
Committee Stage: Friday 7 January 2022

Public Service Pensions and Judicial Offices Bill [Lords]

(Amendment Paper)

This document lists all amendments tabled to the Public Service Pensions Judicial Offices Bill [Lords]. Any withdrawn amendments are listed at the end of the document. The amendments are arranged in the order in which it is expected they will be decided.

★ New Amendments.

New Amendments: 1 and NC1 and NC2

Mr Simon Clarke

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★ Page 66, line 37, leave out Clause 86

Member's explanatory statement

Clause 86 is replaced by NC1 and NC2.

Mr Simon Clarke

NC1

★ To move the following Clause—

“Amendments relating to employer cost cap

- (1) Section 12 of PSPA 2013 (employer cost cap) is amended in accordance with subsections (2) to (9).
- (2) After subsection (1) insert—
 - “(1A) Subsection (1) must be complied with before the end of the period of one year beginning with the day on which the scheme's first valuation under section 11 is completed.”
- (3) For subsection (2) substitute—
 - “(2) A reference in this section to “the employer cost cap” of a scheme under section 1 is a reference to the rate set by virtue of subsection (1) in relation to the scheme.”
- (4) In subsection (3)—
 - (a) after “cap” insert “of a scheme under section 1”;

- (b) after “set” insert “, and the changes in the cost of such a scheme are to be measured,”.
- (5) In subsection (4)—
- (a) in paragraph (a), for “the cap” substitute “the employer cost cap of the scheme”;
 - (b) in paragraph (b)—
 - (i) for “subsequent valuations” insert “the second or any subsequent valuation”;
 - (ii) for “the cap” substitute “the employer cost cap of the scheme”;
 - (c) in paragraph (c)—
 - (i) for “the extent to which” substitute “whether and if so to what extent”;
 - (ii) for “of this section” substitute “mentioned in paragraph (b)”;
 - (d) after paragraph (c) insert—
- “(d) that the data, methodologies and assumptions that are to be used for the purposes mentioned in paragraph (b) are to relate, to any extent, to—
- (i) the growth in the economy, or any sector of the economy, of the United Kingdom or any part of the United Kingdom,
 - (ii) the growth in earnings of any group of persons over any period, or
 - (iii) the rate of inflation (however measured) over any period.”
- (6) After subsection (4) insert—
- “(4A) The power to give directions by virtue of subsection (4)(d) is not affected by any statement made before 27 May 2021 by the Treasury, or any Minister of the Crown, relating to the data, methodologies and assumptions that are, or are not, to be used for the purposes mentioned in subsection (4)(b).”
- (7) In subsection (5)(a) for “(and any connected scheme)” substitute “(determined, if and so far as provided for by virtue of subsection (4)(c), taking into account the costs of any connected scheme)”.
- (8) In subsection (6), in the opening words—
- (a) for “the scheme” substitute “a scheme under section 1”;
 - (b) for “the margins” substitute “either of the margins specified under subsection (5)(a)”.
- (9) After subsection (7) insert—
- “(7A) Treasury directions may specify the time at which any increase or decrease of members’ benefits or contributions that is provided for under subsection (6) is to take effect.
- (7B) Treasury directions may require that provision contained in scheme regulations under subsection (6) permits steps to be—
- (a) agreed by virtue of paragraph (a) of that subsection, or

- (b) determined by virtue of paragraph (b) of that subsection, only after the scheme actuary has certified that the steps would, if taken, achieve the target cost for the scheme.
- (7C) Treasury directions under subsection (7B) may specify—
 - (a) the costs or changes in costs that are to be taken into account, or
 - (b) the data, methodologies and assumptions that are to be used, for the purposes of determining whether any steps would, if taken, achieve the target cost for the scheme.
- (7D) In subsection (7B) “the scheme actuary”, in relation to a scheme under section 1, means the actuary who carried out, or is for the time being exercising actuarial functions in relation to, the valuation under section 11 by reference to which it has been determined that the costs of the scheme have gone, or may go, beyond either of the margins specified under subsection (5)(a).”
- (10) Section 12 of PSPA(NI) 2014 (employer cost cap) is amended in accordance with subsections (11) to (19).
- (11) After subsection (1) insert—
 - “(1A) Subsection (1) must be complied with before the end of the period of one year beginning with the day on which the scheme’s first valuation under section 11 is completed.”
- (12) For subsection (2) substitute—
 - “(2) A reference in this section to “the employer cost cap” of a scheme under section 1 is a reference to the rate set by virtue of subsection (1) in relation to the scheme.”
- (13) In subsection (3)—
 - (a) after “cap” insert “of a scheme under section 1”;
 - (b) after “set” insert “, and the changes in the cost of such a scheme are to be measured,”.
- (14) In subsection (4)—
 - (a) in paragraph (a), for “the cap” substitute “the employer cost cap of the scheme”;
 - (b) in paragraph (b)—
 - (i) for “subsequent valuations” insert “the second or any subsequent valuation”;
 - (ii) for “the cap” substitute “the employer cost cap of the scheme”;
 - (c) in paragraph (c)—
 - (i) for “the extent to which” substitute “whether and if so to what extent”;
 - (ii) for “of this section” substitute “mentioned in paragraph (b)”;
 - (d) after paragraph (c) insert—
 - “(d) that the data, methodologies and assumptions that are to be used for the purposes mentioned in paragraph (b) are to relate, to any extent, to—

