
EXPLANATORY NOTE

(This note is not part of the Regulations)

The Public Service Pensions Act (Northern Ireland) 2014 (c. 2) (“PSPA(NI) 2014”) makes provision, and confers powers to make further provision (in the form of “scheme regulations” as defined in section 1 of PSPA(NI) 2014), about the establishment of public service pension schemes. The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 (S.R. 2014 No. 290) (“the 2014 Regulations”) are the scheme regulations establishing alpha, the successor civil service pension scheme to the Principal Civil Service Pension Scheme (Northern Ireland) (“the PCSPS(NI)”). The 2014 Regulations provided for transitional protection for certain cohorts of PCSPS(NI) members. This transitional protection was subsequently found to unlawfully discriminate between civil service pension scheme members on the basis of age.

The Public Service Pensions and Judicial Offices Act 2022 (c. 7) (“PSPJOA 2022”), at Chapter 1, makes provision, and confers powers for scheme regulations under PSPA(NI) 2014 to make further provision, in relation to specified service (“remediable service” as defined in section 1 of PSPJOA 2022) of members who benefitted from transitional protection, and of members who did not benefit from transitional protection only by reason of their age. Section 27 of PSPJOA 2022 requires certain powers to make scheme regulations to be exercised in accordance with Treasury directions. Section 38(1) of PSPJOA 2022 defines Treasury directions, in relation to new and existing schemes referenced in the PSPA(NI) 2014, as meaning directions given by the Department of Finance in Northern Ireland (DoF(NI)).

These Regulations are scheme regulations under PSPA(NI) 2014 and in accordance with PSPJOA 2022 in relation to a member’s remediable service in the PCSPS(NI) and alpha. They are, to the extent required by section 27 of PSPJOA 2022, made in accordance with DoF(NI) directions under that section (in the form of The Public Service Pensions (Exercise of Powers, Compensation and Information) Directions (Northern Ireland) 2023). These Regulations have retrospective effect, which is authorised by section 3(3)(b) of PSPA(NI) 2014.

Part 2 of these Regulations makes provision about when and to whom a remediable service statement is to be provided by the scheme manager (as defined in regulation 2(1)), as well as the contents of the remediable service statement.

Part 3 makes provision about the principal decisions that may be made in relation to a member’s remediable service—

- (a) Chapter 1 makes provision about when and how an election may be made for service in respect of which a member opted-out of alpha to be reinstated and treated as remediable service;
- (b) Chapter 2 makes provision about when and how a decision may be made, or be deemed to have been made, about whether the remediable service of a pensioner or deceased member (an “immediate choice member”) is to be treated as service in the PCSPS(NI) or in alpha;
- (c) Chapter 3 makes provision similar to Chapter 2, but in relation to the remediable service of an active or deferred member (a “deferred choice member”).

Part 4 makes provision about cases in which the pension rights secured by virtue of a member’s remediable service are at issue in proceedings relating to the member’s separation from a spouse or civil partner—

- (a) Chapter 1 makes provision about sharing the value of such rights under a pension sharing order where they are subject to a pension debit under Article 26 of the Welfare Reform

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and Pensions (Northern Ireland) Order 1999 (S.I. 1999/3147 (N.I. 11)). It provides, in particular, for the calculation or, where appropriate, the re-calculation of the value of a pension debit and a pension credit in relation to the rights;

- (b) Chapter 2 makes provision about the calculation of the value of rights for the purposes of sharing those rights under an arrangement other than a pension sharing order.

