





DEPARTMENT OF EDUCATION

Consultation on the Teachers' Pension Scheme (Consequential Provisions) (Amendment) Regulations (NI) 2015

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October 2015

Introduction

The Department of Education (the Department) intends to make amendments to the Teachers' Pension Scheme (Consequential Provisions) Regulations (NI) 2015 which were made in March 2015 and came into operation on 1 April 2015.

The amendment provides for the protection of increases in guaranteed minimum pensions after the abolition of contracting-out under the Public Service Pensions Act (NI) 2014.

This consultation runs from **16 October 2015 to 13 November 2015**.

Background

The Department made the Teachers' Pension Scheme (Consequential Provisions) Regulations (NI) 2015 in March 2015 which made modifications to primary legislation to ensure that the new 2015 Career Average Revalued Earnings (CARE) pension scheme operates as intended in terms of its interaction with the wider framework of pensions and tax legislation.

At the time the consequential provisions were made, necessary legislation to provide for the abolition of contracting-out for defined benefit salary related pension schemes had not yet been made. It was therefore necessary to defer making consequential provisions in respect of the protection of increases in guaranteed minimum pensions following the abolition of contracting-out.

Measures to implement the abolition of contracting-out for defined benefit salary related pension schemes were introduced by the Department for Social Development in the Pensions Act (NI) 2015 in June 2015. The 2015 Act amends the Pensions Scheme (NI) Act 1993, modifying the definition of "cessation date" and specifically introduces a date of 6 April 2016 for the abolition of contracting-out for salary related schemes.

Proposed amendment to the consequential provisions for NITPS to be made under Section 3 of the Public Service Pensions (NI) Act 2014

The Department proposes to introduce an amendment to the Teachers' Pension Scheme (Consequential Provisions) Regulations (NI) 2015 to give legislative effect to the previously omitted regulation by modifying the Pensions Scheme (NI) Act 1993.

As these provisions modify primary legislation they will be subject to the affirmative procedure. The draft regulations and an explanatory note are attached at **Annex 1**.

Equality

The Department remains committed to taking equality considerations into account when developing proposals for the reformed NITPS. The Department conducted an Equality Impact Assessment (EQIA) on NITPS in Autumn 2014, and the Final EQIA can be found on the Department's website [http://www.deni.gov.uk/final_eqia_on_the_proposals_for_the_reform_of_nitps_2015_462kb .pdf](http://www.deni.gov.uk/final_eqia_on_the_proposals_for_the_reform_of_nitps_2015_462kb.pdf) The EQIA is a live document and will be kept under review to ensure any changes in policy are taken into account. The Department has determined that the proposals contained in this consultation have no impact on the outcome of the EQIA.

Responding to this consultation


The Department is carrying out a consultation on the changes proposed and would welcome comments on the proposals and on the draft regulations.

Responses should be sent no later than **13 November 2015** to:

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This document is also available on the Department's Internet site.

Draft Regulations laid before the Assembly under section 24 of the Public Service Pensions Act (Northern Ireland) 2014, for approval by resolution of the Assembly.

STATUTORY RULES OF NORTHERN IRELAND

2015 No. 000

PUBLIC SERVICE PENSIONS

The Teachers' Pension Scheme (Consequential Provisions) (Amendment) Regulations (Northern Ireland) 2015

Made - - - - - ***

Coming into operation *** in accordance with regulation 2

The Department of Education makes the following Regulations in exercise of the powers conferred by sections 1 and 3 of the Public Service Pensions Act (Northern Ireland) 2014(1).

In accordance with section 21 of that Act, the Department has consulted the representatives of such persons as appear to it likely to be affected by these Regulations.

Pursuant to section 24(1) of that Act, a draft of these Regulations has been laid before, and approved by a resolution of the Assembly.

In accordance with section 3(5) of that Act, the Department of Finance and Personnel has consented to the making of these Regulations.

Citation, commencement and expiry

1. These Regulations may be cited as the Teachers' Pension Scheme (Consequential Provisions) (Amendment) Regulations (Northern Ireland) 2015 and shall come into operation as provided by regulation 2.

2. Regulations 3 and 4 come into operation on the same day as paragraph 38 of Schedule 13 to the Pensions Act (Northern Ireland) 2015(2) comes into operation. On that day regulation 9 of the Teachers' Pension Scheme (Consequential Provisions) Regulations (Northern Ireland) 2015(3) ceases to have effect.

(1) 2014 c.2 (N.I.).
(2) 2015 c.5 (N.I.)
(3) S.R. 2015 No. 170

Interpretation

3. In these Regulations—

“the 1993 Act” means the Pension Schemes (Northern Ireland) Act 1993(4);

“the new scheme” means the pension scheme established by regulation 2 of the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014(5);

“the old scheme” means the scheme constituted by Regulations made under Article 11 of the Superannuation (Northern Ireland) Order 1972(6).

Modification of contracting-out provisions

4. After regulation 9 of the Teachers’ Pension Scheme (Consequential Provisions) Regulations (Northern Ireland) 2015 insert—

“Protection of increases in guaranteed minimum pensions after abolition of contracting-out

9A.—(1) Chapter 3 of Part 4 of the 1993 Act (protection for early leavers: protection of increases in guaranteed minimum pensions (“anti-franking”)) is modified as follows.

(2) In the application of that Chapter to P as a member of the old scheme—

- (a) in the section 83(1)(a)(i) (general protection principle), the reference to the time when P ceases to be in pensionable service under a scheme that was, before the second abolition date, a salary-related contracted-out scheme is to be taken as a reference to the time when P ceases to be in pensionable service in relation to the new scheme; and
- (b) subsequent references to “the cessation date” are to be construed accordingly.”

Sealed with the Official Seal of the Department of Education on xxth xxxxx 2015

L.S.

Name

A senior officer of the
Department of Education

The Department of Finance and Personnel consents to the foregoing Regulations.

Sealed with the Official Seal of the Department of Finance and Personnel on xxth xxxxx 2015

L.S.

Name

A senior officer of the
Department of Finance and Personnel

(4) 1993 c.49

(5) S.R. 2014 No.310

(6) S.I. 1972/1073 (N.I. 10)

EXPLANATORY NOTE

(This note is not part of the Regulations)

Chapter 3 of Part 4 of the Pension Schemes (Northern Ireland) Act 1993 concerns “anti-franking”, or the protection of increases in guaranteed minimum pensions (“GMPs”) which contracted-out schemes had to provide until 1997. For this purpose, the Regulations provide that the “cessation date”, when a person ceases to be in contracted-out employment under the old scheme (and from which point GMPs may need to be increased) is treated as the date when the person leaves the new scheme, and not the date when they transfer from their old scheme to their new scheme. Regulation 9A includes a subsequent modification of the definition of “cessation date” in section 83 of the 1993 Act; that definition was amended by the Pensions Act (Northern Ireland) 2015 as part of the abolition of contracting-out.

Consultation Draft - October 2015