

**Draft consultation on
The Police Pension (Amendment No.2) Regulations (Northern Ireland) 2024**



**A Consultation on the
Draft Police Pensions (Amendment No.2)
Regulations (Northern Ireland) 2024**

This consultation begins on 27 September 2024.

This consultation ends on 7 November 2024 at 11pm.

Department of Justice
Safer Communities Directorate
27 September 2024

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1. Introduction

1.1 Under the [Public Service Pensions Act \(Northern Ireland\) 2014 \(2014 Act\)](#), all defined benefit schemes made under section 1 of the Act or a connected scheme (including the police pensions' schemes), must be actuarially valued. Section 11 of the 2014 Act, requires the Police Pension Scheme to be actuarially valued on a quadrennial basis in accordance with Department of Finance (DoF) scheme directions. The purpose of this process is to evaluate the size of liabilities already accrued and for those that will be accrued in the future, so that contributions (from employer and employee) can be set at a level to reflect these rights.

2. Executive summary

2.1 The 2020 Police Pension Scheme Valuation conducted by the Government Actuary (GAD) and [published on 12 December 2023](#), reported on the analysis of the 2015 Police Pension Scheme (2015 scheme) in terms of scheme sustainability and affordability and made recommendations as to any requirements for change in scheme benefits including employer contribution rate and the employee contribution rate, for the period 1 April 2024 to 31 March 2027.

2.2 On 30 October 2023 [the Northern Ireland Police Pension Valuation 2020 report](#) was agreed by the former Government Actuary (GAD). The report identified a requirement to increase both the employer¹ and employee contribution rates in order to maintain the long-term sustainability of the Police Pension Scheme. Under regulation 15 of 2015 scheme, the Department sought the advice of the Police Scheme Advisory Board² (SABNI) on the desirability of making changes to this scheme.

2.3 In February 2024 the Department asked the SABNI to consider how the shortfall in the employee contribution might be addressed, even though the cost cap had not been breached. The SABNI, having given detailed consideration to the matter, acknowledged that on this occasion, in the current economic position, Police Pension Scheme members would be required to meet this deficiency. The SABNI Chair wrote to the Justice Minister with its recommended approach to resolve the matter on 25 July 2024.

¹ The increase in the employer contributions was addressed in the [Police Pension \(Amendment\) Regulations 2024](#)

² The Northern Ireland Police Scheme Advisory Board membership is drawn from the Policing Board, the PSNI and the Police Association.

2.4 On 9 August 2024, the Minister responded agreeing in principle to the SABNI's recommendation with regard to the revision of the employee pension contributions and to its further proposal to review the employee contribution rate at each future valuation in order to provide a pragmatic solution to the future proofing of the 2015 scheme.

2.5 This consultation solely relates to the changes being made to address the shortfall in employee pension contributions which involves an amendment to regulation 169 of the 2015 scheme to revise both the member contribution bandings and implement a percentage increase to annualised employee contributions between 1 April 2025 and 31 March 2027.

3. Who do we want to hear from?

3.1 This consultation welcomes views from interested parties on the draft regulations and policy intent to implement the retrospective phase of the remedy. We are specifically interested in the views of groups that represent police officers, police employers, and others responsible for implementing the remedy changes.

3.2 A link to this consultation has been sent to the following groups:

- i. Police Federation for Northern Ireland
- ii. Superintendents' Association of Northern Ireland
- iii. Chief Police Officers' Staff Association
- iv. Northern Ireland Retired Police Officers Association
- v. Northern Ireland Policing Board
- vi. Police Service of Northern Ireland
- vii. Northern Ireland Police Pensions Scheme Advisory Board

3.3 This list is not exhaustive or exclusive, and responses are welcomed from those with an interest in, or views, on the subject covered by this consultation.

3.4 The Department is also required to consult with the Police Advisory Board for England and Wales.

4. Proposal to be consulted upon

Employee Contributions

Police Pension Scheme Valuation 2020

4.1 GAD provided the SABNI with a presentation on the assumptions behind the 2020 valuation in May 2023 and on the provisional outcome of the 2020 scheme valuation, in September 2023, at which time a 0.2% shortfall in the member contribution yield was identified.

