Department for Communities
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Proposals for a Pension Schemes Bill

Completed Equality Impact Assessment

28 May 2020

CONTENTS

EXECUTIVE SUMMARY

1. This EQIA is in relation to the proposed Pension Schemes Bill (the 'Bill'). The key proposals in the Bill are:

   - a Master Trust authorisation regime;
   - a ban on member-borne commission charges; and
   - a cap on early exit charges in occupational schemes.

2. The pensions landscape has changed significantly over recent years and as a result the way in which people can save and access their pension savings has been transformed. The introduction of automatic enrolment has resulted in a significant increase in the number of people being enrolled into a workplace pension.

3. Since the introduction of automatic enrolment, Master Trusts have become a popular vehicle for employers, particularly small and micro-employers, seeking to enrol employees into an occupational pension scheme. A Master Trust is a form of multi-employer occupational pension scheme for unconnected employers where instead of the employer setting up their own pension scheme, the scheme will be provided by an external organisation which runs a pension scheme for numerous employers.

4. Although these schemes can offer good value for members and employers, the current legislative framework is not considered appropriate. Master Trusts are currently regulated by the Pensions Regulator (TPR) and occupational pensions legislation. However, that legislation was developed mainly with single-employer pension schemes in mind. As Master Trusts have different structures and dynamics a stronger regulatory framework is required.

5. The Westminster Pensions Schemes Act 2017 (the '2017 Act') received Royal Assent on 27 April 2017 with a number of provisions coming into force on that day. The 2017 Act makes provision for the authorisation and supervision of

Master Trusts, a cap on exit charges and a ban on member-borne commission charges. The 2017 Act only applies to GB.

6. Section 87 of the Northern Ireland Act 1998 places a statutory duty on the Secretary of State and the Minister responsible for social security in NI to seek to secure single systems of social security, child support and pensions across NI and GB. There has for many years, in effect, been a single system of pensions across the UK. Many private pension schemes operating in NI are UK-wide schemes. Additionally, TPR, the Pensions Ombudsman and the Pension Protection Fund operate on a UK-wide basis. Therefore it is highly desirable that the same regulatory framework is in place in NI to facilitate compliance and enforcement. The proposed Bill corresponds to the 2017 Act.

7. This EQIA focuses on the key proposals which it is anticipated will be contained in the Bill. The Department published this EQIA in draft form on 16 December 2016. A public consultation on the Draft EQIA ran from 16 December 2016 to 9 February 2017. Two responses to the consultation were received. Both respondents agreed with the findings of the draft EQIA, that the draft proposals did not have any adverse impact on any of the Section 75 groups.

8. However progress on the proposed Bill was delayed due to the lack of a sitting NI Assembly from January 2017 to January 2020. Subject to Ministerial and Executive agreement, the Bill will be introduced in the Assembly in 2020.

9. The EQIA has been updated and completed to reflect the outcome of the public consultation and, where appropriate, statistics have been updated to reflect the passage of time.

10. Similar to the 2017 Act, the majority of the Bill will focus on Master Trusts and seek to address gaps and weaknesses in the current regulatory environment which could otherwise result in members having a lower level of protection compared to other types of pension scheme arrangement. It is essential to protect members benefits (savings) not only to ensure confidence in pension saving is maintained but also to achieve the aim of automatic enrolment which is

to increase security in later life through getting millions more individuals saving for retirement.

Conclusion

11. This EQIA finds that none of the proposed measures are expected to have an adverse impact on equality of opportunity on any of the section 75 groups. Consequently there is no requirement for mitigating measures.

SECTION 1 - INTRODUCTION

Background

1. This EQIA is in respect of the proposed Pension Schemes Bill 2020 (‘the Bill’). The Bill seeks to make provision for the authorisation and supervision of Master Trusts (a type of occupational pension scheme), a cap on exit charges and a ban on member-borne commission charges.

2. Since the introduction of automatic enrolment, Master Trusts have become a popular vehicle for employers, particularly small and micro-employers, seeking to enrol employees into an occupational pension scheme. A Master Trust is a form of multi-employer occupational pension scheme for unconnected employers where instead of the employer setting up their own pension scheme, the scheme will be provided by an external organisation which runs a pension scheme for numerous employers.

