



Northern Ireland  
Assembly

# The Assembly Members Pension Scheme (NI) 2016

Your Pension Benefits Explained



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# Introduction

The Assembly Members' Pension Scheme (Northern Ireland) 2016 [AMPS] provides important and valuable benefits for contributing Members of the Northern Ireland Assembly, on retirement. The Scheme also provides benefits for your family in the event of your death. If you are unable to continue as a Member of the Northern Ireland Assembly due to serious ill health, you may be able to retire and claim your pension early. There are also a range of options for Members who leave the Assembly before normal retirement age.

Under the terms of the Justice Act, the Attorney General for Northern Ireland also joins the AMPS on appointment.

The Scheme is a statutory scheme which means it is set up and run under its own legislation and regulation. The 2016 Scheme was established by determination of the Independent Financial Review Panel (the Panel) in April 2016. The Panel was established by the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) 2011 to make determinations in relation to the salaries, allowances and pensions payable to Members of the Northern Ireland Assembly.

The Scheme is operated on an 'opt out' basis meaning that you will join the Scheme from the date you are elected (or co-opted), unless you make a specific decision to opt out.

The Scheme has two sections – a Final Salary (FS) section and a Career Average Revalued Earnings (CARE) section.

The majority of Members will be in the CARE section. The FS section of the scheme is restricted to Members elected for the first time before May 2016, who have continuous service AND who were born on or before 1 April 1960. All new Members of the Assembly will be in the CARE section. Some Members will be in the CARE section and will also have preserved benefits in the Final Salary section.

The purpose of this booklet is to provide you with an outline of the main provisions of the AMPS. It does not cover every aspect of the Scheme.

Full details are contained in the rules, which are the legal basis for the Scheme. You should note that nothing in this booklet can override the rules and in the event of any unintentional differences, the Scheme rules will prevail.

A copy of the Scheme rules is available on the Assembly website using the link below.

<http://www.niassembly.gov.uk/your-mlas/members-pension-scheme/>

A hard copy of the Scheme may be obtained by contacting the Pensions Team of the Assembly's Human Resources Office:

Pensions Team  
Human Resources Office  
Room 402  
Parliament Buildings  
Stormont  
Belfast, BT4 3XX

**Tel:** (028) 9052 1685

**Fax:** (028) 9052 1658

E-mail: [pensions@niassembly.gov.uk](mailto:pensions@niassembly.gov.uk)

Staff of the Pensions Team cannot provide you with financial advice, however we are more than happy to meet with you and explain how your AMPS pension works.

## Terms Used

A number of technical terms are used in this booklet. They are necessary to enable the benefits provided by the AMPS to be described more accurately.

### ACCRUAL RATE

This is the rate at which you are building up your pension benefits, either one fiftieth (1/50) or one fortieth (1/40). The accrual rate is linked to the contribution rate you are paying.

### CIVIL PARTNER

Civil partner as defined in the Civil Partnership Act 2004. Civil partner's benefits are calculated in the same way as spouse's benefits.

### COHABITING PARTNER

A person of either sex with whom you live as though you are married or in civil partnership. You can nominate your partner to receive benefits in the event of your death. (Certain criteria apply and a partner nomination form must be completed).

### DEPENDENT CHILD

Any child who is dependent on you and who is under age 17, or under 22 years and in full time education or training. The definition also includes any child dependent on you because of physical or mental impairment, regardless of age. The definition of a dependent child includes your own children, adopted children or children wholly or mainly dependent on you at the time of your death.

### FINAL SALARY

The salary earned in the 12 months preceding your last day of service.

### PENSIONABLE EARNINGS

The amount you earned in the scheme year, 1 April to 31 March.

contributions. It does not include transferred in service. For many members qualifying service will be the same as your actual period of service as a member of the AMPS.

### RECKONABLE SERVICE

The service that counts towards your pension. A service credit resulting from a transfer of pension rights from a previous scheme into the AMPS adds to your reckonable service.

### STATE PENSION AGE

The age at which your state pension is paid depends on your age and gender. If you want to check your State Pension Age you can use the State Pension Age checker at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

### SPOUSE

The person to whom you are legally married when you die. An ex-wife or ex-husband is not eligible to receive a spouse's pension.

