

EXPLANATORY MEMORANDUM TO THE

The Police Pensions (Additional Voluntary Contributions) (Amendment) Regulations (Northern Ireland) 2016

1. 1.1 This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (detailed above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under powers conferred by sections 1(1) and (2)(g), 2(1) and 3(1),(2),(3)(a) and (5) of the Public Service Pensions Act (Northern Ireland) 2014 and by Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972 and is subject to the negative resolution procedure.

2. Purpose of the Instruments

- 2.1 These Regulations allow members of the Police Service of Northern Ireland (“the PSNI”) who are retiring with a protected pension age before 55 or aged 55 or over, to no longer be required to purchase an annuity from their AVC pension provider with effect from 6th April 2015, the beginning of the 2015-16 tax years.

3. Legislative Context

- 3.1 These Regulations principally amend the Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993 to allow members of the PSNI to access flexibilities introduced by the Taxation of Pensions Act 2014.
- 3.2 These Regulations allow members of the PSNI who are retiring with a protected pension age before 55 or aged 55 or over, to no longer be required to purchase an annuity from their AVC pension provider with effect from 6th April 2015, the beginning of the 2015-16 tax years.

4. Policy background

- 4.1 The Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993 provided for an in-house AVC scheme. Run since 2002 by Standard Life; some officers may still have benefits with the previous provider Equitable Life. The scheme closed to new members on 1 October 2010. Take-up has always been low in view of the small amount of extra pension that most officers could take on retirement.

8 Financial Implications

8.1 The impact on the public sector is limited to the area of police pensions provision. It is not anticipated to result in any costs.

9. Section 24 of the Northern Ireland Act 1998

9.1 The proposed legislation is considered compatible with section 24 of the Northern Ireland Act 1998.

10. European Implications

10.1 Not applicable.

11 Parity or Replicatory measure

11.1 None, except that the amendment relates to the Public Sector Pensions Act 2014 (which applies to Northern Ireland) as opposed to the Public Service Pensions Act 2013 which applies in Scotland, England and Wales.

11.2 Similar legislation is being prepared in Scotland, England and Wales.

12. Additional Information

12.1 Not applicable