3. Although these schemes can offer good value for members and employers, the current legislative framework is not considered appropriate. Master Trusts are currently regulated by the Pensions Regulator (TPR) and occupational pensions legislation. However, that legislation was developed mainly with single-employer pension schemes in mind. As Master Trusts have different structures and dynamics a stronger regulatory framework is required.

<u>Master Trust authorisation</u>

4. The introduction of automatic enrolment into workplace pension schemes, under the provisions of the Pensions (No. 2) Act (Northern Ireland) 2008, made it compulsory for employers to automatically enrol eligible workers into a qualifying workplace scheme. The reforms were phased-in between October 2012 and February 2018.

5. The pensions market has responded to the introduction of automatic enrolment and as a result the Master Trust market has developed. In 2010 across the UK,

there were around 0.2 million members in Master Trust schemes. By the end of November 2019 there were 16 million members in 37 Master Trust schemes holding more than £36 billion in assets.

6. In May 2014, TPR published a Master Trust assurance (MTA) framework. Accreditation enabled schemes to demonstrate that adequate standards of governance and administration have been met and, in turn, TPR signposted employers to such schemes. Such accreditation schemes were voluntary and TPR had no power to compel Trusts to meet MTA standards. Consequently a large number of master trusts were not accredited or seeking accreditation.

7. In May 2016, the House of Commons Work and Pensions Committee published a report examining the introduction of auto-enrolment. It found that the Master Trust model was a "good fit" with auto-enrolment because such Trusts could provide the "ongoing oversight of investments provided by a Trustee board at lower operating costs than single employer schemes"[1].

8. However, the Committee noted the concerns expressed by a number of bodies that the level of regulatory scrutiny was not sufficient. TPR stated that it was "not able to exercise stronger regulation". It highlighted that the Financial Conduct Authority (FCA) had the authority to enforce rigorous standards and "act as barriers to entry" for contract-based pensions, as well as powers to "issue legally binding rules to support its regulatory functions". However, TPR, it stated, "just learn about a Master Trust being set up through the Revenue" and relies on "non-binding guidance". The Committee recommended that legislation should be introduced to provide TPR with stronger regulatory powers over the establishment and supervision of Master Trusts.

[1] House of Commons Work and Pensions Committee, *Automatic Enrolment*, 15 May 2016 https://publications.parliament.uk/pa/cm201516/cmselect/cmworpen/579/579.pdf

Member-borne commission charges

9. In March 2014, the then Westminster Government announced a range of control measures to protect savers automatically enrolled into a workplace pension scheme, including a ban on member-borne commission. Member-borne commissions are arrangements agreed between a service provider and an adviser, or an employer and an adviser, where the charge is passed onto members who are required to pay for advice and services they may not use or may not benefit from.

10. Subsequently, the then Department for Social Development (now the Department for Communities) introduced the Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations (Northern Ireland) 2016, which from April 2016 banned member-borne commissions in relevant occupational pension schemes that were under the new arrangements (i.e. those agreed on or after 6 April 2016).

Capping Early Exit Charges in Occupational Schemes

11. In the 2014 Budget, the then Westminster Government announced that it would change the rules to enable individuals with defined contribution (DC) pension savings to withdraw them "at a time of their choosing". The necessary changes to pension tax legislation were introduced by the Taxation of Pensions Act 2014. From 6 April 2015, people aged 55 and over would be able to access their DC pension "how they wanted, subject to their marginal rate of income tax", either via their current scheme or by transferring their savings to a scheme that offered flexible access options.

12. However, concerns were raised that individuals were finding it difficult to access the new pension flexibilities easily and at a reasonable cost. On 17 June 2015, the then Chancellor of the Exchequer, George Osborne, announced an investigation into how to remove the barriers to people accessing their money and a possible cap on charges. In response to the consultation, the

Government concluded that early exit charges were presenting “significant barriers” to those who incurred them, “potentially prohibiting individuals from accessing their pension benefits flexibly”. As a result, under the provisions of the Bank of England and Financial Services Act 2016, a duty was placed on the FCA to impose a cap on early exit charges in relation to contract-based schemes. However, this left a gap in relation to the level of protection for members of non-contract based schemes.