4.2 On 26 October 2023, SABNI met again to consider a solution to this shortfall in order to maintain the viability of the scheme. Members were advised that since their last meeting, Home Office had engaged with HM Treasury (HMT) (on behalf of UK-wide Police Pension Schemes) with HMT's position being that schemes are required to achieve agreed contribution yields, otherwise the balance of the cost, would be shifted to the taxpayer. DoF supported HMT's position, further advising the Police Pension Scheme That it was not appropriate for schemes to wait until the 2024 valuation to address shortfalls in the employee contribution yield.

4.3 Given the current economic position and while noting that the cost cap had not been breached, SABNI acknowledged that on this occasion, Police Pension Scheme members would be required to meet this shortfall. However, mindful of the approach being taken in England and Wales, SABNI were advised that the E&W Scheme Advisory Board agreed approach was to defer the commencement of the increased payment of employee contributions to 1 April 2025, to allow for their existing contribution tiers to be reconsidered, which, in light of the recent pay award in England and Wales, had resulted in few if any, being eligible for tier 1 (which includes student and probationer officers.)

4.4 With that approach in mind, SABNI members were asked to consider one of two options:-

Option 1: To apply an increase of 0.2% to the employee contribution rate commencing 1 April 2024 and ending 31 March 2027; or

Option 2: To defer the increase to 1 April 2025 and to apply an increase of 0.3% commencing 1 April 2025 and ending 31 March 2027 to meet the shortfall in the 2020 valuation; subject to the review of the existing employee contribution tiers here.

4.5 In October 2023, when giving consideration to both options, SABNI members, while conscious that commencing on 1 April 2024 might appear to be the most viable option, acknowledged that delivery of this message could be problematic, given the position on police pay in Northern Ireland, at that time, and its divergence from the approach in England and Wales.

4.6 For this reason, SABNI members considered that the most pragmatic approach was to defer the contribution increase until 2025, given that this would allow time for the 2023/24 police pay to be resolved. In giving consideration to this issue SABNI members were also mindful of the following wider consideration that -

- neither the Board/Chief Constable (in their role as employers) nor the Department were in a position to absorb the increase; and
- implementing the increase in 2024, could have been seen by some officers, as a de facto pay cut; and
- the member contribution rate for the 2015 scheme has not changed since 1 April 2015.

4.7 On 26 October 2023, SABNI members, being aware of their responsibility to the Police Pension Scheme and the wider context into which this proposal had been laid, recommended the adoption of Option 2 to defer the member increase and apply the increase to meet the undershoot in member contribution commencing 1 April 2025, subject to the review of the existing employee contribution banding tiers. In the absence of an Assembly, the **Permanent Secretary agreed to Option 2 approach** on 1 November 2023.

SABNI consideration of changes to member contributions

4.8 On 20 February 2024, SABNI members were provided with a high-level GAD presentation considering potential scenarios that would address both the 2020 shortfall and review of the existing banding structure. The options presented to SABNI needed to ensure that the target of 13.7% for employee contributions identified for the valuation period 2024 – 2027 was achieved.

4.9 Further discussion took place at the SABNI on 14 May 2024 at which (based upon the 2020 valuation data), GAD illustrated how various options in changes to pay bands or tiers might impact upon the repayment increase for members in order to resolve the shortfall over, the agreed period. During discussions, the Police Federation were clear that any solution had to reflect the best member outcome in terms of the increase. This approach was supported by other SABNI members.

4.10 In order to address the shortfall in the employee contributions over a two-year period), the SABNI (having sought the advice of the Scheme Actuary) recommended the following approach to the Justice Minister :-

- a reduction in the number of employee contribution bands from three to two; and
- a concomitant increase in employee contribution rates for the period 1 April 2025 to 31 March 2027.

SABNI agreed that this was the best option available to provide the least impactful increase to Police Pension Scheme members.

4.11 To ensure as far as possible that the 13.7% employee contribution yield (calculated in the 2020 scheme valuation) is met, the Department asked GAD to review the agreed option to reflect the position on 31 March 2024.

4.12 **Table 1** below shows the current employee contribution rates and in blue the proposed employee contribution rates/bandings for 1 April 2025 to 31 March 2027. It should be noted that PSNI have advised that for the majority of officers, the increase in an officer’s member contribution will in reality amount to around £20 to £40 per month, dependent upon rank.

