



Northern Ireland
Assembly

**COMMITTEE FOR
SOCIAL DEVELOPMENT**

**OFFICIAL REPORT
(Hansard)**

Pensions Bill: Departmental Briefing

13 October 2011

NORTHERN IRELAND ASSEMBLY

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Members present for all or part of the proceedings:

Mr Alex Maskey (Chairperson)
Mr Mickey Brady (Deputy Chairperson)
Mr Gregory Campbell
Mrs Judith Cochrane
Mr Michael Copeland
Mr Sammy Douglas
Mr Mark H Durkan
Mr Alex Easton
Ms Pam Lewis
Mr Fra McCann
Mr David McClarty

Witnesses:

Mr Seamus Cassidy)
Mr Gerry McCann) Department for Social Development
Ms Anne McCleary)

The Chairperson:

Anne McCleary, Gerry McCann and Seamus Cassidy from the Department for Social Development are here to brief us on the proposed Pensions Bill and the outcome of the equality impact assessment (EQIA). I formally welcome you all to the meeting. Please give your briefing.

Ms Anne McCleary (Department for Social Development):

Thank you very much for the opportunity to brief you on the proposed Northern Ireland Pensions Bill and the associated equality impact assessment.

Members may recall that we provided a briefing on the corresponding Westminster Bill on 9 June. The Committee sought clarification on several issues, and the Department responded on 23 June. Members will therefore be familiar with the high-level proposals. The Westminster Bill is expected to receive Royal Assent in late October. Subject to ministerial and Executive approval, it is anticipated that the Assembly Bill will be introduced shortly after that. A number of provisions of the Westminster Bill will not be replicated here because they extend directly to Northern Ireland. Those provisions relate to the financial assistance scheme and judicial pensions. The Executive and the Committee endorsed the proposal for a legislative consent motion in respect of those specific measures at a meeting on 10 March, and the Assembly approved that motion on 21 March. It is anticipated that the Northern Ireland Bill will contain measures relating to the state pension, automatic enrolment into workplace pensions, indexation and re-evaluation of occupational pension schemes and pension compensation and, fourthly, the operation of the pension protection fund.

If the Committee wishes, I can reprise what I said in June and detail the provisions of the Bill. However, many of the proposals are minor and technical. Therefore, with the Committee's agreement, I propose to focus on the issues that most concerned members at the June meeting, namely changes to the state pension age and automatic enrolment. Is the Committee content for me to do that?

The Chairperson:

Are members content with that?

Members indicated assent.

The Chairperson:

Thank you, Anne.

Ms McCleary:

Thank you. First, I will address the state pension age. Under existing legislation, the state pension age for women will equalise with men at 65 years by April 2020 and then increase, for both men and women, to 66 years by April 2026, to 67 by April 2036, and to 68 by April 2046. Official projections of average life expectancy have been revised upwards since those changes were legislated for. Projections made in 2008 by the Office for National Statistics indicate that men and women reaching the age of 66 in 2026 are expected to live, on average, 1.5 years longer than was projected when the current timetable was set. That is good news for us all.

The Westminster Government announced a review and, in June 2010, issued the paper ‘When Should the State Pension Age Increase to 66? — A call for Evidence’ in Britain. The Department issued it here. We received two responses, including one from the previous Committee. The Government’s response was published in November 2010 in the command paper, ‘A Sustainable State Pension — When the State Pension Age Will Increase to 66’.

In light of increasing life expectancies and an ageing population, the Government concluded that the current timetable is unsustainable. The proposed Bill implements a revised timetable providing for women’s state pension age to equalise with men’s by November 2018 rather than April 2020. Secondly, the increase to age 66 is to be brought forward to April 2020. The effects of those proposals were addressed in the EQIA, which was published for consultation between 3 August and 30 September this year.

We estimate that equalising the state pension age by November 2018 could affect around 7,000 women who were born between 6 April 1953 and 5 December 1953. Approximately 70,000 women and 69,000 men born between 6 December 1953 and 5 April 1960 could be affected by bringing forward the increase to age 66. Overall, around 146,000 people could experience a delay in reaching state pension age. That is made up of 131,000 who will experience a delay of up to a year — 62,000 women and 69,000 men. Also, 15,000 women would experience a delay of between one and two years. Approximately 800 of them, born between 6 March 1954 and 5 April 1954, would experience a delay of two years.

