EXPLANATORY MEMORANDUM TO

The Firefighters' Pension Scheme (Amendment) Order (Northern Ireland) 2012

SR 2012 No. 161

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Health, Social Services and Public Safety to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under powers conferred by Articles 10(1), (3), (4) and (5) of the Fire Services (Northern Ireland) Order 1984 and is subject to the negative resolution procedure.

2. Purpose

2.1. The Order amends the Firefighters' Pension Scheme Order (Northern Ireland) 2007 and introduces new pension contribution rates for scheme members.

2.2. The new contribution rates are tiered and are determined by the amount of pensionable pay the member receives.

3. Background

3.1. At the 2010 Spending Review the Coalition Government announced plans to realise savings of £2.8bn from public sector pension schemes by 2014-15. This figure includes the projected savings from the Northern Ireland schemes which are expected to be in the region of £140m per annum.

3.2. The Coalition Government accepted the recommendation of the Independent Public Service Pensions Commission that increasing employee contribution rates was an appropriate short term cost saving measure.

3.3. The Northern Ireland Executive agreed to commit to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland and to apply this policy consistently across the schemes.

4. Consultation

4.1. The proposals, including the draft Order, were available for public consultation from 24 October 2011 to 20 January 2012.

4.2. Subsequent negotiations led by the Department of Communities and Local Government resulted in changes to the original proposals and revised contribution rates.

5. Equality Impact

5.1. The Order will have no adverse differential impact on equality of opportunity.

6. Regulatory Impact

6.1. As the Order will impose no additional costs on businesses, charities or the voluntary sector a full Regulatory Impact Assessment has not been completed.

7. Financial Implications

7.1. The Executive has committed to the principle of delivering the targeted level of savings to the cost of public sector pension schemes in Northern Ireland; future pensions arrangements will be met from within existing budgets.

8. Section 24 of the Northern Ireland Act 1998

8.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable

10. Parity or Replicatory Measure

10.1. This Order will ensure Northern Ireland maintains parity with equivalent schemes across GB.

11. Additional Information

11.1. Not applicable