

**Explanatory Memorandum to the
Police Pension Schemes (Amendment) Regulations (Northern Ireland) 2019
S.R 2019 No. 54**

1. This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (detailed above) which is laid before the Northern Ireland Assembly.

The Statutory Rule is made under powers conferred by sections 25(2)(k) and 26(2)(g) of the Police Northern Ireland Act 1998 (1998 Act) and Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972; and sections 1(1) and (2)(g), 2 and 3 of, and Schedule 3 to, the Public Service Pensions Act (Northern Ireland) 2014 (“The 2014 Act”), and is subject to the negative resolution procedure.

- 2. Purpose**

- 2.1 The Regulations make provision to amend a number of instruments relating to pensions and injury on duty, payable in respect of police officers in Northern Ireland.

- 3. Legislative Context**

- 3.1 The Regulations make various minor technical amendments to The Police Service of Northern Ireland and Police Service of Northern Ireland Reserve (Injury Benefit) Regulations 2006 (The 2006 Injury Benefit Regulations), The Police Pension (Northern Ireland) Regulations 2009 (the 2009 Pension Regulations), and The Police Pensions Regulations (Northern Ireland) 2015 (the 2015 Pension Regulations).

- 4. Policy background**

- 4.1 The Department proposes to amend the 2015 Regulations to ensure long-term sustainability of the pension scheme established by those Regulations.
- 4.2 Following the changes to the Department of Finance Scheme Directions in March 2019, the cost cap part of that scheme valuation has been put on hold, subject to the outcome of litigation concerning the age-based transitional protections provided to members during scheme reforms in 2015. However, the overall increase to employer contributions determined by the scheme valuation is being implemented by amendments made in this instrument. This approach to employer contributions has been taken across all career average public sector pension schemes in Great Britain and Northern Ireland.

- 4.2 Further amendments are included based upon the Brewster Supreme Court Judgment of 8 February 2017, which removed the requirement in the 2009 and 2015 Pension Regulations for a deceased member and the surviving partner of that member to have completed a nomination form before the survivor's pension can be paid. Similar amendments have been applied to police schemes in Scotland and England and Wales.
- 4.3 The amendment to the 2006 Injury Benefit Regulations also removes the requirement for a deceased member and the surviving partner of a member of the police service to have completed a nomination form before the survivor's pension can be paid. A similar amendment has been applied to the police scheme in Scotland.

5. Consultation

- 5.1 As required by sections 25(9)(a) and 26(6) of the 1998 Act as well as section 21 of the Public Service Pensions Act (Northern Ireland) 2014, the Department of Justice has consulted with the Chief Constable of the Police Service of Northern Ireland, the Northern Ireland Policing Board, the Police Staff Association and invited the views of the Police Advisory Board for England and Wales. Members of the PSNI Pension Scheme Advisory Board were also sighted on the consultation.
- 5.2 In accordance with section 72(2A) of the 1998 Act and section 3(5) of the 2014 Act, the Department of Justice has obtained the consent of the Department of Finance.
- 5.3 The draft regulations were issued for a targeted consultation from 22 February to 8 March 2019. The level of public interest in the introduction of these amendments was low. There was no public consultation process and no media coverage.

6. Equality Impact

- 6.1 Consideration has been given to compliance with section 75 of the Northern Ireland Act 1998 and no equality issues have been identified by the Department.

7. Regulatory Impact

- 7.1 The Department does not consider that there is a need for a regulatory impact assessment for this instrument as it has no impact on business, charities or voluntary bodies.

8. Financial Implications

8.1 The impact on the public sector is limited to the area of public service pensions provision. Government changes to the SCAPE discount rate, together with impacts from broader valuation results across schemes will mean increases in employer contribution costs in unfunded public service schemes from 1 April 2019.

8.2 Funding has been included in departmental budget allocations towards the increased employer pension costs across the public sector. While this does not address the full level of pressures identified by departments, it does represent a significant contribution towards them. Any remaining pressures will be reviewed in-year.

9. Section 24 of the Northern Ireland Act 1998

9.1 The proposed legislation is considered compatible with section 24 of the Northern Ireland Act 1998.

10. European Implications

10.1 Not applicable.

11. Parity or Replicatory measure

11.1 Similar legislation has been made in Scotland, England and Wales.

12. Additional Information

12.1 Not applicable.