under the new policy, they are allowed to stay in their existing public sector pension scheme. There is, therefore, more protection for them. Obviously, the longer that it takes us to get



Royal Assent for the Bill, the more risk there is for anybody in the public sector who is moving or being required to move.

**Mr Cree:** On that point, are you referring to a deferred pension situation?

**Mrs Smyth:** No, it is current pension provision.

**Mr Cree:** Are the employee and the employer contributing to it in the new arrangements?

**Mrs G Nesbitt:** Yes.

**Mr Cree:** So, it is continuing on; it is not a deferred pension. I suppose that I should know this, but do any of the schemes provide for additional voluntary contributions?

**Mrs Smyth:** Do you mean current public sector pension schemes or new schemes after 2015?

**Mr Cree:** Current ones.

**Mrs Smyth:** Yes, there are.

**Mr Cree:** Is it envisaged that that will carry on?

**Ms Coyle:** I think so.

**Mr Cree:** I do not think that it is mentioned anywhere. Is it?

**Mrs G Nesbitt:** We will check on that. My understanding —

**Ms Coyle:** I think that those provisions will continue on to the revised scheme.

**Mrs G Nesbitt:** We will check that out for you.

**Mr Cree:** The tax is paid anyway.

**The Chairperson:** Members, are there any other general points?

**Mr Cree:** No. Have a nice day.

**Mr Mitchel McLaughlin:** I think that that was helpful.

**Mrs G Nesbitt:** For a change. *[Laughter.]*

**Mr Cree:** We will see you in court.

**The Chairperson:** Just to add, Grace, we will be firing down about 100 questions for written answer.

**Mrs G Nesbitt:** And you will need a response by noon the next day.

**The Chairperson:** I will need a response by next week. Obviously, there is a tight timescale to stick to.

**Mr Cree:** There is a lot of information coming in for 18 October. That is just a few days away.

**The Chairperson:** When will the Committee receive a departmental response about the cost-benefit analysis of the non-alignment of the normal pension age (NPA) to the state pension age (SPA)?

**Mrs G Nesbitt:** Our view is that that is not required. We have looked at that, and we got an estimate from the Government Actuary's Department (GAD) to undertake that work. The estimate, which does not mean the final bill, is £15,000 plus VAT. It could take three to four weeks. It will —

**The Chairperson:** I am tempted to say that you could buy a few flagpoles for that.

**Mr Weir:** An awful lot.

**The Chairperson:** Do not get excited.

**Mrs G Nesbitt:** I could not possibly comment on that.

That will be based on the original work that the Government Actuary's Department conducted, which has not been totally accepted in some quarters. To be honest, I am reluctant to spend more public money on that. I think that we are focusing on the wrong issue and are looking at the cost of delay or the exact cost of not doing a particular thing. I think that that cost would be significant, and that was one of the reasons that Lord Hutton put that requirement in. As I said, it is also a decision that our Executive have made, and I cannot see any merit in commissioning that work. I think that our time and effort would be better spent looking at the details and the substance of the legislation. That is what we did this morning, and I think that that has been helpful. I know that it is difficult, but we should also try to get a better sense of and understanding about what can happen with the permissiveness from the primary legislation to the secondary legislation. I was going to say that I am not minded to do that, but I may be accused of quoting somebody else. However, my thinking is that we should not embark on that route. I do not think that it is the best use of public money, and I am also very conscious that the Executive have made that decision. I will not rehearse this, but we have been over the flexibilities that are in the secondary legislation to address that issue where there are particular concerns in a sector. If the Committee wishes —

**The Chairperson:** Is that the only reason, or are you afraid of the answers that might come back?

**Mrs G Nesbitt:** No, I am not afraid of the answer. I think that the answer will be another x amount of millions of pounds, and we will then end up debating the efficacy of the Government Actuary's Department doing it, whether they are independent and how robust its analysis was. I just think that that is taking us in the wrong direction, because I believe that we should be spending our time and effort looking at the substance.

I am not sure whether the Committee has any money and wants to commission the Government Actuary's Department or whether the unions want to commission it and pay for it. Obviously, that is a matter for you to consider.

**Mr Mitchel McLaughlin:** Now you are being provocative. *[Laughter.]*

**Mrs G Nesbitt:** I am just giving you a helpful suggestion.

**Ms Coyle:** A comment was made at last week's evidence session that we have already spent £37,000 —

**The Chairperson:** We could extend your consultation period to carry that out if you wish.

**Ms Coyle:** If we add another £15,000, I do not think that we are going to be very popular. That would take us beyond £50,000.

**Mrs G Nesbitt:** In all seriousness, there will be a cost to delay. I have a little aside, which I will give to lighten the moment. I was described by one of the contributors at an evidence session as a scratch on a phonographic record that causes the stylus to stay in the same groove and play the same words over and over again. That person thought that I was a stuck record. Maybe I should update that with, what is it — a stuck MP3 player or a CD player? The person was talking about my reference to the GAD cost of delay of £300 million a year.

I had never actually heard this before, but as the old saying goes, "I will take all cuts as compliments." I consider it important to remind members of the consequences of delay. From my time in education, which was a long time ago, repetition was a really useful learning tool to deploy in helping people to retain information. *[Laughter.]*

**Mr Mitchel McLaughlin:** That seems to prove his point.

**Mrs G Nesbitt:** You all remember the £300 million, so you have all passed the exam today. We have had no senior moments today.

**Mr Cree:** Is the £300 million still the same? Has it not changed today?

**Mrs Smyth:** It has not changed today. However, we could arrange that.

**Mrs G Nesbitt:** The union suggested that there could be a variation of £10 million for each scheme. I said that if it were helpful, I would present it as £250 million to £350 million, because there were five schemes.

**Mr Cree:** So, are you saying that there is flexibility in it?

**Mrs G Nesbitt:** Absolutely. There is built-in flexibility.

**Mr Mitchel McLaughlin:** It sounds as though you are actually saying that there was a margin of error of around 25%. Guesstimating is not the best way to actually —

**Mr Weir:** I think that the point, in many ways, is that, whether it is £250 million, £350 million or something in between, it is big money whatever way you do it.

**Mr Mitchel McLaughlin:** That is why I am not digging holes about it. *[Laughter.]* I am not sure about the guesstimating approach. However, there is no question that there is a significant financial penalty.

**Mrs G Nesbitt:** There is. We know that, if we can accept that, our efforts would be better spent actually looking at the detail of the legislation rather than spending more money to refine a guesstimate, estimate or whatever you want to term it — an assumption. Are there any other questions?

**The Chairperson:** No. We will let you go early. We have only an hour and 15 minutes left.

**Mrs G Nesbitt:** I will go back and do some more guesstimating, will I? Thank you for your time. I genuinely appreciate the Committee's efforts. I am conscious that we have given you an awful lot of information. Pensions is not the easiest subject to try to grapple with. We will pick up the points that were raised today and give you something back. If something is not clear — I am sure that it will not all be clear — we are obviously happy to come back. We are scheduled for another two sessions on 6 and 13 November to go through the clause-by-clause scrutiny. Thank you for your time today.

**The Chairperson:** Thank you.