- (i) the growth in the economy, or any sector of the economy, of the United Kingdom or any part of the United Kingdom,
 - (ii) the growth in earnings of any group of persons over any period, or
 - (iii) the rate of inflation (however measured) over any period."
- (15) After subsection (4) insert—
 - "(4A) The power to give directions by virtue of subsection (4)(d) is not affected by any statement made before 27 May 2021 by the Department of Finance, or any other department, relating to the data, methodologies and assumptions that are, or are not, to be used for the purposes mentioned in subsection (4)(b)."
- (16) In subsection (5)(a), for "(and any connected scheme)" substitute "(determined, if and so far as provided for by virtue of subsection (4)(c), taking into account the costs of any connected scheme)".
- (17) In subsection (6), in the opening words—
 - (a) for "the scheme" substitute "a scheme under section 1";
 - (b) for "the margins" substitute "either of the margins specified under subsection (5)(a)".
- (18) After subsection (7) insert—
 - "(7A) Directions given by the Department of Finance may specify the time at which any increase or decrease of members' benefits or contributions that is provided for under subsection (6) is to take effect.
 - (7B) Directions given by the Department of Finance may require that provision contained in scheme regulations under subsection (6) permits steps to be—
 - (a) agreed by virtue of paragraph (a) of that subsection, or
 - (b) determined by virtue of paragraph (b) of that subsection, only after the scheme actuary has certified that the steps would, if taken, achieve the target cost for the scheme.
 - (7C) Directions under subsection (7B) may specify—
 - (a) the costs or changes in costs that are to be taken into account, or
 - (b) the data, methodologies and assumptions that are to be used, for the purposes of determining whether any steps would, if taken, achieve the target cost for the scheme.
 - (7D) In subsection (7B) "the scheme actuary", in relation to a scheme under section 1, means the actuary who carried out, or is for the time being exercising actuarial functions in relation to, the valuation under section 11 by reference to which it has been determined that the costs of the scheme have gone, or may go, beyond either of the margins specified under subsection (5)(a)."
- (19) In subsections (3), (4), (5), (8), (9) and (10) omit "and Personnel"."

Member's explanatory statement

This new clause reproduces, with technical changes, the effect of subsections (2), (3), (6) and (7) of clause 86 as it currently stands in the Bill. It also adds provision for the changes to the operation of the cost cap regime that are to be introduced for the 2020 and subsequent valuations - in particular the economic check and the reformed scheme only design.

Mr Simon Clarke

NC2

★ To move the following Clause—

“Operation of employer cost cap in relation to 2016/17 valuation

- (1) The requirement in provision made under section 12(5)(a) of PSPA 2013 that the cost of a section 1 scheme must remain within a margin above the employer cost cap of the scheme does not apply, and is treated as never having applied, in relation to the cost of the scheme that is calculated by reference to the scheme's 2016/17 valuation.
- (2) Accordingly, provision made under section 12(6) of that Act does not apply, and is treated as never having applied, in relation to a case in which the cost of a section 1 scheme that is calculated by reference to the scheme's 2016/17 valuation goes beyond a margin above the employer cost cap of the scheme.
- (3) In subsections (1) and (2) and this subsection—
 - (a) “section 1 scheme” means a scheme under section 1 of PSPA 2013;
 - (b) “the employer cost cap”, in relation to a section 1 scheme, has the same meaning as in section 12 of PSPA 2013;
 - (c) a reference to a section 1 scheme's “2016/17 valuation” is to the scheme's valuation under section 11 of PSPA 2013 the effective date of which is a date in 2016 or 2017.
- (4) The requirement in provision made under section 12(5)(a) of PSPA(NI) 2014 that the cost of a section 1 scheme must remain within a margin above the employer cost cap of the scheme does not apply, and is treated as never having applied, in relation to the cost of the scheme that is calculated by reference to the scheme's 2016/17 valuation.
- (5) Accordingly, provision made under section 12(6) of that Act does not apply, and is treated as never having applied, in relation to a case in which the cost of a section 1 scheme that is calculated by reference to the scheme's 2016/17 valuation goes beyond a margin above the employer cost cap of the scheme.
- (6) In subsections (4) and (5) and this subsection—
 - (a) “section 1 scheme” means a scheme under section 1 of PSPA(NI) 2014;
 - (b) “the employer cost cap”, in relation to a section 1 scheme, has the same meaning as in section 12 of PSPA(NI) 2014;
 - (c) a reference to a section 1 scheme's “2016/17 valuation” is to the scheme's valuation under section 11 of PSPA(NI) 2014 the effective date of which is a date in 2016 or 2017.

- (7) The actuarial valuation with an effective date of 31 March 2016 that was signed on 18 December 2018 under regulation 123 of the Local Government Pension Scheme Regulations (Northern Ireland) 2014 (S.R. (N.I.) 2014 No. 188) is of no effect.”

Member’s explanatory statement

This new clause reproduces, with technical changes, the effect of subsections (4), (8) and (9) of clause 86 as it currently stands in the Bill.

Order of the House

[5 January 2022]

That the following provisions shall apply to the Public Service Pensions and Judicial Offices Bill [Lords]:

Committal

1. The Bill shall be committed to a Public Bill Committee.

Proceedings in Public Bill Committee

2. Proceedings in the Public Bill Committee shall (so far as not previously concluded) be brought to a conclusion on Tuesday 1 February 2022.
3. The Public Bill Committee shall have leave to sit twice on the first day on which it meets.

Proceedings on Consideration and on Third Reading

4. Proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.
5. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on that day.
6. Standing Order No. 83B (Programming committees) shall not apply to proceedings on Consideration and Third Reading.

Other proceedings

7. Any other proceedings on the Bill may be programmed.
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