The Northern Ireland Assembly Members' Pension Fund Annual Report and Accounts

NIA 72/22-27

Year ended 31 March 2024

Contents

The Trustees' Report

Introduction

Aim of this Report

In order to comply with best practice for reporting requirements, the Trustees consider it appropriate to disclose actuarial and other accounting details to all members of the pension scheme.

The Trustees are pleased to present this report, which has been prepared in accordance with best practice and covers the year ended 31 March 2024. The purpose of the report is to describe how the Fund and its investments have been managed during the year.

Scheme Constitution

The Assembly Members' Pension Scheme (Northern Ireland) 2016 (the AMP Scheme) provides benefits for Members and qualifying Office Holders of the Northern Ireland Assembly and the Attorney General for Northern Ireland.

Under the provisions of the AMP Scheme, a Fund has been established into which the contributions from Members of the Legislative Assembly ("Members" or "MLAs"), qualifying Office Holders and the Attorney General are paid. An external investment manager, Abrdn Investment Management Limited (abrdn), manages the assets of the Fund. See Investment Manager section for full details, on page 9.

The AMP Scheme operates on an "opt-out" basis. This means that all Members and Office Holders are members of the AMP Scheme from the date they are appointed, unless they opt out. The main benefits of the scheme can be found in Annex B, on page 47.

There have been a number of versions of the AMP Scheme since it was first established in 2000. For ease of reference the legislative background to the AMP Scheme can be found at Annex A, on page 46.

The rules and provisions of the current AMP Scheme are set by the Assembly Members (Pensions) Determination (Northern Ireland) 2016 ("Pensions Determination"), which was published by the Independent Financial Review Panel (the Panel) in April 2016. The Panel was appointed on 1 July 2011 to make determinations on Members' pay, allowances and pensions. More information on the Panel may be found at: http://ifrp.org.uk/.

The 2016 Pensions Determination introduced Career Average Revalued Earnings (CARE) pension arrangements for new and existing members. The previous AMP Scheme provided its members with a defined benefit Final Salary pension arrangements. Following the implementation of the 2016 Pensions Determination existing members, born on or before 1 April 1960, retained their Final Salary pension arrangements under transitional protection up to and including 5 May 2021.

The terms of appointment of the first Panel ended on 1 July 2016. Reforming the Panel requires the Assembly to pass primary legislation, however, due to periods of dissolution and absence of normal Assembly business, this has not yet taken place. In the absence of a Panel and as an interim measure, a motion was brought to the Assembly on 30 June 2020 to confer powers on the Assembly Commission, enabling it to determine allowances payable to Members. This motion did not seek to amend the process for determining Members' pay or pensions, leaving such authority to a future Panel. Until a new Panel is appointed and issues a new Determination, the AMP Scheme remains under the 2016 Determination Pension Scheme rules.

On the introduction of the new AMP Scheme in May 2016, the Consolidated Fund contribution reduced from 20.6% to 14.4% of salaries. However, following the Government Actuary's Department (GAD) triennial valuation, as at March 2020, this rate increased to 17.1%, effective from 1 April 2021.The next actuarial valuation will be at 31 March 2023. GAD has completed the draft valuation report which will be presented to the Trustees in January 2025. It is expected that any changes to the Consolidated Fund Contribution as a result of the valuation will be effective from 1 April 2025.

Scheme Management and Governance

Appointment & Removal of Trustees

The Trustees of the AMP Scheme are Members appointed by resolution of the Assembly, in accordance with rules of the AMP Scheme. During any period where there is an absence of normal Assembly business, Trustees may be appointed by Deed, under the provisions of Section 35 of the Trustee Act (Northern Ireland) 1958.

Article B2 (1) of the AMP Scheme rules states that the Assembly shall by resolution appoint not more than five members of the Assembly to be Trustees of the Scheme.

Following each election of the Assembly a motion is normally brought to the Assembly to (re) appoint Trustees for the new Mandate.

There is no limit on the length of time that a Trustee may hold office, they remain in office until they either resign, are removed or leave the Assembly. Article B2 (2) states:

"A person appointed as a Trustee:

a) May resign from office by notice in writing to the Presiding Officer;

b) May be removed from office by resolution of the Assembly;

c) Shall, without prejudice to sub-paragraph (b), cease to hold office on the expiry of six months from the date on which he ceases to be a member of the Assembly."

Trustees during the year to 31 March 2024

After the May 2022 Assembly election, a motion to reappoint Trustees would normally have been introduced. However, due to the absence of Assembly business, this did not occur. When Assembly business resumed on 3 February 2024, the existing Trustees were asked if they wished to continue in their role. Two Trustees resigned, prompting a call for nominations to fill those vacancies. Two nominations were received, and the new Trustees were appointed on 11 March 2024.

The trustees who served during the year and up to the date of signing the Financial Statements are:

Dr Caoimhe Archibald MLA (Chairperson) (up to 20 February 2024)
Mr Stewart Dickson MLA
Dr Stephen Aiken OBE MLA (Chairperson from 1 May 2024)
Mr Keith Buchanan MLA (up to 20 February 2024)
Mr Mark H Durkan MLA
Ms Ciara Ferguson MLA (from 11 March 2024)
Mr Trevor Clarke (from 11 March 2024)

All of the current Trustees are future beneficiaries of the Scheme. Trustees are not paid a fee but may recover expenses incurred in the exercise of their functions as a Trustee, in accordance with Scheme rules. During 2023 – 24, there were nil such expenses recovered from the fund (2022-23 nil).

Trustees' Responsibilities

A statement of Trustees' responsibilities is set out on page 29.

Information about the Trustees

The assets in the pension scheme Fund shall be vested in and administered by the Trustees. The Trustees shall hold the assets comprised in the Fund upon trust in accordance with the provisions of the AMP Scheme.

- The procedure of the Trustees shall be such as the Trustees may determine.
- The quorum for any meeting of the Trustees shall be three.
- The Trustees may act by a majority of those present at any meeting.
- The Trustees may employ such staff and obtain such professional advice and services as they think necessary in connection with the performance of their functions under this Scheme.
- The expenses of the Trustees in the exercise of their functions shall be defrayed out of the Fund.

Trustee Meetings

Two regular meetings and two extra-ordinary meetings were held during the reporting period ending 31 March 2024.

The minutes of the meetings are published on the Assembly Commission's website.

Scheme Advisors

The Trustees have appointed a number of other parties to assist them in their role and with the administration of the Fund. The names of the advisors during the year and up to the date of signing the Financial Statements are:

Responsibility	Name	Appointed By
Actuarial Advice	The Government Actuary's Department (GAD)	Part Q1 (2) of the Assembly Members' Pension Scheme (NI) 2016
External Auditor of Trustees' report and Annual Accounts	Comptroller and Auditor General (Northern Ireland Audit Office (NIAO))	Schedule 1 of the Assembly Members' Pension Scheme (NI) 2016
Investment Management	Abrdn Investment Management Limited (abrdn) as at 31 March 2024. However, as part of the transitional arrangements agreed the	Trustees

	funds remained invested with M & G Investments Ltd until transition in September 2023	
AVC Provider	Clerical Medical	Trustees
Legal Advice	Assembly Legal Services (Constitutional & Institutional Advice Only) Eversheds LLP	Trustees
Pension Administration	ISIO Ltd (formerly Deloitte Total Reward and Benefits Ltd to May 2023)	Trustees

Deloitte Total Reward and Benefits Ltd (DTRB Ltd) was acquired by ISIO in May 2023. The contract for administration services continues as before, but is now serviced by ISIO.

The day-to-day administration of the AMP Scheme and the provision of secretarial support for the Trustee meetings is undertaken by ISIO. The Assembly Commission's Finance Office provides additional administrative support to the Trustees, dealing with requests for historical and current payroll and service information, undertaking payroll duties and preparing the annual report and accounts of the Fund. This is provided under the terms of a long standing administration agreement between the Pension Trustees and the Assembly Commission.

Queries on pension related issues should, in the first instance, be sent to the ISIO Team at the following address:

Northern Ireland Assembly Members' Pensions Team
Isio c/o SPS
PO BOX 4916
Interface Business Park
Swindon
SN4 4RX

Tel: 0330 135 5742

AMPS@isio.com

Remuneration Report

No remuneration report is required since there are no employees and the Trustees do not receive any payment for their work in respect of the Scheme.

Declaration of Interests

In order to achieve the maximum degree of openness and impartiality, the Trustees have an opportunity at each meeting to declare any conflicts of interest. A register of Members interests is held and is available on the Assembly website at:

http://www.niassembly.gov.uk/your-mlas/register-of-interests/

Contribution and Benefit

Income of the Fund

The income of the Fund is derived from three main sources:

(1) Contributions received: from Members and holders of qualifying offices;

(2) Investments: See the Investment Managers' Report on page 17; and

(3) Consolidated Fund: A Consolidated Fund contribution, calculated in accordance with the recommendations contained in GAD's report under Scheme rule Article Q2 (3b), is paid into the Fund, out of money appropriated by Act of the Assembly for that purpose.

Contributions

Members and Office Holders in the CARE section of the AMP Scheme contribute 9% of their salaries. Members and Office Holders who remained in the Final Salary section of the Scheme under transitional protection arrangements, up to 5 May 2021, contributed either 9% or 12.5% of their salaries depending on their choice of accrual rate. However, from that date, all members of the AMP Scheme moved to the CARE section and, as such, all contributions are now made at 9%.

Consolidated Fund Contributions

With the introduction of the CARE section of the AMP Scheme on 6 May 2016, the Consolidated Fund contribution rate was reduced from 21.6% to 14.4%. This remained unchanged until GAD undertook a triennial valuation at 31 March 2020. Following this valuation, the Consolidated Fund contribution rate increased to 17.1% from 1 April 2021. During the reporting period the contribution rate remained unchanged.

Contributions from both the Members and the Consolidated Fund are calculated on the salaries provided for under Table 1 of the Assembly Members (Salaries and Expenses) Determination (Northern Ireland) 2016, as amended by the Assembly Members (Salaries and Expenses) (Amendment) Determination (Northern Ireland) 2020 ("the 2016 Determination"). This 2016 Determination provides for an annual uprating of Members and Office Holders salaries, if a number of conditions are met. The current salaries payable to Members and Office Holders are published as part of the Assembly Commission's publication scheme and are available on the Assembly website, by using the following link:

https://www.niassembly.gov.uk/your-mlas/members-salaries-and-expenses/salaries-and-expenditure-rates/salaries-and-expenditure-rates-2022-2027/

Following the election in May 2022, an Executive was not appointed resulting in a reduced level of Assembly business. This remained the case until 3 February 2024 when normal Assembly business resumed. During the period from 1 January 2023 until 4 February 2024 the Members of the Legislative Assembly and Officeholders had their salaries reduced by the Assembly Members (Salaries and Expenses) (Period in which Assembly not functioning) Determination (Northern Ireland) 2022. This Act provided that for the purposes of any determinations made under these powers, Members are treated as having whatever salary they would have had were it not for the determination under the Act being made. As a result, although Members received a reduced salary, contributions to the AMP

Scheme continued to be calculated on those salaries provided for under Table 1 of the 2016 Determination.