Assuming full entitlement, the amount of basic state pension for a period of up to a year could amount to between £102 and £5,312 at current rates. For a period of one to two years, the amount would range between £5,312 and £10,624. However, it is important to note that working-age benefits will remain in payment until revised state pension ages are reached, so although the state pension will not be payable, the full range of working-age benefits will still be available for those who cannot work or are in financial need. For those with less than full entitlement to the state pension, the amount payable by way of working-age benefits could be higher than the amount payable in state pension. Appendix 2 to my letter of 23 June sets out some illustrative examples of the impact in particular cases.

When we last spoke, it was clear that members of the Committee had concerns about the impact of the changes on women. Minister McCausland also has concerns. Indeed, the Minister wrote to Iain Duncan Smith on 24 June to urge the Westminster Government to consider measures to alleviate the impact of the proposals. Both Steve Webb, the Pensions Minister, and Iain Duncan Smith have indicated that transitional arrangements for women most affected would be considered. The Prime Minister stated yesterday that:

“we will be making an announcement shortly.”

I should also say that we do not know what that announcement will be.

Mr F McCann:

I will not hold my breath.

Ms McCleary:

The Report Stage is scheduled for 18 October, and the position should be clear by then.

I will now move on to the effect on other benefits. The proposed changes would lead to corresponding increases in the minimum qualifying age for state pension credit and the winter fuel payment. The upper age limit for receipt of working-age benefits, such as jobseeker's allowance and employment and support allowance, would also increase.

As for the effect on state pension credit, based on the proportion of the population over the age of 60 and receiving pension credit during the four years 2007-2010, we estimate that around

43,000 people could be affected by an increase of up to two years in their qualifying age for pension credit. Those changes are likely to have a greater impact on people in lower income groups, including those receiving working-age benefits.

Then we have the effect on winter fuel payment. We estimate that, of those born between 5 April 1953 and 5 April 1960, approximately 14,000 would experience no change at all. That is equally split between men and women. Some 121,000 people could qualify for a winter fuel payment one year later than under current rules. That is made up of 61,000 women and 60,000 men. Some 18,000 people could qualify for a winter fuel payment two years later. That is made up of equal numbers of men and women.

Members should, however, bear in mind that, when one member of a couple has reached the qualifying age, households would still receive the full award. That is because of the way in which winter fuel payments are awarded. As you probably know, it is £200 for a qualifying person who lives alone or is the only qualifying person in the household, or, where there are two qualifying people living together, they each get £100, so effectively it is the same amount of money, but is split between them when there are two qualifying people living together.

I will move on to automatic enrolment in workplace pension schemes. Millions of people across the UK are simply not saving for retirement. Legislation passed by the Assembly in 2008 is designed to address that by introducing a requirement for all employers to automatically enrol eligible employees into a workplace pension scheme, starting in 2012 for the largest employers and phasing in over a four-year period. An independent review was announced in June 2010 to examine the scope of the automatic enrolment policy. A number of recommendations were made to ease the burden that employers will face in complying with the legislation, while maintaining the key aim of ensuring that low to moderate earners are able to save for retirement.

As a result, the Bill will introduce, first, an earnings trigger at which an employee must be automatically enrolled into a workplace pension. That is set at the threshold at which a person begins paying income tax, which is currently around £7,475 a year. Secondly, there will be an optional waiting period of up to three months before the automatic enrolment duty for employers begins. Thirdly, there are changes to the way in which an employer can certify that their pension

scheme meets the necessary quality test. Some of those measures may lead to a reduction in the number of people automatically enrolled into a workplace pension scheme. However, those affected will be able to opt into the automatic enrolment process if they wish.

I will move on to the equality impact assessment consultation. In assessing the impacts of the proposals for the purposes of section 75 of the Northern Ireland Act 1998, the Department concluded that there may be differential impact in respect of age, gender, religious belief or political opinion, racial group and disability. As I said earlier, an equality impact assessment was published for consultation between 3 August and 30 September. We received responses from Age NI, A2B, Disability Action and the Northern Ireland Public Service Alliance. Copies were sent to the Committee on 10 October.

