

EXPLANATORY MEMORANDUM TO
THE PENSIONS (2015 ACT) (CONSEQUENTIAL, SUPPLEMENTARY AND
INCIDENTAL AMENDMENTS) ORDER
(NORTHERN IRELAND) 2016

S.R. 2016 No. 25

1. Introduction

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under the powers conferred by sections 50 and 51(6) of the Pensions Act (Northern Ireland) 2015 (“the 2015 Act”) and is subject to the negative resolution procedure before the Assembly.

2. Purpose

- 2.1 This Order supports the introduction of a new State pension for people reaching State pension age on or after 6 April 2016. It makes amendments to secondary legislation that are consequential, supplementary and incidental to the introduction of the new scheme, further to the amendments made by the Pensions (2015 Act) (Consequential, Supplementary and Incidental Amendments) Order (Northern Ireland) 2015 (S.R. 2015 No. 411). It amends regulations which currently refer to old State pension so as to include references to the new State pension.

3. Background

- 3.1 The main features of the new State pension are set out in Part 1 of the 2015 Act. More detailed provisions are contained in the State Pension Regulations (Northern Ireland) 2015. The amendments take effect on 29 February and 6 April 2016.

Injury benefits (Article 2)

- 3.4 The amendment of the Health and Personal Social Services (Injury Benefits) Regulations (Northern Ireland) 2001 means that where a person in the new state pension system has a “protected payment” (or, as it is referred to in the amended Regulations, an “excess amount”) it will be taken into account in the calculation of an injury benefit payment in the same way as the additional state pension element of an old state pension is taken into account under the current system. Article 2 adds the “excess amount” to the definition of a relevant pension scheme for this purpose.

Age equality (Article 3)

- 3.5 The amendment made by Article 3 to insert references to the new State pension ensures continuity of the existing exceptions that allow occupational pension schemes to offer bridging pensions without breaching the equal treatment rule set out in Part II of the Pensions (Northern Ireland) Order 1995.

Health service charges for overseas visitors (Article 4)

- 3.6 The Provision of Health Services to Persons Not Ordinarily Resident Regulations (Northern Ireland) 2015 specify when overseas visitors are required to pay health service charges. A person receiving a UK State pension is exempt in certain circumstances; the amendments made by Article 4 extend this exemption to a person in receipt of the new State pension.

Amendment of the Consequential, Supplementary and Incidental Amendments Order (Article 5)

- 3.7 The amendment of Article 1 of the Pensions (2015 Act) (Consequential, Supplementary and Incidental Amendments) Order (Northern Ireland) 2015 corrects a minor typographical error in the reference to the title of the State Pension Regulations (Northern Ireland) 2015, where the year was cited as 2016. While the footnote states that the Regulations were made in 2015 it was considered appropriate to make this amendment for clarification.

4. Consultation

- 4.1 There is no requirement to consult on this Rule.

5. Equality Impact

- 5.1 The provisions of the 2015 Act were the subject of a full Equality Impact Assessment. In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has screened these proposals and has concluded that they do not have any additional implications for equality of opportunity.

6. Regulatory Impact

- 6.1 The Rule does not require a Regulatory Impact Assessment as it does not impose any new costs on business, charities or voluntary bodies.

7. Financial Implications

7.1 The new State Pension has been designed to cost no more overall than the current system.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that this Order –

- (a) is not incompatible with any of the Convention rights,
- (b) is not incompatible with Community law,
- (c) does not discriminate against a person or class of person on the ground of religious belief or political opinion, and
- (d) does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The corresponding Great Britain provisions are contained in S.I. 2015 No. 1985 and will come into force on 6 April. 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.