

EXPLANATORY MEMORANDUM TO

The Health and Personal Social Services (Superannuation), Health and Care (Pension Scheme) (Amendment) Regulations (Northern Ireland) 2014

S.R. 2014 No. 59

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Health, Social Services and Public Safety (DHSSPS) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Articles 12(1) and (2), 14(1) of, and Schedule 3 to, the Superannuation (Northern Ireland) Order 1972, and is subject to the negative resolution procedure.

2. Purpose

The key purpose of this rule is to introduce increases to contribution rates for members of the HSC Pension Scheme from 1 April 2014.

3. Policy Background – What is being done and why

- 3.1. The UK Government announced plans in the 2010 Spending Review to produce £2.8bn savings per year by 2014-15 through increasing public service employee pension contributions over three years, from April 2012 to April 2014, by an average of 3.2 percentage points.
- 3.2. The first two year increases were applied from April 2012 and April 2013. The purpose of this statutory rule is to introduce the third and final year increase from 1 April 2014.
- 3.3. Amending regulations 3, 4, 6, 7 and 8 implement the new contribution rates that are tiered according to earnings in seven bandings. For 2014-15, staff earning up to £15,432 will have no increase, whilst those earning between £15,432 and £49,472 will see a minimal increase of 0.3%. Members earning between £49,472 and above will see an increase of 1.2%.

4. Consultation

- 4.1. The changes introduced by this statutory rule have been subject to statutory consultation which commenced on the 19 December 2013 and ended on the 10 February 2014. Among those consulted were HSC Trade Unions representatives; HSC Employers; HSC Pension Service (Scheme Administrators); DFP; the Government Actuary Department and HM Treasury.
- 4.2. 1 response was received.

5. Equality Impact

- 5.1. The Department concluded that the new arrangements were not likely to have a significant impact on equality of opportunity for any group referred to in section 75 of the Northern Ireland Act 1998 and therefore a full EQIA was not recommended.

6. Regulatory Impact

6.1. A regulatory impact assessment has not been produced for this rule as it has no impact on the costs of business, charities or the voluntary sector.

7. Financial Implications

7.1. None.

8. Section 24 of the Northern Ireland Act 1998

8.1. Legal advice confirms that the provisions of this rule comply with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not appropriate

10. Parity or Replicatory Measure

10.1. The amendments proposed mirror provisions introduced in England, Wales and Scotland.

11. Additional Information

11.1. Not applicable.