### TRUSTEES

Trustees are responsible for managing and administering the Fund and have a duty to manage it in the best interests of all members. Five MLAs are appointed as Trustees by resolution of the Assembly.

# About the AMPS (NI) 2016

The pension scheme for Members and Office Holders of the Northern Ireland Assembly, and the Attorney General for Northern Ireland, is the Assembly Members Pension Scheme (NI) 2016.

The Scheme is administered by five Trustees who are appointed by resolution of the Assembly. The Trustees are five MLAs, one from each of five different political parties. Details of the current Trustees can be found on the Assembly's website.

The Trustees are responsible for ensuring that the Scheme operates in accordance with the Scheme rules and pension legislation and regulation. They are also responsible for the Schemes investment strategy.

The Trustees are supported by professional advisers and the Secretariat.

## QUERIES

Any queries regarding the day to day running of the Scheme should be directed to the Pensions Team of the Assembly's Human Resources Office who are responsible for the day to day administration.

## PENSION TEAM CONTACTS

|                                       |             |
|---------------------------------------|-------------|
| Diane Lamont (Senior HR Manager):     | (905) 25917 |
| Louise Anderson (Pensions Manager):   | (905) 21685 |
| Kim McAllister (Pensions Supervisor): | (905) 25949 |

## PAY TEAM CONTACT

|                                     |             |
|-------------------------------------|-------------|
| Sheila Mawhinney (Payroll Manager): | (904) 18328 |
|-------------------------------------|-------------|



# Joining, Opting out & Rejoining

## WHO CAN JOIN

- All Assembly Members;
- Office Holders; and
- The Attorney General for Northern Ireland.

## WHEN DO I JOIN

You will join the Scheme from the day you sign the Roll of Members, or in the case of the AG(NI), from the date of appointment

## OPTING OUT

You can opt out of the Scheme at any time. If you decide to opt out of the scheme within the first three months of joining, we will refund your contributions through Payroll and it will be as though you were never in the Scheme.

If you decide to leave the Scheme at any other date, we will process this as soon as possible.

If you want to opt out of the Scheme, you will need to complete an opt out form. You can request this from the Pensions Team.

## OPPORTUNITIES TO REJOIN AT LATER DATE

If you change your mind after opting out of the Scheme, you may apply to rejoin the Scheme.

You can only rejoin after an Assembly election. It is not possible to 'buy back' the years that you were opted out.

# Tax Relief Limits

Your pension contributions are deducted from your pay before tax is applied, so you get full tax relief on your contributions.

Because you receive tax relief on pension savings, Her Majesty's Revenue and Customs (HMRC) have set limits called the Lifetime Allowance and the Annual Allowance. These limit the amount of tax relief you can claim on pension savings.

## LIFETIME ALLOWANCE

Your pension benefits are subject to the Lifetime Allowance, which is the tax-free limit on the total value of your pension savings from all sources. When your pension comes into payment, its value will be checked against the Lifetime Allowance (taking into account other pensions you may be receiving or pensions not yet in payment).

On retirement, a certificate will be issued showing what percentage of your lifetime allowance is used up by your AMPS pension.

If you have any form of Lifetime Allowance protection from HMRC it is vital that you notify us as soon as possible so that we do not automatically enrol you in the Scheme and cause you to lose your protection.

## ANNUAL ALLOWANCE

The annual allowance is the maximum amount of pension saving you can have each year that benefits from tax relief. This includes your contributions and the contributions made from the Consolidated Fund.

There is no limit on the amount you can save in a pension scheme, but there is a limit on the amount that can benefit from tax relief each year. If your pension saving is more than the annual allowance you will pay a tax charge on the amount over the annual allowance. This tax charge is called the annual allowance charge.

The amount of the annual allowance for 2016-17 is £40,000, although a lower limit of £10,000 may apply if you have already started drawing a pension.

The value of your pension saving is not how much your pension is worth, nor the amount that you have contributed, but is calculated by a formula specified in legislation.