As might be expected, respondents expressed concern about the impact of the proposed changes to the state pension age and, in particular, the impact on women. Concern was also expressed about the changes happening over a relatively short timescale, in retirement planning terms. On the other hand, the extension of the qualifying age for disability living allowance (DLA) was welcomed. The Department will reply to those respondents shortly.

That concludes my presentation but we are happy to take any questions.

The Chairperson:

OK, Anne. Thank you very much for that.

Mr Brady:

Thanks very much for the presentation. There seem to be a lot of numbers. This process has already started. I have already spoken to women who would have normally qualified last December for a pension and did not get it until September of this year. It is a contributory benefit: this is money that people paid in as they were working. They paid in, so, reasonably, would expect to get it back.

On the EQIA, people are looking at the fact that it has been brought forward because some of the responses said that women should not be affected until 2020. However, that has already been

brought forward. Was that an arbitrary decision?

Ms McCleary:

As far as I know, it was a decision following the White Paper that was put out after that consultation. I am not sure whether Gerry can shed more light on that.

Mr Gerry McCann (Department for Social Development):

Really, all that they did was to look at all the various figures that were stacking up with regard to the overall debt. We have to realise that that is part of the equation. It is not purely or simply down to the fact the population is getting older. That is just part of the overall issue.

Mr Brady:

The reason people cannot save for their future is because they do not earn enough. It is as simple as that, and no provision was made to encourage them or enhance their ability to do that. The other way to look at it if you are really cynical is that the winter fuel payment will not be a big issue because if they keep cutting it the way they have, by the time 2018 kicks in there will probably be no winter fuel payment. It has already been cut this year, will probably be cut next year, and that will continue. That may not be as big an issue as people think, although that is only a personal observation. However, it seems that the numbers who will be affected will probably be higher than anticipated.

Mr G McCann:

All we are saying is that is what we found out when we did all our sums and stats, and drilled down into the situation. All we are doing is telling you the facts.

Mr Brady:

But it is very clear that there is a disproportionate effect on women, and that has already started to kick in.

Ms McCleary:

The bringing forward from 2020 to 2018 does that; yes. Women are the group that are affected by that.

Mr Brady:

And particularly where pension credits are involved because the whole idea of pension credits is to supplement low income. That will be affected, in some cases for up to two years and in a lot of cases for at least one year. You spoke about amounts between £102 and £5,000. Even the mid-scale of that is a fair amount of money.

Ms McCleary:

We understand, as I said, that there is to be a statement about transitional protection. We do not know what that will be.

Mr Brady:

Should we wait with bated breath?

Ms McCleary:

I could not possibly comment. I do not know.

Mr Brady:

The other issue for people in dire straits is that crisis loans, for example, are going down the Swanee with the social fund.

Ms McCleary:

It is changing, we think. We do not know.

Mr Brady:

I am fairly sure from what we heard last week.

Mr Campbell:

Thanks for the presentation. There is quite a range of statistics and, as you say, things should perhaps be clearer next week when the statement appears. Obviously, some people will be unaffected. It appears that others will be on the margins of being negatively affected. Until we know the transition arrangements, it appears that a group of people will be significantly badly

affected by the announcement. What I would like to get — we cannot get it today, because obviously we have to wait for the statement — within 10 days to a fortnight is to be able drill down to see the gender and the age profile and the numbers of those who will be most acutely affected by this change. I imagine that it will be people on lower salaries, but I want to see what the transitional arrangements will do for them, see the scale of the problem and see what can be done to address it. That is the key thing for me. A range of numbers were fired at us there, and we need to drill down to see what impact there is and how many people will be disproportionately affected by this. We cannot do that for another week or 10 days.

The Chairperson:

Anne, are you happy that that information can be distilled after the statement?

Ms McCleary:

We will do our best.

Mr G McCann:

In the past, we gave you the figures for the women who will be hardest hit. I cannot remember those figures off the top of my head, but I think that it was about 7,000.

