



Civil Service Pensions

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EMPLOYER PENSION NOTICE

EPN: 06/2024

From: Civil Service Pensions Policy, Legislation and Communications

Date: 17 April 2024

To: All Employers

Re: REQUEST FOR PENSION INFORMATION FOR DISCLOSURE IN 2023-24 ANNUAL REPORTS AND ACCOUNTS

Purpose: The purpose of this EPN is to inform employers on the procedure for requesting the relevant Northern Ireland Civil Service (NICS) pension schemes information from Civil Service Pensions (CSP).

Timing: **Immediate** - Employers should submit requests immediately or by **26 April 2024** at the latest.

Action: Employers should:

- bring the content of this EPN to the attention of staff in their Department, its Agencies, and NDPBs involved in the preparation of accounts for 2023-24
- use the Disclosure Spreadsheet (**attached at Annex A**) to request information from CSP

Overview

The Remuneration Report

1. The information provided by CSP is required by bodies for the completion of the Annual Reports and Accounts which must include a 'Remuneration Report', containing information about the pension packages of the senior management team¹. As well as pension information it must also include detailed information about compensation paid.

The 2015 Remedy has significant implications for this year's exercise, and we are still working through some of the issues. As a result, we are issuing guidance in two stages this year. The primary purpose of this EPN is to instruct employers to provide a completed Annex A to start the process. A further EPN will follow with more information.

Given the very tight deadlines we are all working to this year, it is essential that employers only request pension information for people whose remuneration will be disclosed in their accounts.

Disclosure of pension information

2. All such information must be disclosed in Remuneration Reports. If a member raises an argument against disclosure under Article 21 of the General Data Protection Regulation² (UK GDPR) you must consider whether to accept it. You are strongly advised to take legal advice in such a case, because if you decide not to publish, this may be challenged under the Freedom of Information Act. Where non-disclosure is agreed, the fact that certain disclosure has been omitted should be disclosed. You can also find further details in the Government Financial Reporting Manual (FReM).

<https://www.gov.uk/government/publications/government-financial-reporting-manual-2023-24>

Request to CSP for pension information on senior management

3. The spreadsheet at **Annex A** should be used to request the pension information from CSP required for your accounts. The request for information should be sent to CSP by **26 April 24** to ensure that all the data is available for the individuals concerned.
4. CSP may seek further information if an employer's interface is not up to date.

¹ Please note that references to 'senior management' that follow in this EPN are taken to mean persons of your Department in senior positions (e.g. board members, directors). In any uncertainty refer to the Financial Reporting Manual (FReM) and consult with your auditor.

² This right was previously bestowed by Section 10 of the Data Protection Act 1998

5. CSP will deal with requests for information in order of receipt provided all the necessary information has been provided correctly.
6. It is the responsibility of the employer to identify the individuals for whom disclosure information is required and to ensure that the relevant service and pay data is provided to CSP to complete this exercise. On receipt of the Request Form, CSP will carry out the necessary pension calculations.
7. Employers should enter an up-to-date salary for the member and an accurate figure of the contributions paid by the member. They will have to contact their payroll or appropriate body, in line with the employers' internal processes to provide this information. If employers do not supply this information promptly it will delay CSP from getting the information back. The payment of legitimate expenses is not part of the salary. CSP will not be able to process calculations unless all required information in Annex A is provided and they have received and processed the interface from your March payroll. Employers are responsible for the security of sending the information to CSP.
8. Please note that CSP will not insert the pension information in **Annex A** and return it to you. To reduce the risk of transcribing errors, employers will instead be issued with the results from the calculator used to produce the information. This includes all the pension figures employers need for the Remuneration Report.

Figures that will be used by CSP this year

9. When calculating the real increase in CETV and the pension benefits accrued during the year 2023-24 for the single total figure of remuneration, CSP takes account of inflation. The CPI increase for September 2023 was 6.7%. Consequently, the Pensions Increase factor for April 2024 will be 6.7%, the same as the figure that will be used to increase pensions under the Pensions Increase legislation in April 2024. The in-service revaluation factor for alpha will also be 6.7%.
10. The earnings that count towards the calculation of pensions is limited for some staff to a figure referred to as the "earnings cap" or "permitted maximum". Where this is relevant, CSP will calculate pensions on the basis of the earnings cap for 2023-24 of £223,800.

Negative Results

11. In some cases, the real increase in CETV and the pension benefits accrued for the single total figure of remuneration can be negative – that is, there can be a real decrease. This is particularly likely to happen during periods of pay restraint and/or where inflation is higher than pay increases.
12. The final salary pension of a person in employment is calculated by reference to their pay and length of service. The pension will increase from one year to the next by virtue of them having an extra year's service and by virtue of any

pay rise during the year. Where there is no pay rise, the increase in pension due to extra service may not be sufficient to offset the inflation increase – that is, in real terms, the pension value can reduce, hence the negative values.

