

## **Explanatory Memorandum**

### **The Superannuation (Admission to Schedule 1 to the Superannuation Act 1972) Order 2004 No. 1927**

The explanatory memorandum is laid before Parliament by Command of Her Majesty. This memorandum contains information for the Joint Committee on Statutory Instruments.

Department responsible: Cabinet Office

#### **2. Description**

This Instrument adds employments and offices to Schedule 1 to the Superannuation Act 1972, enabling people serving in those employments or offices to be members of the schemes made under section 1 of the Act. The Principal Civil Service Pension Scheme, the Civil Service Additional Voluntary Contribution Scheme, the Civil Service Compensation Scheme and the Civil Service Injury Benefits Scheme are schemes that have been made under section 1 of the Act and are collectively referred to below as “the PCSPS”.

#### **3. Legislative background**

Section 1 of the Superannuation Act 1972 gives to the Minister for the Civil Service powers to make, maintain and administer schemes to provide pensions, allowances or gratuities to civil servants and other persons whose employments or offices are listed in Schedule 1 to the Act. The Act further permits the Minister to add employments or offices to Schedule 1, conditional on the employment or office being paid out of moneys provided by Parliament, the Consolidated Fund, or the Scottish Consolidated Fund. An employment or office may also be removed from Schedule 1. This Instrument adds a number of employments and offices to Schedule 1 and removes employment by the Broadcasting Standards Commission, whose functions have transferred to OFCOM under section 2 of the Communications Act 2003. In this Instrument the Minister has exercised his powers retrospectively to add or remove an employment or office to or from Schedule 1.

#### **4. Extent**

This Instrument applies to all the UK.

#### **5. European Convention on Human Rights**

This Instrument amends Schedule 1 to the Superannuation Act 1972. The Minister's view is that it is compatible with Convention rights.

#### **6. Policy background**

The bodies added to Schedule 1 by this Instrument wish to join the PCSPS rather than run their own pension arrangements. Membership of the PCSPS avoids the administration and associated costs of setting up separate arrangements, and makes available the economies of scale provided by the PCSPS. In all cases the bodies will be required to make contributions to the PCSPS at a level set to meet the full costs of the accruing superannuation liability associated with their staff. Civil Service

Pensions Division ensures that admitted employments or offices are within the public sector and have suitable controls over pay to protect the Civil Superannuation Vote, from which pensions are paid.

There has been no public interest in these changes, and it is not politically important. It is legally important in that the employments and offices covered by the Order cannot normally be admitted to Schedule 1 by any other means.

## **7. Impact**

The outcome of this legislation is to effect a saving in administration to public sector bodies by enabling them to join existing pension arrangements and benefit from the support provided by the Scheme Managers, Civil Service Pensions Division.

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