Ms McCleary:

It was 6,800.

Mr G McCann:

That is a figure for those women who will be hardest hit because of their age, and so forth.

Mr Campbell:

It is the transitional arrangements that we need to know about.

Mr G McCann:

Until we know exactly what those arrangements will be it is very hard for us to gauge the impact. However, as soon as we have that information, we will look at doing some work to tell you what it will actually mean for the punters.

Mr F McCann:

I was going to touch on something that Gregory raised. A lot of this is a bit frustrating, because it near enough seems to be a fait accompli. Legislation is passed, it comes here and we can debate it, but we have little impact on it. We are talking about transitional periods, and it is like the discretionary periods that we discussed last week. They sound good when people say it, but they do not really mean that much when they come into effect and people are still affected by them.

Serious concerns have been raised over the past number of years, especially since we have got statistics about the number of people, especially elderly people, who die during severe cold spells. What we are doing now is talking about legislation that puts it back. I am concerned about the number of people who will die in the year when this comes in. Was that taken into consideration when people sat down and drew up this legislation? It will be like a death sentence for many people.

Mr G McCann:

It was taken into consideration. We all live in society, we all have mothers and fathers and we are all aware of the issues, such as fuel bills, that people are talking about. At the end of the day, you know and we know that we cannot change very much of this. In the past, we have highlighted the issue of how the benefit system is funded. We have spoken about that on many occasions and about the issue of parity. We do not have much scope to change any of this.

Mr F McCann:

I understand that, and that goes back to my point about it being a fait accompli. The difficulty that I have is that the legislation that is coming through will end up giving the nod to what is, in actual fact, a death sentence for many people.

Ms McCleary:

Perhaps these issues need to be raised at Executive level and alternative ways looked at for particular issues. However, that will need prioritisation and decisions at Executive level as to what money there is and how it can be spent. There are issues about housing, winter periods and so on that need to be looked at from that perspective.

Mr F McCann:

On another point, Mickey is right about savings and low earners. Many low earners can barely feed their families and themselves, yet they are being asked to save.

Ms McCleary:

Yes. The timing of this is not helpful.

Mr G McCann:

On the issue of how much people can save, that is why —

Mr F McCann:

They cannot even get bank accounts.

Mr G McCann:

You will not be enrolled until you are earning at least £7,475. We understand that there are people who, when they sit down at the end of the month and look at their bills and their outgoings, will not be able to save. We are not saying that everyone should be saving and that they have to save.

Ms McCleary:

This is about assisting those who can save a little and encouraging them to do it; it is not about forcing them to do it.

The Chairperson:

A moment ago you said that this would need to go — well, you did not say “need to go” but be considered by the Executive. I do not want to put words in your mouth again. That was in the context of it being possible. I do not want to leave anyone with a mistaken impression.

Ms McCleary:

Yes, exactly.

The Chairperson:

Therefore, if the Executive or any other Minister decides to do something, on their head be it, so to speak. The difference would have to be made up financially.

Mr Brady:

I want to make a point on the back of what Fra was saying. Much has been made of people living longer, and this seems to have been predicated on that notion. I sit on the Health Committee, and we have got statistics that show that people are living longer, but they are not living more healthily. Drug regimes mean that they can live longer — all the more reason for them to have proper income, heat and food. This will militate against that. I want to make that point, because there is a notion that you can work on because you are living longer. However, you may not live more healthily. You might live until you are 90, but your quality of life could be quite bad for the last 20 years. That has not been factored in.

Mr G McCann:

We are very aware of that issue. You have to take that into account, but you still have to look at the number of people who are in work as opposed to the number of people who are out of work and on benefits. As we move forward, if we do not do something on the state pension age, how will we end up funding that? The working population is getting smaller, and the number of people who are on benefits is getting bigger.

Mr Brady:

We were talking about the unemployment figure yesterday; we are talking about nearly 61,000 people. If you or I went out and questioned any of them, we would find that very few of them would not be in work, given the choice. The jobs are simply not there.

Mr G McCann:

We accept that people want to work.

Mr Brady:

That is not going to improve in the next couple of years.

