



Northern Ireland
Assembly

Committee for Social Development

**OFFICIAL REPORT
(Hansard)**

Pensions Bill: Clause-by-Clause Scrutiny

23 February 2012

NORTHERN IRELAND ASSEMBLY

Committee for Social Development

Pensions Bill: Clause-by-Clause Scrutiny

23 February 2012

Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Ms Paula Bradley
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Mr Fra McCann

Witnesses:

Mr Seamus Cassidy	Department for Social Development
Mr Gerry McCann	Department for Social Development
Ms Anne McCleary	Department for Social Development
Ms Doreen Roy	Department for Social Development

The Chairperson: I thank members for their indulgence in returning at 1.30 pm; I also thank the departmental officials for being here once again to help us to work our way through this. I declare this part of the meeting officially open. We will continue to deal with the Committee Stage of the Pensions Bill. With us from the Department are Anne McCleary, Gerry McCann, Seamus Cassidy and Doreen Roy.

I remind members that we agreed, hopefully, to conclude our clause-by-clause scrutiny of the Bill today. That will enable us to compile a report, which we will approve — or otherwise — next week. That will keep us well within the 30-day time limit that the Committee has for its consideration of this part of the Bill. We agreed this morning that we will take a few minutes to allow members to air comments or to propose amendments to any of the clauses, although most of the discussion will probably relate to clause 1 and the issues therein. I suspect that, once we get beyond clause 1, there will be a speedy disposal of the rest of the clauses. Although, in saying that, I never like to tempt fate too much.

We are open for business. There are 34 clauses in the Bill, and most of the contention was about clause 1. I propose that we have a brief discussion without rehearsing all the arguments for and against the provisions; we will simply go through the clauses. If anybody has any suggestions about

how they might fix what they believe to be a problem, they can talk about those in general terms. We will then put any amendments to the Committee.

A late submission from the Women's Support Network, which is in the tabled items folder, was circulated to members earlier this week. We also have a report from the Examiner of Statutory Rules on the scrutiny of delegated powers. In that report, the examiner did not suggest that there are any problems with the Committee's clause-by-clause scrutiny. You have received other submissions, and there has been a fair bit of discussion around the issues and a bit of toing and froing between the Committee and the officials.

I remind the Committee that some members have indicated that they want to leave fairly soon. If we can get through this as quickly as possible, we could probably do it with all or most members in attendance.

Mr F McCann: This has been a fairly long and drawn-out process; however, there are elements in the Bill, particularly around clause 1, with which we have difficulties. I know that members asked whether they could table amendments for today; unfortunately, we have not yet reached that deadline. Regardless of how discussions go today, we reserve our right to return to it. If we so wish, I think that we can table amendments between now and Consideration Stage.

The Chairperson: That is fair enough, Fra. Does anybody else have a view that they want to put?

Mr Brady: I want to raise the fundamental point about people being in agreement or not with the equalisation age and particularly how that will affect women. It has already started to take effect: women, in particular, who should have got the state pension are losing out by 18 months to two years, and those who should have qualified for pension credit are losing out, in some cases by up to £70 a week. That has already started to kick in.

My other issue is with the universal credit. The Government stated that their poverty line is £170 a week, yet the proposed pension in the universal credit will be £140 to £145 a week. That is approximately £30 a week below the Government's stated poverty levels. There is a certain dichotomy there.

The Chairperson: As I said, if we have any proposed remedies, we will deal with them today. Last week, we discussed the anomalous situation that 7,000-odd women find themselves in with the delay in their qualification for the pension. In fairness, Gerry offered to meet anybody who wanted to go through some of the detail on that. Fra pointed out that he and Sinn Féin have not reached the point at which we want to table a specific amendment; however, he has drawn attention to the fact that we may still do that.

Today could be as simple as people saying that, at this point, they are prepared to support a clause or vote against it for a number of reasons. There is an issue of the anomalous position that some women find themselves in, and we have already established that, at the outset, that would probably be about £57 million. However, Gerry identified other issues last week that could further complicate the situation, not least the problems with the IT system and the consequences for other people who may wish to take it up. We also then come to the big beast in the room that is parity. There are issues around that that people will probably want time to look at in some detail.