We will provide an annual allowance statement from the Scheme each year, which will tell you the amount of the annual allowance used by your AMPS pension.

This allowance is not 'per scheme' so if you are also making pension savings through any other arrangement (e.g. AVCs, a personal pension, another occupational pension) in addition to your AMPS pension then you will need a statement from each scheme.

This will enable you to calculate the total amount of the Annual Allowance you have used up and whether or not you are required to pay a tax charge.

You should declare these amounts on your tax return and make any payment to HMRC as required.

More information is available from the HMRC website: <http://www.hmrc.gov.uk/>

Please note that taxation is your personal responsibility.

# Leaving the Assembly

## LEAVING THE ASSEMBLY BEFORE THE RETIREMENT AGE

If you leave the Assembly or opt out of the Scheme before you reach normal retirement age, you have a choice of options for the pension you have built up in the Scheme.

Your choice is:

- a deferred (preserved) pension payable at the Scheme's normal retirement age; or
- to transfer the value of your pension benefits to another occupational or personal pension scheme; or
- an early retirement pension payable from age 55, subject to permanent reduction; or
- a refund of your contributions if you have less than two years' service.

## LEAVING THE ASSEMBLY AFTER THE RETIREMENT AGE

If you leave the Assembly after normal retirement age, your pension benefits will come into payment immediately, regardless of your length of service.

## EARLY RETIREMENT

If you are aged 55 or over you can apply for early retirement.

The pension paid will be permanently reduced by four percent (4%) for each year the pension is paid early. For example, if you take your pension five years before your normal pension age, your pension will be reduced by 20 percent (5 years' x 4%). Please note that this reduction is permanent.

## RE-ELECTED PENSIONERS

After retirement, if you decide to stand for election your pension will be temporarily suspended during the period that you are a candidate for election.

If you are unsuccessful in the election, your pension will be reinstated from the day after the election.

If you are successful in the election, you will join the CARE section of the pension scheme from the date you sign the Roll of Members. Your pension in payment will remain suspended while you are in receipt of an MLA's salary.

On leaving the Assembly, your pension will be calculated in two parts: your CARE pension in respect of the new period of service PLUS your reinstated pension.

## Transfer out

As an alternative to retaining your benefits in the Scheme, you can apply to transfer the cash equivalent value of your deferred pension benefits to another pension arrangement.

The transfer payment is calculated in accordance with the Finance Act 2004 and instructions provided by the Scheme Actuary, and is the current cash value of your deferred pension. This is referred to as a CETV (cash equivalent transfer value).

The calculation takes account of the guaranteed increase to your pension both in payment and deferment.

Neither the Trustees nor the Pensions Team can advise you whether or not you should transfer your benefits from the Scheme. You may wish to consider taking independent financial advice before making a decision.

If you do not have a financial adviser, you can find one at [www.unbiased.co.uk](http://www.unbiased.co.uk)

If you have left the Assembly, you can transfer your benefits to another pension arrangement any time up to 1 year before your normal retirement age.

If you reach your normal retirement age while you are still a Member of the Assembly, you can apply for a transfer up to 6 months after you leave the Assembly provided your pension has not yet come into payment.

Once your pension is in payment you cannot transfer out.

## Your Benefits at a glance

### WHILE SERVING AS AN MLA

A death in service lump sum payable to your nominee if you die while contributing to the pension scheme;

A pension for your spouse, civil partner or unmarried partner (certain conditions must be fulfilled), and any dependent children in the event of your death.

### IF YOU LEAVE BEFORE RETIREMENT

Your pension will be deferred (frozen) and will come into payment when you reach pension age;

You can apply to transfer the value of your benefits out of the AMPS into another pension scheme;

If you have completed less than two years' service in the Scheme you may choose to take a refund of your own contributions less statutory deductions, as an alternative to the deferred pension or transfer option.

### OTHER BENEFITS

Early Retirement from age 55;

Ill Health Retirement.

### WHEN YOU RETIRE

A pension for life;

An optional tax free lump sum on retirement;

Annual increases to your pension in line with the Consumer Prices Index (CPI);

(please note that if you are an office holder, your pension benefits from the office holder scheme will come into payment at the same time as your main scheme benefits).

