



Committee for Education

OFFICIAL REPORT (Hansard)

Teachers' Pensions (Transitional and
Consequential Provisions) Regulations
(Northern Ireland) 2015:
Department of Education

21 January 2015

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Miss Michelle McIlveen (Chairperson)
Mr Danny Kinahan (Deputy Chairperson)
Mr Chris Hazzard
Mr Trevor Lunn
Mr Robin Newton
Mrs Sandra Overend
Mr Seán Rogers
Mr Pat Sheehan

Witnesses:

Mr Seamus Gallagher	Department of Education
Mr Brian Quinn	Department of Education

The Chairperson (Miss M McIlveen): Seamus, do you want to outline what this means? Perhaps Brian can do that.

Mr Seamus Gallagher (Department of Education): Brian will cover this wee bit.

Mr Brian Quinn (Department of Education): The regulations are due to be laid in draft before the Assembly and will be passed by the affirmative resolution route. They are part of a series of similar legislation being introduced by all the public-service schemes to address some potential unintended consequences of pension reform for how the pension schemes relate to primary legislation on pensions and taxation. The intention is to amend some of the overriding legislation in the pensions area to make sure that the new regulations work in the way that they are supposed to. They particularly relate to people who have service on the existing scheme and will move to the new scheme and, therefore, technically, have service in two separate pension schemes, each separately registered with HMRC. So, the provisions that we seek to change relate to contracting out, early leavers, ill-health benefits and short service benefits, and, as you will have noticed, there are some fairly technical changes to the primary legislation to take those changes into account. As I said, similar changes are coming for all schemes across the UK, and they are based on a template provided initially by Treasury. All the schemes are amending that template legislation to take into account the legislation relating to their own schemes.

Rather than going into any depth on what are quite complex changes, we are happy to take questions at this stage.

The Chairperson (Miss M McIlveen): Are we in a position similar to the one for the previous rule, in that we do not have a great deal of choice?

Mr Gallagher: Yes. The unions support these regulations because they close loopholes that could put their members at a disadvantage.

The Chairperson (Miss M McIlveen): Are there any other questions? Mr Lunn?

Mr Lunn: No.

The Chairperson (Miss M McIlveen): Are members content that the proposed statutory rule is laid?

Members indicated assent.

The Chairperson (Miss M McIlveen): I ask members to note the consultation on the Teachers' Pension Scheme (Miscellaneous Amendments) Regulations (Northern Ireland) 2015. When does that consultation close?

Mr Quinn: It closes in four weeks from yesterday.

Mr Gallagher: It is a four-week consultation. The reason for that is that we need to make the rule before April.

The Chairperson (Miss M McIlveen): So, again, everything is very much time bound around the beginning of April.

Mr Gallagher: Throughout the process, we made the unions aware that we would be running this consultation, we would have to do it at the last minute and it would be a short time frame. There were no objections. They understand the rationale for that.

The Chairperson (Miss M McIlveen): OK.

Mr Lunn: Harking back to our previous discussion, I notice in the notes that the employer's contribution has gone up from 13.6% to 17.7%, compared with around 20% employer contributions by the education and library boards for their non-teaching employees. That is the sort of comparison that was worrying me.

Mr Gallagher: There is a big difference in that they are a funded scheme, and their liabilities are largely affected by how their investments perform. I did not include them in the comparison because all the other schemes that I included are the non-funded schemes, which do not have a pot of money.

Mr Lunn: Which is which? Are non-funded schemes better value for the employee than funded schemes, or vice versa?

Mr Gallagher: The employee probably pays much the same. The rates are comparable. It is a comparable scheme, even though the employer contribution rate will go up and down in the Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC) scheme. It may be higher at the minute.

The Chairperson (Miss M McIlveen): There are no further questions. We are happy to note. Thank you very much.

Mr Gallagher: Thank you.