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

**Department of Finance and Personnel  
response to consultation**

**10 MARCH 2016**



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## **1 INTRODUCTION**

- 1.1 This document sets out the Department of Finance and Personnel's response to its consultation to amend the rules for members of the pre-2002 'classic' section of the Principal Civil Service Pension Scheme (Northern Ireland), otherwise known as PCSPS(NI)'.
- 1.2 The consultation launched on 16 December 2015 and closed at 5pm on 9 February 2016. The consultation can be accessed under the consultation section of the DFP website at:
- <https://www.dfpni.gov.uk/consultations>
- 1.3 It proposed 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.
- 1.4 It also set out the Department's intention to bring both elements into effect from 1 April 2016 and that payments will not be retrospective.

## **2 RATIONALE FOR CHANGE**

- 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 RESPONSES**

3.1 The Department received fifty-three responses to the consultation including four responses received after the closing date, which the Department has agreed to accept. The profile of respondents is as follows:

- 30 Civil Servants;
- 19 widow/widowers (including a number affected by the current rule);
- 3 Trade Union Side; and
- the Police Service of Northern Ireland (civilian direct recruits only)

3.2 All respondents, with the exception of two Civil Servants, expressed their support for the proposed changes.

3.3 The following paragraphs set out the key points raised in response to the consultation and Departmental response to those issues.

3.4 Twenty-eight Civil Servants and all widows/widowers of former Civil Servants support the proposed changes set out in the consultation document. A number saw the changes as long overdue, with one commenting that there is no reason why 'classic' members of the PCSPS(NI) should be treated any differently to members of other Northern Ireland Civil Service pension scheme arrangements. One Civil Servant commented that the existing regulations effectively penalise those who wish to move on in their life, and makes them financially dependent on their new partners. Another saw the current policy as discriminatory in that a widow/widower should lose their pension entitlement in the event of remarriage or cohabitation. One widower commented that the current arrangement is the most unfair thing he had heard of since his wife's death; others that it was unfair to stop their pensions, and reinstatement will be a great financial help to them in terms of becoming financially independent again.

#### Retrospective payments:

3.5 Two respondents (a Civil Servant and a widow) commented that the reinstatement of pension should be retrospective i.e. backdating to point of remarriage/cohabitation. The Civil Servant commented that the policy should never have been included in the scheme rules. The widow commented that given the small numbers impacted and minimal costs involved, it is only logical and fair to make these changes, given that the policy treats widow unfairly now and it was just as unjust in the recent past.

#### Widow/widower provisions in 'classic plus' section PCSPS(NI) scheme:

3.6 Welcoming the proposed changes, one respondent commented that the proposals do not affect the pension arrangements for members of other sections of the PCSPS(NI). Where a member opted to transfer from the 'classic' section of the PCSPS(NI) during the previous Options Exercise and join the 'classic plus' section of the 2002 scheme, surviving widows/widowers

also lose their pension entitlement in relation to pre-2002 service in the event of remarriage or cohabitation. The respondent asked for the proposed changes to apply to all pre-2002 service.

Unmarried partner pension benefit provision:

- 3.7 One response covered provision of survivor pension benefits for unmarried partners in the 'classic' section of the PCSPS(NI). As this fell outside the scope of this consultation exercise, it has not been considered as part of this consultation response document.

Responses which did not support the change:

- 3.8 One Civil Servant did not agree with the two proposals but did not elaborate further. Another commented that 'love should not be about money'. They felt this policy is being proposed in Northern Ireland due to deaths during the troubles.

Response from the Police Service of Northern Ireland (civilian direct recruits only):

- 3.9 The Police Service of Northern Ireland commented that this issue was resolved for police widows from July 2014 and is keen to ensure that the proposals set out in the consultation paper is reflected for its former Police civilian direct recruits widows/widowers at the earliest opportunity.

Responses from Trade Union Side:

- 3.10 NIPSA viewed the proposals as a positive development and is fully supportive of it.
- 3.11 The Prison Officers' Association also welcomed the proposal, commenting that they had previously made representations to the Director of the Northern Ireland Prison Service on the issue of widow/widowers access to the pension earned by their previous spouse during his/her career as a Prison Officer.
- 3.12 The FDA supports the changes, which they comment are long overdue.

Department Response:

- 3.13 The Department thanks all those who responded to the consultation.

Cessation of pension benefits:

- 3.14 On cessation of pension for surviving widow/widowers in the pre-2002 arrangements, this rule has been in place for many years and was very much based on the premise that the husband was the traditional key source of income. So if a widow remarried or entered into a new relationship then the new husband / partner would provide. The proposed Amendment Scheme 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.

Cessation of pension benefits 'classic plus' section 2002 scheme:

- 3.15 On cessation of pension benefits for surviving widow/widowers under the 'classic plus' rules of the 2002 scheme, the Department's intention was this

amendment would apply to all member's with pre 2002 service. Therefore, the Department will make an Amendment Scheme to the rules of 'classic plus', similar to that of the classic arrangements, in order to bring those provisions into line with those introduced from 2002. The Departments intention is to reinstate pensions to all pre 2002 surviving widows/widowers who have remarried or cohabited with a new partner with effect from 1 April 2016 (without backdating).

Retrospective payments:

- 3.16 On retrospective payments, the vast majority of responses welcomed the Department's proposal to reinstate previously cessated pensions with effect from 1 April 2016 (without backdating). It should be noted that the policy is retrospective in that previously cessated pensions will be reinstated but the effective date will be from April 2016. Therefore, as the Department considers this approach fair and reasonable, the Department will proceed as intended. The Department gave due consideration to the impact of the proposed change on both the scheme liabilities and the cost cap, introduced as part of the wider reform of public service pensions. As any deficit in the Scheme's notional fund will be paid through employer contributions over 15 years, the reinstatement of these pensions as at 1 April 2016 is unlikely by itself to result in higher employer contributions in practice.

Application to Police Service of Northern Ireland (civilian direct recruit staff only):

- 3.17 The Department can confirm that the proposals will include all civilian direct recruit widow/ers of members who transferred to the PCSPS(NI) arrangements when the former police civilian staff pension scheme closed.

## **4 CONCLUSION AND NEXT STEP**

- 4.1 The Department is grateful to all those who responded to the consultation. After careful consideration of all the responses, the proposed changes as set out in this document will proceed. Therefore, these changes will mean that surviving wives / husbands / partners in the event of future remarriage or cohabitation will continue to have their pension paid; it will also reinstate pensions to those surviving wives / husbands / partners who have remarried or cohabited with a new partner. Payment will not be retrospective and will become effective from 1 April 2016.
- 4.2 The Department will proceed with the making of the required Amendment Scheme in order to introduce these changes. The proposed changes will be implemented by making an Amendment Scheme to the 1972 'classic' and 'classic plus' section to the 2002 sections of the PCSPS(NI). The Amendment Scheme will bring the provisions into line with those introduced since 2002. These later arrangements in the pension scheme provided for the continued payments of pension in such cases for life.
- 4.3 In conjunction with making the required legislative change, Civil Service

Pensions will continue to implement the necessary administrative arrangements to reinstate pensions to those surviving wives / husbands / partners who have remarried or cohabited with a new partner. Over the coming months, the Department will be contacting the widows/ widowers from their records who may be eligible for this change.