Summary of proposals

13. The Bill provides that:

- an authorisation and supervision regime for Master Trusts will be introduced, so that Master Trusts would have to demonstrate to TPR that they meet certain key criteria on establishment, and then continue to do so;

- existing Master Trusts will be brought into the regime and required to meet the new criteria;

- requirements will be placed on Trustees to act in certain ways in the event of wind up or closure of a Master Trust to protect members in those circumstances; and

- TPR is provided with greater powers to take action where the key criteria are not met.

14. The authorisation regime and criteria aim to target specific areas of risk that arise from the structures and dynamics in Master Trusts compared to other occupational pension schemes, for example:

- including employer engagement with the scheme;

- the profit motive for most Master Trusts;

- the volume of savers involved in these schemes; and

- the potential impact on confidence in pension savings should a scheme fail or otherwise leave the market and the exit is not properly managed.

15. The provisions in the Bill focus on the authorisation regime process and TPR's powers to operate it, the authorisation criteria, and the introduction of measures intended to ensure an orderly exit where a scheme fails or otherwise chooses to leave the market. The focus on an orderly exit is aimed at providing continuity of member saving and support to employers in continuing to fulfil their automatic enrolment duties where applicable.

16. The Bill will also amend existing legislation to allow regulations to be made which override terms of certain contracts which conflict with the regulations. This seeks to support the policy intention of introducing a cap on early exit charges in certain occupational pension schemes.

17. This change will also support the policy intention to ban member-borne commission charges arising under existing arrangements in certain occupational pension schemes. Member-borne commission charges under new arrangements were banned from April 2016.

Consultation

18. The measures outlined in this document were initially consulted on in NI as part of the Westminster consultation process and the details are outlined below.

19. The Government issued a consultation paper, "*Pension transfers and early exit charges*", in July 2015 to gather stakeholders' and consumers' views on whether early exit charges applied by schemes were preventing consumers from accessing their pension savings. To support the consultation, the FCA and TPR conducted an evidence gathering exercise on the prevalence of exit

fees and charges and the transfer process in occupational defined contribution pension schemes[2].

20. The response document "*Pension transfers and early exit charges: response to the consultation*" published in February 2016 set out proposals for going forward[3].

21. A separate consultation on "*Capping Early Exit Charges for Members of Occupational Pension Schemes"* was held between May and August 2016. It set out the approach the FCA had adopted to determine the level of the cap in relation to personal pensions. It considered the definition of early exit charges that should be applied in occupational pension schemes, statutory exclusions from that definition and how the cap should be implemented in occupational pension schemes. The response document, *"Government response to the consultation on capping early exit charges for members of occupational pension schemes"* was published in November 2016[4].

22. The Department considered the proposed reforms in the context of the promotion of equality of opportunity and good relations and consulted on the draft Equality Impact Assessment from 16 December 2016 until 09 February 2017. Responses were received from Northern Ireland Public Service Alliance (NIPSA) and the Education Authority. Both responses agreed with the findings of the EQIA.

23. The EQIA has been updated and finalised to reflect the outcome of the public consultation and, where appropriate, statistics have been updated to reflect the passage of time. This Completed EQIA sets out the Department's final analysis of the equality implications of the reforms, that none of the proposed measures are expected to have an adverse impact on any of the section 75 groups. A summary of the responses received is given in Section 3.

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[2] https://www.fca.org.uk/news/statements/new-pension-flexibilities-%E2%80%93-update-fca
[3] https://www.gov.uk/government/consultations/pension-transfers-and-early-exit-charges-consultation

[4] https://www.gov.uk/government/consultations/capping-early-exit-charges-for-members-of-occupational-pension-schemes

Consideration of Impacts

24. Although pensions are a devolved matter, in general, NI pensions policy and legislation operate in line with corresponding pension provision in GB in line with section 87 of the Northern Ireland Act 1998. In effect there is a single pension system and regulatory regime across the UK.

