

**EXPLANATORY MEMORANDUM TO**  
**THE AUTOMATIC ENROLMENT (EARNINGS TRIGGER AND QUALIFYING**  
**EARNINGS BAND) ORDER (NORTHERN IRELAND) 2014**

**S.R. 2014 No. 81**

**1. Introduction**

- 1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2 The Statutory Rule is made under sections 14 and 15A(1) of the Pensions (No. 2) Act (Northern Ireland) 2008 and is subject to the negative resolution procedure.

**2. Purpose**

- 2.1 This Order sets the amounts of the automatic enrolment and re-enrolment earnings trigger and the qualifying earnings band for the 2014/15 year in line with the PAYE income tax personal allowance and the lower and upper National Insurance contributions earnings limits for that year. It also specifies rounded figures for certain pay reference periods.

**3. Background**

- 3.1 The amounts of the automatic enrolment and re-enrolment earnings trigger (the earnings level at which an employee must be automatically enrolled) and the qualifying earnings band (the earnings on which contributions must be paid) are set out in the Pensions (No. 2) Act (Northern Ireland) 2008 and the Pensions Act 2008.
- 3.2 Whenever the Secretary of State for Work and Pensions makes an order to substitute amounts and specify rounded figures for the earnings trigger and qualifying earnings band, the Department may make a corresponding order. The Department has no power to specify different amounts for Northern Ireland.
- 3.3 In line with previous orders, this year's order provides for the amount of the automatic enrolment earnings trigger to be revised to align with the PAYE income tax personal allowance (£10,000) for the 2014/15 tax year, and for the lower and upper limits of the qualifying earnings band to be aligned with the lower (£5,772) and upper (£41,865) National Insurance contributions earnings limits for that year. Employers will apply the proportionate amount of the annual figure to determine if a worker has jobholder status, and hence whether they should be enrolled automatically, in line with their usual pay period.

#### **4. Consultation**

4.1 There is no requirement to consult on this Order.

#### **5. Equality Impact**

5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for this Order and, as they merely discharge the Department's statutory duty to substitute the amounts of the automatic enrolment earnings trigger and the qualifying earnings band and do not alter policy, has concluded that they do not have significant implications for equality of opportunity. In light of this, the Department considers that an Equality Impact Assessment is not necessary.

#### **6. Regulatory Impact**

6.1 This Order does not require a Regulatory Impact Assessment as it amends an existing regulatory regime and the associated administrative costs are low.

#### **7. Financial Implications**

7.1 None for the Department.

#### **8. Section 24 of the Northern Ireland Act 1998**

8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that this Order –

(a) is not incompatible with any of the Convention rights,

(b) is not incompatible with Community law,

(c) is not discriminate against a person or class of person on the ground of religious belief or political opinion, and

(d) does not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

#### **9. EU Implications**

9.1 Not applicable.

#### **10. Parity or Replicatory Measure**

10.1 The corresponding Great Britain Order is the Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2014 (S.I. 2014/623) which comes into force on 6th April 2014. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions provided for in section 87 of the Northern Ireland Act 1998.