

EXPLANATORY MEMORANDUM TO

The New Firefighters' Pension Scheme (Amendment) (No 2) Order (Northern Ireland) 2013

SR No. 172

1. Introduction

- 1.1. This Explanatory Memorandum has been prepared by the Department of Health, Social Services and Public Safety to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under powers conferred by Article 10(1), (3), (4) and (5) of the Fire Services (Northern Ireland) Order 1984 and is subject to the negative resolution procedure.

2. Purpose

- 2.1. The Order amends the New Firefighters' Pension Scheme Order (Northern Ireland) 2007 to allow Northern Ireland Fire and Rescue Service (NIFRS) to be able to comply with their duties under workplace pension reform. These duties are set out in the Pensions (No. 2) Act (NI) 2008 ("the 2008 Act") and the Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations (NI) 2010 ("the 2010 Regulations") with regard to arrangements the employer must make in respect of automatic enrolment and automatic re-enrolment of a jobholder in a qualifying scheme.

3. Background

- 3.1. The 2008 Act laid the foundations for a fundamental reform of workplace pensions by requiring every employer to automatically enrol their eligible workers into a qualifying pension scheme, if they are not already in one, and to contribute to that pension. These reforms are being introduced on a rolling basis from October 2012 with large employers (and, in turn, their staff) being subject to the new requirements first.
- 3.2. Each employer has a date, known as the "staging date", on which they are due to automatically enrol eligible workers into a qualifying pension scheme. The staging date is determined by an employer's Pay As You Earn (PAYE) scheme details and for NIFRS this is 1 October 2013.
- 3.3. Workers can choose to opt out of the pension scheme once they have been automatically enrolled or re-enrolled. However, employers have a duty to automatically re-enrol eligible workers who have opted out into their pension scheme every three years and to enrol an employee, who was not previously eligible, whenever they become eligible.

4. Consultation

- 4.1. The proposals, including the draft Order, were available for public consultation from 5 November 2012 to 25 January 2013.

5. Equality Impact

- 5.1. The Order will have no adverse differential impact on equality of opportunity.

6. Regulatory Impact

- 6.1. As the Order will impose no additional costs on businesses, charities or the voluntary sector a full Regulatory Impact Assessment has not been completed.

7. Financial Implications

- 7.1. There will be no additional costs for the Northern Ireland Fire and Rescue Service arising from these amendments.

8. Section 24 of the Northern Ireland Act 1998

- 8.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

- 9.1. Not applicable

10. Parity or Replicatory Measure

- 10.1. This Order will ensure Northern Ireland maintains parity with equivalent schemes across GB.

11. Additional Information

- 11.1. Not applicable