## PENSION INCREASES

Once your pension is in payment it will be increased each April in line with the Consumer Prices Index (CPI). The figure used is CPI for the year ending on the previous 30 September.

E.g. In April 2017, pensions in payment will be increased by the annual CPI figure for September 2016.

If this figure is negative, there will be no change to the value of your pension.



## Further Information

### ANNUAL BENEFIT STATEMENT

Each year the Trustees will send you a statement of the current value of your pension benefits.

### FINANCIAL ADVICE

Neither the Trustees nor the Pensions Team are permitted to give you any form of financial advice. If you feel that you need financial advice you should contact an independent financial adviser.

If you do not have a financial adviser you can find local advisers at [www.unbiased.co.uk/](http://www.unbiased.co.uk/)

### COMPLAINTS

If you have a complaint relating to the Scheme, you should contact the Pensions Team, who will provide a prompt response.

If the matter cannot be resolved informally, the Scheme has a formal Internal Dispute Resolution Procedure. Details can be obtained from the Pensions Team or the Members Pension Scheme pages on the Assembly website.

### DATA PROTECTION ACT 1998

The Trustees, their advisers, the Pensions Team, the Pay Team and the Scheme administrators will process personal data about you in order to administer the Scheme. This may include sensitive data.

In accordance with the Data Protection Act 1998, all information concerning Scheme members and their dependents will be treated as confidential.

The Trustees are registered with the Information Commissioners Office (ICO). The registered entry may be viewed at [www.ico.org.uk/ESDWebPages/Entry/Z1986210](http://www.ico.org.uk/ESDWebPages/Entry/Z1986210)

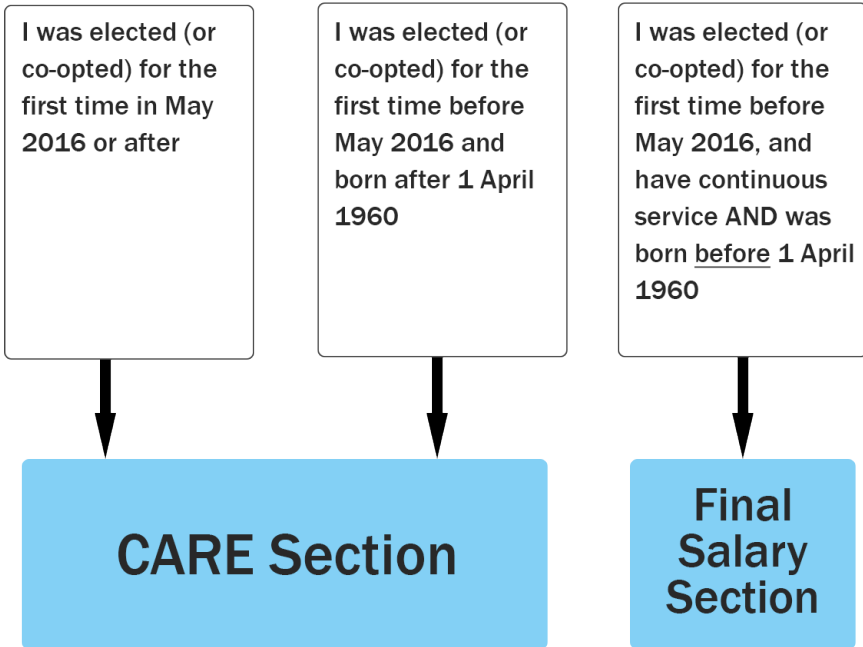
The Assembly has its own Information Assurance Policy which can be accessed on the Assembly's intranet, AssISt.

## ANNUAL REPORT AND ACCOUNTS

Each year the Trustees produce accounts which are audited by the Northern Ireland Audit Office. A copy of the Annual Report and Accounts is issued to all Scheme members after being laid before the Assembly.

Published accounts are also available on the Members Pension pages of the Assembly website.

## Your Scheme



Please refer to the relevant section of this booklet.

