

EXPLANATORY MEMORANDUM TO

THE SUPERANNUATION (ADMISSION TO SCHEDULE 1 TO THE SUPERANNUATION ACT 1972) ORDER 2020

2020 No. 223

1. Introduction

- 1.1 This explanatory memorandum has been prepared by the Cabinet Office and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 This Order will come into force on 1st April 2020 and makes provision for adding employments and offices to Schedule 1 to the Superannuation Act 1972 (c.11) (“the Act”), enabling people serving in those offices and employments to be members of the schemes made under section 1 of the Act. It also removes employment by the Pensions Advisory Service Limited from the same Schedule.
- 2.2 The Principal Civil Service Pension Scheme, the Civil Service Additional Voluntary Contribution Scheme, the Civil Service Compensation Scheme and the Civil Service Injury Benefits Scheme are schemes that have been made under section 1 of the Act.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business (English Votes for English Laws)

- 3.2 As the instrument is subject to negative resolution procedure, there are no matters relevant to Standing Orders Nos. 83P and 83T of the Standing Orders of the House of Commons relating to Public Business at this stage.

4. Extent and Territorial Application

- 4.1 The extent and territorial application of this instrument is the United Kingdom.

5. European Convention on Human Rights

- 5.1 The Minister of State at the Cabinet Office and Her Majesty’s Treasury, Lord Agnew, has made the following statement regarding Human Rights:

“In my view the provisions of the Superannuation (Admission to Schedule 1 to the Superannuation Act 1972) Order 2020 are compatible with the Convention rights.”

6. Legislative Context

- 6.1 Section 1 of the Act gives to the Minister for the Civil Service (the “Minister”) powers to make, maintain and administer schemes to provide pensions, allowances or gratuities to civil servants and other persons whose employments or offices are listed in Schedule 1 to the Act. The Act further permits the Minister to add employments or offices to Schedule 1, conditional on the employment or office being paid out of

moneys provided by Parliament, the Consolidated Fund, the Scottish Consolidated Fund or a fund specified in the order that is a fund established by or under an Act of Parliament.

- 6.2 Subject to transitional arrangements, the Principal Civil Service Pension Scheme closed to new entrants on 1st April 2015, however, inclusion in Schedule 1 also means that people serving in those offices and employments are potentially eligible to be members of the *Alpha* pension scheme established by the Public Service (Civil Servants and Others) Pensions Regulations 2014 made under section 1 of the Public Services Pensions Act 2013.
- 6.3 Schemes that have been made under section 1 of the Act and under section 1 of the Public Services Pensions Act 2013 are collectively referred to below as the Civil Service Pension Arrangements (“the CSPA”).

7. Policy background

What is being done and why?

- 7.1 The bodies added to Schedule 1 to the Act by this instrument wish to join the CSPA rather than run their own pension arrangements. Membership of the CSPA avoids the administration and associated costs of setting up separate arrangements and makes available economies of scale provided by the CSPA. In all cases the bodies will be required to make contributions to the CSPA at a level set to meet the full costs of the accruing superannuation liability associated with their staff. The Cabinet Office ensures that admitted employments or offices are within the public sector and have suitable controls over pay to protect the Civil Superannuation Vote, from which pensions are paid.
- 7.2 This Order updates Schedule 1 to the Act to reflect the fact that the offices of the Ministerial Adviser on Gender-based Violence, Domestic Abuse and Sexual Violence and the Future Generations Commissioner for Wales should be listed in the list of “Offices” rather than “Other Bodies” contained within that Schedule. This corrects an error in the Superannuation (Admission to Schedule 1 to the Superannuation Act 1972) Order 2017 (S.I. 2017/1261). The Cabinet Office has consulted with the S.I. Registrar in respect of this correction and has adopted the procedure for free issue.
- 7.3 The Pensions Advisory Service Limited is removed from Schedule 1 to the Act by this instrument as it has been replaced by the Money and Pensions Service. The continued membership of the CSPA of the Pensions Advisory Service Limited is therefore inappropriate.

8. European Union (Withdrawal) Act/Withdrawal of the United Kingdom from the European Union

- 8.1 This instrument does not relate to withdrawal from the European Union/trigger the statement requirements under the European Union (Withdrawal) Act.

9. Consolidation

- 9.1 The Department has no plans to consolidate the legislation at this time.

10. Consultation outcome

10.1 For those bodies and offices that are to be added to Schedule 1 and admitted to the CSPA, consultations were carried out as part of negotiations with those bodies and offices and their sponsoring Departments during the process of their applications to join the CSPA.

11. Guidance

11.1 No guidance has been produced to accompany this instrument, the contents of which are self-explanatory.

12. Impact

12.1 There is no impact on business, charities or voluntary bodies.

12.2 The impact on the CSPA will be an increased number of participants in the schemes with an associated increase in costs, however the impact on the public sector as a whole is a saving in administration for public sector bodies by enabling them to join existing pension arrangements and benefit from the support provided by Cabinet Office.

12.3 An Impact Assessment has not been prepared for this instrument.

13. Regulating small business

13.1 The legislation does not apply to activities that are undertaken by small businesses.

14. Monitoring & review

14.1 Membership of the CSPA and the need for amendments to Schedule 1 to the Act are subjects under constant review.

15. Contact

15.1 Linda Huth at Cabinet Office (Telephone: 01256 846133 or email: linda.huth@cabinetoffice.gov.uk) can be contacted with any queries regarding the instrument.

15.2 Muna Rowe, Deputy Director for Civil Service & Royal Mail Pensions, at the Cabinet Office can confirm that this Explanatory Memorandum meets the required standard.

15.3 Lord Agnew, Minister of State at the Cabinet Office and Her Majesty's Treasury can confirm that this Explanatory Memorandum meets the required standard