EXPLANATORY MEMORANDUM TO

THE PUBLIC SERVICE PENSIONS (RECORD KEEPING AND MISCELLANEOUS AMENDMENTS) REGULATIONS (NORTHERN IRELAND) 2014

S.R. 2014 No. 321

1. Introduction

1.1 This Explanatory Memorandum has been prepared by the Department for Social Development to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.

1.2 The Statutory Rule is made under Articles 49(9)(b) and 166(1) and (2) of the Pensions (Northern Ireland) Order 1995 and section 16(1) of the Public Service Pensions Act (Northern Ireland) 2014 and is subject to the negative resolution procedure.

2. Purpose

2.1 These Regulations set out the records to be kept by schemes for the purposes of the Public Service Pensions Act (Northern Ireland) 2014 ("the 2014 Act") and amend existing Regulations to require scheme managers to report the late payment of member contributions, in line with private sector schemes.

3. Background

3.1 The 2014 Act sets out a common framework for the creation of new public service pension schemes which are due to come into effect on 1st April 2015 for most public service employees. These Regulations set out the key pieces of information that these schemes need to hold in order to be effectively administered and to speedily pay the correct benefits when due. As a well run scheme would already keep record of this information, it is anticipated that these Regulations should not impose any unnecessary additional burdens on these schemes or the participating employers.

3.2 The Pensions Regulator operates UK wide and the Regulator has published a draft *Code of practice no. 14: Governance and administration of public service pension schemes* which provides practical guidance for scheme managers and members of pensions boards of public service pension schemes about fulfilling certain legal obligations and duties, including the requirements set out in these Regulations.

3.3 Information in respect of members and beneficiaries

The Regulations set out the records that schemes need to keep –

- on individual members, for example, name, date of birth, address and periods of pensionable service with each participating employer;

- in respect of a member's total pensionable earnings each year to enable the pension accrued by the member to be calculated under the pension arrangements for career average revalued earnings schemes,

- in relation to key information in respect of the different types of schemes covered by the new regulatory structure.

3.4 Record of Transactions

The Regulations set out various records that scheme managers must keep in order to account for the finances of the scheme. These include contributions received; benefits paid out; transfer payments and other payments made to or by the scheme.

3.5 Records of Pension Board Meetings

Under the new governance structure being put into place for public service schemes, these schemes will have pension boards to assist the scheme manager in relation to a number of matters, including ensuring the scheme complies with its rules relating to the governance and administration of the scheme and any connected schemes.

The Regulations set out the records that the scheme manager must keep in respect of meetings of the pension board and any decisions taken, including details of when the meetings are held, attendees etc.

3.6 Amendment of the Scheme Administration Regulations

The Regulations amend regulation 16A of the Occupational Pension Schemes (Scheme Administration) Regulations (Northern Ireland) 1997 so that scheme managers of public service schemes under the 2014 Act are no longer exempt from the duty to report the late payment of member contributions by participating employers, where the scheme manager believes that the failure is likely to be of material significance to the Pensions Regulator. This change will bring scheme managers of these public service schemes into line with the trustees of private sector schemes, and is part of HM Treasury policy on the regulation of public service schemes.

4. Consultation

4.1 There is no requirement to consult on these Regulations as they make in relation to Northern Ireland only provision corresponding to provision contained in regulations made by the Secretary of State for Work and Pensions in relation to Great Britain.

5. Equality Impact

5.1 In accordance with its duty under section 75 of the Northern Ireland Act 1998, the Department has conducted a screening exercise on the legislative proposals for these Regulations. In light of this, the Department has concluded that the proposals would not have significant implications for equality of opportunity and considers that an Equality Impact Assessment is not necessary.

6. Regulatory Impact

6.1 These Regulations do not require a Regulatory Impact Assessment as they have no significant impact on costs on business, charities or voluntary bodies.

7. Financial Implications

7.1 None for the Department.

8. Section 24 of the Northern Ireland Act 1998

8.1 The Department has considered section 24 of the Northern Ireland Act 1998 and is satisfied that these Regulations –

(a) are not incompatible with any of the Convention rights,

(b) are not incompatible with Community law,

(c) do not discriminate against a person or class of person on the ground of religious belief or political opinion, and

(d) do not modify an enactment in breach of section 7 of the Northern Ireland Act 1998.

9. EU Implications

9.1 Not applicable.

10. Parity or Replicatory Measure

10.1 The corresponding Great Britain Regulations are the Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014 (S.I. 2014/3138) which come into force on 1st April 2015. Parity of timing and substance is an integral part of the maintenance of single systems of social security, child support and pensions provided for in section 87 of the Northern Ireland Act 1998.