Benefits Payable

The benefits payable for 2023-24 were £1,848,846 (2022-23, £1,758,768).

Pension Increases

Benefits are uprated annually in line with the Consumer Prices Index; this is consistent with most public sector schemes and many private schemes. Pensions in payment increased by 10.1% from 6 April 2023. (6 April 2022 3.1%). Pensions that were in payment for less than a year were increased by a proportionate amount depending upon the number of months it had been in payment.

Losses and Special Payments

There were no losses identified during 2023-24 (2022-23, Nil).

Additional Voluntary Contributions (AVCs)

During 2023-24 Clerical Medical continued to act as the AVC provider for the AMP Scheme.

At 31 March 2024, there were two Members with uncrystallised benefits still to be withdrawn.

The AVC Scheme is closed to new contributors.

Transfers

All transfer out values paid to other pension schemes are calculated and verified by the Schemes Actuary in accordance with statutory requirements. There were no transfers out paid during the year.

Events After The Reporting Period

There have been no events after the reporting period.

Financial Review

The Financial Statements are prepared and audited in accordance with the Accounts Direction issued by the Comptroller and Auditor General, which refers to the Statement of Recommended Practice (SORP) (revised July 2018) Financial Reports of Pension Schemes, as far as appropriate.

Summary Financial Information

During the period, the Scheme transferred £38,558,976 from M&G Investments Ltd (M&G) to funds managed by abrdn, as a result of a change in investment manager. A further £919,058 was remitted to the abrdn for investment.

Income during the period was £4,506,762 (2022-23 £1,239,056), and expenditure, by way of pensions payable and expenses, was £2,067,428 (2022-23 £4,322,743). The overall effect on the movement in Net Assets of the Fund was an increase of £2,439,334 (2022-23 £3,083,687 decrease). This includes an increase in market value of investments of £3,253,017 (2022-23 £2,296,237 decrease).

This includes an increase in market value of investments of £3,253,017 reflecting strong investment performance. The greatest contributor to performance has been from the Scheme's equities, through its holdings in index tracking equity funds and through its Diversified Growth Fund. This strong performance reflects the market's optimism for the economy and in particular enthusiasm for companies exposed to Artificial Intelligence. This optimism was partially offset with expectations of the timing and pace of interest rate cuts being tempered, as the year drew to a close, expectations were that rate cuts might be by less than previously expected.

Scheme Funding Position

The Financial Statements summarise the net assets of the Scheme, they do not take account of the financial obligations to pay pensions and benefits that fall due after the end of the Scheme year. The actuarial position of the Scheme, which does take into account such obligations, is dealt with in the report on scheme liabilities, on page 12, which is prepared by the Government Actuary Department (GAD report).

The actuarial assessed accounting value of the AMP Scheme benefits accrued up to and including 31 March 2024, shows a deficit when the fair value of the assets is compared to the present value of the liabilities. This accounting (IAS19) deficit was assessed to be £2.3m as at 31 March 2024 (compared to an accounting deficit of £2.9m as at 31 March 2023).

A key part of the accounting valuation is to determine a current value of all the future pension obligations of the scheme, which are collectively referred to as the scheme's liabilities. In order to do this a number of assumptions are made, one of which is the discount rate (interest rate) used to calculate a current value for future obligations and payments. For accounting purposes, the discount rate is set in line with the yield on AA corporate bonds (as required by International Account Standard (IAS) 19). The net discount rate assumption for the 2024 accounting (based on updated market conditions and yield on AA bonds) was very similar to the 2023 accounting assumption and hence the value placed on liabilities has not changed significantly.

However, the scheme assets have performed slightly better than expected and this has resulted in a slight improvement in the funding position of the scheme on an accounting basis.

Investment Details and Performance

Statement of Investment Principles

Section 35 of the Pensions Act 1995, as amended, requires that the Trustees of pension funds prepare and maintain a 'Statement of Investment Principles'. Whilst the Scheme is statutorily exempt from this requirement, the Trustees have decided to produce this document in order to comply with best practice in other funded schemes. The Statement covers items such as how investments are chosen, the balance between asset classes, the Trustees' attitude to risk and the expected return and review procedures. It has been drawn up in consultation with GAD and is designed to cover the fundamental aspects of investment policy. A review of the investment strategy will be undertaken during the 2024 -25 reporting period, with an update of the Statement of Investment Principles.

Investment Management

The Trustees appoint an external Investment Manager to manage the investments of the Scheme. At the close of the Scheme year, abrdn was the investment manager to the Scheme and the day to day investment decisions were delegated to them. Abrdn were appointed in February 2022, however under agreed transitional arrangements, the assets remained with M&G at the beginning of the Scheme year. The management of the portfolio transitioned from M&G Investments Ltd (M&G) to abrdn during the Scheme year. The Trustees's were assisted in the transition by GAD, who prepared a transition strategy that aimed to promptly move assets whilst balancing costs and risks. The table below lists the abrdn funds, the percentage holding at 31 March 2024 and the respective investment management fee of the fund. The fee is based on a percentage of the total market value of the funds.

Fund	Investment Management Fee	Percentage Holding at 31 March 2024 (%)
SL Global Equity 50:50 Tracker	0.106%	52.4
SL Vanguard Emerging Markets Stock Index	0.255%	5.0
SL Vanguard UK Inflation linked Gilt Index	0.105%	6.9
SL Vanguard UK Investment Grade Bond Index	0.105%	20.8
SL abrdn Diversified Growth	0.725%	14.9

Insofar as the "Statement of Investment Principles" for the AMP Scheme relates to investments, the Trustees are content that the funds have been managed in accordance with their stated aims and objectives. The Trustees will continue to monitor the performance of the investments.

Scheme Membership

The membership of the Fund at 31 March 2024 was as follows:

Active Members		**Number in Category**
Members (as at 1 April 2023)		90
Add	New Entrants	2
	Rejoiners	0
Less	Retirements in the Period	(2)
	Death in Service	0
	Refund of Contributions	0
	Deferred Awards	(2)
	Transfer out of Scheme	-
Total Active Members (as at 31 March 2024)		**88**
Deferred Members		
Members (as at 1 April 2023)		63
Add	New Deferred Members	2
Less	Rejoiners	0
	Deferred Awards coming into payment	(3)
	Transfer Out	0
	Refund Contributions	0
	Deaths in the period	0
Total Deferred Members (as at 31 March 2024)		**62**
Pensions in Payment (Beneficiaries of the Fund)		
Pensions in Payment 1 April 2023 - Former Members		102
Pension in Payment 1 April 2023 Spouse and Dependants		31
Add	Members retiring in the period	2
	Deferred Members retiring in the period	3
	New Spouse pension in payment	0
	New Dependants pension in payment	0
Less	Rejoiners	0
	Serious Ill-Health Retirement	(1)
	Deaths in the period - Member	(1)
	Death in the period - Spouse/Dependant	0
	Cessation of Dependent pension - age	0
Total Pensions in Payment (as at 31 March 2024) *		**136**
** Of Which Members - 105; Spouses and Dependants 31.*		

Preparation and Audit of Annual Accounts

Summary of Financial Information

	2023-24	*2022-23*
	£	£
Total Fund at 1 April	**41,266,789**	**44,350,476**
What Went Into The Fund		
Consolidated Fund Contributions	927,494	842,772
Contributions from Members/Office holders	326,251	396,284
Additional Voluntary Contributions	-	-
Investment Income	-	-
Change in Market Value of Investments	3,253,017	-
Total	**4,506,762**	**1,239,056**
What Went Out of The Fund		
Benefits Payable	1,848,846	1,758,768
Refund of Contributions	-	-
Transfers Out of the Scheme	-	-
Administrative Expenses (including Bank fees)	28,397	33,292*
Advisory Fees	4,276	25,631
Actuarial Expenses	98,028	112,020
Investment Management Expenses	87,881	96,795*
Trustee Training	-	-
Change in Market Value of Investments	-	2,296,237
Total	**2,067,428**	**4,322,743**
Total Fund at 31 March	**43,706,123**	**41,266,789**
***** *These figures have round adjustment of £1k*		

The summary above is not the financial statements but a summary of information relating to both the Fund Account and the Net Assets Statement.

The Report for the Year ended 31 March 2024 including the Report on Actuarial Liabilities, Investment Report and Compliance Statement is approved on behalf of all the Trustees by:

Steve Aiken MLA
Chairman of the Trustees
Date: 22 January 2025
On behalf of the Trustees

Stewart Dickson MLA
Trustee
Date: 22 January 2025
On behalf of the Trustees

Government Actuary's Department Report

This is an extract from a full report prepared for the Trustees by the Government Actuary's Department, dated 25 June 2024.

Introduction

A. This statement has been prepared by the Government Actuary's Department at the request of the Trustees of the Assembly Members' Pension Scheme (Northern Ireland) 2016 (AMPS (NI) 2016). The Trustees have commissioned GAD to assess the liabilities of the Scheme in accordance with International Accounting Standard 19 (IAS19), and to prepare a statement for inclusion in the Scheme's accounts.

B. The AMPS (NI) 2016 is a final salary and career average revalued earnings (CARE) defined benefit scheme, the rules of which are set out in the Assembly Members' Pension Scheme (Northern Ireland) 2016. I am not aware of any informal practices operated within the scheme which lead to a constructive obligation. (Under IAS 19 constructive obligations should be included in the measurement of the actuarial liability).

C. The statement is based on an assessment of the liabilities as at 31 March 2020, with an approximate uprating to 31 March 2024 to reflect known changes.

D. The Northern Ireland Assembly has not been conducting normal business since the Assembly Election in May 2022. From 1 January 2023 until 4 February 2024 Members of the Assembly and remaining Officeholders have had their salaries reduced. During this period, Members of the Assembly continue to accrue benefits based on the level of salary applicable had the reduction not been implemented. While actual salaries are paid at a reduced rate and member contributions are levied on the reduced rate, the Northern Ireland Assembly Commission pays the balance of costs, including a "top up" contribution to bring member contributions up to the full rate.

Membership Data

E. Tables A to C summarise the principal membership data as at 31 March 2020 and 31 March 2024 used to prepare this statement.