Some Members will be in the CARE section and will also have preserved benefits in the Final Salary section. In this case you may wish to refer to both sections.

# CARE Section

## THIS SECTION APPLIES TO:

- Members elected for the first time in May 2016; and
- Returning Members of the Scheme born after 1 April 1960.

## CONTRIBUTIONS

You will pay pension contributions at a rate of nine percent (9%) of your salary before deductions for tax. Your contributions are deducted from your salary before tax is calculated, so that you automatically receive full income tax relief at the highest rate you pay.

The Consolidated Fund also makes a contribution towards the cost of your pension. Currently this contribution is 14.4 percent of your salary. These rates are recommended by the Government Actuary's Department and are reviewed every three years.

## BUILDING UP YOUR CARE PENSION

Your CARE pension is not dependent on the amount of contributions paid in or the size of your pot but is calculated as follows:

At the end of March each year your CARE pension is calculated as two percent (2%) of your pensionable earnings over the year.

You build up CARE pension on the actual earnings you receive in a scheme year. CARE pensions are revalued at the start of each scheme year with reference to the Consumer Prices Index (CPI).

### Example 1

John is elected for the first time in May 16. He does not hold an office. His earnings between 12 May 16 and 31 March 17 are £43,468.

On 31 March 17 his CARE pension is calculated as:

$$£43,468 \times 2\% = £869.36$$

On 1 April 17 his CARE pension is revalued with reference to CPI at September 2016 which was 1.0%<sup>1</sup> giving him an opening balance of £878.05.

His earnings between 1 April 17 and 31 March 18 are £49,000.

On 31 March 18 his CARE pension is calculated as:

$$£49,000 \times 2\% = £980$$

This is added to the opening balance of £878.05 giving him a closing balance of £1,858.05 at 31 March 18.

On 1 April 18 his CARE pension is revalued with reference to CPI at September 17 which was 0.5%<sup>2</sup> giving him an opening balance of £1,867.34.

This process is repeated each CARE year that you are an active member of the Scheme.

The opening and closing balances referred to reflect an amount of annual pension, so at 1 April 18, John's pension is worth £1,867.34 each year once he reaches the Scheme's normal retirement age.

You will also receive a separate CARE pension in respect of any additional salary you receive for holding an office (Speaker, Principal Deputy Speaker, Deputy Speaker, Committee Chairperson, Commission Member, First Minister, deputy First Minister, Minister or Junior Minister).

### Example 2

Mary is elected at the same time as John. Her pension builds up exactly like his giving her an opening balance of £878.05 on 1 April 17.

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1 [www.ons.gov.uk](http://www.ons.gov.uk)

2 Figure for illustration purposes only.

Mary is made a Commission Member from 1 September 17.

Her MLA earnings between 1 April 17 and 31 March 18 are £49,000.

On 31 March 18 her CARE pension is calculated as:

$$£49,000 \times 2\% = £980$$

This is added to the opening balance of £878.05.

Her additional earnings for being a Commission Member between 1 April 17 and 31 March 18 are £3,500.

On 31 March 18 her Office Holder CARE pension is calculated as:

$$£3,500 \times 2\% = £70$$

Her closing balance at 31 March 18 is:

|                       |           |
|-----------------------|-----------|
| MLA Pension           | £1,858.05 |
| Office Holder Pension | £ 70.00   |

On 1 April 18 both parts of her CARE pension are revalued with reference to CPI at September 17 which is 0.5%<sup>3</sup> giving her an opening balance of:

|                       |           |
|-----------------------|-----------|
| MLA Pension           | £1,867.34 |
| Office Holder Pension | £ 70.35   |

Each year we will provide you with a statement showing the value of the pension you have built up to date.

### NORMAL RETIREMENT AGE

The normal retirement age for Members of the CARE section is age 65 OR your State Pension Age, whichever is later.

If you want to check your State Pension Age you can use the State Pension Age checker at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age)

### MAXIMUM PENSION

There is no limit to the amount of pension you can build up in the CARE section.