Part 5 makes provision about lump sum voluntary contributions paid by a member during the period of their remediable service, and periodical contributions paid by a member under an arrangement which commenced during the period of their remediable service, to secure additional pension rights—

- (a) Chapter 1 makes provision about rights to additional pension secured in the PCSPS(NI) or alpha in accordance with which rights are conferred or, where relevant, varied so that they reflect the value of rights that would have been secured in the civil service pension scheme in respect of which the member's pension benefits secured by virtue of their remediable service ultimately become payable;
- (b) Chapter 2 makes provision about rights to effective pension age secured in alpha in accordance with which, on a decision for the member's remediable service to be treated as service in the PCSPS(NI), the rights are either converted into PCSPS(NI) additional pension or they are extinguished and compensation is paid in relation to them;
- (c) Chapter 3 makes provision which causes additional pension rights secured in, and benefits in relation to such rights paid out of, alpha to be treated as secured in, or paid out of, the PCSPS(NI), and for financial corrections of any pension benefits paid in respect of the remediable service of an immediate choice member in relation to such rights;
- (d) Chapter 4 makes provision enabling a member who did not have the opportunity to elect to purchase rights to effective pension age in respect of remediable service to do so retrospectively.

Part 6 makes provision about transfers in and out of a civil service pension scheme of pension rights during the period of a member's remediable service—

- (a) Chapter 1 makes provision about, among other things, the provision of a remediable service statement to a person who has transferred out rights in respect of remediable service and in respect of whom a remediable service statement is not otherwise required to be provided;
- (b) Chapter 2 makes provision about transfers in and out of a civil service pension scheme on a cash equivalent basis, including provision about the calculation (and, where appropriate, the recalculation) of the value of a cash equivalent transfer value, and the making and accepting of payments in relation to the transfer value of rights secured by virtue of remediable service;
- (c) Chapter 3 makes provision similar to Chapter 2, but in relation to transfers in and out of a civil service pension scheme on a club basis;
- (d) Chapter 4 makes provision for—
 - (i) transfers into alpha in respect of rights secured by virtue of remediable service to be treated as being transferred into the PCSPS(NI);
 - (ii) rights transferred into the PCSPS(NI) to be varied so that they reflect the value of rights in the civil service pension scheme in respect of which rights secured by virtue of a member's remediable service ultimately become payable;
 - (iii) financial corrections of any pension benefits paid in respect of the transferred-in rights of an immediate choice member.

Part 7 makes provision about special cases—

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- (a) Chapter 1 makes provision about the reassessment of ill-health retirement applications which may have been treated differently if they had been assessed in a member's alternative civil service pension scheme;
- (b) Chapter 2 makes provision about—
 - (i) protecting the amount of any child pension which is already in payment so that it will not be reduced as a result of PSPJOA 2022 or these Regulations;
 - (ii) ensuring that a member of Section II of the PCSPS(NI) has the same rights in relation to nominating persons to receive a death benefit as members of alpha and of Sections I and III of the PCSPS(NI);
 - (iii) allowing members who would, but for the transitional protection, have been able to aggregate separate periods of pensionable service in the PCSPS(NI).

Part 8 makes provision cases in which a person has already obtained a remedy in relation to their remediable service. Such persons are treated for the purposes of PSPJOA 2022 and these Regulations as if they were an immediate choice member who has elected to receive PCSPS(NI) benefits in relation to their remediable service.

Part 9 makes provision about any amounts (“relevant amounts”) owed to or by a person as a result of PSPJOA 2022 or these Regulations—

- (a) Chapter 2 makes provision for the calculation of interest on relevant amounts, for the increase of benefits instead of the payment of a relevant amount, for the making of an application where a person wishes to claim compensation, and for the netting off of relevant amounts owed to and by a person;
- (b) Chapter 3 makes provision about the reduction and waiver of relevant amounts, in particular a requirement for the scheme manager to reduce some relevant amounts by tax relief amount, the discretion of the scheme manager to reduce or waive relevant amounts owed by a person to a scheme in certain circumstances, and the option to defer payment of certain relevant amounts owed to a member until an election is made in relation to the member's remediable service;
- (c) Chapter 4 makes provision about when and how relevant amounts must be paid.

An impact assessment has not been completed for these Regulations. An Explanatory Memorandum has been published alongside these Regulations on <http://www.legislation.gov.uk>.

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