Table A – Active members (MLAs and officeholders combined)

	31 March 2020		2023/24
Number	**Total salaries in membership data (pa) (£ million)**	**Total accrued pensions (£ million)**	**Total salaries (£million)**
89	5.0	0.814	4.80*

**Based on unreduced member salaries*

Table B – Deferred members

Number	31 March 2020 Total deferred pension (pa) (£ million)
59	0.575

Table C – Pensions in payment

Number	31 March 2020 Total pension (pa) (£ million)
112	0.920

Methodology

F. The present value of the liabilities has been determined using the Projected Unit Credit Method, with allowance for expected future pay increases in respect of active members on any final salary benefits, and the principal financial assumptions applying to the 2023-24 Resource Accounts. The contribution rate for accruing costs in the Year ended 31 March 2024 was determined using the Projected Unit Credit Method and the principal financial assumptions applying to the 2022-23 Resource Accounts.

G. This statement takes into account the benefits normally provided under the scheme, including age retirement benefits and benefits applicable following the death of the member.

Principal financial assumption

H. The principal financial assumptions adopted to prepare this statement are shown in Table D:

Table D – Principal financial assumptions

	31 March 2024 (% p.a.)	31 March 2023 (% p.a.)
Gross discount rate	4.75	4.65
Price inflation (CPI)	2.75	2.60
Earnings increases (excluding promotional increases)	4.25	4.10
Real discount rate (net of CPI)	1.95	2.05

Demographic assumptions

I. The demographic assumptions adopted for the assessment of the liabilities as at 31 March 2024 are based on those adopted for the 2020 funding valuation of the AMPS (NI) 2016.

J. The standard mortality tables known as S3NxA are used. Mortality improvements are in accordance with those incorporated in the 2020-based principal population projections for the United Kingdom.

K. The contribution rate used to determine the accruing cost in 2023-24 was based on the demographic and financial assumptions applicable at the start of the year: that is, those adopted for the 2022-23 Resource Accounts.

Liabilities

L. Table E summarises the assessed value as at 31 March 2024 of benefits accrued under the scheme prior to 31 March 2024 based on the data, methodology and assumptions described above. The corresponding figures for the previous year end are also included in the table. Allowance has been made for the possible cost arising as a result of the McCloud case. It should be noted that there is considerable uncertainty around the potential additional costs as a result of the judgment, as the form of remedy is uncertain. No allowance has been made for possible costs arising as a result of GMP equalisation.

Table E – Statement of Financial Position (£ million)

	31 March 2024	31 March 2023
Total market value of assets	43.4	41.0
Value of liabilities	(45.7)	(43.9)
Surplus/(Deficit)	(2.3)	(2.9)
Funding Level	95%	93%

Pension cost

M. The cost of benefits accruing in the Year ended 31 March 2024 (the Current Service Cost) is based on a standard contribution rate of 25.2% (including member contributions but excluding expenses) [2023: 55.5%], as determined at the start of the year. Members accruing CARE benefits contribute 9% of pay*. Table F shows the standard contribution rate used to determine the Current Service Cost for 2022-23 and 2023-24. The Employer tops up Member contributions to the full rate.

(*Members will pay their 9% contribution on reduced pay for the periods that this applies)

Table F – Current Service Cost

Percentage of pensionable pay	**2023-24**	**2022-23**
Current Service Cost (excluding expenses)	25.2%	55.5%
Members' contribution rate (average)	(9.0%)*	(9.0%)*
Employer's Current Service Cost (excluding Member contributions and expenses)	**16.2%***	**46.5%***

** These are unadjusted rates, before any allowance for the reduced salaries members received between 1 January 2023 and 4 February 2024, the period in which the Assembly is not conducting normal business. In practice, we understand members only pay contributions (at their standard 9% rate) on the actual (reduced) salary they are receiving, although benefits continued to accrue based on unreduced salary levels. The Northern Ireland Assembly Commission is making top up contributions to fund the shortfall in member contributions over the year. The disclosed current service cost for 2022-23 of £2.2m and 2023-24 of £1.0m includes allowance for actual employer contributions paid including the top-up payments.*

N. For the avoidance of doubt the employer's share of the standard contribution rate determined for the purposes of the Resource Accounts is not the same as the actual rate of contributions payable by the Assembly, currently 17.1%, which was determined based on the methodology and the financial and demographic assumptions adopted for the funding of the scheme. The most significant difference between the actuarial assessments for Resource Accounts and for scheme funding purposes is the discount rate net of pension increases, which was 2.00% p.a. for the 2023-24 Current Service Cost (-0.50% p.a. for 2022-23) compared with 2.25% p.a. for scheme funding. The higher discount rate for scheme funding purposes results in a lower assessed cost of benefit accrual. The discount rate for scheme funding is determined considering the assets held by the scheme and the expected returns on those assets.

O. The unreduced pensionable payroll for the financial year 2023-24 was £4.80 million [2023: £4.75 million]. Based on this information, the accruing cost of pensions in 2023-24 (at 25.2% [2023: 55.5%] of pay) is assessed to be £1.2 million [2023: £2.6 million] excluding expenses.

Memet Pekacar

Fellow of the Institute and Faculty of Actuaries
Government Actuary's Department

25 June 2024

The Compliance Statement

Benefits

All pensions paid in the year were authorised under the appropriate Act and thus made in accordance with the regulations of the AMP Scheme.

Tax Status of the Scheme

The Northern Ireland Assembly Members’ Pension Scheme is a statutory pension scheme within the meaning of Chapter 1, Part XIV of the Income and Corporation Taxes Act 1988 and is an ‘approved scheme’ for the purposes of accepting transfer values.

Funding Standard

The AMP Scheme is not subject to the Minimum Statutory Funding Objective requirements of the Pensions Act 2004. Accordingly, it is not appropriate for the actuarial statement to include an assessment of the statutory funding objective set out in the legislation and used by defined benefit schemes that are subject to technical provisions. Regular valuations at least every three years are required to check whether the statutory funding objective is met. Where it is not, trustees and employers agree a recovery plan.

Nevertheless, the Trustees have asked GAD to provide periodical reassurances that this level of funding would be met.

Investments

All investments are in holdings that are permitted by the regulations of the Fund. Although the Trustees cannot direct the investment strategy of the Fund in which the AMP Scheme invests, nevertheless, it will consider socially responsible investment policy issues when comparing two providers who are otherwise of equal preference.

Northern Ireland Assembly Members Pension Scheme – Investment Manager's Annual Report for the Year Ending 31 March 2024

Introduction

Third party pension investors can access pension funds through a contract of insurance. The Trustee Investment Plan (TIP) allows trustees of registered schemes to invest in a wide range of pension funds. Trustees can invest money held for a defined benefit scheme and for a defined contribution scheme. When purchasing a Trustee Investment Plan (TIP), the trustees of a scheme contract with Phoenix Life Limited ('PLL'), part of the Phoenix Group. abrdn Investment Management Limited (abrdn) manage the underlying investments and provide distribution, administration and dealing services on the TIP policies.

Fund	Number of units	Value (GBP)	Holding
SL Global Equity 50:50 Tracker	4,113,241	22,720,391	52.4
SL Vanguard Emerging Markets Stock Index	1,207,662	2,174,871	5.0
SL Vanguard UK Inflation linked Gilt Index	2,430,853	3,009,992	6.9
SL Vanguard UK Investment Grade Bond Index	6,008,077	8,996,006	20.8
SL abrdn Diversified Growth	5,417,003	6,454,462	14.9
Total		**43,355,720**	

Global Overview

Global stock markets rose strongly in both sterling and local currency terms over the 12 months. The prospect of monetary tightening coming to an end, with potential rate cuts ahead in 2024, supported global bond markets, after a torrid year for performance in 2022. Meanwhile, corporate bonds generated solid returns as investor risk appetite improved.

After central banks in Western economies had raised interest rates faster and much further than previously anticipated to counter multi-decade-high inflation, inflationary pressures lessened in many countries over the course of the period. Meanwhile, global economic growth held up better than many investors expected, defying fears of a recession triggered by higher rates.

As US and eurozone inflation continued to trend down, investor hopes rose that an end to interest-rate rises could be in sight. After some market volatility in April and May, equities performed strongly over June and July due to news of a compromise agreement on the US debt ceiling and further encouraging inflation data. Nevertheless, still-hawkish rhetoric from central banks continued to weigh on bonds. Both equities and bonds generated negative returns in August, September and

October on concerns that interest rates would stay higher for longer. However, equities and bonds then recovered towards the end of the period as reassuring inflation trends led to investors looking ahead to the prospect of rate cuts in 2024

UK

The UK stock market, as represented by the FTSE All-Share Index, recorded a gain in sterling terms over the period. Both the FTSE 100 Index, home to multinational companies, and the FTSE 250 Index, which contains smaller companies typically more focused on the domestic UK economy, had similar increases.

The performance of the FTSE 100 Index lagged those of many overseas markets given it is home to many so-called defensive shares. It also contains several energy and mining companies; commodity prices, while still historically high, ended the period below the levels reached after the outbreak of the war in Eastern Europe in early 2022. Meanwhile, smaller UK companies were held back for much of 2023 by heightened economic uncertainty. However, they performed better towards the end of the period due to improved investor risk appetite given an improving outlook for the domestic economy.

The Bank of England (BoE) announced a further three interest rate increases over the period, taking its base rate from 3.50% at the start of 2023 to 5.25% by the end of it. The BoE increased its base rate by a further 25 basis points (bps) in May, by 50 bps in June and then by 25 bps in August. As a result, UK annual consumer inflation continued to trend downwards over the period, with the headline rate falling from 4.0% in January to a lower-than-expected 3.4% in February. However, it has still remained above the BoE's 2% target, as well as the rates recorded in both the US and eurozone, in part due to elevated food prices

US

US share prices, as measured by the broad S&P 500 Index, rose strongly in both sterling and US dollar terms over the 12-month period.

Growth-focused stocks, such as technology companies, performed particularly well. These stocks are more sensitive to the prospect of monetary tightening coming to an end, and then reversing, because of the favourable effect on their future discounted earnings.

Faced with a relatively robust economy, the US Federal Reserve (Fed) continued to tighten policy over the period. However, a sustained fall in annual inflation meant that the Fed only raised rates by 25 bps at both its May and July meetings. The latest increase took the target range for the fed funds rate to 5.25-5.50%, the highest level since 2001.

US stock markets rose steadily over most of the period. In particular, investor sentiment was helped by the long-awaited news in late May of an agreement over raising the US debt ceiling. A strong performance by the technology sector, especially artificial intelligence-related stocks – such as NVIDIA, Microsoft and Alphabet – was also supportive. Investor concern that interest rates would stay higher for longer led to stocks notably weakening in August, September and October.

However, equities rebounded notably towards the end of the period as these fears eased due to encouraging inflation trends.