25. The proposals have been considered in the context of their impact on the groups set out in section 75 of the Northern Ireland Act 1998. Those impacts have been considered in light of available data and the policy intention to determine whether their effect is adverse. If a potentially adverse impact is identified, the Department is committed to giving consideration to mitigating measures.

26. In considering mitigating measures or changes to policy, the Department has to be cognisant of section 87 of the Northern Ireland Act and the implications for the many schemes and regulatory bodies which operate on a UK-wide basis.

Confidentiality of Information

27. All information contained in responses, including personal information, may be subject to disclosure under the Freedom of Information Act 2000 (FOIA).

28. The Department for Communities processes personal data in accordance with the General Data Protection Regulation (GDPR), an EU directive introduced in the UK in May 2018 by the Data Protection Act 2018.

Westminster Legislation

29. The Westminster Pension Schemes Act 2017 received Royal Assent on 27 April 2017 with a number of provisions coming into force on that day. The 2017 Act makes provision for the authorisation and supervision of Master Trusts, a cap on exit charges and a ban on member-borne commission charges.

30. This means that, since April 2017, the Pensions Regulator (TPR) has been able to take certain enforcement actions against schemes in GB but does not have full recourse to the same regulatory toolkit for schemes in NI. The new regulatory system for Master Trusts has been operative in GB since April 2018.

31. The progress on the proposed Bill was delayed due to the lack of a sitting NI Assembly from January 2017 to January 2020.

32. Section 87 of the Northern Ireland Act 1998 places a statutory duty on the Secretary of State and the Minister responsible for social security in the NI to seek to secure single systems of social security, child support and pensions across NI and GB. There has for many years, in effect, been a single system of pensions across the UK underpinned by bodies such as TPR, Pensions Ombudsman, Pension Protection Fund and Financial Assistance scheme, etc. which operate across the UK. In addition, many pension schemes operate across the UK.

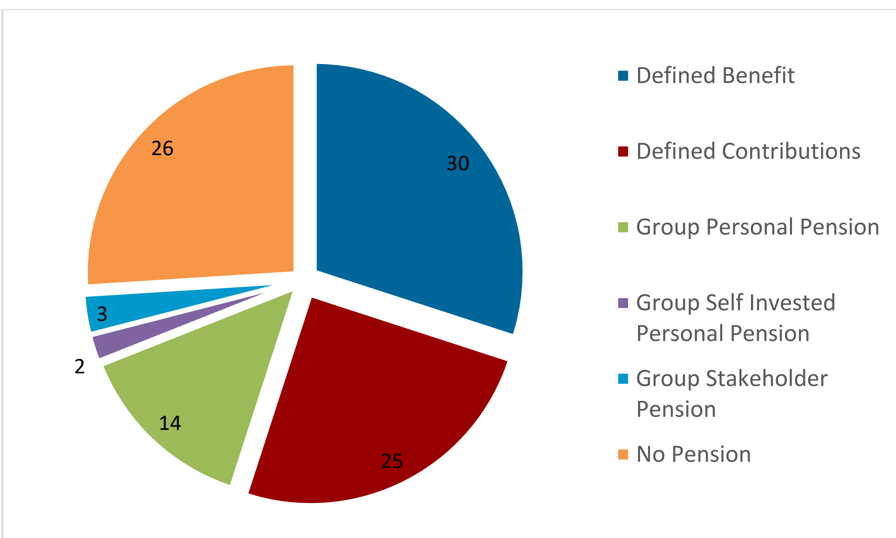
SECTION 2 – ASSESSMENT OF IMPACTS

Workplace Pension Membership

1. The proportion of employees in NI who belonged to an occupational pension scheme was in steady decline between 2004 and 2012. Since then, the proportion of employees who belonged to an occupational pension scheme has increased significantly. The introduction of automatic enrolment in 2012 is likely to have been a key factor in this increase. Seventy four percent of all employees were members of some form of workplace based pension scheme in 2019, up from 44% in 2012[5].

2. Chart 1 below shows the proportion of NI employees who belonged to an occupational pension together with a breakdown of the type of occupational pension scheme at the end of 2019.

