EXPLANATORY MEMORANDUM TO

THE JUDICIAL PENSIONS (CONTRIBUTIONS) (AMENDMENT) REGULATIONS 2014

2014 No. 483

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 instruments

2.1 The Judicial Pensions (Contributions) (Amendment) Regulations 2014 increase the rate of member contributions towards the costs of providing personal benefits under judicial pension schemes from 2.56% to 3.2% of salary.

3. Matters of special interest to the Joint Committee on Statutory Instruments

3.1 None.

4. Legislative Context

4.1 Existing judicial pension schemes are constituted under the Judicial Pensions and Retirement Act 1993, the District Judges (Magistrates' Courts) Pensions Act (Northern Ireland) 1960, the Judicial Pensions 1981 and the Sheriff's Pensions (Scotland) Act 1961.

4.2 Section 34 and schedule 5 to the Pensions Act 2011 (c.19) provide the legislative authority for contributions towards the costs of providing personal benefits to be collected from members of judicial pension schemes who have not accrued full pension benefits; and the power to set the rate at which those contributions are taken.

4.3 The Judicial Pensions (Contributions) (Amendment) Regulations 2014 increase the rate at which contributions are to be paid to 3.2% of salary.

5. Territorial Extent and Application

5.1 This instrument applies to the United Kingdom.

6. European Convention on Human Rights

6.1 As the instrument is subject to negative resolution procedure and does not amend primary legislation, no statement is required.

7. Policy background

7.1 At the 2010 Spending Review, the Government took a series of decisions on public spending to reduce the economic deficit and put the economy on a sustainable footing. One of these decisions was to accept the finding of the IPSPC (chaired by Lord Hutton) in its interim report, published in October 2010, that there is a clear reason to make short term savings from public service pensions, to rebalance the distribution of

costs between pensions scheme members and other taxpayers, and that raising member contributions was the most practical way to do this.

7.2 The Government decided that it would implement progressive changes to the level of contributions paid in personal public service pension schemes, to be phased in from April 2012, leading to a saving of £2.8 billion a year by 2014/15.

7.3 2014/15 represents the final year of the contribution increases stemming from the Hutton report.

8. Consultation Outcome

8.1 The Lord Chancellor consulted the Heads of Jurisdiction prior to laying the instrument.

9. Guidance

9.1 A letter to all judges will be posted on the judicial intranet explaining the changes and will be published once this instrument comes into effect.

10. Impact

10.1 The instrument will have no impact on business, charities or the voluntary sector.

10.2 There will be no impact on the public sector.

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

11. Regulating small business

11.1 This legislation does not apply to small business.

12. Monitoring and Review

12.1 The Ministry of Justice will review in 2015 the success of the policy of collecting personal judicial pension contributions.

The success criteria for this policy are:

- a fairer distribution of judicial pension scheme costs between judicial pensions scheme members and taxpayers; and
- no negative impact on judicial recruitment, retention and performance.

12.2 In carrying out its review, the Ministry will consider the evidence from a range of data, including that on recruitment and retention, and will monitor the level of income generated from judicial pension scheme members' pension contributions.

13. Contact

13.1 Shirley Hales at the Ministry of Justice (tel: 020 3334 3476 or e-mail Shirley.hales@justice.gsi.gov.uk) can answer any queries about the instrument.