Europe

Continental Europe's stock markets, as measured by the FTSE World Europe ex UK Index, rose over the 12-month period both in sterling and, particularly, in euro terms.

Following a period of surging inflation, higher interest rates and the shock of the Russia-Ukraine war, investor sentiment in the region improved at the start of the period. This was due to declining annual inflation – driven by falling energy prices as supply issues improved – and an unexpectedly resilient European economy, with continued low unemployment.

As a result, European equities performed well until the summer of 2023. They then weakened over August, September and October on concerns about further monetary tightening and slowing economic growth. However, those fears then eased, leading to a notable rebound in equities towards the end of the period. The European Central Bank (ECB) continued to raise rates over the course of 2023 as it strove to bring the annual inflation rate down to its 2% target. The ECB's 25 bps increase in its key interest rates in September, the sixth hike of the year, took the base rate to 4.50%. Against this backdrop, annual inflation declined from 2.6% in February 2024 to a lower-than-expected 2.4% in March, a preliminary estimate showed. Meanwhile, eurozone GDP remained flat in the fourth quarter of 2023. This was after a 0.1% fall in output in the previous quarter, meaning that a technical recession was narrowly avoided.

Pacific

Stock markets in the Asia Pacific (excluding Japan) region advanced over the 12-month period in sterling terms but rose by more in local-currency terms.

Investor sentiment was boosted by signs that high annual inflation globally was beginning to subside, with fears diminishing that the world economy could be tipped into a recession by interest-rate hikes. However, increasing concerns about the Chinese economy, as well as uncertainty caused by both Russia's invasion of Ukraine and the Israel-Hamas conflict, meant that stock-market returns in the region were modest.

Indeed, Chinese share prices relinquished their post-reopening gains over the period. This reversal was due to growing risks in the country's highly indebted property sector (centered around major developers like Evergrande and Country Garden), ongoing geopolitical tensions with the US and a regulatory crackdown (which focused on data privacy and national security). Against this backdrop, Chinese equities continued to fall despite the country's authorities announcing various stimulus measures aimed at boosting investor sentiment (which finally supported the market in February and March). In contrast, the Taiwanese and South Korean stock markets both recorded strong gains over the 12- month period, helped by their relatively high weightings to the technology sector.

Japan

The Japanese stock market, as measured by the TOPIX Index, recorded a strong double-digit gain in yen terms over the 12- month period; it increased less in sterling terms due to the depreciation of the yen.

Facing milder inflationary pressures than the world's other major central banks, the Bank of Japan (BoJ) left its key interest rate unchanged at -0.1% and the target for the 10-year government bond yield at around 0% for much of the period. However, with annual core inflation still above the 2% target, the BoJ made its yield-curve control policy more flexible at its July meeting then further tweaked it at its October meeting. As expected, the BoJ then raised its key short-term interest rate from -0.1% to around 0-0.1% at its March meeting. This was the first rate hike since 2007, concluding eight years of negative interest rates. The central bank also finally ended its yield-curve-control policy. Given the BoJ's ongoing commitment to maintaining its ultra-loose monetary policy, the Japanese yen steadily weakened over the period, leading to mounting speculation of currency-market intervention.

Meanwhile, the Japanese economy grew by just 0.1% in the fourth quarter of 2023, after having contracted by 0.8% over the previous three months, narrowly avoiding a technical recession. This sluggish economic performance was due to weak domestic consumption, although there was a positive contribution from net trade. Nevertheless, solid company results and an increased focus by Japanese companies on shareholder returns helped share prices climb notably higher over the period.

Corporate Bonds

Corporate bond prices had a solid performance over the 12- month period, although investment-grade bonds underperformed riskier high-yield bonds due to the former's higher interest-rate sensitivity and the latter's exposure to a morerobust economic environment than had been feared by investors.

At the start of the period, challenging market conditions persisted over April and May. This was against a backdrop of sharply rising interest rates, stubbornly high annual inflation and a worsening economic outlook. In particular, credit spreads – the yield premium received by investors in return for the typically greater risk of lending to companies rather than governments – remained elevated.

Calm then returned to bond markets over the next few months. Spreads tightened on growing expectations that global inflation pressures could be peaking. This fuelled investors' hopes that the current cycle of interest-rate rises could be nearing its end and helped corporate bonds to perform better as investors' appetite for riskier assets started to return. In particular, income-oriented investors were drawn to corporate bonds because of their historically attractive yields. Corporate bond markets continued to have strong months in November and December, before a more mixed performance in the first quarter of 2024. As a result, spreads ended the period significantly lower than where they were before March's volatility.

Government Bonds

Global government bonds mostly recorded gains in local-currency terms, but performance was more mixed in sterling terms. After years of record-low interest rates, many central banks have now significantly raised rates in an effort to contain inflation. Following a major sell-off in 2022, though, government bond markets recovered notably over the period. This was driven by expectations of an end to interest-rate hikes and anticipation of potential rate cuts in 2024.
Faced with falling, but still-high, annual inflation, the Fed continued to raise rates in 2023. It hiked them by another 25 bps in May. However, with increasing signs that its policy was having an impact on reducing the rate of price increases, the Fed then paused its tightening campaign in June before announcing another 25 bp hike in July.

The BoE increased its base rate several more times over the course of 2023. It raised it by 25 bp in May, another 50 bp in June and then 25 bp in August. As a result, annual inflation in the UK has continued to decrease in recent months. However, the UK's central bank has said that it will maintain a restrictive monetary policy stance for now.

While inflationary pressures in the eurozone eased somewhat as 2023 progressed, they remained elevated. As a result, the ECB continued to raise rates, with further 25-bp hikes in May, June, July and September. In contrast, the Japanese central bank maintained its ultra-loose monetary policy, arguing that underlying demand in the Japanese economy remained weak. However, the BoJ tweaked its yieldcurve control policy at its July and October meetings. The central bank, at its March meeting, then raised its key short-term interest rate from -0.1% to around 0-0.1% (the first increase for 17 years) and ended its yield-curve-control policy for 10-year government bonds.

UK Commercial Real Estate

Total returns for UK commercial real estate were 0.3% over the 12 months to the end of March (the latest data available). The office sector was the weakest, returning -11.5%, while industrial was the strongest, with a return of 5.9%.

The UK economy contracted in the second half of 2023, with gross domestic product (GDP) shrinking over the final two quarters. Despite briefly entering a technical recession, the UK economy is expected to return to moderate growth over the course of this year. Indeed, monthly GDP for January was positive at 0.2%. Housing activity is picking up, while the return of positive real income growth has helped to boost consumer sentiment and spending.

UK investment volumes remain subdued, as liquidity has become a major limiting factor. With a total of £9 billion worth of transactions in the first quarter of 2024, there is a distinct lack of attractive stock. Activity has been slow, as investors await an improvement in the macroeconomic environment. We expect a muted first half of 2024, as most investors have little motivation to sell. Activity should pick up later in the year, as more conviction returns to the market.

UK real estate looks poised for a modest recovery after some positive economic developments. With inflation seemingly under control and the first interest-rate cuts expected during the summer, we forecast a material increase in UK real estate performance from 2025. We expect any areas of distress to be quite localised as debt maturities filter through, rather than as a result of any systemic breaches in covenants. These pockets of stress will largely be focused on poor-quality assets with significant capital expenditure requirements. Such assets could provide opportunities for cash-ready investors, as the outlook for the wider market improves.

Performance

Investment returns as at the year end for this Scheme are shown in the table below.

Performance

Fund Benchmark	12 months to 31/03/2024 (%)	3 years to 31/03/2024 p.a. (%)	5 years to 31/03/2024 p.a. (%)
SL Global Equity 50:50 Tracker	16.0	10.3	9.5
50% FTSE All Share, 50% MSCI World ex UK	15.9	10.3	9.7
SL Vanguard Emerging Markets Stock Index	4.7	-2.8	2.5
MSCI Emerging Markets Total Return (net) GBP Index	5.9	-2.2	2.9
SL Vanguard UK Inflation linked Gilt Index	-5.5	-10.6	-5.7
Bloomberg Barclays UK Government Inflation Linked Bond Float Adjusted Total Return GBP index	-5.4	-10.5	-5.6
SL Vanguard UK Investment Grade Bond Index	5.6	-3.5	-0.5
Bloomberg Barclays GBP Non-Government Float Adjusted Bond Total Return GBP index	6.2	-3.2	-0.3
SL abrdn Diversified Growth and Income B	8.3	4.1	3.8
SONIA GBP	5.0	2.4	1.6

Fund performance figures are calculated net of annual management charge (excluding and rebates) over the stated period, with net income reinvested

Northern Ireland Assembly Members Pension Scheme – Investment Manager's Annual Report

Northern Ireland Assembly Members Pension Scheme

Report for the Year Ending 30 September 2023

Introduction

The Scheme invests in pooled pensions fund units provided by Prudential Pensions Limited (PPL), a wholly owned subsidiary within M&G plc. The units held by the pension fund are part of an agreement between the Trustees and Prudential Pensions Limited, which is in the form of an Insurance Policy. The policy itself is the 'asset' that the Trustees own, and the units within the funds provide an easy method of valuation of the policy. These units can be bought and sold on a daily basis and the underlying assets are invested in marketable securities and in the case of the property holding, commercial property. Total discretion for the day-to-day management of the assets has been delegated to M&G Investment Management Limited, the fund management company owned by M&G plc.

M&G pooled pensions has previously invested the assets of the Scheme in accordance with a strategic benchmark allocation set by the trustees shown below. The benchmark was suspended in June 2023.

Asset Class	Active/ Passive	Benchmark %	Control Ranges (%)
UK Equity	Passive	23.5	13.5 – 33.5
North America Equity	Passive	10.5	5.5 – 15.5
Europe Equity	Passive	13.5	7.0 – 20.0
Japan Equity	Passive	6.0	3.0 – 9.0
Pacific Basin (ex-Japan) Equity	Passive	8.5	4.5 – 12.5
Global Emerging Markets	Active	5.0	2.0 – 8.0
Long Dated Corporate Bond	Active	25.0	15.0 – 35.0
Index-Linked Passive Fund	Passive	8.0	4.0 – 12.0

Investment Distribution/Strategy

The following table provides a breakdown of the Scheme assets at the beginning and end of the period. The Scheme disinvested all assets on 11 September 2023.

Asset Distribution *(By Fund)*	**11/09/23 %**	**30/09/22 %**
UK Equity Passive	0.0	24.6
North America Equity Passive	0.0	12.0
Europe Equity Passive	0.0	14.1
Japan Equity Passive	0.0	6.6
Pacific Basin (ex-Japan) Equity Passive	0.0	10.1
Global Emerging Markets	0.0	5.3
Long Dated Corporate Bond	0.0	21.0
Index Linked Passive	0.0	6.3
Total	0.0	100.0

Source: M&G, Bid price basis

The scheme also has a separate holding under PPL 6658. The assets at the beginning and end of the period are shown below.