I feel that perhaps one way of taking those women out of that anomalous position would be to put back the date of 18 November. I am told that that would lead to other consequential complications, so I do not want to table a specific amendment to do that. However, I am looking at an amendment that I might table later. I must decide whether or not I support clause 1 on the basis that I am not satisfied with it, but that I have not tabled a particular amendment. I have the option of voting against it, and I am trying to work it out in my mind.

Mr Brady: We were told that this provision is based on the premise of moving the pensionable age forward and equalising it. We were also told that people are living longer and, in theory, should be able to work longer. However, all the evidence that we hear in the Health Committee is that people are living longer but they are not living more healthily. Therefore, that negates that argument.

According to the Chief Medical Officer, those who live on Finaghy Road South have a life expectancy that is 10 years longer than those who live in Belfast city centre. Therefore, although people who live in Finaghy could perhaps work to all sorts of ages, there are prevailing circumstances that that one-size-fits-all approach does not cover. In the areas in which the provision will impact the most, people have more health problems, poverty is more rife, and there are more vulnerable people of whom pensioners are among the most vulnerable. It strikes me as anomalous that unclaimed pension credit is going back to the Government, yet the money is unavailable for people's contributory entitlement to the state pension.

The Chairperson: People have drawn to my attention the issue, which Mickey just mentioned, of the possibility of linking pensions with the health profile. We have seen it elsewhere, where similar types of amendment have been considered. People are saying that you are living longer in general terms but are not necessarily healthier, so has any thought been given to a linkage with health? I am simply asking a question. I presume that I know the answer, but I want to ask it anyway.

Mr Gerry McCann (Department for Social Development): The short answer to that is no, not really. It is a state pension scheme, and to do that would make it an extremely complicated system to run. The other thing, which is a point that we have made in the past, is that even though people are living longer, they are living a life that is also healthier for longer. It is not that they stay healthy for all their days. I take it that those two things are facts. However, we do accept that, at the end of people's lives, they will not be as healthy as they once were.

The Chairperson: On the winter fuel payment linkage, I am not clear as to whether the winter fuel payment is triggered at pensionable age, which is what I thought you were saying, but then the Committee Clerk drew my attention to a piece of legislation that states that it comes in at the age of 60.

Mr G McCann: That law was changed as part of the other changes to the state pension age, so it is actually now straightforwardly linked to the pension age in law.

The Chairperson: The difficulty is that we are looking at legislation that is subject to other legislation. There are so many changes that it is difficult to keep up. The Committee Clerk mentioned that precise caveat, that it is difficult to keep track of some of the changes that have happened. For me, there are three areas of contention around clause 1. One is the linkages to the fuel payment, which is one of the passport benefits triggered by pension age; the second is the issue of the health profile as opposed to the age possibly being linked in there somewhere; and then there is the anomalous position that some women find themselves in. There are three areas of concern that I find, but I do not feel competent to propose an amendment on any of those things at the moment because of the understandable complications around them. I am left with the choice of voting either for or against the clause. That is what I am trying to think through.

Mr G McCann: Once again, I say to any member of the Committee that if they want us to assist them at any point to look at any issues, we would be very happy to do so.

The Chairperson: I appreciate that. Obviously, whatever comes through the Committee today will go back to the House again, so there will be more debate on the issue anyhow. Thanks, Gerry, for that

offer. If no one else wants to contribute to the discussion, I propose that we move on to the clause-by-clause consideration.

Clause 1 (Equalisation of and increase in pensionable age for men and women)

The Chairperson: I have to read some of this out, so people will have to bear with me; it is not that I like the sound of my own voice. We have already had some discussion, with both the stakeholders and the Department, on the issues, some of which I have already covered under the heading "Transitional Arrangements". If there are no further comments, I will put the Question. This will just be a show of hands. Are members in favour of clause 1 as drafted?

Question put, That the Committee is content with the clause.

The Committee divided: Ayes 3; Noes 4; Abstentions 2.

AYES

Ms P Bradley, Mr Douglas, Mr Easton

NOES

Mr Brady, Mr Durkan, Mr F McCann, Mr A Maskey

ABSTENTIONS

Mrs Cochrane, Mr Copeland

Question accordingly negatived.

Clause 1 disagreed to.

The Chairperson: OK. Was the clause agreed by the Committee or not?

