

## **EXPLANATORY MEMORANDUM TO**

### **The New Firefighters' Pension Scheme (Amendment) Order (Northern Ireland) 2014**

**SR 2014 No. 57**

#### **1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department of Health, Social Services and Public Safety to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under powers conferred by Article 10(1), (3), (4) and (5) of the Fire Services (Northern Ireland) Order 1984 and is subject to the negative resolution procedure.

#### **2. Purpose**

- 2.1. The Order amends the New Firefighters' Pension Scheme Order (Northern Ireland) 2007 and introduces new pension contribution rates for scheme members.
- 2.2. The new contribution rates are tiered and are determined by the amount of pensionable pay the member receives.

#### **3. Background**

- 3.1. At the 2010 Spending Review the Coalition Government announced plans to save £2.8bn per year across the UK public service by 2014/15, including anticipated savings of approximately £140m per annum from the Northern Ireland schemes.
- 3.2. The Coalition Government accepted the recommendation of the Independent Public Service Pensions Commission that increasing employee contribution rates was an appropriate short term cost saving measure.
- 3.3. The Northern Ireland Executive agreed to commit to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland and to apply this policy consistently across the schemes.

#### **4. Consultation**

- 4.1. The proposals, including the draft Order, were available for public consultation from 9 December 2013 to 31 January 2014.
- 4.2. Two responses were received – Fire Brigades Union (FBU) and an individual scheme member.

#### **5. Equality Impact**

- 5.1. The Order will have no adverse differential impact on equality of opportunity.

#### **6. Regulatory Impact**

- 6.1. As the Order will impose no additional costs on businesses, charities or the voluntary sector a full Regulatory Impact Assessment has not been completed.

## **7. Financial Implications**

7.1. The Executive has committed to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland; future pensions arrangements will be met from within existing budgets.

## **8. Section 24 of the Northern Ireland Act 1998**

8.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

## **9. EU Implications**

9.1. Not applicable

## **10. Parity or Replicatory Measure**

10.1. This Order will ensure Northern Ireland maintains parity with equivalent schemes across GB.

## **11. Additional Information**

11.1. Not applicable