

EXPLANATORY MEMORANDUM TO
THE JUDICIAL PENSIONS REGULATIONS (NORTHERN IRELAND) 2015

S.R. 2015 No. 0000

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under the Public Service Pensions Act (Northern Ireland) 2014 and is subject to the draft affirmative resolution procedure.

2. Purpose

- 2.1. The Statutory Rule will enable the introduction of the new career average revalued earnings (CARE) pension scheme for those members of the judiciary for whom Northern Ireland Departments are responsible. This is principally the tribunal judiciary. The introduction of this new pension scheme from 1 April 2015 implements the Coalition Government's main objectives to reform public service pensions in the United Kingdom based on recommendations made by the Independent Public Service Pensions Commission.

3. Background

- 3.1. Following the recommendations of the Independent Public Service Pensions Commission, chaired by Lord Hutton of Furness, all public service pensions are being reformed. The purpose of these reforms is to make public service pensions more sustainable and affordable in the long term and fairer to both members and the tax payer. People are living much longer, on average ten years longer than was the case in the 1970s, and this means that the costs of providing public service pensions has increased by a third in the last ten years.
- 3.2. On 8 March 2012 the Northern Ireland Executive agreed to: commit to the policy for a new CARE scheme model with pension age linked to State Pension Age to be adopted for general use in the public service schemes; and adopt this approach consistently for each of the different public sector pension schemes in line with their equivalent scheme in Great Britain and not to adopt different approaches for Northern Ireland.
- 3.3. On 11 March 2014 the Public Service Pensions Act (Northern Ireland) 2014 (the Act) received Royal Assent. The Act introduced new requirements for each of the Northern Ireland public service pension schemes in terms of the scheme design and normal pension ages which they must operate from 1 April 2015.

4. Consultation

- 4.1. The provisions of section 21 of the Act require that, before making scheme regulations, the Department carry out consultations with such persons (or

representatives of such persons) as appear to the Department likely to be affected by them. It formally consulted on the reform of judicial pensions from 3 July to 9 October 2014 seeking views from, amongst others, members of the judiciary who are entitled to be a member of the new judicial pension scheme and other legal professionals. A supplementary consultation on additional modification provisions with transitional effect was conducted from 12 November to 26 November 2014.

5. Equality Impact

- 5.1. The draft regulations were screened for impact on equality of opportunity under section 75 of the Northern Ireland Act 1998 and it was determined that an equality impact assessment was unnecessary.

6. Regulatory Impact

- 6.1. There is no impact on business, charities, social economy enterprises or the voluntary sector. A regulatory impact assessment is not, therefore, necessary.

7. Financial Implications

- 7.1. Failure to introduce the draft regulations, which facilitate the reform of public service pensions, to the requirements and timescales advised by HM Treasury will effect a reduction in the Northern Ireland block grant funding.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. It is the view of the Department that the draft regulations are in compliance with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable.

10. Parity or Replicatory Measure

- 10.1. Draft scheme regulations to establish an equivalent scheme for the non-devolved judiciary are currently before Parliament.

11. Additional Information

- 11.1. Not applicable.