Asset Distribution *(By Fund)*	**11/09/23 %**	**30/09/22 %**
Episode Allocation	0.0	98.6
Cash	0.0	1.4
Total	0.0	100.0

Source: M&G, Bid price basis

Review of Investment Markets

Global equities advanced over the 12 months under review. Central banks in most markets continued to raise borrowing costs, but as headline inflation decelerated there was growing speculation that interest rates were at or near their peak. In general, economic outcomes were better than had been expected, helped by a remarkably resilient US economy. In contrast, China's economic rebound from the ending of all pandemic restrictions at the end of 2022 disappointed, with momentum fading over the summer of 2023.

UK shares rallied, with large multinational companies faring far better than domestically focused stocks given the UK's cost-of-living crisis. Elsewhere, European shares were among the strongest performers as predictions of a severe recession proved overblown. US indices also rallied strongly, led by a narrow range of tech stocks which benefitted from growing interest in artificial intelligence and its applications, although a weakening dollar capped the gains for UK investors. Japanese stocks also surged in local currency terms, driven by robust overseas demand, but the yen lost ground as the Bank of Japan remained an outlier as it stuck with its accommodative stance. In contrast, emerging market equities underperformed, dragged down by losses in China.

Global bonds sold off. Yields surged to the highest levels in more than a decade as investors priced in that interest rates would need to stay higher for longer to bring inflation back to target. In September 2023, the yield on the 10-year US Treasury bond traded as high as 4.65%, its highest level since July 2007, while the 10-year German Bund yield reached a 12-year high of 3.0%. In the UK, the 10-year Gilt yield surpassed the level seen during the market dislocations caused by Liz Truss's short-lived premiership. In general, corporate bonds outperformed sovereign debt.

UK commercial property returns were negative as higher interest rates weighed on valuations. Performance was most challenged in the office sector, particularly non-core offices in secondary locations. Retail properties also struggled, as consumers grappled with higher inflation. Whilst industrials saw significant yield shift initially, valuations have now started to stabilise.

Performance

Investment returns as at the year end for these funds are shown in the table below.

Fund / Benchmark	Performance to 30/09/23 (Annualised) %		
	1 year	**3 years**	**5 years**
M&G PP Episode Allocation Fund	*9.0*	*5.4*	*2.4*
1 Week SONIA +5% p.a.	*9.0*	*6.6*	*6.2*

Source: M&G and ABI. Percentage change in bid prices. Returns shown are net of fees. Past performance is not a guide to the future. The value of units can go down as well as up and you may not get your money back. The value of overseas investments may be affected by currency exchange rates.

Fund Benchmark	Performance to 30/09/23 (Annualised) % 1 year	 3 years	 5 years
M&G PP Long Dated Corporate Bond	2.6	-13.9	-3.9
iBoxx £ >15 Years Non-Gilt Index	*2.8*	*-14.3*	*-4.4*
M&G PP Cash Fund	3.9	1.5	1.1
Sterling Overnight Index Average (SONIA) 1 Week.	*4.0*	*1.6*	*1.1*

Source: M&G. Percentage change in bid prices. Returns shown are net of fees. Past performance is not a guide to the future. The value of units can go down as well as up and you may not get your money back. The value of overseas investments may be affected by currency exchange rates.

Fund Benchmark	Performance to 30/09/23 (Annualised) % 1 year	 3 years	 5 years
M&G PP Index-Linked Passive Fund	-13.2	-16.0	-6.5
iBoxx UK Gilt Inflation-Linked Over 5 Year Index	*-13.2*	*-16.1*	*-6.5*

Source: M&G. Percentage change in bid prices. Returns shown are net of fees. Past performance is not a guide to the future. The value of units can go down as well as up and you may not get your money back. The value of overseas investments may be affected by currency exchange rates.

Fund Benchmark	Performance 30/09/23 (Annualised) % 1 year	 3 years	 5 years
M&G PP UK Equity Index Fund	14.9	11.7	3.6
FTSE All-Share Index	*13.8*	*11.8*	*3.7*

Source: M&G. Percentage change in bid prices. Returns shown are net of fees. Past performance is not a guide to the future. The value of units can go down as well as up and you may not get your money back. The value of overseas investments may be affected by currency exchange rates.

ACTIVE MULTI-ASSET FUNDS

- The **M&G PP Episode Allocation Fund** gains its exposure through the M&G Episode Allocation Fund, an M&G OEIC. The fund seeks to manage risk by investing globally across multiple asset classes, sectors, currencies and countries. The fund will typically invest 20-60% of its assets in equities and convertibles, 30-75% in fixed income securities or cash, and up to 20% in other assets. These allocations reflect the net exposure of the portfolio. The fund will typically take investment positions at index or sector level, but it may also take positions in individual shares or bonds. The fund's investment strategy may involve the use of derivatives to take long or short positions.
- The fund rose by 9.0% over the 12 months under review, in line with its comparator. Equities rallied as headline inflation rates eased and global economic activity was mostly stronger than had been expected. Technology companies, in particular, soared, boosted by rising interest in artificial intelligence and an improving outlook for semiconductor demand. In contrast, government bonds sold off sharply as markets adjusted to the prospect that rates would stay higher for longer.
- Equities contributed the most to performance, particularly the exposure to European stocks as well as UK and Japanese shares. Holdings in the US, particularly banks, were also beneficial, as were positions in the tech-heavy markets of South Korea and Taiwan. Non-mainstream allocations to emerging market bonds, especially in Mexico and Brazil, added further value, although an exposure to South Africa hurt. While an exposure to corporate bonds was helpful, holdings of US Treasuries and UK gilts hurt. A position in the M&G Property Portfolio also detracted.

- The **M&G PP Long Dated Corporate Bond Fund** invests mainly in high quality Sterling corporate bonds with over 15 years to maturity. The fund is actively managed against its benchmark, the iBoxx Sterling Over 15 Years Non-Gilts Index. The fund may also hold UK government gilts and limited amounts of high yield and hedged non-sterling corporate bonds. Derivative instruments may be used for efficient portfolio fund management.
- The fund rose by 2.6% over the 12 months under review, lagging its benchmark which returned 2.8%. Global government bonds sold off with yields reaching multi-year highs as rampant inflation caused central banks to hike interest rates aggressively. Corporate bonds outperformed government debt: credit spreads tightened over the review period, despite widening sharply during the banking crisis in the spring. High-yield bonds performed the best as their larger coupons helped to provide a cushion against rising rates.
- Sector selection had a negative impact on the fund's relative performance as underweight positions in the industrial, quasi and foreign government, and financial sectors detracted in an environment where credit spreads tightened. That said, overweight positions in the securitised and utility sectors were modestly helpful. Security selection also added relative value. All sectors saw positive security selection, led by the utility sector, where an overweight holding in Enel helped.

- The **M&G PP Cash Fund** invests in both secured (reverse repurchase agreements) and unsecured interest bearing deposits, as well as short-term UK Government bonds and bills and Certificates of Deposit. It is actively managed against its benchmark, the Sterling Overnight Index Average (SONIA) 1 Week.
- The fund returned 3.9% over the 12 months under review, slightly lagging its benchmark which returned 4.0%. UK inflation eased but remained far stickier compared with other developed markets, with the headline rate of inflation holding steady at 6.7% in September although core inflation slid to 6.1%, the lowest level since January. Against this backdrop, the Bank of England increased the UK base rate to 5.25%, its highest level since 2008.
- The fund continued to be actively managed with a focus on capital preservation and liquidity. The fund was primarily invested in reverse repurchase agreements ('reverse repos') which provide collateral, typically short-term gilts, against cash deposits made by the fund. All reverse repos were transacted with banks from M&G's counterparty credit risk panel and had a maturity of no more than one month.

- The **M&G PP Index-Linked Passive Fund** invests in UK Government index-linked gilts with over five years to maturity. The Fund is passively managed against its benchmark, the iBoxx UK Gilt Inflation-Linked Over 5 Year Index. Tracking this index is achieved by fully replicating the stocks in the Index.

- The **M&G PP Global Emerging Markets Fund** gains its exposure through the M&G Global Emerging Markets Fund, an M&G OEIC. The fund is actively managed and performance is compared to the MSCI Emerging Markets Index. At least 80% of the Fund is invested directly in equity securities and equity-related securities of companies across any sector and market capitalisation that are incorporated, domiciled or do most of their business in Emerging Market countries. The Fund employs a bottom-up stock picking approach to identify companies whose long-term prospects are, in the fund manager's opinion, being undervalued. The Fund's approach incorporates three elements: return on capital, valuations and corporate governance. It is the core belief of the fund manager that company-specific factors, in particular their profitability (which is measured in terms of return on capital), drive share prices over the long run. The Fund's country and sector exposure is not influenced by top-down views. The Fund may also invest in other transferable securities directly and via collective investment schemes (including funds managed by M&G). The Fund may also hold cash and near cash for liquidity purposes. Derivatives may be used for Efficient Portfolio Management and hedging. **The fund closed in Q2 2023.**

- The **M&G PP UK Equity Index Fund** gains its exposure via the M&G (ACS) BlackRock UK All Share Equity fund. The underlying fund aims to be fully invested in the equity securities and equity related securities of companies that are constituents of the FTSE

All Share. Within the index-relative limits, the Investment Manager uses a structured and systematic, bottom-up stock selection process to build a portfolio with similar risk-return characteristics as the index in order to meet the fund's investment objectives. In addition the Investment Manager aims to maximise the fund's ESG characteristics by overweighting its investments in securities which score well against the Investment Manager's ESG research framework and underweighting the securities which score less well.

- The **M&G PP North America Equity Index Fund** gains its exposure via the M&G (ACS) BlackRock US Equity Fund and the M&G (ACS) BlackRock Canada Equity Fund. The underlying funds aim to be fully invested in the equity securities and equity related securities of companies that are constituents of the S&P 500 Index and the FTSE Canada Index respectively. Within the index-relative limits, the Investment Manager uses a structured and systematic, bottomup stock selection process to build a portfolio with similar risk-return characteristics as the index in order to meet the fund's investment objectives. In addition to the fund's objective, the Investment Manager aims to maximise the fund's ESG characteristics by overweighting its investments in securities which score well against the Investment Manager's ESG research framework and underweighting the securities which score less well.

