



**Northern Ireland
Assembly**

COMMITTEE FOR SOCIAL DEVELOPMENT

Response to the consultation on the Equality Impact Assessment on the Proposals for a Pensions Bill by the NI Assembly Committee for Social Development

The Committee is disappointed that there have been no change to the timetable for equalising State Pension age at 65 by November 2018. In relation to the EQIA this means that approximately 5,100 women will be delayed in reaching State Pension age by up to one year; and approximately 1,700 women delayed in reaching State Pension age by between 12 months and 16 months.

Increase to age 66 phased in by October 2020 - Amended proposal

The Committee is concerned about the timetable for increasing State Pension age and the associated impacts in relation to the qualifying age for State Pension Credit and the Winter Fuel Payment. The proposal to increase State Pension age to 66 by 2020 is 4 - 6 years earlier than anticipated under the Pensions Act (Northern Ireland) 2008. This proposal gives very little time to people to make adjustments to their retirement plans to accommodate this change. The Committee are particularly concerned that women will be disproportionately affected by these reforms and it takes little comfort from the Department's assertion in paragraph 8.17 of the EQIA that as a result of the different life expectancies women, on average, will receive State Pension for longer than men.

Furthermore, the easements as a result of the amendment to the Westminster Pensions Bill on the 18 October have done little to address this situation. According to the Department of Social Development's own figures this

amendment will provide an easement of **only up to 6 months** for approximately 15,600 people (7,645 women and 7,940 men) born between 6 January 1954 and 5 October 1954. These very minor mitigation measures altering the timetable for increasing state pension age to 66, will be cold comfort to the thousands of women in particular who will be adversely affected by this legislation. Substantive change is required not gestures.

The Committee agrees with Age NI that one potential outcome of these proposals, given people will have to work longer, is that age discrimination may become a major barrier to employment for older workers. While recognising there is existing legislation to address this, the Committee would encourage the Department to work closely with other departments and agencies to ensure that this potential threat is minimised.

State Pension Credit

Under the original proposal approximately 43, 000 people would have seen the qualifying age for State Pension Credit increase by up to two years. The revised proposal is expected to ease that by up to six months for around 4,500 people. That still leaves around 90% of the original 43, 000 who will see their qualifying age increase by over 6 months. The Committee is particularly concerned that the increases in the qualifying age for State Pension Credit are likely to impact to a greater extent on people in lower income groups and notes that it will have a greater impact on men and single people.

a2b in its submission also believes that it is people on lower incomes who will be most affected by these changes particularly in relation to their receipt of Pensions Credit and Winter Fuel Payment and if they are not working due to employment, ill health, have caring responsibilities or have taken early retirement. The Committee shares these sentiments.

The Committee would also have concerns raised by a2b that the proposed changes would have a greater impact on people with disabilities as they would not have access to the disability premiums associated with Pension Credit.

While acknowledging that State Pension Credit is a means-tested benefit the Committee would encourage the Department to consider the feasibility of a

'presumption to entitlement' for this Credit which would potentially help those on low incomes who were unable to save for retirement. This approach is also supported in the Age NI submission and it is an approach that would also help those in fuel poverty. The Committee notes that the Department has offered potential beneficiaries a benefit assessment and engaged in mail shots to maximise uptake of this entitlement (paragraphs 17.19/17.20 EQIA) but would urge the Department to continue to address this through its current benefits uptake campaign.

Winter Fuel Payment

While recognising that the impact of the proposed Bill on entitlement to the Winter Fuel Payment for men and women is similar, the Committee is strongly opposed to a delay in the payment of a Winter Fuel Payment given the serious and widespread nature of fuel poverty in Northern Ireland. The fact that over 120,000 people will experience a delay in the Winter Fuel Payment of 1 year and almost 18,000 will experience a delay of two years is totally unacceptable. The Department must consider how to deal with this situation as a matter of urgency if it is serious in preventing and ultimately eradicating fuel poverty.

The Committee also notes with concern that the impact on entitlement to the Winter Fuel Payment would be greater on the Protestant community given that Protestant men and women make up a higher proportion of the population in the affected age cohorts.

Monitoring

The Committee notes the Department's commitment to monitor the effects of the policy on equality of opportunity or good relations and to share these with the Department of Work and Pensions. The Committee also notes that such findings will be used to inform "*further development of, or modification to, existing policies*". Given the apparent strict adherence to the parity principle the Committee is interested in how deviation from this principle might be enacted if evidence should suggest an adverse impact on equality of opportunity or good relations.

Conclusion

Despite the adverse impacts on a range of groups identified in the Equality Impact Assessment, the Department in its 'Consideration of Responses' states that *"the proposed changes are considered to be the most appropriate means of balancing the need to keep the State Pension sustainable and ensuring that those who will benefit from increased life expectancy share in the additional costs"*.

The Committee would emphasise that the aim of the EQIA is to determine if there are any sections of the community as defined in Section 75 who are disproportionately impacted by legislation and therefore allow the Department to take action to rectify those findings. It would appear to the Committee that having acknowledged the detrimental impact of the proposed Pensions Bill on certain groups defined in Section 75 the Department does not intend to take any action to address it; rather it intends to carry out *"monitoring for adverse impacts in the future"* (see below). Having already identified that a range of groups will be adversely affected, monitoring for impacts in the future will be of little reassurance to these groups.

The Committee is therefore concerned that a Bill emanating from Westminster can in effect supersede Northern Ireland specific legislation and would be interested in how the Department has weighed up its legal responsibilities in respect of Section 75 with its often stated need to adhere to parity on the pension issue. It is evident that the proposals affects a range of groups. For example the impact of the increase in State Pension age could be greater on the Protestant Community and subsequently have greater impact on the Winter Fuel Payment for this group as well. Ethnic minority groups are also likely to be adversely affected by delaying the point at which the State Pension, Pension Credit and the Winter Fuel Payment become payable. Yet despite knowing this the Department does not appear to be taking any steps to address it.

In undertaking an Equality Impact Assessment and in accordance with guidance published by the Equality Commission, the Commission recommends that consideration should be given to measures that might mitigate any adverse impact and alternative policies which might better

achieve the promotion of equality of opportunity. The Committee would welcome clarification on the consideration the Department gave to this.

Therefore, while the Committee acknowledges that monitoring of future impacts is important the Committee would like to know what the Department is doing to mitigate the impact of these changes given the findings of the EQIA.

The Committee also has concerns, shared by a2b, that many women would still have no knowledge of the impending changes to pensions. The Committee would like to see the Department being proactive in how it proposes to communicate these changes to those affected.