

EXPLANATORY MEMORANDUM TO

The Health Service Workers (Consequential Provisions) (Amendment) Regulations (Northern Ireland) 2016

S.R. 2016 No. 163

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 sections 1 and 3 of the Public Service Pensions Act (Northern Ireland) 2014 and is subject to the draft affirmative resolution procedure.

2. Purpose

The key purpose of this rule is to introduce a consequential modification to the Pension Schemes (Northern Ireland) Act 1993 (c.49) (“the 1993 Act”), under the Public Service Pensions Act (Northern Ireland) 2014 (c.2), due to the ending of ‘contracting-out’ from 6 April 2016.

3. Legislative Context

The regulations implement modifications to legislation governing public service pension schemes in respect of pensions for health service workers in Northern Ireland.

4. Policy Background – What is being done and why

Chapter 3 of Part 4 of the 1993 Act concerns “anti-franking”, or the protection of increases in guaranteed minimum pensions which contracted-out schemes had to provide until 1997. For this purpose, **Regulation 4** of the statutory rule provides that the “cessation date” when a person ceases to be in contracted-out employment under the old scheme (and from which point guaranteed minimum pensions may need to be increased) is treated as the date when the person leaves their new scheme, and not the date when they transfer from the old scheme to the new scheme.

5. Consultation

- 5.1. The changes introduced by this statutory rule have been subject to statutory consultation which commenced on the 26 October 2015 and ended on the 23 November 2015. Among those consulted were HSC Trade Unions representatives; HSC Employers; HSC Pension Service (Scheme Administrators); DFP; the Government Actuary Department and HM Treasury.
- 5.2. No responses were received.

6. Equality Impact

- 6.1. 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.

7. Regulatory Impact

7.1. 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.

8. Financial Implications

8.1. None.

9. Section 24 of the Northern Ireland Act 1998

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

10. EU Implications

10.1. Not appropriate

11. Parity or Replicatory Measure

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

12. Additional Information

12.1. Not applicable.