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Clerk to the Committee for Social Development  
Northern Ireland Assembly  
Room 242  
Parliament Buildings  
Ballymiscaw  
Stormont  
BELFAST  
BT4 3XX

28 November 2014

Dear Sir

### **Northern Ireland Pensions Bill**

The Committee have requested clarification on issues raised during Committee Stage of the Pensions Bill on 25 November.

**“In relation to clause 19, you noted that prisoners whose convictions were overturned would have pension payments backdated. Can you clarify whether this will apply where the Royal Prerogative of Mercy has been exercised?”**

During discussion of clause 19, which provides a power to prevent the payment of State Pension to someone who is imprisoned or detained in legal custody, the Committee noted that there are former prisoners in Northern Ireland whose State Pension entitlement would be affected as a result of time spent in prison. In that context, the Committee were advised that provision exists for the award of National Insurance credits to people whose convictions for offences are quashed. A question arose as to whether this applied in circumstances where the Royal Prerogative of mercy has been exercised.

The conditions for award of National Insurance credits are set out in the Social Security (Credits) Regulations (Northern Ireland) 1975 (SR 1975 No. 113). The regulations provide that, for the purposes of entitlement to any contributory benefit, a person shall be entitled to a credit for any week in any part of which:

- they were imprisoned or otherwise detained in legal custody by reason of conviction of an offence or convictions in respect of two or more offences; and

- the conviction has, or those convictions have, been quashed by the Crown Court or the Court of Appeal; and
- they are released from imprisonment or detention, whether prior, or pursuant, to the quashing of the conviction or convictions.

Credits, therefore, can only be awarded when a conviction is quashed by the courts. The Royal Prerogative of mercy is not equivalent to an acquittal; only the courts have power to quash convictions altogether.

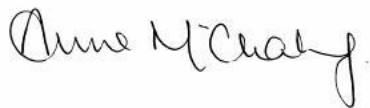
In answer to the your written question, where a pensioner has their conviction quashed, the payment of arrears of State Pension withheld during imprisonment is considered on a case-by-case basis in light of any compensation, which might include lost State Pension, paid by the State.

**“In discussion about Clauses 33 and 34, you noted that the indication was that the Voluntary Code of Practice was being adhered to. Can you provide details about the any monitoring / review of adherence to this Code that has been undertaken or that is planned?”**

When making scheme returns to the Pensions Regulator, defined benefit and hybrid schemes are required to disclose if they have undertaken an “incentive exercise” or have made an invitation to members to transfer or modify their scheme benefits. In addition, an Incentive Exercises Monitoring Board has been established, comprised of representatives of the pensions industry, government, the actuarial profession, the Pensions Regulator, trades union, CBI, the Financial Conduct Authority, the Pensions Advisory Service etc. The Board is tasked with monitoring the effectiveness of the Code and will report by June 2015.

Following that Report, the Department in conjunction with the Department for Work and Pensions will consider the need to exercise the regulation-making power.

Yours faithfully



Anne McCleary  
Director Social Security Policy & Legislation Division