13. For example, this is particularly likely to happen for members in Classic Plus where no service after 30 September 2002 counts towards the calculation of the lump sum.
14. The other main scenario where there can be negative results is where a member is over their normal pension age. The factors used to calculate the CETV are such that the value of pension that could have been taken at normal pension age decreases as the member gets older.
15. When clarification is received from HM Treasury on the pension values to be disclosed for 2023/24 following the rollback of service for members eligible for the 2015 Remedy, should their direction be that the rollback position is disclosed, this could cause some negative results. This is because the value of pension benefits rolled back into the legacy PCSPS(NI) for the remedy period may be less than what they would have been had they remained in alpha. Further guidance on this will be issued in a subsequent EPN when the position is confirmed.

Summary of Action

16. Employers should:
 - bring the content of this EPN to the attention of staff in their Department, its Agencies, and NDPBs involved in the preparation of accounts for 2023-24
 - use the Disclosure Spreadsheet (**attached at Annex A**) to request information from CSP

Further Guidance

17. Further guidance on the disclosure requirements for the Remuneration Report and a note to those reported on in the Remuneration Report will now be included in Appendix C and D of the Finance Director (FD) letter titled “Guidance on the Format of the Remuneration Report 2023-24”. This letter will issue from Accountability and Financial Management Division (AFMD) in due course and will be accessible through the following link:

<https://www.finance-ni.gov.uk/publications/finance-director-letters-fds-2024>

18. This EPN should also be read in connection with the NICSHR Note to Finance Directors that issued from Michele Woods on the 25 March 2024. This note details the arrangements for Ill Health Retirement which will accompany your return.

Point of contact

19. Queries regarding the content of this EPN or queries which relate to requests for information for annual reports and accounts should be forwarded by email to emmet.mchugh@finance-ni.gov.uk or contact by telephone on 028 71310728 (Ext. 86328).

Yours sincerely

A handwritten signature in black ink, reading 'Finvola Harkin'. The signature is written in a cursive style with a large initial 'F'.

Finvola Harkin
Civil Service Pensions Policy, Legislation and Communications

Disclosure Spreadsheet – Request for pension information



Disclosure
Spreadsheet 23-24.xls

Double click on icon to open Microsoft Excel worksheet.
It is advisable to save the worksheet prior to inserting data.

Notes/Action for Employers

- (i) Ensure you complete Rows 1-8. Failure to complete this Annex correctly may result in a delay in completing your calculations. Please send it to CSP at cspresourceaccounts@finance-ni.gov.uk
- (ii) Please include any member that retired during the reporting year. State if the member is in the Northern Ireland Civil Service Supplementary Scheme. There are very few members in this scheme. The Supplementary Scheme allows members to have their earnings over the cap pensionable. If you are unsure if a member is in the Supplementary Scheme, please email CSP for confirmation.
- (iii) **Start date** is 1 April of the start year for annual reports and accounts (1 April 2023 for the 2023-24 resource accounts), or, if **later**, the date the individual was appointed to a post in the department to which the disclosure arrangements apply.
- (iv) **End date** is 31 March of the end year for the resource account (31 March 2024 for the 2023-24 resource account), or if **earlier**, the date the individual left a post in the department to which the disclosure arrangements applied.
- (v) When supplying contribution information this should include all employee contributions including added years or added pension contributions and Effective Pension Age contributions. **Where the individual is on board for a part month, contributions should be pro rata. You must NOT include employer contributions or any NICS/AVCS contributions.**
- (vi) Within the 'Notes' section of the Disclosure Spreadsheet please provide a date by which information should be returned by for the purpose of signing off of accounts and audit. CSP will endeavour to adhere to this date where possible.

Notes/Action for CSP Staff

- (i) The disclosure calculator must be used for all calculations.
- (ii) If a member is in the Supplementary Scheme, then a separate CETV must be calculated that must be combined with the main scheme benefits.
- (iii) For **Premium, Nuvos and alpha** scheme members, the pension disclosed should be gross pension before commutation. No figure should be provided for lump sum.
- (iv) If there has been a transfer-in then there may be a mix of un-capped and capped service. The figures should be shown separately.

- (v) Where someone joins in-year, use market yield factors appropriate to the day before joining when calculating CETV at Start Date. (The calculator will do this automatically).
- (vi) Where there has been a compensation payment awarded full details of payment must be included. This must therefore include not only the initial award but any ongoing or future payments that will be awarded to the member. If an Annual Compensation Payment (ACP) changes in value or stops at pension age, please include this information in the notes.
- (vii) Return the input and output documentation to the Employer by email.