

EXPLANATORY MEMORANDUM TO
The Health and Social Care Pension Schemes (Partial Retirement etc.)
Regulations (Northern Ireland) 2024

S.R. 2024 No. 50

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Health (DoH) to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under Articles 12(1), (2) and (3), and 14(1) and (2) of, and Schedule 3 to, the Superannuation (Northern Ireland) Order 1972 and sections 1(1) and (2)(e), 2(1) and 3(1) to (3) of, and paragraph 5 of Schedule 2 and Schedule 3 to, to (4) of, and paragraph 5 of Schedule 2 and Schedule 3 to, the Public Service Pensions Act (Northern Ireland) 2014⁽¹⁾ and is subject to the negative resolution procedures.

2. Purpose

- 2.1. The Statutory Rule will introduce a package of new retirement flexibilities within the 1995 Section of the legacy scheme to include pensionable re-employment, partial retirement and permanent removal of the 16-hour rule as well as a number of minor changes in relation to partial retirement.

3. Policy Background – What is being done and why

- 3.1. There are two HSC Pension Schemes: the reformed 2015 Scheme and the older, closed scheme which is divided into the 1995 and 2008 Sections.
- 3.2. These new retirement flexibilities have been designed to offer staff increased options at the end of their careers, enabling them to return to work and continue to build pension after retirement, if they wish to do so.
- 3.3. As a result of the McCloud remedy, all eligible staff were moved to the 2015 Scheme for future accrual from 1 April 2022. This means that some members will now have service in both the 1995 Section and 2015 Scheme, which have different rules on how members can claim their benefits. These retirement flexibilities are designed to address this issue and ensure that the rules are aligned for all members of the HSC Pension Scheme.
- 3.4. These changes help support patient care as the HSC will continue to benefit from the skills and experience of staff, who may have previously left. This could provide an important boost to HSC capacity at a crucial time and help tackle care backlogs.

⁽¹⁾ 2014 c.2 (N.I.) section 3 was amended by section 94(11) to (14) of the Public Service Pensions and Judicial Offices Act 2022 (c. 7)

Pensionable re-employment

- 3.5. Under the current regulations of the HSC Pension Scheme, members who take their 1995 Section benefits are not permitted to build up further pension in the 2015 Scheme if they return to work.
- 3.6. Amendments are required to The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 to allow members who take their 1995 Section benefits to continue to build up pension in the 2015 Scheme, if they wish. This may help some retired staff to bridge the gap between claiming their HSC pension benefits and receiving their State Pension.

Partial retirement

- 3.7. Under the current 1995 Regulations, members are unable to partially retire, whereas they are able to do so in the 2008 Section and 2015 Scheme.
- 3.8. Amendments are required to The Health and Social Services (Superannuation) Regulations (Northern Ireland) 1995 to allow members to partially retire and claim up to 100% of their 1995 Section benefits, whilst continuing to work and accrue further pension in the 2015 Scheme. It is hoped partial retirement will better support members' work/life balance and may also help the HSC to retain valued experienced staff in the workforce, as members may wish to partially retire and work longer than they had previously planned.

Removing the 16-hour rule

- 3.9. Under the current 1995 Regulations, members who take their pension benefits and then return to work can only work a maximum of 16 hours per week in their first month back without impacting their pension (this is currently suspended to 31 March 2024).
- 3.10. Amendments are required to The Health and Personal Social Services (Superannuation) Regulations (Northern Ireland) 1995 to permanently remove the 16-hour rule, allowing staff to maximise the hours they contribute, if they wish, without impacting their pension after they claim their 1995 Section benefits.

Minor and miscellaneous amendments

- 3.11. Amendments are required to The Health and Social Care (Pension Scheme) Regulations (Northern Ireland) 2008 and The Health and Social Care Pension Scheme Regulations (Northern Ireland) 2015 allowing members to claim up to 100% of their benefits, in line with the 1995 Section.
- 3.12. Amendments are required to The Health and Social Care Pension Scheme Regulations (Northern Ireland) 2015 to ensure that when a member who partially retires and is subject to abatement that their additional pension

should not be subject to abatement, keeping in line with the 2008 Section regulations.

- 3.13. Amendments are required to the Health and Social Care Pension Schemes (Remediable Service) Regulations (Northern Ireland) 2023 to make provision for the 1995 members in respect of certain retirement categories supplementing or varying the effect the remedy would otherwise have in relation to benefits already in payment including those paid on the grounds of partial retirement.

4. Consultation

- 4.1. The changes introduced by this statutory rule have been subject to statutory consultation which commenced on the 7 August 2023 and ended on the 16 October 2023.
- 4.2. Among those consulted were HSC Trade Unions representatives; All HSC Employers; HSC Pension Service (Scheme Administrators); Scheme Advisory Board; Pension Board; DoF and the Government Actuary Department.
- 4.3. 91 responses were received, 84 from individuals and 7 from member representative organisations.

Respondents were generally supportive of the proposals. The consultation response document will be available on the Department of Health website at [HSC Pension Scheme – proposed amendments to scheme regulations regarding flexibilities | Department of Health \(health-ni.gov.uk\)](https://www.health-ni.gov.uk/hsc-pension-scheme-proposed-amendments-to-scheme-regulations-regarding-flexibilities/)

5. Equality Impact

- 5.1. An Equality Screening/Impact Assessment (EQIA) and Rural Needs Impact Assessment were carried out by the Department, and have been published on the Departments website.

6. Regulatory Impact

- 6.1. It is not anticipated that there will be any adverse impact on business, charities social economy or voluntary bodies.

7. Financial Implications

- 7.1. There are no direct financial implications for the Department, there may be some initial administrative costs for the Trusts and Scheme when the flexibilities are first introduced.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. Consideration has been given to the human rights implications of these regulations. They are considered compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. None

10. Parity or Replicatory Measure

10.1. Similar legislation has been introduced for the NHS Pension Schemes in England, Wales and Scotland.

11. Additional Information

11.1. Not applicable.