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Commonities

From: The Minister

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Date: 22 October 2024

Mr Colm Gildernew
Chairperson, Communities Committee
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Via email: <a href="mailto:Communities@niassembly.gov.uk">Committee.Communities@niassembly.gov.uk</a>

Dear Colm,

## THE PENSIONS (EXTENSION OF AUTOMATIC ENROLMENT) BILL - AMENDMENT

Thank you for your letter dated 18 October 2024, proposing that the Pensions (Extension of Automatic Enrolment) Bill ('the Bill') be amended, once the powers in the Bill are used and commenced, to include a requirement for the Department to review, report and lay with the Assembly information on the impacts of the changes within three years. You asked if I would be willing to take forward the amendment at Consideration Stage. Your letter goes on to advise that if I am not agreeable, the Committee intends to take the amendment forward as a Committee amendment.

With the very limited time I have had to consider the proposed amendment, I do feel that the Bill and the subsequent implementation of the proposals by statutory rule are parity measures and as such a statutory review will have no appreciable benefit.



Automatic enrolment was introduced in 2012 under the Pensions (No. 2) Act (Northern Ireland) 2008 ('the 2008 Act'). The 2008 Act, which was itself a parity measure, did not make a similar requirement for a statutory review of the impact of the implementation of automatic enrolment. It seems inconsistent and somewhat unwarranted that a statutory review of the impact of what is a minor extension of automatic enrolment, would now be required under the Bill.

Participation in workplace pension schemes is already monitored by my Department. In respect to monitoring the impact of the implementation of the measures in the Bill, the Northern Ireland Annual Survey of Hours and Earnings (ASHE) will continue to form the primary route by which participation in workplace pensions in Northern Ireland is monitored. ASHE provides a wide range of information on workplace pension participation by age-band, gender, occupation and industry. As it is an annual survey, it provides a long term baseline. This approach to data monitoring was set out in the response to GM-1809-2024.

Therefore, my Department could consider providing the Committee with a review of the impact of the implementation of the measures of the Bill, three years after their introduction, based on the monitoring of automatic enrolment it currently carries out via ASHE and any other statistics available at that time. This approach ensures the 2008 Act remains consistent, by refraining from placing a statutory review requirement on two relatively minor measures, in an otherwise large Act, whilst also providing the Committee with a review of the measures as requested.

A Ministerial amendment would require me to seek Executive approval. This would not only introduce its own time constraints, it would also impact the progression of the Bill which is due to end Committee Stage on 8 November.

After due consideration, I do not think the proposed amendment is required.



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If the Committee feels that the amendment is worthwhile, they may, of course, follow the procedure as set out in Standing Order 33(3) and table a Committee amendment at Consideration Stage, at which point it would be considered by the House.

However, in light of the above, including my Department's consideration of a post-implementation review to be delivered to the Committee, I would ask the Committee to reconsider whether the proposed amendment provides any significant benefit that is not already being addressed by my Department, and whether the amendment is necessary and warranted.

Yours sincerely,

Gordon Lyons MLA Minister for Communities