EXPLANATORY MEMORANDUM

The Police Pensions (Additional Voluntary Contributions) (Amendment) Regulations (Northern Ireland) 2020

S.R. 2020 No. 9

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department of Justice to accompany the Statutory Rule (detailed above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under powers conferred by sections 1(1) and (2)(g), 2(1) and 3(1), (2), (3)(a) and (5) of the Public Service Pensions Act (Northern Ireland) 2014 and by Articles 14 and 15 of the Superannuation (Northern Ireland) Order 1972 and is subject to the negative resolution procedure.

2. Purpose of the Instruments

2.1 These Regulations enable members of the Police Service of Northern Ireland to continued payment of Additional Voluntary Contributions by Police Scheme members, following the transfer from Equitable Life to Utmost Life and Pensions Limited, and to avoid unnecessary disruption to their investment and savings arrangements (e.g. by the inability to make investments with an "approved additional voluntary contributions provider") under the the Royal Ulster Constabulary Pensions (Additional Voluntary Contributions) Regulations 1993 ("1993 Regulations").

3. Legislative Context

3.1 These Regulations principally amend the "1993 Regulations", to include Utmost Life and Pensions Limited as a "free-standing additional voluntary contributions scheme".

4. Policy background

4.1 The "1993 Regulations" provided for an in-house Additional Voluntary Contribution (AVC) scheme. Run since 2002 by Standard Life, some officers have benefits with the previous provider Equitable Life. The scheme closed to new members on 1 October 2010.

4.2 On 8 October 2019, Equitable Life Assurance Society wrote to the Department of Justice, to advise of a proposed insurance business transfer (the Transfer) to Utmost Life and Pensions Limited, pursuant to Part V11 of the Financial Services and Markets Act 2000. It sought the Department's approval for Utmost to be treated as an "approved

additional voluntary contributions provider" for the purposes of the "1993 Regulations".

4.3 In November 2019, Scheme Policyholders voted in favour of the proposed AVC scheme transfer from Equitable Life to Utmost Life and Pensions Limited and Eligible Members voted for the Change to the Articles. On 4 December 2019, the UK High Court approved the proposed changes for implementation with effect from 1 January 2020.

4.4 The Department seeks to amend the AVC Scheme, principally to include Utmost Life and Pensions Limited, as a "free-standing additional voluntary contributions scheme" and by doing so, enable the continued payment of AVC's by Police Scheme members following the Transfer, and to avoid unnecessary disruption to their investment and savings.

5. Consultation

5.1 As required by section 21 of the Public Service Pensions Act (Northern Ireland) 2014, the Department of Justice has consulted Policing stakeholders. In accordance with section 3(5) of that Act, the Department of Justice has obtained the consent of the Department of Finance.

6. Equality Impact

6.1 Consideration has been given to compliance with section 75 of the Northern Ireland Act 1998 and no equality issues have been identified by the Department.

7. Regulatory Impact

7.1 The Department does not consider that there is a need for a regulatory impact assessment for this instrument as it has no impact on business, charities or voluntary bodies.

8. Financial Implications

8.1 The impact on the public sector is limited to the area of police pension provision. It is not anticipated to result in any costs.

9. Section 24 of the Northern Ireland Act 1998

9.1 The proposed legislation is considered compatible with section 24 of the Northern Ireland Act 1998.

10. European Implications

10.1 Not applicable.

11. Parity or Replicatory measure

11.1 None, except that the amendment relates to the Public Sector Pensions Act 2014 (which applies to Northern Ireland), as opposed to the Public Service Pensions Act 2013 which applies in Scotland, England and Wales.

11.2 Similar legislation is being prepared in Scotland, England and Wales.

12. Additional Information

12.1 Not applicable.