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3 Figure for illustration purposes only

## LATE RETIREMENT

You can continue to make contributions and build up CARE pension after the Scheme's normal retirement age, if you decide to remain as an MLA. There is no increase factor applied to your pension because you delay taking it.

## DEATH IN SERVICE BENEFITS

As soon as you join the Scheme, and begin making pension contributions, you are entitled to a range of benefits in the event of your death in service. You are covered from the day you sign the Roll of Members until your last day of active service.

Benefits include:

- Death in Service Lump Sum – a tax free cash lump sum equal to twice your salary, paid as quickly as possible to the person you have nominated on your death benefit nomination form;
- Spouse or civil partner pension - Spouses pensions are paid at a rate of 3/8ths of your expected pension. 'Expected pension' is the value of the pension you have already built up, plus an additional amount. The additional amount is equal to the pension you would have built up if you had served to the end of the current mandate, or to your normal pension age, whichever is earlier. This pension is paid to your Spouse or Civil Partner;
- Pensions for unmarried partners - If you have a partner who you live with but are not married to, you can complete a 'partner declaration form' to ensure that they receive benefits in the event of your death. Certain criteria must be met, so please contact the Pensions Team to discuss;
- Children's pension - children's pensions are paid at a rate of one quarter of your expected pension if you have one child, or three eighths of your expected pension divided between two or more children. If there is no pension payable to a spouse, civil partner or unmarried partner then the children's pension is paid at a higher rate;
- Enhancement – dependents' pensions are enhanced for the three months immediately following your death.

## PAYMENT OF THE DEATH IN SERVICE LUMP SUM

If you are a member of the pension scheme and you die in service, a tax free cash lump sum equal to twice your salary will be paid to the person (or people) that you have nominated.

The Pension Trustees have some discretion over this payment so it is important that you have recorded your wishes by completing a nomination form. If you do not complete a nomination form, the Trustees will usually make the lump sum payment to your estate.

You should regularly review your nominations and update them as necessary.

## DEATH AFTER RETIREMENT

If you die after you have retired and are already claiming your pension the following benefits apply:

- Spouse or civil partner pension - Spouses pensions are paid at a rate of three eighths of your pension (before commutation for lump sum);
- Children's pension - children's pensions are paid at a rate of one quarter of your pension if you have one child, or three eighths of your pension divided between two or more children. If there is no pension payable to a spouse, civil partner or unmarried partner, then the children's pension is paid at a higher rate;
- Enhancement – the total of any dependents' pensions will be enhanced to the same level as your pension for the three months immediately following your death;
- Pension Guarantee - if you die within five years of retirement, your spouse's pension is paid at the same rate as your pension in payment for the remainder of the five-year period.

## DURATION OF DEPENDENT PENSIONS

Spouse, Civil Partner or Partner's pensions are normally payable for life. The Trustees may decide to stop a pension if the recipient remarries, forms a civil partnership or cohabits with another person.

Children's pensions are normally paid until the child reaches 17, however if they continue in full time education or training, the pension can be paid for longer.



Children's pensions will stop at age 22 unless the child was fully dependent on you at the time of your death because of physical or mental impairment.

## RETIREMENT

Shortly before you retire we will send you an illustration of how much your pension is worth.

## TAX FREE LUMP SUM

There is no automatic lump sum with your pension. However, you can choose to give up (commute) part of your pension for a tax-free lump sum at retirement and a lower annual pension.

You can choose a lump sum of up to four times the value of your annual pension. Choosing a smaller lump sum will require you to give up less pension.

If you want to take a tax free lump sum at retirement, you must decide before your benefits are paid. Once your benefits have been put into payment, they cannot be changed.

Before you retire we will send you an illustration of your lump sum options.

## STATE PENSION

Once you reach State pension age, the State pension will become payable in addition to your AMPS pension.

If you want to check your State Pension Age you can use the State Pension Age Checker at [www.gov.uk/state-pension-age](http://www.gov.uk/state-pension-age).

## AGE RETIREMENT

You can take your CARE pension without reduction once you reach the Schemes normal retirement age provided that you leave the Assembly. It is not possible to take your pension and continue to serve as an MLA.

## EARLY RETIREMENT

If you are aged 55 or over you can apply for early retirement.