Chart 1: Proportion of employees with workplace pensions by pension type 2019.



Source: Northern Ireland ASHE 2019: Pension Results. Note figures have been rounded.

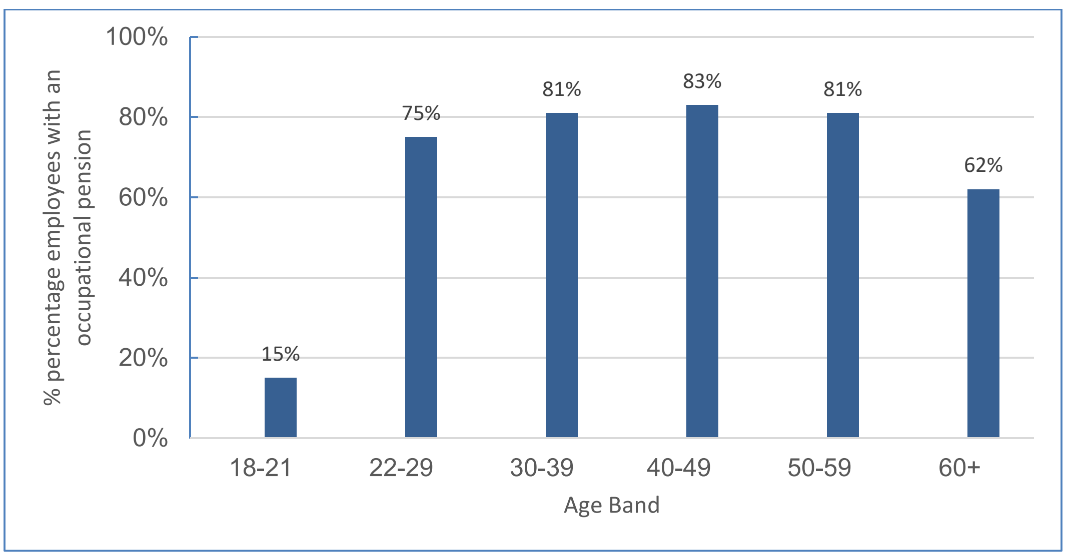
[5] Northern Ireland Annual Survey of Hours and Earnings (ASHE) 2019: Pension Results https://www.nisra.gov.uk/publications/ni-ashe-pension-results

Age

3. The NI Annual Survey of Hours and Earnings (ASHE) 2019 found that age is a key factor in determining whether or not an individual is a member of an occupational pension scheme.

4. Chart 2 shows the percentage of NI employees who were members of an occupational pension scheme in 2019. It shows that workplace pension scheme membership increases with age up to 50 years. In the age range 30-59, 82% were members of workplace pensions in 2019. The largest increase in membership of workplace pensions was experienced by those in the age range 22-29 which experienced an increase of 50pps, to 75% since the introduction of automatic enrolment in 2012. Those aged 18-21 had the smallest proportion of membership (15%), however this is up from 1% in 2012. Almost two thirds (62%) of all employees aged 60 or over were enrolled in a workplace pension.

Chart 2: Percentage of NI employees who were members of an occupational pension scheme in 2019 by age band.



Source: Northern Ireland ASHE 2019: Pension Results

5. We would not expect the creation of a new legislative framework for Master Trusts or amendments to allow for the capping of charges to have any adverse differential impact on the grounds of age.

