



GOVERNMENT WHIPS' OFFICE
HOUSE OF LORDS
LONDON SW1A 0PW

Telephone 020-7219 3131
www.lordswhips.org.uk
holgovernmentwhips@parliament.uk

BARONESS BLOOMFIELD OF HINTON WALDRIST
020-7219 6802

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Dear Judith,

Thank you for contributions to the Committee Stage debate on the Energy Bill on Monday 16 January, particularly your comments in relation to Nuclear Decommissioning Authority (NDA) group pension reform. I am very happy to be able to respond in writing to the points you made in relation to these clauses.

The Government's position on Public Sector Pensions is clear and it is also clear that the NDA Group is within the scope of the legislation. This policy was confirmed via a public consultation in 2018 in addition to the agreement of a new scheme with NDA unions, which included them taking a member ballot. It is right therefore that we update relevant legislation to reflect modern public sector pensions policy. The legislation in relation to statutory pensions protections will be limited to that which is necessary to enable implementation of the pension reforms applicable to NDA.

Since 2008, employees who joined one of the NDA operating companies (the NDA group) have been offered a defined contribution pension. NDA group employees on final salary arrangements (nearly half of those working across the NDA) are also in scope of reform. However, in recognition of the situation of the employees in the NDA group, a bespoke reformed scheme was agreed, more generous than others in the public sector. The Government will continue to engage with trade unions as appropriate, however it remains the intention to press ahead and use this opportunity to make the necessary legislative changes in line with the policy previously consulted on and agreed with trade unions and NDA employees.

While we don't believe that it would be appropriate to include details about pension accrual rates on the face of the bill (so consistent with the approach which was taken by the Public Service Pensions Act 2013) I am happy to clarify that the Government has no intention of moving away from the average member contribution rate of 8.2%.

As well as this written assurance we will also update the relevant policy statement to set this out publicly. The regulations where this detail will be set out will also need Parliamentary approval and will be subject to the affirmative process.

In relation to subsection 3c of the first clause we believe that the clause as drafted does cover pensioners. Specifically, the reference to "Pensions in Payment" within the clause includes pensioners.

In relation to your final point, we are confident that we can adequately identify those in and out of scope. While there is mobility across the industry, we are clear that these regulations will only apply to those working within the NDA group.

I hope you find this letter helpful. I will also send a copy to Lord Teverson and place a copy in the House library.



BARONESS BLOOMFIELD OF HINTON WALDRIST

Baroness Blake of Leeds
House of Lords