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Dear Mr McBride

**The Health and Social Care Pension Scheme (Member Contributions)
(Amendment) Regulations (Northern Ireland) 2026**

The Department of Health proposes to make the following Regulations in exercise of the powers conferred by Articles 12(1), (2) and (3), and 14(1) and (2) of, and Schedule 3 to, the Superannuation (Northern Ireland) Order 1972 and sections 1(1) and 2(e), 2(1) and 3(1) to (3) of, and paragraph 5 of Schedule 2 and Schedule 3 to, the Public Service Pensions Act (Northern Ireland) 2014¹⁾ (“2014 Act”). In accordance with section 3(5) of the 2014 Act the Regulations will be made with the consent of the Department of Finance.

1) 2014 c.2 (N.I.)

In accordance with section 22(2)(a) of the 2014 Act, the Department has consulted the representatives of such persons as appear to the Department to be affected by these Regulations.

In accordance with section 22(2)(b) of the 2014 Act, the Department will lay a report before the Assembly.

The Statutory Rule will be subject to the negative resolution procedures and is expected to come into operation in February 2026 with retrospective effect to 1 April 2025.

Purpose of the Statutory Rule

Previous consultations in 2022 and 2024 sought agreement to uplift the HSC Pension Scheme banding structure in line with the AfC pay and then the better of CPI or the AfC pay award on an annual basis. This was to ensure that annual pay uplifts, on their own, did not lead to members moving to a higher contribution tier. The amendments covered by the Health and Social Care Pension Scheme (Member Contributions) (Amendment) Regulations (Northern Ireland) 2026 are a consequence of these previously agreed changes.

In line with these previous amendments, the banding was automatically uplifted by CPI (1.7%) from 1 April 2025. As the AfC pay award has proved to be higher (3.6%), a legislative amendment is now required to further uplift the banding structure. Due to the late implementation of the 2025/26 pay award, the uplift to the banding structure for the period 2025/2026 will be retrospective from 1 April 2025.

Changes are required to implement the new member contribution structure for the year 2025 to 2026. As these contributions are based on the AfC pay award for the year and, given the lateness of the pay award, the department was not in the position to introduce the required legislation before.

As the pay award has now finalised, the department is now in the position to implement the required legislation to introduce the changes to increase the thresholds within the member contribution structures retrospectively for the years 2025 to 2026. The Health

and Social Care Pension Scheme (Member Contributions) (Amendment) Regulations (Northern Ireland) 2026 will introduce changes retrospectively from 1 April 2025.

Previous Engagement with the Committee

None

Financial Implications

There are no financial cost implications for the Department.

Consultation

In accordance with section 22(2)(a) of the 2014 Act, the Department has worked with the SAB since the announcement of the 2025/26 Agenda for Change Pay Award to carry out a short consultation with a view to seeking to reach agreement with them on the thresholds in the member contribution structure for 2025 to 2026.

The Department carried out a consultation between 8 December 2025 and 19 December 2025, setting out proposed changes to the pensionable earnings thresholds. These proposals were presented to the Scheme Advisory Board (SAB), which confirmed that the revised member contribution structure, raising thresholds across all tiers except the first tier (a protected tier for low earners) and the entry point to the second tier and appropriately reflected the 2025 Agenda for Change pay award for Northern Ireland. SAB raised no objections to the proposals.

Compliance with Section 24 of the Northern Ireland Act 1998

The proposals relate solely to updating the member contribution structure of the HSC Pension Scheme and do not impose restrictions on individual's rights. As such, the Department has concluded that the proposals are compatible with Convention Rights and Section 24 of the Northern Ireland Act 1998. In addition, the changes are administrative and financial in nature and do not alter rights or equality of opportunity, so do not engage Article 2(1) of the Windsor Framework. Engagement with the Equality Commission for Northern Ireland or the Northern Ireland Human Rights Commission was not deemed necessary given the scope of the proposals.

Consideration by the Executive

N/A

Equality Impact

This approach was fully consulted on during the introduction of SR 117/2024, The Health and Social Care Pension Schemes (Amendment No. 2) Regulations (NI) 2024. An equality screening was completed at that time, and as the policy position has not changed, a further assessment was not required. The Statutory Rule has been considered under Section 75 of the Northern Ireland Act 1998 and is fully compliant, with no adverse impacts identified for any Section 75 groups.

Regulatory Impact

These Regulations will only affect eligible members of the HSC Pension Scheme. As it will not impose any additional costs on businesses, charities or the voluntary sector, a Regulatory Impact Assessment has not been considered necessary.

Rural Needs Impact Assessment

The policy does not change or impact disproportionately anything in relation to persons living in rural areas. The regulations impact HSC Pension Scheme member's equally, regardless of geographical location.

Data Protection Impact

The proposals do not involve or change the collection, processing or sharing of personal data therefore, a Data Impact Assessment is not necessary.

Child Rights Impact

The proposals do not involve any direct impact on children's rights therefore, a Child Rights Impact Assessment is not necessary.

Position in Great Britain

Similar legislation has been introduced for the NHS Pension Schemes in England, Wales and Scotland.

Any other information

None.

Proposed timing of consideration of the SL1

The SL1 has been submitted to the Committee in accordance with the minimum four-week timeframe and the Department would propose that the Committee considers it at their next scheduled meeting to ensure that the regulations come into operation as soon as possible as the pay award is planned to be implemented in February 2026.

Section 24 of the Northern Ireland Act 1998

Consideration has been given to the human rights implications of these regulations. They are considered compatible with section 24 of the Northern Ireland Act 1998.

Proposed Operational Date

It is proposed that the rule will come into operation as soon as possible with retrospective effect from 1 April 2025.

When the statutory rule together with the explanatory memorandum have been laid at the Assembly Business Office, the Business Office will submit copies to the Committee.

I would be grateful if you would bring this matter to the attention of the Committee for Health at your earliest convenience.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S. McKeown', is located at the bottom left of the page.

Siobhán McKelvey

Head of Pensions Unit

Workforce Policy Directorate

cc: NI Human Rights Commission