Gender

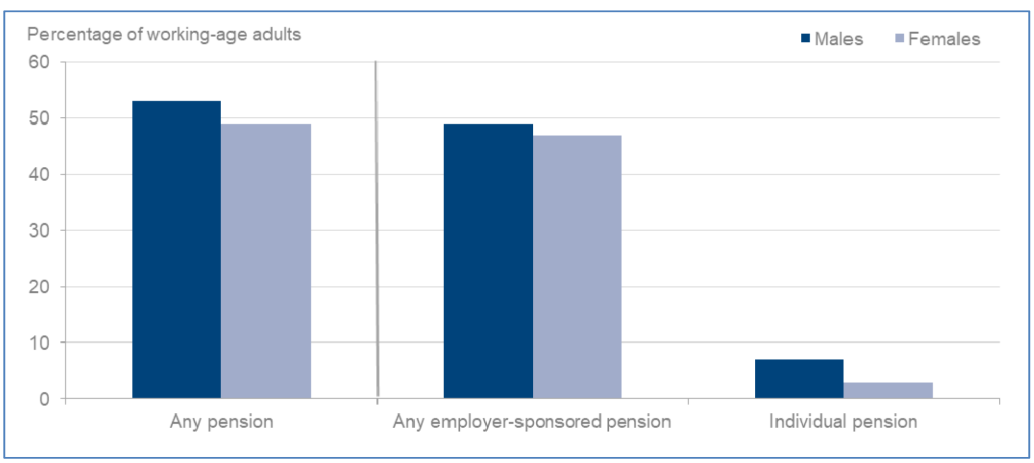
6. Overall pension scheme participation rates were very similar for men and women in 2018/19[6]. Fifty-three per cent of all working-age men were contributing to a pension compared to 49 per cent of working-age women.

7. Seventy four per cent of employed men and 73% of employed women were contributing to a pension. Seventeen per cent of self-employed men contributed to a pension compared to 12% of self-employed women.

8. Participation rates in employer-sponsored schemes were slightly higher for men (49%) than women (47%).

9. Participation in individual pension schemes (personal, including stakeholder pensions) was lower for working age women (3%) compared to working age men (7%). Differences in participation rates in personal pensions between males and females may be affected by differences in economic status (self-employment is more prevalent for males and inactivity is more prevalent for females).

Chart 3 Pension scheme participation by pension type and gender, 2018/19, UK.



Source: Family Resources Survey 2017/18

[6]https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/874507/family-resources-survey-2018-19.pdf

10. We would not expect the creation of a new legislative framework for Master Trusts or amendments to allow for the capping of charges etc. to have any adverse differential impact on the grounds of gender.

Marital Status

11. Information is not readily available in relation to the marital status of members of occupational pension schemes. However, the creation of a legislative framework for Master Trusts or amendments to allow for the capping of charges etc. will have little direct impact on the basis of marital status. We do not expect there to be any adverse differential impacts on these grounds.

Religious Belief / Political Opinion

12. The religious belief or political opinion of members of occupational pension schemes is not recorded; therefore, assumptions have had to be made based on available data.

13. ASHE 2019 data[7] shows that 91% of all public sector employees and 65% of all private sector employees were members of a workplace pension scheme in 2019. Data contained in the Fair Employment Monitoring Report No. 29[8], which covers 2018 and is the latest such report available, would suggest that the ASHE breakdown would equate to approximately 369,982 individuals.

14. If the membership of occupational pension schemes were to reflect the religious breakdown of the workforce outlined in the Equality Commission's data this would suggest that approximately 188,691 Protestants (51%) and 181,291 Catholics (49%) were members of a workforce pension scheme in 2019.

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[7] https://www.nisra.gov.uk/system/files/statistics/ni-ashe-2019-pension-results.pdf

[8] https://www.equalityni.org/ECNI/media/ECNI/Publications/Delivering%20Equality/FETO%20Monitoring%20Reports/No29/MonReportNo29.pdf

15. The proposals do not make any direct provision in relation to religious belief or political opinion. We would not expect the creation of a legislative framework for Master Trusts or amendments to allow for the capping of charges etc to result in any adverse differential impacts on the grounds of religious or political belief.

Racial Group

16. Data in relation to the ethnicity of members of occupational pension schemes is limited. However, we are aware that people from ethnic minority groups are more likely to have lower pension incomes overall. Chart 4 outlines the components of pensioner income by ethnic group.