- The **M&G PP Europe Equity Index Fund** gains its exposure via the M&G (Lux) BlackRock Europe ex UK Equity Fund. The underlying fund aims to be fully invested in the equity securities and equity related securities of companies that are constituents of the FTSE World Europe ex UK Index. Within the index-relative limits, the Investment Manager uses a structured and systematic, bottom-up stock selection process to build a portfolio with similar risk-return characteristics as the index in order to meet the fund's investment objective; in addition the Investment Manager aims to maximise the fund's ESG characteristics by overweighting its investments in securities which score well against the Investment Manager's ESG research framework and underweighting the securities which score less well.

- The **M&G PP Japan Equity Index Fund** gains its exposure via the M&G (ACS) BlackRock Japan Equity fund. The underlying fund aims to be fully invested in the equity securities and equity related securities of companies that are constituents of the MSCI Japan Index. Within the index-relative limits, the Investment Manager uses a structured and systematic, bottomup stock selection process to build a portfolio with similar risk-return characteristics as the index in order to meet the fund's investment objectives. In addition to the fund's objective, the Investment Manager aims to maximise the fund's ESG characteristics by overweighting its investments in securities which score well against the Investment Manager's ESG research framework and underweighting the securities which score less well.

- The **M&G PP Pacific Basin ex-Japan Equity Index Fund** gains its exposure via the M&G Funds (1) BlackRock Asia Pacific (ex Japan) Equity fund. The underlying fund aims to be fully invested in the equity securities and equity related securities of companies that are constituents of the FTSE World Asia Pacific ex Japan Index. Within the index-relative limits, the Investment Manager uses a structured and systematic, bottomup stock selection process to build a portfolio with similar risk-return characteristics as the index in order to meet the fund's investment objectives. In addition to the fund's objective, the Investment Manager aims to maximise the fund's ESG characteristics by overweighting its investments in securities which score well against the Investment Manager's ESG research framework and underweighting the securities which score less well.

Issued by M&G Financial Services Limited, which is authorised and regulated by the Financial Conduct Authority in the UK. M&G Pooled Pensions funds are provided under an insurance contract issued by Prudential Pensions Limited and Prudential Pensions Limited has appointed M&G Financial Services Limited as a distributor of its products. The registered office of both companies is 10 Fenchurch Avenue, London, EC3M 5AG. Both companies are registered in England under numbers 923891 and 992726 respectively.

Statement of Trustees' Responsibilities

The preparation of financial statements is the responsibility of the Trustees. Pension scheme regulations require the Trustees to make available to the AMP Scheme members, beneficiaries and certain other parties, audited financial statements each year which show a true and fair view of the financial transactions of the AMP Scheme during the reporting period. These statements must show the amount and disposition at the end of the scheme year of the Scheme's assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Scheme year.

The Trustees are responsible for agreeing suitable accounting policies, to be applied consistently, making any estimates and judgements on a prudent and reasonable basis.

The Trustees are also responsible for making available certain other information about the AMP Scheme in the form of an annual report.

The Trustees are responsible under legislation for ensuring that there is prepared, maintained, and from time to time revised, a schedule of contributions payable towards the scheme by the Consolidated Fund and the active members of the AMP Scheme. The Trustees are also responsible for keeping records in respect of contributions received in respect of any active member of the AMP Scheme, and for monitoring whether contributions are made to the AMP Scheme from the Consolidated Fund in accordance with the schedule of contributions, the AMP Scheme rules and recommendations of the actuary.

The Trustees also have a general responsibility for ensuring that adequate accounting records are maintained and for taking such steps as are reasonably open to them to safeguard the assets of the AMP Scheme and to prevent and detect fraud and other irregularities, including the maintenance of an appropriate system of internal control.

As Trustees we have taken all the steps that we ought to have taken to make ourselves aware of any relevant audit information and to ensure that the AMP Scheme's auditors have knowledge of that information. As far as we are aware, there is no relevant information of which the auditors did not have access to or were not notified of.

Governance Statement

Scope of Responsibility

We acknowledge our responsibility as Trustees for maintaining a sound system of governance to safeguard the public funds and assets connected with the Assembly Members' Pension Scheme (NI) 2016 (AMP Scheme).

The AMP Scheme is a statutory pension scheme and operates within a legislative framework.

Governance Framework

The responsibilities of the Trustees are clearly defined in the Statement of Trustees' responsibilities on page 29 within this Annual Report.

The Trustees are Members of the Legislative Assembly ("Members" or "MLAs"), appointed by Resolution of the Assembly in accordance with rules of the AMP Scheme (Article B2).

Not more than five members of the Assembly can be appointed as Trustees of the Scheme. During the reporting period there were two changes to the Trustees.

A list of the Trustees who held office during the year end 31 March 2024 and a record of their attendance at the meetings during their tenure is summarised in the table below:

Role	Name	Percentage of Regular Meetings Attended
Member	Ms Ciara Ferguson MLA (from 11 March 2024) (*no meetings took place between appointment and 31 March 2024)*	N/A
Member	Mr Trevor Clarke (from 11 March 2024) (*no meetings took place between appointment and 31 March 2024)*	N/A
Chair	Dr Caoimhe Archibald MLA (up to 20 February 2024)	100%
Member	Mr Stewart Dickson MLA	100%
Chair	Dr Stephen Aiken OBE MLA (appointed Chair 1 May 2024)	100%
Member	Mr Keith Buchanan MLA (up to 20 February 2024)	50%
Member	Mr Mark H Durkan	50%

During the period covered by this report two regular meetings and two extraordinary meetings were held during Year ended 31 March 2024.

The minutes of each Trustee meeting are published on the Assembly Commission's website.

The Trustees have appointed a number of professional advisors to assist them with discharging their duties. This includes legal advisors, pension administrators, auditors and actuaries. Briefing papers prepared by the AMP Scheme's professional advisors are presented and considered by the Trustees at each meeting. This includes regular review of matters arising and investment performance. This information, together with additional briefing papers prepared by Assembly Commission staff, provide good quality data which assists the Trustees in exercising their functions effectively. The Trustees are also provided with training to ensure that they have the knowledge and understanding they need to carry out the role and to meet regulatory requirements. As there was a recent change in Trustees, further training will be undertaken in 2024-25.

During the year, the management of the investment transitioned from M&G to abrdn. The Trustees were assisted in the transition by GAD, who prepared the transition strategy, oversaw the process, and provided a post transfer report. Going forward, the Trustees will continue to work with their investment advisers to review the investment strategy, and update the Statement of Investment Principles in 2024 -25, following the change in investment manager. As part of this review, the Trustees will also examine their approach to Environmental, Social and Governance issues within the investment strategy update.

The day-to-day administration of the AMP Scheme and the provision of secretarial support for the Trustee meetings is undertaken by ISIO, which acquired Deloitte Total Reward and Benefits Ltd (DTRB Ltd) in May 2023. The contract has not been renegotiated as part of ISIO's acquisition of DTRB Ltd., therefore, it continues to provide the same administrative services to the Trustees on the same terms.

The Assembly Commission's Finance Office also provides administrative support to the Trustees, dealing with requests for historical and current payroll and service information, undertaking payroll duties, making payments on behalf of the Trustees, managing cashflow and preparing the annual Report and Accounts. This is provided under the terms of a long-standing administration agreement between the Pension Trustees and the Assembly Commission.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of the AMP Scheme aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. It is based on a framework of regular management information, financial regulations, administrative procedures including the segregation of duties, and a system of delegation and accountability. This system of internal control has been in place for the AMP Scheme for the Year ended 31 March 2024 and up to the date of approval of the Annual Report and Accounts.

Significant Internal Control Problems

There were no significant internal control issues noted during the year.

Capacity to Handle Risk and Risk Management

The AMP Scheme's day-to-day administration is undertaken on behalf of the Trustees by ISIO (formerly DTRB Ltd); along with the responsibility for the development and maintenance of the control framework. The principle risks to the Trustees are identified and managed through a risk management regime, where principle risks are recorded on a register, which is reviewed and updated as required.

Trustees identify and assess risks into three categories, high/medium/low, based on factors such as the likelihood of the risk materialising, the impact that the risk might have if it did occur and the controls currently in place to manage each identified risk. Each risk has an identified risk owner. The resulting register is used to identify any additional measures, which are considered necessary to effectively manage the risks.

It had been intended to undertake a formal review of the risk register once following a full return to Assembly business and appointment of new Trustees were appointed. A detailed review of the emerging risks will be undertaken once risk management training has been delivered.

The following are examples of the risks that were identified previously and the measures put in place to minimise their impact:

- Investment: The pension fund is invested in line with the Statement of Investment Principles and responsibility has been delegated to the investment managers, abrdn;

- Pension Scheme Records: Accurate records have been maintained of past and present members, transactions into and out of the AMP Scheme and of Trustees' meetings;

- Pension Trustee Meetings are held regularly to monitor the steps taken by the administrative staff to manage risks in their areas of responsibility;

- Members: It is ensured that the Trustees appointed meet the member-nominated Trustee requirements. There is a procedure in place to resolve disputes about the AMP Scheme with members. Information is provided to AMP Scheme members; and

- Registration and Collecting the Levy: The registrar of Pensions is provided with information required by law and informed of any changes to Scheme.

Review of effectiveness

The Assembly Commission is subject to review by an internal audit team from EY, which operates to standards defined in the Public Service Internal Audit Standards. The internal audit work is informed by an analysis of the risk to which the Assembly Commission is exposed and annual internal audit plans are based on this analysis. The administration of the AMP Scheme and the support provided to the Trustees is covered by the work of the EY team.

The review of the effectiveness of the system of internal control is informed by the work of the auditors and the senior managers within the Assembly Commission who have responsibility for the development and maintenance of the internal control framework, and comments made by the internal audit team from EY and the external auditors from the Northern Ireland Audit Office, who audit the AMP Scheme accounts each year.

The most recent internal audit review (March 2019) and follow up review of the AMP Scheme (June 2022) concluded that the controls established by management were adequate to ensure that business objectives were met. A satisfactory level of assurance was awarded.

General

The McCloud judgement has the potential to increase the liabilities by an estimated £2.8 million.

The McCloud judgement found that the transitional protection offered to members of the Judiciary and Firefighters Schemes when their schemes were reformed was discriminatory on grounds of age. In light of this decision, the Government agreed to provide a remedy to eligible members across the main public sector schemes. This judgement could have an impact on Members who missed out on the Transitional Protection policy because of their age, when the AMP Scheme changed to a Career Average Revalued Earnings (CARE) Scheme in 2016.

However, the applicability of, and approach to, the McCloud judgement in relation to the AMP Scheme is not a matter for the Assembly Commission. Instead it is a matter for the Independent Financial Review Panel (the Panel), which was established in July 2011 to determine matters on Members' pay, pension and allowances. A planned reform of the scope and terms of office for the Panel was not completed prior to the Assembly election in May 2022 and as such, no appointments were made to the Panel, following the end of tenure of the previous Panel members in July 2016.

