



Llywodraeth Cymru
Welsh Government

WRITTEN STATEMENT BY THE WELSH GOVERNMENT

TITLE **Public Service Pensions and Judicial Offices Bill**

DATE **28 January 2022**

BY **Hannah Blythyn MS, Deputy Minister for Social Partnership**

This written statement is laid under Standing Order 30 – Notification in relation to UK Parliament Bills. It relates to specific provisions in the Public Service Pensions and Judicial Offices Bill (the Bill), which will modify the Welsh Ministers’ functions. These provisions do not require a Legislative Consent Motion under Standing Order 29, as the Senedd does not have legislative competence in respect of them. Occupational pensions are a reserved matter. However, the Welsh Ministers are the responsible authority for firefighters’ pensions in Wales and have executive functions in that context.

The Bill was introduced in the House of Lords on 19 July 2021. On 12 August and 6 December, I laid written statements in accordance with Standing Order 30. Those written statements set out provisions in the Bill and subsequent amendments to the Bill, which amend or affect the executive functions of the Welsh Ministers in respect of firefighters’ pension schemes in Wales. The written statements can be found at:

<https://gov.wales/written-statement-laid-under-standing-order-30c-34>

<https://gov.wales/written-statement-public-service-pensions-and-judicial-offices-bill>

This written statement should be read in the same context as my first statement, which set out the purpose and aims of the Bill in detail. This written statement updates Members of the Senedd on further UK Government amendments to the Bill, published on 7 December 2021, which can be found at:

<https://publications.parliament.uk/pa/bills/cbill/58-02/0211/210211.pdf>

The amendments were tabled on 6 January and 20 January for consideration at Committee Stage in the House of Commons.

All of the amendments set out below, expand the Welsh Ministers’ functions as regards firefighters’ pensions; they do not restrict or withdraw them. Other amendments tabled at this stage have no effect on the Welsh Ministers’ functions in this area.

Relevant amendments to the provisions in the Bill

Clause 22 (Further powers to make provision about special cases) *(Clause 20 in the Bill as introduced)*

Clause 22 would provide the Welsh Ministers with powers to make regulations in respect of a Chapter 1 scheme which makes further provision about a number of areas where steps may need to be taken by schemes to ensure that schemes operate as intended. This is in order to ensure that members receive the correct legacy or new scheme benefits in relation to their remediable service.

The amendments add new paragraphs to provide the Welsh Ministers with the power to ensure appropriate provision can be made about the benefits payable to surviving children of a deceased member who do not live in the same household as a surviving adult.

Clause 86 (Amendments relating to the employer cost cap) *(Clause 80 in the Bill as introduced)*

Clause 86 of the Bill as introduced, which amends the existing mechanism for controlling the cost of pension schemes to employers (the “employer cost cap”) would be replaced by two new clauses.

The first new clause (Amendments relating to employer cost cap) contains a number of additional changes to the cost cap regime for public service pension schemes, including in particular provision for the economic check that is to be introduced for the 2020 and subsequent valuations.

The second new Clause (Operation of employer cost cap in relation to 2016/17 valuation) reproduces, with technical changes, the effect of subsections (4), (8) and (9) of clause 86 as it currently stands in the Bill.

Reasons for making these provisions

The Bill seeks to remedy age discrimination across public sector pension schemes by placing all eligible members back into the position that they would have been in if the discrimination had never occurred, for a “remedy period” from April 2015 to March 2022. After that period, all members will join the 2015 Scheme without exception. The new clauses provide further clarity and detail to ensure benefits payable for surviving children of members work as they should.

The Bill also waives the requirement to act on any 2016 pension valuation cost cap ceiling breaches which occur as a result of remedy costs being built into the valuation process. Without that, the valuation would probably otherwise lead to very significant increases in member contributions, or reductions in scheme benefits. The new clauses now tabled make technical changes to those provisions.

I consider that it is appropriate for these amended provisions to apply in relation to Wales and for them to be included in this Bill.