Chart 4: The components of mean gross income of pensioner units, and the percentage in receipt by ethnic group, 2016/17 – 2018/19 UK

Income in £ per week, 2018/19 prices

	All	**White**	**Asian / Asian British**	**Black / African / Caribbean / Black British**	**Other**
Percentage of pensioners in receipt of:					
Benefit income	100%	100%	100%	99%	99%
of which					
State Pension	97%	98%	86%	94%	92%
Income-related benefits	24%	23%	35%	42%	35%
Disability benefits	20%	20%	20%	20%	20%
Occupational pension income	60%	61%	30%	41%	47%
Personal pension income	18%	18%	8%	8%	21%
Investment income	61%	62%	34%	26%	53%
Earnings income	16%	16%	17%	23%	17%
Other income	47%	48%	41%	49%	38%
Gross income	**548**	**554**	**401**	**425**	**536**
of which					
Benefit income	235	237	207	213	230
of which					
State Pension	189	191	141	142	160
Income-related benefits	22	21	38	49	44
Disability benefits	18	18	17	15	16

Occupational pension income	161	165	69	73	106
Personal pension income	20	21	9	4	13
Investment income	42	42	24	16	50
Earnings income	86	85	88	113	132
Other income	4	4	3	6	5
Total population figures	**8,700,000**	**8,300,000**	**200,000**	**100,000**	**100,000**
Sample sizes	20,588	19,833	421	215	119

Source: Pensioner Income Series 2018/19[9]

1. Data is presented as an average of three years of results from 2016/17, 2017/18 and 2018/19 as there are small sample sizes for some ethnic groups. The incomes are uprated to 2018/19 prices.
2. 'Other' includes mixed/ multiple ethnic groups and other ethnic groups.
3. Ethnicity is recorded based on the ethnicity of the head of the pensioner unit. It may therefore be that other members of the pensioner unit are not the same ethnicity.

17. Chart 4 shows that Asian pensioners were the least likely to be in receipt of an occupational pension (30%). Asian / Asian British and Black/ African/ Caribbean/ Black British pensioners were the least likely to have personal pension income (8%). White pensioners were the most likely to be in receipt of an occupational pension (61%) or personal pension income (18%). Furthermore, White pensioners receive significantly more from their occupational pension (£165) compared to other groups. This is more than double what Black and Asian pensioners receive from their occupational pension (£73 and £69 respectfully).

18. Historically, people from ethnic minority groups have been more likely than those from white backgrounds to have characteristics associated with low pension incomes. These include lower rates of pension scheme membership, lower rates of employment and earnings and lower rates of employment at older ages.

19. As discussed factors other than the type of occupational pension scheme available have a greater impact on pensioner outcomes for ethnic minorities. Therefore, the introduction of measures to strengthen the regulatory framework for Master Trusts or amendments to allow for the capping of charges etc. is not expected to have any adverse differential impact on these grounds.

[9] https://www.gov.uk/government/statistics/pensioners-incomes-series-financial-year-2018-to-2019

Mitigation

20. Automatic enrolment should improve pension outcomes for all eligible jobholders including those from ethnic minorities who traditionally have lower rates of pension scheme participation. The measures are not expected to give rise to any adverse impacts on section 75 groups and there is therefore no need for the Department to identify mitigating measures.

Sexual Orientation

21. Data in relation to the sexual orientation of members of occupational pension schemes is limited and we would be happy to consider any additional data presented. However, the introduction of measures to strengthen the regulatory framework for Master Trusts or amendments to allow for the capping of charges etc is not expected to have any adverse differential impact on these grounds.

Persons with a disability and persons without

22. There is no data available in relation to whether or not members of occupational pension schemes have a disability. We would not, however, expect there to be any adverse differential impact on the grounds of disability as the proposed reforms simply introduce greater regulatory scrutiny of Master Trusts and allow for the capping of charges etc.

Persons with dependants and persons without

23. There is no data available in relation to whether or not members of occupational pension schemes have dependants. We would not, however, expect there to be any adverse differential impact on these grounds as the proposed reforms simply introduce greater regulatory scrutiny of Master Trusts and allow for the capping of charges etc.

Conclusion

24. The provisions of the Bill would seek to build on recent pension reforms such as automatic enrolment into an occupational pension scheme and ensure that those saving into a Master Trust are adequately protected.

25. This EQIA finds that none of the proposed measures are expected to have an adverse impact on equality of opportunity on any of the section 75 groups. Consequently there is no requirement for mitigating measures.

