

Civil Service Pensions
Department of Finance and Personnel
Waterside House
75 Duke Street
Londonderry
BT47 6FP



Department of
**Finance and
Personnel**

www.dfpni.gov.uk

**Consultation on proposed changes to
pre-2002
Civil Service
widows/widowers pension
arrangements.**

16 DECEMBER 2015

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1 INTRODUCTION

- 1.1 This consultation sets out the Department of Finance and Personnel's proposal to amend the rules for members of the pre-2002 section of the Principal Civil Service Pension Scheme (Northern Ireland), otherwise known as 'classic'.
- 1.2 The Department proposes two key changes: to remove the cessation for surviving widows/widowers in the event of future remarriage or cohabitation, and, to reinstate pensions to surviving widows/widowers who have remarried or cohabited with a new partner. It is intended that both elements would come into effect from 1 April 2016. Payments will not be retrospective.
- 1.3 For the avoidance of doubt, no part of this consultation affects the pension arrangements for members of the other sections of the Principal Civil Service Pension Scheme (Northern Ireland), i.e. classic plus, premium or nuvos or any of the post 2015-pension arrangements for members of the alpha scheme.
- 1.4 The consultation invites comments on the proposal set out in this document. The Department would particularly welcome responses from surviving widows/widowers who may be impacted by the current policy; civil service members of the 'classic' section; civil service and pensioner representative groups and civil service employers.
- 1.5 The consultation will commence on 16 December 2015 and close at 5pm on 9 February 2016.

2 BACKGROUND

- 2.1 The cessation of pension rule for surviving widow/widowers in the pre-2002 classic arrangement has been in place for many years. This rule does not permit the continued payment of pension rights on remarriage, civil partnership or cohabitation.
- 2.2 During the passage of the Public Service Pensions Bill in the Northern Ireland Assembly in 2014, an amendment was introduced independently and passed at Further Consideration Stage. The amendment (Section 30) revoked regulations C9 and C9A of the Royal Ulster Constabulary Pension Regulations (Northern Ireland) 1988. These regulations had required that pensions payable to police widows etc were terminated on remarriage or co-habitation. Pensions that were previously terminated by virtue of these regulations have now been re-instated and became payable again from 1 July 2014.
- 2.3 Following the amendment, the Department received a number of correspondence cases asking that it consider extending this provision for the widows/widowers of Prison Officers in particular. Since then the Department has actively been exploring a number of options for reinstating such pensions for all scheme members.

3 SUMMARY OF PROPOSALS

3.1 The Department proposes that:

- where an active member of section II of the Principal Civil Service Scheme 'classic arrangement' dies leaving a surviving widow/widower, they will be entitled to a pension for life;

And

- where a pension to a surviving widow/widower, has been stopped as a result of the provision covering remarriage or cohabitation, the pension will be reinstated and become payable with effect from 1 April 2016 (without backdating).

4 REASONS FOR THE PROPOSED CHANGE

4.1 The proposed amendment will bring the provision in the 'classic' arrangement into line with those introduced from 2002. These later arrangements in the pension scheme provided for the continued payments of pension in such cases for life.

4.2 It is considered that this is a reasonable and fair approach to take which will benefit a small number of members. The cost implications are modest and more details on the costs are set out below.

5 NUMBERS IMPACTED AND COST IMPLICATIONS

5.1 In terms of pensions which would be reinstated, Civil Service Pensions has identified around 60 members whose pension has been ceased because of remarriage or co-habitation. Going forward, numbers are also likely to be relatively modest.

5.2 These costs will increase the scheme liabilities and will be addressed in future scheme valuations. Given the small numbers, the costs are estimated to be very minimal and will be met by the employers' contributions in the future and will be phased in over time.

5.3 It is also important to note that these minimal costs will not impact on the cost cap. This cost cap was introduced as part of the wider reform of public service pensions.

6 EQUALITY SCREENING

6.1 Civil Service Pensions conducted an Equality Screening Exercise and the reinstatement of pensions to surviving widows/widowers and removing the benefit cessation from future marriages or cohabitation. The view is that these

changes will not differentially impact adversely on any of the Section 75 groups.

7 LEGISLATIVE PROCESS

- 7.1 The Departmental Solicitor's Office has advised that this legislative change can be introduced by way of a scheme amendment to the 'classic' scheme rules. The scheme amendment will be introduced under powers conferred by Article 3 of the Superannuation (Northern Ireland) Order 1972 and is not subject to either negative or affirmative Assembly procedure. The Department is required to lay a copy of the scheme amendment before the Assembly.

8 WHAT NEXT?

- 8.1 The Department will consider the responses to this consultation.

Do you agree with the proposals to reinstate pensions to surviving widows/widowers and remove benefit cessation in the event of future marriage/cohabitation from this section of the scheme rules?

- 8.2 Responses can be emailed to:

Consultation_Widows@dfpni.gov.uk

Or by post to:

Pre-2002 Civil Service Widows/Widowers, Consultation
Civil Service Pensions
Waterside House
75 Duke Street
Londonderry
BT47 6FP

- 8.3 The Department will accept responses until **5pm on 9 February 2016**. The Department will then publish its response, which will provide final details of the approach to be adopted.
- 8.4 The Department will consider requests to produce this document in other languages or in alternative formats – Braille, audio, large print or as a PDF document. If you require the document in these or other formats please contact us using the details above, or telephone 028 7131 0709.