Table 1

2015 scheme current contribution rates			Proposed change to 2015 scheme contribution rate from 1 April 2025		
Band 1*	£27k or less	12.44%	Band 1	Less than £60k	13.77%
Band 2	Over £27k but less than £60k	13.44%	Band 2	£60k or more	14.11%
Band 3	£60k or more	13.78%			

*The 2023/24 police pay increase has resulted few if any police officers within the existing Band 1, hence its removal

SABNI Recommendation

4.13 The SABNI wrote to the Minister on 25 July 2024 outlining their proposed approach to the recovery of the shortfall in the member contributions identified in the GAD 2020 Police Pension Scheme valuation (as set out in paragraph 4.9) for the period 1 April 2024 to 31 March 2027, by the revision of bandings and the application of the increase from 1 April 2025 to 31 March 2027 as being the option with the least impact upon the pension scheme membership.

4.14 SABNI Members also sought for the Minister’s agreement to undertake a review of member and employer contributions at each scheme valuation, in order to ensure the continuing viability of, and to future proof, the 2015 Police Pension Scheme.

Minister’s response

4.15 On 9 August 2024, the Minister responded to the Chair of SABNI advising of her agreement in principle to their proposals and of her Department’s intention to make and lay the regulations required to address the shortfall in employee contributions identified in the 2020 valuation of the Police Pension Scheme.

Consultation

4.16 The purpose of the draft Police Pension (Amendment No 2) is to amend regulation 169 of the Police Pension Regulations(NI) 2015. The amendment places on a statutory footing the agreed recommendation to address the shortfall in employee contribution rates following the 2020 Police Pension Scheme Valuation.

4.17 A draft set of regulations at **Annex A** sets out the proposed revision to the bandings and contribution rates for employee pension contributions for the period 1 April 2025 to 31 March 2027, is attached to this consultation.

5. Impact Exercises

Equality

5.1 Section 75 of the Equality Act (NI)³ statutory duties aim to encourage public authorities to address inequalities and demonstrate measurable positive impact on the lives of people experiencing inequalities. Its effective implementation should improve the quality of life for all of the people of Northern Ireland.

5.2 Section 75 requires public authorities to have due regard for the need to promote equality of opportunity between:

- persons of different religious belief, political opinion, racial group, age, marital status or sexual orientation
- men and women generally
- persons with a disability and persons without
- persons with dependants and persons without

5.3 The Department has carried out an Equality Impact Assessment ('EQIA') screening exercise when considering the drafting of these regulations. The purpose of this screening was to identify those policies that are likely to have an impact on equality of opportunity and/or good relations and so determine whether an EQIA was necessary.

5.4 As the draft regulations are designed to maintain the viability of the Police Pension Scheme as a statutory requirement under the Public Service Pension Regulations 2014 any impact will be minimal to the member. On the basis of this conclusion a full EQIA was screened out.

Data Protection

5.5 The Department has carried out a Data Protection Impact Assessment ('DPIA') screening when considering the drafting of these regulations. As these draft regulations do not require the Department to process individual's personal information a full DPIA has been screened out.

³ Section 75 of [Northern Ireland Act 1998 \(legislation.gov.uk\)](https://legislation.gov.uk)

Rural Communities

5.6 The Department gave consideration to a Rural Needs Impact Assessment as part of the implementation of these proposed regulations. It identified that there would be no significant adverse or differential impact on people living in rural communities compared with those in an urban setting.

6. Responding to this consultation

6.1 The consultation will run from **27 September 2024** for a period of 6 weeks and all responses should be submitted by 11 p.m. on **7 November 2024**.

6.2 Responses to this consultation should be **made online via** <https://consultations.nidirect.gov.uk/doj/7631a5b1>

6.3 The online consultation proposes one question outlined at section 7 of this document.

Enquiries

6.4 Please submit any enquiries to:

Police Human Resources Policy Branch
Department of Justice
Castle Buildings
Stormont Estate
Belfast, BT4 3SG

Email: DOJSMPPHRPB.Correspondence@justice-ni.gov.uk

Alternative Formats

6.5 An electronic version of this document is available from the Police Human Resources Policy Branch. Hard copies of the document and copies in other formats (including Braille, large print etc.) can be made available on request. If it would assist you to access the document in an alternative format or language other than English, please contact Police Human Resources Policy Branch who will attempt to assist you.

7. Consultation question

7.1 The Department invites responses to this consultation via URL:
<https://consultations.nidirect.gov.uk/doj/7631a5b1>

7.2 The Department requests that you do not provide any personally identifiable information (for example, names, dates, and locations) in your answers to the following question.