26. In line with the Department's commitment under the Equality Scheme, any adverse differential impacts on equality of opportunity or good relations identified will be shared with the Department for Work and Pensions and taken into account in its ongoing monitoring of the effects of the policy. Such findings will be used to inform further development of, or modification to, existing policies.

Section 3 – Consultation Responses

Summary of responses

1. The Department published this EQIA in draft form on 16 December 2016. A public consultation on the Draft EQIA ran from 16 December 2016 to 9 February 2017. Two responses to the consultation were received.

2. The Department received responses from Northern Ireland Public Service Alliance and the Education Authority and both are included for reference purposes. Both respondents agreed that the proposals did not have any adverse differential impact on any of the Section 75 groups.

3. The new pension freedoms came in to operation in April 2015 and are outside the purpose of the proposed Bill; therefore, the Department is unable to consider the NIPSA proposal to exclude the NILGOSC scheme from the pension freedoms as part of this EQIA.

YOUR REF

OUR REF A/BG/KB

nipsa
The Leading Public Service Union
Alison Millar General Secretary

By E-Mail

Ms H Wilson
Department for Communities
Social Sec Policy & Leg Division
Level 8, Causeway Exchange
1-7 Bedford Street
BELFAST
BT2 7EG

6th February 2017

Dear ***Helen***

RE: PROPOSED PENSION SCHEME BILL – DRAFT EQIA

I refer to the consultation in respect of the above and I am setting out here NIPSA's comments.

Given the political crisis the question to be asked is how does the Department intend to move forward the issues subject to the consultation as it is already the case that individuals have and are being exploited due to the inadequacy of current legislation with regard to protection for their pensions. The proposed safeguards go some way to help improve the situation, but not far enough.

At the time of introduction of pension freedoms (pension transfers) NIPSA sought to exclude NILGOSC as it is a public sector scheme (all be it funded) just as all other public service DB schemes were rightly excluded we would repeat that call and seek to have the necessary amendment provided for in the legislation.

NIPSA therefore supports what is proposed, subject to the above comments and agrees that no Section 75 matters arise.

Yours sincerely

BUMPER GRAHAM
Deputy General Secretary

Chief Executive Gavin Boyd

Ms Helen Wilson
Department for Communities
Social Security Policy and Legislation Division
Level 8, Causeway Exchange
1–7 Bedford Street
BELFAST
BT2 7EG

7 February 2017

Dear Ms Wilson

PENSION SCHEMES BILL – EQUALITY IMPACT ASSESSMENT (EQIA)

The Education Authority (EA) welcomes the opportunity to respond to the Equality Impact Assessment (EQIA) on the proposals for a Pension Schemes Bill.

Having consulted internally on the details of the document, the EA is of the opinion that the proposals set out in the Bill seek to protect pension savers and would generate confidence in pension savings through the increased regulation of master trusts.

Thereby the EA concurs with the outcome of the EQIA in that the creation of a new legislative framework for master trusts or amendments to allow for the capping of early exit charges, do not have any adverse differential impact on any of the Section 75 groups.

Yours sincerely

Joyce Bill
Director of Finance and ICT

Data Sources

- HM Treasury – “Pension transfers and early exit charges: consultation” (July 2015)

- HM Treasury – “Pension transfers and early exit charges: response to the consultation” (February 2016)

- House of Commons Work and Pensions Committee – “Automatic Enrolment: Eleventh Report of Session 2015/16” (May 2016)

- Department for Work and Pensions – “*Capping Early Exit Charges for Members of Occupational Pension Schemes”* (May 2016)

- Northern Ireland Statistics and Research Agency – “*Northern Ireland Annual Survey of Hours and Earnings 2018: Pension Results*” (Oct 2019)

- Equality Commission for Northern Ireland – “*Employment Monitoring Report No. 29*” (December 2019)

- Department for Work and Pensions - Automatic Enrolment evaluation report 2019 (Feb 2020)

- Department for Work and Pensions – “*Family Resources Survey 2018/19*” (March 2020)

- Department for Work and Pensions – “*Pensioners’ Income Series: Financial Year 2018/19*” (March 2020)

- The Pensions Regulator – Automatic Enrolment Declaration of Compliance Report (ongoing monthly update – historical series)