



Response to Consultation

Date: 28 May 2013
Consultation: Proposed Scheme Design for the Local Government Pension Scheme (Northern Ireland) 2014

Introduction

The Northern Ireland Federation of Housing Associations (NIFHA) represents registered and non-registered housing associations in Northern Ireland.

Collectively, our members provide 38,000 homes comprising general needs, specialist and supported accommodation. In addition, each year, Co-ownership Housing supports hundreds of first-time buyers to get their foot on the housing ladder through their successful shared ownership scheme. Further information is available at www.nifha.org.

Background

This consultation is of particular interest to NIFHA as almost 3,000 people are employed in the housing association sector and a significant proportion of these are members of the Northern Ireland Local Government Pension Scheme (NILGOSC). NIFHA has therefore consulted on these proposals with its own staff and member associations since individuals in both categories will be affected by the proposed changes to their pension scheme.

General comments

On behalf of our staff and member housing associations NIFHA welcomes this opportunity to comment on the Department of Environment's proposed scheme design and the draft regulations for the Local Government Pension Scheme from 1 April 2014. We agree that it is important to consider issues of short-term savings and long-term reform together.

Our responses to specific questions listed in the consultation

Q.1. Do you agree with the proposed change to a career revalued earnings (CARE) scheme? If not, what alternative would you suggest?

NIFHA accepts that a decision has already been made to reform public services pensions. On the basis of this decision the proposed change to a CARE scheme appears to be the most appropriate solution.

Q.2. Do you agree with the proposed accrual rate? If not, what alternative would you suggest?

The proposed accrual rate seems reasonable.

Q.3. Do you agree with the proposal to include non-contractual overtime and additional hours in pensionable pay? If not, what alternative would you suggest?

NIFHA's members are concerned that this proposal has the potential to create difficulties in terms of affordability.

Q.4. Do you agree with the proposed contribution bands? If not, what alternative would you suggest?

We agree with the proposed contribution bands outlined in the consultation document.

Q.5. Do you foresee any payroll or administrative difficulties from including non-contractual overtime and additional hours in pensionable pay?

We believe there could be a resource implication arising from this proposal.

Q.6. Do you foresee any payroll or administrative difficulties from the change to the proposed contribution bands?

In our view the change to contribution bands should have minimal or no impact in terms of administration and payroll systems.

Q.7. Do you agree that there should be contribution flexibility in the LGPS (NI) 2014?

We agree contribution flexibility may be beneficial and should be included in the revised scheme.

Q.8. Do you agree with the proposed 50/50 option? If not, what alternative would you suggest?

We agree with the proposed 50/50 option as it has the potential to benefit both employees and employers in circumstances where an individual currently feels s/he has no alternative to opting out of the scheme. For example, currently women who take advantage of the facility to extend their maternity leave up to one year may feel they have no choice but to opt out of making pension contributions if that leave is unpaid.

An additional concern raised by individuals is that some of those people may not re-join the scheme or may even find they are no longer eligible to re-join on the same terms they had previously experienced.

Q.9. Do you agree that the people who choose the 50/50 option should be brought back into the main scheme every three years, at the employer's automatic enrolment date? If not, what alternative would you suggest?

NIFHA agrees those who choose the 50/50 option should regularly be brought back into the main scheme. The automatic enrolment date appears to be a sensible timeframe / prompt for action to review what is intended to be a short-term option.

Q.10. Do you agree that there should be an 'underpin' for members aged 55 or over at 1 April 2012? If not, what alternative would you suggest?

We agree there should be an 'underpin' as those who are close to retirement should not be disadvantaged by the move to new arrangements.

Q.11. Should the proposed LGPS (NI) 2014 pension arrangements also apply to councillors? If not, what alternative arrangements would you suggest?

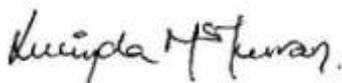
We have no comment on this proposal.

Conclusion

I am pleased to submit this response on behalf of NIFHA and trust you will find our comments helpful. If you require further information or wish to clarify any of the points raised in our response please do not hesitate to contact me.

NIFHA looks forward to working with our members and NILGOSC as these changes are implemented.

Submitted on behalf of NIFHA by:



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