The pension paid will be permanently reduced by four percent for each year the pension is paid early. For example, if you take your pension five years before your normal pension age, your pension will be reduced by 20 percent (5 years x 4%). Please note this reduction is permanent.

### ILL HEALTH RETIREMENT

If you are ill and your ill health permanently prevents you from carrying out your work as an MLA, you can apply for ill health retirement.

You must apply in writing to the Trustees and will have to be examined by the Trustees medical adviser.

If your application for ill health retirement is successful your pension will be based on your actual service, plus an enhancement of service to the end of the current mandate or your normal pension age, whichever is earlier.

Under the ill health retirement provisions, there will be no reduction in your pension for immediate payment, even though you have not reached your normal retirement age.

## Final Salary Section

### THIS SECTION APPLIES TO:

Members elected for the first time before May 2016, with continuous service and who were born on or before 1 April 1960.

### CONTRIBUTIONS

You will pay pension contributions at a rate of either nine percent or 12.5 percent of your salary before deductions for tax. Your contributions are deducted from your salary before tax is calculated, so that you automatically receive full income tax relief at the highest rate you pay.

Your contribution rate is linked to your accrual rate. You pay nine percent to accrue benefits at one fiftieth of final salary for each year of service or 12.5 percent to accrue benefits at one fortieth of final salary for each year of service.

You will continue to accrue benefits at the rate you did before 6 May 2016. If you are accruing benefits at the higher rate of one fortieth, paying contributions at a rate of 12.5 percent, you can opt for the lower accrual rate of one fiftieth paying contributions at a rate of nine percent. You can do this only once.

It is not possible to increase from the lower rate to the higher rate.

The Consolidated Fund also makes a contribution towards the cost of your pension. Currently this contribution is 14.4 percent of your salary. These rates are recommended by the Government Actuary's Department and are reviewed every three years.

### BUILDING UP YOUR PENSION

Your pension will continue to build up in the normal way. At retirement your pension will be calculated as:

$$\text{Accrual rate} \times \text{reckonable service} \times \text{final salary}$$

The accrual rate is either one fortieth or one fiftieth depending on your level of contributions. While paying 12.5 percent contributions you accrue benefits at

the higher accrual rate of one fortieth. Paying nine percent contributions has a corresponding lower accrual rate of one fiftieth.

If you have mixed accrual ie you have some years of service at one fiftieth accrual and some years at one fortieth accrual, your pension calculation will look like this:

$$\left\{ \frac{\text{Service at } 1/50}{50} + \frac{\text{Service at } 1/40}{40} \right\} \times \text{final salary} = \text{Pension}$$

### OFFICE HOLDER PENSION SCHEME

If you are an office holder you will contribute to the Scheme from your office holder salary at the same rate as you pay from your MLA salary, ie (nine percent or 12.5 percent of pay).

The office holders scheme is part of the AMPS and all the benefits outlined in this booklet apply equally to it.

The difference between the office holder scheme and main scheme is in the calculation of the final pension, which is based on a complex formula to take account of fluctuations in periods of office.

For each tax year, the contributions paid from the additional salary you received as an office holder is compared to the contributions paid on your MLA salary. This gives a contribution factor.

At retirement, all the contribution factors are added together and multiplied by the relevant accrual rate and the basic MLA salary which applied during your last 12 months of office holder service.

This formula generally gives the same benefits as the main Scheme, based on your average office holder's salary over the period you held office.

Benefits in the office holder scheme are payable at the same time as main scheme benefits.

### OPTING OUT FOR OFFICE HOLDERS

You may choose to opt out of the office holder scheme at any time.

You may rejoin the office holder scheme from the date of commencement of a new period in office.

### NORMAL RETIREMENT AGE

The normal retirement age for the Final Salary section is age 65.

### MAXIMUM PENSION

The maximum pension you can build up in the Final Salary section is an amount equivalent to two thirds of your final salary. That is equivalent to about 26 years of service at one fortieth accrual or 33 years of service at one fiftieth accrual.

