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Welcome

Welcome to the fourth edition of 'AMPS News', the newsletter for members of the Northern Ireland Assembly Members Pension Scheme.

Through the newsletter we aim to keep you informed of issues relating to your pension benefits.

Your Trustees are:

David McClarty MLA, Chairman
John Dallat MLA
Trevor Lunn MLA
Michelle O'Neill MLA
Jim Wells MLA

While you can contact the Trustees with questions or queries, we would ask that you contact the Pensions Team in the first instance. Pension Team contact details are overleaf.

Active Members

On 5 July the Northern Ireland Assembly Members Act 2010 came into effect. This piece of legislation refers specifically to MP who are also MLA's (dual mandate members). Pre 5 July, dual mandate members were paid one third of the full member salary and accrued reckonable service at one third of the rate of full members. The legislation reduced the dual mandate members salary to zero. MP / MLA's do not get paid any MLA salary.

What effect has this had on pensions?

The Scheme Rules state that a participating member of the Scheme is someone who pays contributions from their salary. No salary = No participating member. Effectively, any dual mandate member became a deferred scheme member from the date of the Westminster election, 6 May 2010.

The Trustees are discussing the consequential effects of this legislation and we will write out to all affected members individually.

New Members

Seven dual mandate members have resigned and been replaced, bringing the total of new scheme members this year to eight. This includes the Attorney General for Northern Ireland, John Larkin QC, who was appointed with effect from 24 May.

If you have any queries about your pension benefits, or require any information please contact The Pensions Team.

Please note that while we can give you information, the Pensions Team is prevented by the Financial Services Act from giving financial advice. If you require financial advice you should consult an independent financial adviser.

Deferred Members

As a former member of the Assembly your pension is deferred until you reach the scheme's normal retirement age of 65. If you wish to release your benefits before you reach 65 you have 2 options:

Option 1 Transfer your benefits to another pension scheme

You can transfer the benefits you have in the AMPS to another occupational or personal pension scheme. Certain restrictions apply so contact the Pensions Team if you are interested.

Option 2 Apply for Actuarially Reduced Early Retirement

Any deferred member aged 55 or over may apply to the Trustees to have their pension paid early. The pension will be reduced to reflect the longer period it will be in payment. Currently the pension will be reduced by 4% for each complete year it is in payment early.

For example:

John is 59. He was an MLA for 5 years accruing benefits at fiftieths and his final salary was £40,000. His pension payable at age 65 is $\frac{1}{50} \times 5 \text{ years} \times £40,000 = £4,000$ per annum

John decides to apply for Actuarially Reduced Retirement when he turns 60.

His pension payable at age 60 will be £3,200 per annum (£4,000 reduced by $(4\% \times (65 - 60))$)

"If you are interested in Actuarially Reduced Early Retirement, please contact us for further information".



In the News.....

Inflation and Pensions Increases

The Government has announced that the consumer prices index (CPI) rather than the retail prices index (RPI) will be used for revaluing deferred pensions and for increasing pensions in payment. CPI is generally lower than RPI, making increases less generous for scheme members.

The AMPS follows the Governments lead applying the same increase as all public sector pensions and state benefits.

However, this change does not just affect pension increases and revaluation. Transfers in and out of the scheme will also be affected by this change.

All transfers in progress have been frozen until further guidance has been issued and the Government Actuary's Department have revised the scheme's transfer factors, if required.

Once the Trustees have discussed and considered this issue, members will be informed.

Contact us

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Visit the Assembly Website for:

- ☞ **Pension Scheme Rules**
- ☞ **Pension Trustee Minutes**
- ☞ **AMPS Annual Reports and Accounts**
- ☞ **Previous Newsletters**

www.niassembly.gov.uk/pension/pension.htm