Mr G McCann:

Our whole aim is to assist people into work. We are all on the same page.

Mr Brady:

No one is disagreeing with the ethic of getting people into work, but where is the work?

Mr G McCann:

Exactly. However, when it comes to overall policy planning, we have to look ahead.

The Chairperson:

We are moving into an area that is not your responsibility, even though it is an important issue.

Mr Douglas:

I had two questions, but Gregory has asked about drilling down on the numbers. The Bill will have an adverse impact on older members of society and on the most vulnerable. Fra made a point about fuel poverty. We have talked about that in the Assembly, and I think, Anne, you talked about raising it at the Executive. How is the Department going to address the needs of older members of society? It is not just a matter of raising the issue in the Assembly or the Executive. Do you have any proposals?

Ms McCleary:

Quite simply, at this stage, no. I would have to go back and see whether any work is being done. I know that there was talk about an older persons' commissioner and all sorts of things like that. I am not quite sure where responsibility for elderly people lies. I know that responsibility for young people lies with the Office of the First Minister and deputy First Minister. I simply do not know — I would be speculating, but I will go back and check.

Mr G McCann:

Having said that, part of what we are doing in our plans for the future is to get people to save for their retirement. Obviously, that is not going to help people in the next couple of years, but the aim over time is to ensure that people will have saved since they were fairly young so that they have a fair-sized pot of money once they reach pensionable age. That is one of the things that we

are trying to do to assist older people.

Mr Copeland:

I apologise if this seems a bit convoluted. As I understand it, the proposed Northern Ireland Bill will largely mirror the Westminster legislation, except for financial services and official pensions.

Ms McCleary:

Those provisions extend to Northern Ireland.

Mr Copeland:

I understand that. Is it the case that, if the results when the Bill goes through here are not pretty much the same as they are in Westminster, parity will come back into it? If we have a section 75 requirement that varies from parity, which are pre-eminent: the requirements of section 75 or those to fulfil parity?

Mr G McCann:

Under the section 75 provisions, all you have to do is to look at what the impacts are.

Mr Copeland:

But you are not bound by the findings?

Mr G McCann:

No. You then have to look at the overall policy to see why it is being made. It is a balancing act between the two. Our answer is that I do not think that either of them takes priority, as such. You have to look at and weigh up both of them.

Mr Copeland:

So section 75 gives you the benefit of knowing who you are harming?

Mr G McCann:

It means that, when you are looking at and developing your policy, you are informed by the work that you have carried out. It does bring us back to the word “parity”, which you used. If we do

not have the money to pay for the thing, what do we do? It brings us back to where you started with your question.

The Chairperson:

I think that your key point is that parity is about outcome as well. We are not opening a debate on parity this morning. If you say, for example, in this case, that there may well be a greater negative impact on the Protestant community, because of its demographic and age profile, what consideration is given to that outcome? Do you accept that it is an outcome, but do nothing about it?

Mr G McCann:

In terms of that one issue which you are using to illustrate your point? OK, it does have a greater impact on members of the Protestant community. However, that impact is purely an issue of chance; it is a fact that there happen to be more of them. It is not as though we are setting out to target any sector of the population. We are not saying, “We are aiming to affect the Protestant community here”. It is just purely by chance. It is a fact that there happen to be more Protestants in that age cohort.

The Chairperson:

I am just making a point, and I think that members should just take note of it and think about it. The issue is about outcomes and about how these things impact on communities. On other issues, some of these things will impact more adversely on young people, women, people from the nationalist and republican community, or ethnic minorities. The whole purpose of section 75 and such legislation is to make sure that people are treated equally. I am just making that point so that members can bear it in mind when they are talking about such matters in the longer run. It is about equality and parity of outcome. I think that we need to look at that. We are not going to tackle the issue today, but I am just using it to illustrate my point, because you highlighted it in the impact assessment.

Mr G McCann:

I will just say one more thing. It would be very hard to have different ages for different groupings when dealing with issues such as the state pension age. In fact, it would be virtually

impossible to get round that problem.

Mr Easton:

All these pension changes are obviously happening because there is a big black hole.