The AMP Scheme cannot be amended in the absence of a Panel so this matter remains unresolved. Therefore, this matter will be given further consideration once a new Panel is appointed. In the absence of the Panel to consider and develop a remedy for those Members who will be affected by this judgement an estimate for the costs have been factored in by the Government Actuary's Department (GAD) calculations. Liaising with GAD, the Trustees are keeping a watching brief on how other UK Parliamentary pension schemes are developing and implementing appropriate remedies.

Personal Data Incidents

There have been no personal data related incidents or data losses during the year.

Approved on behalf of the Trustees by:

Steve Aiken MLA
Chairman of the Trustees
Date: 22 January 2025

Stewart Dickson MLA
Trustee
Date: 22 January 2025

NORTHERN IRELAND ASSEMBLY MEMBERS PENSION FUND

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Opinion on financial statements

I certify that I have audited the financial statements of the Northern Ireland Assembly Member's Pension Scheme for the year ended 31 March 2024 under Schedule 1 (6) of the Assembly Members Pension Scheme (NI) 2016. The financial statements comprise the Fund Account, Net Assets Statement, and the related notes including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and Financial Reports of Pension Schemes- A Statement of Recommended Practice (2018).

In my opinion the financial statements:

- give a true and fair view of the state of the scheme's affairs as at 31 March 2024 and of the net increase in the fund during the year and of the amount and disposition at that date of its assets and liabilities other than liabilities to pay benefits after the Scheme year end; and
- have been properly prepared in accordance with Schedule 1 (6) of the Assembly Members Pension Scheme (NI) 2016 and directions issued by the Comptroller and Auditor General thereunder.

Opinion on regularity

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Basis for opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK), applicable law and Practice Note 10 'Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of this certificate. My staff and I are independent of the Northern Ireland Assembly Members Pension Scheme in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the Financial Reporting Council's Ethical Standard, and have fulfilled our other ethical responsibilities in accordance with these requirements.

I believe that the audit evidence obtained is sufficient and appropriate to provide a basis for my opinions.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the Northern Ireland Assembly Members Pension Scheme's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Northern Ireland Assembly Members Pension Scheme's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my audit certificate and report. The Trustees are responsible for the other information included in the annual report. My opinion on the financial statements does not cover the other information and except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Opinion on other matters

In my opinion, based on the work undertaken in the course of the audit:

- the information given in the Trustees' Report, the Compliance Statement and Investment Manager's Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

In the light of the knowledge and understanding of the Northern Ireland Assembly Members' Pension Scheme and its environment obtained in the course of the audit, I have not identified material misstatements in the Trustees report.

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with the Department of Finance's guidance.

Responsibilities of the Trustees for the financial statements

As explained more fully in the Statement of Trustees' Responsibilities, the Trustees are responsible for:

- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;

- ensuring the Trustees' Report is prepared in accordance with the applicable financial reporting framework;
- such internal controls as the Trustees' determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error; and
- assessing the Northern Ireland Assembly Members Pension Scheme's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Trustees' either intend to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to examine, certify and report on the financial statements in accordance with Schedule 1 of the Assembly Members Pension Scheme (NI) 2016.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue a certificate that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Northern Ireland Assembly Members Pension Scheme through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Assembly Members Pension Scheme (NI) 2016 and the Northern Ireland (Executive Formation etc) Act 2024;
- making enquires of management and those charged with governance on Northern Ireland Assembly Members Pension Scheme's compliance with laws and regulations;
- making enquiries of internal audit, management and those charged with governance as to susceptibility to irregularity and fraud, their assessment of the risk of material misstatement due to fraud and irregularity, and their knowledge of actual, suspected and alleged fraud and irregularity;
- completing risk assessment procedures to assess the susceptibility of Northern Irelands Assembly Members Pension Scheme's financial statements to material misstatement, including how fraud might occur. This included, but was not limited to, an engagement director led engagement team discussion on fraud to identify particular areas, transaction streams and business practices that may be susceptible to material misstatement due to fraud. As part of this discussion, I identified potential for fraud in the following areas: revenue recognition, expenditure recognition, posting of unusual journals and pension payments.
- engagement director oversight to ensure the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with the applicable legal and regulatory framework throughout the audit;
- designing audit procedures to address specific laws and regulations which the engagement team considered to have a direct material effect on the financial statements in terms of misstatement and irregularity, including fraud. These audit procedures included, but were not limited to, reading minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate; and
- addressing the risk of fraud as a result of management override of controls by:

- performing analytical procedures to identify unusual or unexpected relationships or movements;
- testing journal entries to identify potential anomalies, and inappropriate or unauthorised adjustments;
- assessing whether judgements and other assumptions made in determining accounting estimates were indicative of potential bias; and
- investigating significant or unusual transactions made outside of the normal course of business.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my certificate.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by the Assembly and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Report
I have no observations to make on these financial statements.

Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

29 January 2025

Financial Statements

Fund Account for the Year ended 31 March 2024

		£	£
	Note	**2023-24**	**2022-23**
Contributions and Benefits			
Contributions receivable	3	1,253,745	1,239,056
Individual transfers in from other schemes		-	-
		1,253,745	**1,239,056**
Individual Transfers paid to other schemes		-	-
Benefits payable	4	(1,848,846)	(1,758,768)
Other Payments	5	(17)	(1)
Administrative expenses	6	(130,684)	(170,942)
		(1,979,547)	**(1,929,711)**
Net additions from dealings with members		**(725,802)**	**(690,655)**
Returns on Investments			
Investment Income	7	-	-
Change in market value of investments	8	3,253,017	(2,296,237)
Investment management expenses	10	(87,881)	(96,795)
Net returns on Investments		**3,165,136**	**(2,393,032)**
Net Increase/(decrease) in the Fund During the period		2,439,334	(3,083,687)
Net Assets of the Fund at 1 April		41,266,789	44,350,476
At 31 March		**43,706,123**	**41,266,789**

The notes on pages 49 to 49 form part of these accounts.

Net Assets Statement as at 31 March 2024

		£	£
Investments	**Note**	**2023-24**	**2022-23**
Managed Fund	8	43,355,721	41,164,662
AVC Investment	8	62,837	64,153
Net current assets/(liabilities)	11	287,565	37,974
Net Assets of the Fund as at 31 March		**43,706,123**	**41,266,789**

The notes on pages 49 to 49 form part of these accounts.

These financial statements summarise the transactions of the Scheme and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the Scheme year. The actuarial position of the Scheme, which takes into account such obligations for the defined benefit section, is dealt with in the Government Actuary's Department Report on page 12 of the annual report and these financial statements should be read in conjunction with this report.

These financial statements were approved on behalf of the Trustees by:

Steve Aiken MLA
Chairman of the Trustees
Date: 22 January 2025

Stewart Dickson MLA
Trustee
Date: 22 January 2025

Notes to the Financial Statements

1 Basis of Preparation

The accounts meet the accounting and disclosure requirements of the Statement of Recommended Practice (SORP) (revised July 2018) Financial Reports of Pension Schemes, as far as appropriate.

The financial statements summarise the transactions of the Fund and deal with the net assets at the disposal of the Trustees. They do not take account of obligations to pay pensions and benefits which fall due after the end of the year. The actuarial position of the Fund, which does take account of such obligations, is dealt with in the Government Actuary's Department valuation report on the position of the Fund as at 31 March 2024 and these financial statements should be read in conjunction with that report.

2 Accounting Policies

The principal accounting policies are:

- Normal pension contributions are accounted for on an accruals basis;
- Pension benefits are accounted for on an accruals basis;
- Transfer values from and to other pension schemes represent the amounts received and paid during the year for members who either joined or left the Fund;
- The change in the market value of investments during the year comprises all increases and decreases in the market value of investments held at any time during the year;
- Pooled investments vehicles are included at fair value at the latest available bid price provided by the investment manager: and
- All other expenditure is accounted for in the period to which it relates.

3 Contributions Receivable

	2023-24	2022-23
	£	£
ER (Consolidated Fund) contributions:		
Normal	927,494	842,772
Members' contributions:		
Normal	326,251	396,284
Employees Arrears		
	-	-
Additional Voluntary Contributions (AVCs)		
	1,253,745	**1,239,056**

Consolidated Fund contributions are paid out of money appropriated by Act of the Assembly.

4 Benefits Payable

	2023-24 £	2022-23 £
Pensions	1,246,622	1,115,938
Lump sum payable on retirement	602,224	489,064
Lump sum payable at age 75	-	-
Lump sum payable on death	-	-
AVC lump sum payable on retirement	-	153,766
	1,848,846	**1,758,768**

Where members can choose whether to take their benefits as a full pension or as a lump sum with a reduced pension, retirement benefits are accounted for on an accruals basis on the later of the date of retirement and the date the option is exercised.

5 Other Payments

	2023-24 £	2022-23 £
Consultancy Fees	-	-
Trustee Training	-	-
Contribution Refund	-	-
Miscellaneous (bank fees)	17	1
	17	**1**

6 Administrative Expenses

	2023-24 £	2022-23 £
Actuarial Fees	98,028	112,020
Administration Costs	28,380	33,291
Advisory Fees	4,276	25,631
	130,684	**170,942**

The day-to-day administration of the AMP Scheme and the provision of secretarial support for the Trustee meetings is undertaken by ISIO (formerly DTRB Ltd). However, the Assembly Commission's Finance Office also provides administrative support to the Trustees, dealing with requests for historical and current payroll and service information, undertaking payroll duties and preparing the annual report and accounts. This is provided under the terms of a long standing administration agreement between the Pension Trustees and the Assembly Commission. The administrative costs of the ISIO contract are borne by the Scheme. The on-going costs of the work undertaken by the Finance Office, while acknowledged by the Trustees, are borne by the Assembly Commission and are not included in these accounts. The cost of this service by the Assembly Commission was £43,229 for 2023-24 (2022-23, £39,549).

The notional cost of the work performed by the Northern Ireland Audit Office for 2023-24 was £11,000 (2022-23 £10,000). This cost is borne by the Northern Ireland Assembly Commission.

7 Investment Income

	£	£
	2023-24	2022-23
Investment income	-	-
	-	-

Under the terms of the contract where a management fee rebate is received it is recognised as investment income as it is reinvested to purchase additional units in the relevant fund.