Question

Employee Contributions:

As a result of the 2020 Police Pension Valuation, do you agree to the approach being taken to revise the employee contribution rates and bandings to address a 0.2% shortfall in the employee contribution yield.

8. Conclusion and next steps

8.1 The purpose of these regulations is to maintain the viability of the 2015 career average Police Pension Scheme for past, current and future members of the scheme.

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Annex A

Draft Regulations

The Draft Police Pensions (Amendment No.2) Regulations (Northern Ireland) 2024 is attached separately to preserve the integrity of the document.

Privacy, Confidentiality and Access to Consultation Responses

For this consultation, all responses may be published except for those where the respondent indicates that they are an individual acting in a private capacity (e.g. a member of the public). All responses from organisations and individuals responding in a professional capacity may be published. Email addresses and telephone numbers will be removed from responses; but apart from this, they will be published in full. For more information about how personal data is handled please see the DoJ consultation privacy notice⁴.

Your response, and all other responses to this consultation, may also be disclosed on request in accordance with the Freedom of Information Act 2000 (FOIA) and the Environmental Information Regulations 2004 (EIR); however, all disclosures will be in line with the requirements of the Data Protection Act 2018 (DPA) and the General Data Protection Regulation (GDPR) (EU) 2016/679.

If you want the information that you provide to be treated as confidential it would be helpful if you could explain why you regard the information you have provided as confidential. This will form part of the consideration if the Department should receive a request for the information under the FOIA or EIR.

⁴ The DoJ Consultation Privacy Notice is attached at Annex C

Privacy Notice – Consultations (DoJ)

Data Controller Name: Department of Justice (DoJ)

Address: Castle Buildings, Stormont, BELFAST, BT4 3SG

Email: DOJSMPHRPB.Correspondence@justice-ni.gov.uk

Data Protection Officer Name: DoJ Data Protection Officer

Telephone: (028) 90378617

Email: DataProtectionOfficer@justice-ni.gov.uk

Being transparent and providing accessible information to individuals about how we may use personal data is a key element of the [Data Protection Act \(DPA\)](#) and the [EU General Data Protection Regulation](#) (GDPR). The Department of Justice (DoJ) is committed to building trust and confidence in our ability to process your personal information and protect your privacy.

Purpose for processing

We will process personal data provided in response to consultations for informing the development of our policy, guidance, or other regulatory work in the subject area of the request for views. We may publish a summary of the consultation responses and, in some cases, the responses themselves but these will not contain any personal data. We will not publish the names or contact details of respondents but will include the names of organisations responding.

If you have indicated that you would be interested in contributing to further Department work on the subject matter covered by the consultation, then we might process your contact details to get in touch with you.

Lawful basis for processing

The lawful basis we are relying on to process your personal data is Article 6(1) (e) of the GDPR, which allows us to process personal data when this is necessary for the performance of our public tasks in our capacity as a Government Department.

We will only process any special category personal data you provide, which reveals racial or ethnic origin, political opinions, religious belief, health, disability or sexual life/orientation when it is necessary for reasons of substantial public interest under

Article 9(2) (g) of the GDPR, in the exercise of the function of the Department, and to monitor equality.

How will your information be used and shared

We process the information internally for the above stated purpose. We do not intend to share your personal data with any third party. Any specific requests from a third party for us to share your personal data with them will be dealt with in accordance with the provisions of the data protection laws.

How long will we keep your information?

We will retain consultation response information until our work on the subject matter of the consultation is complete, and in line with the Department's approved Retention and Disposal Schedule [DoJ Retention & Disposal Schedule](#).

What are your rights?

- You have the right to obtain confirmation that your data is being [processed, and access to your personal data](#)
- You are entitled to have personal data [rectified if it is inaccurate or incomplete](#)
- You have a right to have personal data [erased and to prevent processing](#), in specific circumstances
- You have the right [to 'block' or suppress processing](#) of personal data, in specific circumstances
- You have the right to [data portability](#), in specific circumstances
- You have the right to object to the processing [in specific circumstances](#)
- You have rights in relation to [automated decision making and profiling](#).

How to complain if you are not happy with how we process your personal information

If you wish to request access, object, or raise a complaint about how we have handled your data, you can contact our Data Protection Officer using the details above.

If you are not satisfied with our response or believe we are not processing your personal data in accordance with the law, you can complain to the Information Commissioner at:

Information Commissioner's Office casework@ico.org.uk
Wycliffe House
Water Lane
Wilmslow
Cheshire SK9 5AF