

EXPLANATORY MEMORANDUM TO

The Public Service Pensions Act (Northern Ireland) 2014 (Judicial Offices) Order (Northern Ireland) 2015

S. R. 2015 No. 161

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under paragraph 2 of Schedule 1 to the Public Service Pensions Act (Northern Ireland) 2014 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Statutory Rule specifies the offices holders of which are judicial office holders for the purposes of the Public Service Pensions Act (Northern Ireland) 2014. These are the judicial office holders to whom the Judicial Pensions Regulations (Northern Ireland) 2015 (S.R. 2015 No. 76) ("the Regulations") apply. The Statutory Rule, therefore, gives effect to the Regulations.

3. Background

- 3.1. Following the recommendations of the Independent Public Service Pensions Commission, chaired by Lord Hutton of Furness, all public service pensions are being reformed. The purpose of these reforms is to make public service pensions more sustainable and affordable in the long term and fairer to both members and the tax payer. People are living much longer, on average ten years longer than was the case in the 1970s, and this means that the costs of providing public service pensions has increased by a third in the last ten years. On 8 March 2012 the Northern Ireland Executive agreed to: commit to the policy for a new career average revalued earnings scheme model with pension age linked to State Pension Age to be adopted for general use in the public service schemes; and adopt this approach consistently for each of the different public sector pension schemes in line with their equivalent scheme in Great Britain and not to adopt different approaches for Northern Ireland. On 11 March 2014 the Public Service Pensions Act (Northern Ireland) 2014 ("the Act") received Royal Assent. The Act introduces new requirements for each of the Northern Ireland public service pension schemes in terms of the scheme design and normal pension ages which they must operate from 1 April 2015.
- 3.2. The Regulations, made under the Act, establish a career average revalued earnings defined benefits scheme for the payment of pensions and other benefits to or in respect of holders of judicial office. The Statutory Rule specifies the qualifying judicial offices for this scheme.

4. Consultation

4.1. There is no requirement to consult on this Statutory Rule. However, the Department did consult on the Regulations as the provisions of section 21 of the Act require that, before making scheme regulations, the Department consults with such persons (or representatives of such persons) as appear to the Department likely to be affected by them. It formally consulted on the reform of judicial pensions from 3 July to 9 October 2014 seeking views from, amongst others, members of the judiciary who are entitled to be a member of the new judicial pension scheme and other legal professionals. A supplementary consultation on additional modification provisions with transitional effect was conducted from 12 November to 26 November 2014.

5. Equality Impact

5.1. This Statutory Rule gives effect to the Regulations which were screened for impact on equality of opportunity under section 75 of the Northern Ireland Act 1998 and it was determined that an equality impact assessment was unnecessary.

6. Regulatory Impact

6.1. There is no impact on business, charities, social economy enterprises or the voluntary sector. A regulatory impact assessment is not, therefore, necessary.

7. Financial Implications

7.1. Failure to introduce the Statutory Rule, which facilitates the reform of public service pensions, to the timescales advised by HM Treasury will effect a reduction in the Northern Ireland block grant funding.

8. Section 24 of the Northern Ireland Act 1998

8.1. It is the view of the Department that the Statutory Rule is in compliance with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable.

10. Parity or Replicatory Measure

10.1. A similar specification order is being made in respect of the Lord Chancellor's judicial pension scheme.

11. Additional Information

11.1. Not applicable.