

EXPLANATORY MEMORANDUM TO
THE JUDICIAL PENSIONS (ADDITIONAL VOLUNTARY CONTRIBUTIONS)
REGULATIONS 2017

2017 No. 512

1. Introduction

- 1.1 This explanatory memorandum has been prepared by The Ministry of Justice and is laid before Parliament by Command of Her Majesty.

2. Purpose of the instrument

- 2.1 The Judicial Pensions (Additional Voluntary Contributions) Regulations 2017 (“the AVC Regulations”) make provision to:
- Establish a Judicial Additional Voluntary Contributions Scheme managed by the Lord Chancellor (governance of the scheme will be by a judicial pension board); and
 - Enable members of the judicial pension scheme established by the Judicial Pensions Regulations 2015 (“the 2015 scheme”) to make additional voluntary contributions alongside their contributions to the 2015 scheme.

3. Matters of special interest to Parliament

Matters of special interest to the Joint Committee on Statutory Instruments

- 3.1 None.

Other matters of interest to the House of Commons

- 3.2 Disregarding minor or consequential changes, the territorial application of this instrument includes Scotland and Northern Ireland.

4. Legislative Context

- 4.1 The Judicial Pension Regulations 2015 were made under the Public Service Pensions Act 2013 and established a pension scheme for the judiciary. The AVC Regulations are also made under the Public Service Pensions Act 2013 and allow active members of the 2015 scheme to make additional voluntary contributions.

5. Extent and Territorial Application

- 5.1 This instrument extends to the United Kingdom.
5.2 The territorial application of this instrument is to the United Kingdom.

6. European Convention on Human Rights

- 6.1 The Lord Chancellor and Secretary of State for Justice, The Right Honourable Elizabeth Truss MP, has made the following statement regarding Human Rights:
“In my view the provisions of The Judicial Pensions (Additional Voluntary Contributions) Regulations 2017 are compatible with the Convention rights.”

7. Policy background

What is being done and why

- 7.1 The 2015 scheme was established in response to the Public Service Pensions Act 2013. The 2015 scheme applies to fee paid and salaried judicial office holders. The scheme came into effect on 1 April 2015.
- 7.2 The existing judicial pension schemes provided a facility to contribute to a money purchase pension scheme and the same facility is provided for members of the 2015 scheme through these AVC Regulations which provide:
- Who can be a member;
 - The information required to be provided by such members and its use;
 - The manner in which contributions can be made to the scheme;
 - The benefits which may be provided by the scheme;
 - Lump sums in the event of death;
 - Transfers in and out of the scheme;
 - Deductions for taxation and administration expenses;
 - That a procedure for the determination of disputes must be established; and
 - A consequential amendment to the 2015 Regulations.
- 7.3 The AVC Regulations will include the pension flexibilities contained in the Taxation of Pensions Act 2014 and the Pension Schemes Act 2015. Amendments to the additional voluntary contribution scheme established under the older judicial pension scheme (made by the Judicial Pensions and Retirement Act 1993) are being made in a separate instrument containing similar regulations, which also give effect to the pension flexibilities. Subject to Parliamentary approval, both these regulations are expected to come into force on the same date.

Consolidation

- 7.4 No consolidation is applicable to this instrument.

8. Consultation outcome

- 8.1 The Ministry of Justice issued a public consultation (16 June – 8 September 2014) before the introduction of the Judicial Pension Scheme 2015. The Consultation included the commitment that the members of the 2015 scheme would have an option to pay contributions into the AVC scheme.
- 8.2 In addition, the Ministry of Justice consulted the Secretary of State for Scotland on this draft instrument because it relates to some judicial offices with jurisdiction exercised exclusively in Scotland. We have also consulted HM Treasury as two HM Treasury Commissioners are required to consent to the making of this instrument. They are content with the instrument as drafted.

9. Guidance

- 9.1 No specific guidance is relevant for the purposes of this instrument.

10. Impact

- 10.1 There is no impact on business, charities or voluntary bodies.

10.2 The impact on the public sector would be small and only an administrative cost to monitor the contract with the third party provider.

10.3 An Impact Assessment has not been prepared for this instrument.

11. Regulating small business

11.1 The legislation does not apply to activities that are undertaken by small businesses.

12. Monitoring & review

12.1 There is no cost to the Ministry of Justice, however we will monitor the service with the scheme providers and the range of investments offered to scheme members.

13. Contact

13.1 Surinder Sawali at the Ministry of Justice, Telephone: 020 3334 3142 or email: surinder.sawali@justice.gsi.gov.uk can answer queries regarding the instrument.