### LATE RETIREMENT

If you have not reached the maximum pension limit, you can continue to make contributions and build up pension benefits after age 65, until you leave the Assembly.

There is no increase factor applied to your pension because you delay taking it.

### DEATH IN SERVICE BENEFITS

As soon as you join the Scheme, and begin making pension contributions, you are entitled to a range of benefits in the event of your death in service. You are covered from your first day at the Assembly until your last day of active service. Benefits include:

- Death in Service Lump Sum – a tax free cash lump sum equal to three times your annual salary, paid to the person (or people) you have nominated on your death benefit nomination form;
- Spouse or civil partner pension - Spouses pensions are paid at a rate of five eighths of your expected pension. Expected pension is calculated on your actual service plus an enhancement of service to the end of the current mandate, or age 65 if earlier;
- Children's pension - children's pensions are paid at a rate of one quarter of your expected pension if you have one child, or three eighths of your expected

pension divided between two or more children. If no pension is payable to a spouse or civil partner, then the children's pension is paid at a higher rate;

- Enhancement - dependents pensions are enhanced for the three months immediately following your death.

The Pension Trustees have some discretion over the payment of the death in service lump sum, so it is important that you have recorded your wishes by completing a nomination form. If you do not complete a nomination form, the Trustees will usually make the lump sum payment to your estate.

You should regularly review your nominations and update them as necessary.

## DEATH AFTER RETIREMENT

If you die after you have retired and are already claiming your pension the following benefits apply:

- Spouse or civil partner pension - Spouses pensions are paid at a rate of five eighths of your pension (before commutation for lump sum);
- Children's pension - children's pensions are paid at a rate of one quarter of your pension if you have one child, or three eighths of your pension divided between two or more children. If no spouses pension is due to be paid, then the children's pension is paid at a rate of five sixteenths of your pension for one child or five eighths of your pension divided between two or more children;
- Enhancement - dependents pensions may be enhanced for the three months immediately following your death;
- Pension Guarantee - if you die within five years of retirement, your spouse's pension is paid at the same rate as your pension in payment for the remainder of the five years.

## DURATION OF DEPENDENT PENSIONS

Spouse or Civil Partner's pensions are normally payable for life. The pension will cease if your spouse remarries, forms a civil partnership or cohabits with another person.

Children's pensions are normally paid until the child reaches 17, however if they continue in full time education, the pension can be paid for longer. Children's pensions will stop at age 22 unless the child was fully dependent on you at the time of your death because of physical or mental impairment.

### AGE RETIREMENT

You can take your AMPS pension without reduction once you reach the Schemes normal retirement age provided that you leave the Assembly. It is not possible to take your pension and continue to serve as an MLA.

Shortly before you retire you will receive an illustration of how much your pension is worth.

### TAX FREE LUMP SUM

You can choose to give up (commute) part of your pension for a tax-free lump sum at retirement and a lower annual pension.

You can choose a lump sum of up to four times the value of your annual pension. A bigger lump sum will require you to give up more pension.

If you want to take a tax free lump sum at retirement, you must decide before your benefits are paid. Once your benefits have been put into payment, they cannot be changed.

### STATE PENSION

Once you reach State pension age, the State pension will become payable (provided you have paid sufficient National Insurance contributions) in addition to your AMPS pension.

### ILL HEALTH RETIREMENT

If you are ill and your ill health permanently prevents you from carrying out your work as an MLA, you can apply for ill health retirement.

You must apply in writing to the Trustees and will have to be examined by the Trustees medical adviser.

If your application for ill health retirement is successful your pension will be based on your actual service plus an enhancement of service to the end of the current mandate, or age 65 if earlier.

There will be no reduction in your pension for immediate payment even though you have not reached your normal retirement age.



## Contact Details

If you require any further information or wish to discuss your pension, please contact the Pensions Team:

Pensions Team  
Human Resources Office  
Room 402  
Parliament Buildings  
Stormont  
Belfast, BT4 3XX

**Tel:** (028) 9052 1685

**Fax:** (028) 9052 1658

**E-mail:** [pensions@niassembly.gov.uk](mailto:pensions@niassembly.gov.uk)

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