Ms McCleary:

There is a black hole, and more and more people need money out of that black hole.

Mr Easton:

In terms of an amount of money for that big black hole, there are obviously rough guidelines and ideas for the whole of the UK. If we were crazy enough to start interfering and go our own way, as some members have maybe advocated in different ideas on parity, what would that cost us? If we decided to do stuff on our own on pensions, would it cost some absolutely huge, ridiculous sum that we just could not afford?

Mr Seamus Cassidy (Department for Social Development):

It is reckoned that changing the timetable for the state pension age to 66 in England will result in net total gains to government, in income tax and national insurance, of about £8 billion. That is for the period 2016-26. We reckon that that would amount to £0.16 billion in Northern Ireland for the same period.

Ms McCleary:

That is just for the change. I was not sure whether you were thinking about the figures involved in our paying for the entire pension.

Mr G McCann:

Of all the benefits, the state pension is the biggest one. It is one that costs us the most money. I do not have the figure with me, but I can get that for the Committee if it wishes.

Mr Easton:

Can you get us the figure of how much we pay for our pensions in Northern Ireland? If we went our own way, that would be how much we would have to stump up, plus the extra to make up for

all the —

Mr G McCann:

It could be; it would depend on what exactly we were thinking of doing, and you would have to negotiate —

Mr Easton:

Are we talking billions?

Mr G McCann:

I think it is about £23 million that we pay out in pensions every week. I stress that that figure is from the back of my memory, and I would have to check it, so there is a real caveat with that.

Mr Easton:

There is no way that we could find £23 million a week; let us be honest.

Mr F McCann:

It does not mean that we have to run over it, you know.

Mr Easton:

It is not about that, it is about being sensible.

Mr F McCann:

We are talking about people's lives here.

Mr Easton:

Where are we going to get £23 million a week? Where are we going to cut? It is just crazy.

The Chairperson:

I suggest that, as we deal with these ongoing matters, it is important to bring figures if we can get them, because, whatever people's view on the arguments, it is important to try and cost these measures if we can. It would be helpful for people to be able to say that, if we were to diverge

from this or to adopt that, it would cost x number of pounds. I think that information is important.

Mr Durkan:

A lot of points that I would have raised have been raised, but there was one concerning availability of service or support to older people, first to find employment and secondly to retain it. There may be some unscrupulous employers out there who now see that they will have to keep staff on for longer, which could have a particularly adverse effect on women again, should they be let go for whatever reason as they are approaching what they presumed was their retirement age. It is going to be increasingly difficult for them to find employment, especially when unemployment is so high and it would often be more affordable for employers to take on someone younger.

Ms McCleary:

Any discrimination against people already in work based on age would be illegal in any event. Also, we have removed the compulsory retirement age; that is gone, so they cannot be forced to leave work, in the same way that none of us can be forced to leave work. Again, the same provisions in relation to discrimination apply to those who are applying for jobs. It used to be the case years ago that you could have said that, ideally, candidates should be under or in excess of a particular age. You cannot do that now. The discrimination laws are there to help; I am not going to claim that they are the answer to all known ills, but they are there.

Mr Durkan:

As regards support and training or retraining —

Ms McCleary:

The work that is carried out in the Department for Employment and Learning is available to them, and that will hopefully help. I do not want to get into the thorny issue of welfare reform, and so on, but an awful lot of that is aimed at helping people into work through a variety of means such as retraining and all kinds of other things that will help people to find positions. There are of course some companies that specialise in taking on older workers because they have the skills and the expertise.

Mr Brady:

Gerry made a point about equality impact assessments and there is an outcome, but it is down to chance. It sounds a bit like Mystic Meg is involved in social security policy. The point of having an outcome is presumably to get something constructive out of it. If it is chance, it is chance. We cannot choose our gender or our date of birth. Perhaps it should be put under the gambling legislation; that might be more relevant.