8 Investments

	Value at 31 March 2023	**Purchases at Cost**	**Sales**	**Retirement Benefits Paid**	**Changes in Market Value**	**Management Charges**	**Value at 31 March 2024**
	£	£	£	£	£	£	£
M&G Main Fund	35,014,805	-	(34,199,577)	-	(790,949)	(24,279)	-
M&G - Bond	6,149,857	-	(6,253,850)	-	117,708	(13,715)	-
Standard Life Main Fund	-	39,478,034	-	-	3,927,574	(49,887)	43,355,721
AVC Investments	64,153	-	-	-	(1,316)	-	62,837
Total	**41,228,815**	**39,478,034**	**(40,453,427)**	**-**	**3,253,017**	**(87,881)**	**43,418,558**

During the year £38,558,976 in funds was transferred from M&G to abrdn as a result of a change in investment manager, while a further £919,058 was remitted to the abrdn for investment (total £39,478,034). Indirect transaction costs were incurred through the bid-offer spread on investments and charges are made within those vehicles.

The change in market value of investments during the year comprises all increases and decreases in the market value of investments held any time during the year, including profits and losses realised on sales of investments during the year.

Pooled investments vehicles are included at fair value at the latest available bid price provided by the investment manager.

Risks Arising from Financial Instruments

Market Risk	Market risk or price risk is the risk of capital loss as a result of a fall in the price of investments. Fluctuations in price can arise from a variety of sources including interest rate risk, credit risk, currency risk and liquidity risk. The Fund is exposed to market risk as a result of its investment activities. The overall market risk of the Fund will depend on the actual mix of assets and market conditions and will encompass the different elements of risk, some of which may offset each other.
Interest Rate Risk	Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market interest rates. The AMPS does not hedge against the effect of such fluctuations and this position is reviewed regularly as part of the review of the investment strategy.
Credit Risk	Credit risk is the risk that the counterparty to a transaction or financial instrument will fail to discharge its obligation resulting in a financial loss. This risk is generally reflected in the market price of securities, resulting in the risk being implicitly accounted for in the carrying value of the Fund's investments. The Fund is exposed to credit risk in respect of its investment portfolio and this risk is managed through the selection and use of high quality counterparties and financial institutions.
Currency Risk	Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in foreign exchange rates. As a global investor whose liabilities are sterling based, the AMPS is exposed to fluctuations in exchange rates which can affect the valuation of its investments.
Liquidity Risk	Liquidity risk or cash flow risk is the risk that adequate cash resources will not be available to meet commitments such as the payment of benefits or future investment commitments as they fall due.

The investment strategy of the Fund is highlighted in the Investment Managers Report on page 17 of this report.

Fair Value Hierarchy

The fair value of financial instruments has been disclosed using the following fair value hierarchy:

Level 1

The unadjusted quoted price in an active market for identical assets or liabilities which the entity can access at the assessment dates.

Level 2

Inputs other than the quoted prices included within Level 1 which are observable (i.e. developed for the asset or liability either directly or indirectly.

Level 3
Inputs which are unobservable (i.e. for which market data is unavailable) for the asset or liability.

A fair value measurement is categorised in its entirety on the basis of the lowest level input which is significant to the fair value measurement in its entirety.

The Scheme's investment assets and liabilities fall within the above hierarchy as follows:

As at 31 March 2024	**£**	**£**	**£**	**£**
	Level 1	Level 2	Level 3	Total
Equities		24,895,261		**24,895,261**
Bonds		12,005,998		**12,005,998**
Multi-Asset		6,454,462		**6,454,462**
AVC Contribution	62,837			**62,837**
	62,837	**43,355,721**	**0**	**43,418,558**

As at 31 March 2023	£	£	£	£
	Level 1	Level 2	Level 3	Total
Equities		24,270,312		**24,270,312**
Bonds		10,826,290		**10,826,290**
Multi-Asset		6,068,060		**6,068,060**
AVC Contribution	64,153	-		**64,153**
	64,153	**41,164,662**	**0**	**41,228,815**

9 Additional Voluntary Contributions (AVCs)

The Trustees are responsible for administering an AVC scheme whereby participants in the Assembly Members' Pension Scheme may make contributions to secure additional benefits to those provided by the Pension Scheme. The AVC Scheme is closed to new contributors. At 31 March 2024 these contributions were invested separately from the Pension Fund, in a variety of Investment Funds, with an outside provider Clerical Medical. These investments secure additional benefits on a money purchase basis for those members electing to pay AVCs. Members participating in this arrangement will receive an annual statement confirming the amounts held in their account and the movements in the year.

10 Investment Management Expenses

The total management fee paid was £87,881 (2022-23, £96,795). The management fee paid to M&G was £37,994 and the management fee paid to abrdn was £49,887. The management fee is a percentage rate fee based on the value of the portfolio and is deducted on a monthly basis within the price of units held by the Members' Pension Scheme. Under the terms of the contract where a management fee rebates is received it is recognised as investment income as it is reinvested to purchase additional units in the relevant fund. None of the investment funds in abrdn currently attract a rebate. Nil rebate was recognised (2022-23, nil).

11 Net Current Assets / (Liabilities)

Current assets	**2023-24 £**	**2022-23 £**
Contributions and benefits:		
Contributions due	226,110	305,415
Deposit Accounts (AVC)	-	-
Balance at bank	90,054	(212,068)
Prepayments	-	-
Sundry Debtors	-	-
	316,164	93,347
Current liabilities		
Pension Arrears due	(19,577)	(18,895)
Other Creditors	(180)	(180)
Administrative Expenses:		
Other Advisory Fees	(88)	(21,648)
Actuarial Fees	(4,502)	(9,352)
Other Expenses	-	-
Administration Fees	(4,252)	(5,298)
	(28,599)	(55,373)
Net Current assets / (liabilities)	**287,565**	**37,974**

12 Related party transactions

None of the Trustees, key management staff or any other related party has undertaken any material transactions with the Fund during the year.

13 Events after the reporting period

There have been no events after the reporting period which require adjustment or disclosure under IAS10.

Date authorised for issue

The Trustees of the Assembly Members' Pension Scheme authorised these financial statements for issue on 29 January 2025.

ANNEX A

LEGISLATIVE BACKGROUND TO THE AMPS

General

The Assembly Members' Pension Scheme (Northern Ireland) 2000 (AMPS (NI) 2000) was established on 13 May 2000 under the Assembly Members' Pensions Determination 2000, made by the Secretary of State under section 48 of the Northern Ireland Act 1998, by virtue of paragraph 9 of the Schedule of the Northern Ireland Act 2000. The scheme provides benefits for Members and qualifying Office Holders of the Legislative Assembly.

On 30 June 2008, under section 48 of the Northern Ireland Act 1998, the Assembly resolved to confer upon the Assembly Commission the power to amend the pension scheme. On 1 July the Commission amended the rules of the scheme and directed that the revised scheme be called The Assembly Members' Pension Scheme (NI) 2008.

In 2011 the Assembly passed the Assembly Members (Independent Financial Review and Standards) Act (Northern Ireland) establishing a Panel to make determinations in relation to the salaries, pensions and allowances payable to Members.

The Scheme was updated during the 2012–13 year and was renamed the Assembly Members' Pension Scheme (NI) 2012.

In April 2016 the Panel issued The Assembly Members (Pensions) Determination (Northern Ireland) 2016, which introduced a Career Average Revalued Earnings (CARE) scheme for new and existing members. Existing members born on or before 1 April 1960 retained their Final Salary pension under transitional protection arrangements until 5 May 2021.

The new scheme, the Assembly Members' Pension Scheme (Northern Ireland) 2016, replaced the 2012 scheme from 6 May 2016.

Preparation of Annual Accounts

Paragraph 5 of Schedule 1 of the Assembly Members' Pension Scheme (NI) 2016 requires that annual accounts are prepared in accordance with a direction given by the Comptroller and Auditor General for Northern Ireland. The accounts have been prepared, as far as appropriate, in accordance with the Statement of Recommended Practice (SORP) Financial Reports of Pension Schemes in order to conform to best practice reporting requirements. A statement of the Trustees' responsibilities with regard to the preparation of the accounts is on page 29.

ANNEX B

AMP Scheme Provisions

The main provisions of the Scheme are:

	CARE Section	Final Salary Section
Retirement Age	65 or State Pension Age, whichever is the later	65
Normal Retirement		
(i) Pension	2% of pensionable salary each CARE year	Accrual rate (1/50 or 1/40) multiplied by reckonable service multiplied by final Member salary
(ii) Lump Sum	By exchanging some of the annual pension for a tax free lump sum on cost neutral terms	By exchanging some of the annual pension for a tax free lump sum on cost neutral terms
Early Retirement	From age 55 – the pension will be permanently reduced for early payment	From age 55 – the pension will be permanently reduced for early payment
Ill Health Early Retirement	Pension paid immediately without reduction for early payment; and An enhancement to the earlier of - the end of the current Assembly mandate or normal retirement age	Pension paid immediately without reduction for early payment; and An enhancement to the earlier of - the end of the current Assembly mandate or age 65
Benefit Limits	No restrictions on CARE pension	Annual pension capped at 2/3rds of final Member salary
Dependents Benefits		
(i) Spouse/Partner	On the death of the Member a pension is payable to widow / widower, legal Civil Partner or qualifying unmarried partner at a rate of 3/8ths of the value of the Members pension; and	On the death of the Member a pension is payable to widow / widower or legal Civil Partner at a rate of 5/8ths of the value of the Members pension; and
(ii) Child	A pension is payable to children aged 17 or less (22 or less if in full time education) at a rate of 1/4 of the value of the	A pension is payable to children aged 17 or less (22 or less if in full time education) at a rate of 1/4 of the value of the

	Members pension for 1 child and 3/8ths if 2 or more children	Members pension for 1 child and 3/8ths if 2 or more children
Death in Service		
(i) Lump Sum (dependent on the section of the Scheme that the member is in at the date of death)	Higher of two (2) times annual salary or refund of pension contributions paid to nominated person/s	Higher of three (3) times annual salary or refund of pension contributions paid to nominated person/s
(ii) Dependents Pension	As for 'Dependents Benefits' but with enhancement to the earlier of - the end of the current Assembly mandate or normal retirement age	As for 'Dependents Benefits' but with enhancement to the earlier of - the end of the current Assembly mandate or normal retirement age
Death After Retirement		
(i) Lump Sum	None	None
(ii) Dependents Pension	As for 'Dependents Benefits'	As for 'Dependents Benefits'
	If the pensioner member dies within five years of retirement the spouses pension is payable at the rate of the members own pension for the remainder of the five year guarantee period	If the pensioner member dies within five years of retirement the spouses pension is payable at the rate of the members own pension for the remainder of the five year guarantee period
Pension Increases		
(i) Pensions in Payment	Annual increase in line with the Consumer Prices Index (CPI)	Annual increase in line with the Consumer Prices Index (CPI)
(ii) Pensions in Deferment	Annual increase in line with the Consumer Prices Index (CPI)	Annual increase in line with the Consumer Prices Index (CPI)
(iii) Pensions during active membership	Annual increase in line with the Consumer Prices Index (CPI)	Pension calculated with reference to final Member salary

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