

## **EXPLANATORY MEMORANDUM**

### **THE SOCIAL SECURITY (UNITS OF ADDITIONAL PENSION) REGULATIONS (NORTHERN IRELAND) 2015**

#### **S.R. 2015 No. 311**

#### **1. Introduction**

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development (“the Department”) to accompany the above Statutory Rule which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under section 45(2A) of the Social Security Contributions and Benefits (Northern Ireland) Act 1992 and is subject to the negative resolution procedure.

#### **2. Purpose**

The Social Security (Units of Additional Pension) Regulations (Northern Ireland) 2015 specify the amount a person will receive in return for each unit of additional pension resulting from a Class 3A National Insurance contribution. The Regulations come into operation on 12 October 2015.

#### **3. Background**

- 3.1 In the Autumn Statement on 5 December 2013 the Chancellor of the Exchequer announced that people reaching pension age before 6 April 2016, the start date of the new State Pension, who were entitled to a State Pension, would be able to pay a new class of voluntary National Insurance contribution (Class 3A) to boost their additional State Pension.
- 3.2 Class 3A National Insurance contributions were consequently introduced by the Westminster Pensions Act 2014. As National Insurance contributions are an excepted matter, these measures extend to Northern Ireland.
- 3.3 The Social Security Class 3A Contributions (Amendment) Regulations 2014 (S.I. 2014/2746) and the Social Security Class 3A Contributions (Units of Additional Pension) Regulations 2014 (S.I. 2014/3240) extend in part to Northern Ireland to make provision for: the price of Class 3A contributions; the maximum numbers of contributions that can be paid; repayment conditions; and the start and end date of the scheme. These Regulations come into force on 12 October 2015, the start date of the scheme.
- 3.4 The Pensions Act (Northern Ireland) 2015 provides for the payment of extra additional State Pension to those who choose to pay Class 3A contributions.

- 3.5 These Regulations provide that a person will receive an extra £1 per week for each unit of additional State Pension attributable to a Class 3A contribution paid.

#### **4. Consultation**

There is no requirement to consult on these Regulations as they make in relation to Northern Ireland only provision corresponding to provision contained in Regulations made by HMRC with the concurrence of the Secretary of State for Work and Pensions in relation to Great Britain.

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

In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for these Regulations. The Department has concluded that the proposals would not have significant implications for equality of opportunity and considers that an Equality Impact Assessment is not necessary.

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

The Regulations do not require a Regulatory Impact Assessment as they do not impose a cost on business, charities, social enterprise or voluntary bodies.

#### **7. Financial Implications**

None.

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

The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied the Rule is not incompatible with any of the Convention rights, is not incompatible with Community law, does not discriminate against a person or class of person on the ground of religious belief or political opinion, and does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

#### **9. EU Implications**

Not applicable.

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

The corresponding Great Britain provision is in regulation 4 of the Social Security Class 3A Contributions (Units of Additional Pension) Regulations 2014 (S.I. 2014/3240) which will come into force on 12 October 2015. In line with the long-standing policy of parity in social security, the Regulations in Northern Ireland should be made as soon as

possible after the Great Britain Statutory Instrument was made and brought into operation on the same date as the Great Britain instrument. In this case the Regulations have been made as soon as possible after Royal Assent for the Pensions Act (Northern Ireland) 2015. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions provided for in section 87 of the Northern Ireland Act 1998.

## **11. Additional information**

Not applicable.