Mr G McCann:

My point was that it happens to affect age cohorts. Therefore, if you look at each of the age cohorts inside that, it is bound to have a greater or lesser degree depending as to how that breaks down. The point is that the whole policy has been designed because of other issues. It is not intended to tackle anybody on the grounds of their beliefs —

Mr Brady:

Yes, but if you work out a policy, presumably you have a start, a middle and an end. You must have some idea who it will impact on at the start. What we are saying here — and Sammy has made the point — is that it has an impact on older, vulnerable people. The point was made about people living longer, and we have already addressed that. However, as Sammy says, the people most affected are those who can least afford to be most affected. With their incomes, they cannot save. They will be left with very little income. Winter fuel payments will probably be reduced and reduced, and there is no proper fuel poverty strategy. There is no solution at this point. We have spoken about social tariffs and other things, but nothing has been done. Ultimately, we are saying that it is going to happen, but we are not doing that much about it.

Ms McCleary:

The winter fuel payments have not actually gone down this year. The amount of money that people get in their hand has been reduced, but what has happened is simply that the payments have not been increased. There is no proposal to reduce them. They will remain at their current level.

Mr Brady:

With respect, the prices of oil and gas have increased, so it is not a logical argument.

Ms McCleary:

I appreciate and understand that, and I do not say that it is an ideal situation. I am just saying that winter fuel payments have not been reduced; they have just not been increased again.

The Chairperson:

Their net value has reduced.

Ms McCleary:

Yes.

Mr McClarty:

Is there a false economy here? You encourage people to work longer by increasing the pension age. Those people block young people at the other end of the age range who want to get into jobs, and so the young people become a burden on the taxpayer.

Ms McCleary:

There are fewer of them. The whole difficulty behind this is that we have an increased number of people at the upper age range and fewer at the lower end of the scale. Those factors were taken account of. I understand the point you make, but this is the way it is going.

Mr Copeland:

The point has been covered, but I just want to clarify something. Although we accept that this will largely affect elderly people, if elderly people find themselves disadvantaged and there is nothing else in the state system to come to their support, they will turn to members of their own families, who may themselves be subject to generational deprivation. Therefore, that will affect not only the elderly but those related to them. I am not sure that that has been taken into account.

The Chairperson:

Thank you. Is that all the members' contributions?

Mr Douglas:

I want to reinforce the point, so that it is not misconstrued. I asked Anne about the response. We are a scrutiny Committee, and we are talking about people's lives and major implications. The Department must respond. How is it going to address this? I want to reinforce that point: this scrutiny Committee wants to see what the response is.

The Chairperson:

People can check the Hansard report. There have been quite a lot of issues raised, and members have put their arguments well. Officials have tried to respond as best they can. It is up to members to deal with these matters. We are taking on information this morning and we have addressed it as best we can today. Obviously, we will return to this Bill. Anne, can you remind me when the Bill is to be introduced?

Ms McCleary:

The Bill will be introduced to the Assembly after Royal Assent is given to the Westminster Bill, which is expected in October. It will probably be November.

Mr G McCann:

Early November some time.

Mr Durkan:

I have an extension of the point that Michael made about the effect on the families of those affected. There is much talk of an ageing demographic. The number of people affected by this, who are caring for their parents, is growing. People are living longer. A large number of people are now reaching retirement age whose parents are still alive, and they are primary carers. They are looking to retire to spend more time with their elderly parents. That is something that needs to be taken account of.

Mr Campbell:

I do not want to delay things, but there is a figure that looks a bit odd to me. Perhaps Anne or someone can explain it to me. The proposals for pension reform response gives a breakdown of

entitlement to winter fuel payment. There is a table with a religious breakdown, which the Chairman referred to. It says there that 55,600 Protestants, 47,600 Catholics and 18,000 members of other groups would qualify for winter fuel payment. Do you have any breakdown of those 18,000 others?

Mr Cassidy:

It includes a raft of various groups.

Mr Campbell:

It is quite a significant statistic in Northern Ireland.

Ms McCleary:

I imagine that it includes those who may be in one of the other two groups but have chosen not to identify themselves as one or the other.

Mr G McCann:

Those who do not specify their beliefs and do not have a designation are called “others”.

The Chairperson:

If members are content that they have aired their views having heard the presentation, we will move on. Anne, Seamus and Gerry, thank you for your attendance and for the presentation.