These notes refer to the Public Service Pensions Act (Northern Ireland) 2014 (c.2) which received Royal Assent on 11 March 2014

Public Service Pensions Act (Northern Ireland) 2014

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Cost Control

Section 11: Valuations

This section sets out that defined benefits schemes made under section 1 must be actuarially valued in accordance with Department of Finance and Personnel directions.

Subsection (1) requires scheme regulations to provide for actuarial valuations that will cover both defined benefits pension schemes that are created by, or governed by, the Act and any connected scheme. Section 4(6) defines a connected scheme as one which covers employees who are employed in the same kind of public service as the new scheme, provided they are not excepted from this rule under scheme regulations.

Subsections (2) and (3) set out that the valuations must be carried out in accordance with Department of Finance and Personnel directions. Those directions may specify key details on how valuations should be carried out, including:

- how and when the valuation is to be carried out;
- the time periods over which a valuation will measure a scheme's assets and liabilities;
- the data, methodology and assumptions to be used in valuations;
- the matters that must be covered by the valuations (which may relate to the outputs that must be produced);
- how valuations of new and connected schemes will be combined, where they are to be valued together; and
- the time period for implementing changes to the employer contribution rate as a result of the outputs of the valuation.

Subsection (4) requires the Department of Finance and Personnel to consult the Government Actuary before making, revoking, or amending directions.

Subsection (5) requires the Department of Finance and Personnel to consult with persons, or representatives of persons, likely to be affected before making directions under section 11.

Subsection (6) provides that scheme regulations for other kinds of schemes, such as injury and compensation schemes, may provide for actuarial valuations of that scheme and any connected scheme. This will allow for those schemes to be valued alongside a pension scheme if this is appropriate.