

SL1 - THE PUBLIC SERVICE PENSIONS REVALUATION ORDER (NORTHERN IRELAND) 2026

**Mr Peter Hall
Clerk
Committee for Finance
Room 419
Parliament Buildings
Stormont**

Dear Peter,

The Department of Finance proposes to make the above Statutory Rule under powers conferred by section 9(2) of the Public Service Pensions Act (Northern Ireland) 2014. The Statutory Rule is subject to the Negative Resolution procedure.

Purpose of the Statutory Rule

The making of this legislation fulfils the Department of Finance's obligation to provide, by Order, for an increase to be used by career average revalued earnings (CARE) public service pension schemes for the purpose of revaluing active members' pension benefits. The Order will specify an increase in prices of 3.8%, based on the published annual change in CPI (Consumer Prices Index). The specified increase in earnings will be 4.6%, based on the published figure for average weekly earnings.

The Order shall have effect from 1 April 2026 with the exception of the Local Government Pension Scheme (Northern Ireland) and the Health and Social Care Pension Scheme (Northern Ireland) 2015 where the revaluation of active members' benefits accrued in CARE schemes will be as at 6 April 2026.

The Department of Finance is required to make this Order under section 9 of the Public Service Pensions Act (Northern Ireland) 2014 Act (the Act). The requirement is that it makes provision for the pensions of public service pension schemes to be revalued by reference to changes in prices or earnings over a period specified in the regulations.

The making of this Order ensures the Department fulfils the requirement to make a Revaluation Order in relation to those CARE schemes for 2026 and will be used by CARE schemes to revalue benefits accrued by active members for the scheme year 1 April 2025 to 31 March 2026, according to the revaluation process set out in their scheme regulations:

Scheme	NI Department	Process for revaluation
Civil Service	DoF	CPI + 0%
Local Government	DfC	CPI + 0%
Police	DoJ	CPI + 1.25%
Teachers	DE	CPI + 1.6%
Health and Social Care	DoH	CPI + 1.5%
Firefighters	DoH	AWE (Average Weekly Earnings)

This is routine but important legislation made annually under established provision and which gives effect to the revaluation of active members' accrued pension benefits (or pensionable earnings) within public service pension schemes, ensuring they increase by reference to changes in prices or earnings as set out in annual Department of Finance Orders, rather than being frozen until retirement, which is crucial for Career Average Revalued Earnings (CARE) schemes.

Any delay or failure to make the Order would result in active public service pension scheme members being disadvantaged by not receiving their appropriate annual cost of living increase entitlement at the same time as active public service pension scheme members in equivalent schemes elsewhere in the UK.

Previous Engagement with the Committee

The Department of Finance has not previously engaged with the Finance Committee on The Public Service Pensions Revaluation Order (Northern Ireland) 2026. The Department routinely engages with the Committee on the making of this routine Order each year. There have been no changes to the uprating policy underpinning this Order since the previous Order was made.

Financial Implications

The Order enables public service pension schemes to apply annual CARE revaluations with reference to the published indices for prices and earnings for 2026, in line with the revaluation provisions set out in their scheme regulations. The revaluation forms part of ongoing and routine individual scheme financial liabilities.

Consultation

Under the parent legislation there is no statutory requirement to consult. However, the Department of Finance routinely discusses the content of this annual Order with representatives for those affected.

Compliance with Section 24 of the Northern Ireland Act 1998

The Order provides for the revaluation of active members' benefits accrued in CARE public sector pension schemes in line with established policy with reference to annual change in the cost of living or earnings. In the view of the Department of Finance, Convention Rights and rights under Article 2(1) of the Windsor Framework are not engaged and the provisions of this Order are compatible with Section 24 of the Northern Ireland Act 1998.

Consideration by the Executive

Not required.

Equality Impact

The Department has undertaken an equality screening exercise which concludes there are no adverse differential impacts for section 75 groups and a full EQIA is not required. An equality screening is published at:

[Policy Screening Template - The Public Service Pensions Revaluation Order \(Northern Ireland\) 2026 | Department of Finance](#)

Regulatory Impact

The legislation imposes no costs on business, charities, social economy enterprises or the voluntary sector. A Regulatory Impact Assessment is not considered necessary.

Rural Needs Impact

The Department has undertaken a Rural Needs Impact Assessment and no rural needs have been identified.

Data Protection Impact

The making of this Order does not involve the use of personal data or have any Data Protection impacts and an full data impact assessment is not required.

Child Rights Impact

The Order routinely provides for the revaluation of active members' benefits accrued in CARE public sector pension schemes in line with established policy with reference to annual change in the cost of living or earnings. The making of this Order does not have any Child Rights impacts and a Child Rights Impact Assessment is not required.

Position in Great Britain

HM Treasury makes a similar The Public Service Pensions Revaluation Order 2026 to provide for CARE benefits in equivalent schemes in Britain to be revalued in an identical manner.

Proposed timing of consideration of the SL1

I confirm that the SL1 has been submitted to the Committee in accordance with the minimum four-week timeframe, and the Department of Finance proposes that the Committee consider the SL1 on Wednesday 18 February 2026.

Proposed Operational Date

It is proposed that the Order will come into operation on 1 April 2026 for all schemes with the exception of the Local Government Pension Scheme (Northern Ireland) and the Health and Social Care Pension Scheme (Northern Ireland) 2015 where it will take effect as at 6 April 2026. The draft of the proposed Order and Explanatory Memorandum are attached, and you will wish to bring this matter to the attention of the Committee for Finance.

Yours sincerely

GERARD WILLIS
DEPARTMENTAL ASSEMBLY LIAISON OFFICER