The Committee Clerk: It was four three against.

The Chairperson: OK. Am I still in a position to go through this — is there no consequential consideration for clause 2?

The Committee Clerk: It does not change anything; it features in the Committee's report that to the Assembly and the Assembly can decide yes or no.

The Chairperson: I just wanted to make sure of that. Moving on —

The Bill Clerk: The Committee could oppose the clause by putting down a specific amendment.

The Chairperson: The Committee has already recorded a vote on it. That is on record.

Mr Brady: Can I ask Patricia whether we can table amendments in the interim before the Bill goes to the Assembly?

The Bill Clerk: Individually, we can table amendments outside what is decided in the Committee, but as well as recording and putting into your Committee report, there is also a facility for a Committee [*Inaudible.*] if it so wanted. The option is there. You can do that up until 9.30 am on the Thursday before the Consideration Stage is heard in the Assembly.

The Chairperson: I would have presumed that if the Committee voted one way or the other, that is what the decision of the Committee is. I am a bit confused that you are saying that we have to take another step to declare our opposition.

The Bill Clerk: You do not have to; it is just an option for you if you wanted to.

The Chairperson: We have voted against the clause.

The Bill Clerk: *[Inaudible.]*

The Chairperson: Are members content? The vote has been recorded. There is no doubt that this will come down to parties, Whips and other deliberations.

Clauses 2 to 4 agreed to.

Clause 5 (Earnings trigger for automatic enrolment and re-enrolment)

Mr Brady: Can I just clarify something? People can opt in or opt out of this enrolment, given the opportunity. That is all. I know that you went into some detail about it.

The Committee Clerk: Yes. The whole point is that if you are put into the scheme, at any point after you are presented with *[Inaudible.]*

Mr F McCann: All of this is really about occupational stuff.

The Committee Clerk: Yes, it is.

Mr F McCann: That is fine. Thanks.

Question, That the Committee is content with the clause, put and agreed to.

Clause 5 agreed to.

Clauses 6 and 7 agreed to.

Clause 8 (Review of earnings trigger and qualifying earnings band)

Mr Copeland: Did we do clause 6?

The Chairperson: We did clause 6, did we not?

The Bill Clerk: Yes.

The Committee Clerk: Yes.

The Chairperson: Am I going too fast?

Can we do clause 7, then? We are on clause 8. We have already done 7. Somebody else take over take over here til I get my head showered. We are on clause 8 now. All those in favour?

Question, That the Committee is content with the clause, put and agreed to.

Clause 8 agreed to.

Clauses 9 to 22 agreed to.

Clause 23 (Contribution notices and financial support directions)

The Chairperson: Have I to ask whether the Committee "is content" with clauses X, Y and Z? Or are we OK? I do not want to have to go through this all over again.

Mr Brady: We can take that as read.

The Bill Clerk: You should say that at the end.

The Chairperson: Good.

Question, That the Committee is content with the clause, put and agreed to.

Clause 23 agreed to.

Clauses 24 to 34 agreed to.

Schedule 1 (Equalisation of and increase in pensionable age for men and women: consequential amendments)

The Chairperson: Schedule 1 contains consequential amendments flowing from the increase in pension age — for example, bringing forward amendments to increase the operation of disability living allowance, widows pension and the minimum age for attendance allowance, state pension credit, ... credit and so on.

This is like clause 1. I remind members, in case they are not following this intently. If you are against clause 1, you are likely to be against schedule 1. However, it is not for me to direct you.

Question put, That the Committee is content with the schedule.

The Committee divided: Ayes 3; Noes 4; Abstentions 2.

AYES

Mrs P Bradley, Mr Douglas, Mr Easton

NOES

Mr Brady, Mr Durkan, Mr F McCann, Mr A Maskey

ABSTENTIONS

Mrs Cochrane, Mr Copeland

Question accordingly negatived.

Schedule 1 disagreed to.

Schedules 2 to 4 agreed to.

Long title agreed to.

The Chairperson: Thank you, members. That was expeditiously conducted. No doubt we will return to the fray in the Chamber. That concludes the formal clause-by-clause scrutiny of the Bill. Next week, we will have a draft report back, which we will confirm or otherwise. I thank Gerry, Anne, Seamus and Doreen. Thank you very much for your attendance again and your support.