



## **Comisiwn y Cynulliad Assembly Commission**

### **NAFWC 2008 Paper agreed by the Commissioner for Assembly Resources – William Graham AM**

**Date:** 27 June 2008 – circulated out of committee.

**Author name and contact number:** Wayne Cowley ext 8161.

### **REQUIRED CHANGES TO ASSEMBLY MEMBERS' PENSION SCHEME**

*This paper has been prepared for consideration by the National Assembly for Wales Commission. It has been deemed suitable for publication after such consideration in line with the Commission's rules for conduct of business. Premature publication or disclosure of the contents of this paper is not permitted as this might prejudice the Commission's deliberations*

#### **Recommendations (including priority deadline)**

1. That the Commission
  - Approves the suggested change to Rule C2(3) of the Scheme Rules (Annex A)
  - Approves the change to Schedule 1 to the Pension Scheme Rules (Annex B).

#### **Discussion**

2. The decisions taken by the Commission on 6 March 2008 to introduce salaries for an increased range of office-holders necessitates a change to Rule C2(1) of the pension scheme rules to allow for those salaries to be made pensionable.



3. The suggested Rule Change at Annex B which has been drafted in consultation with the Pension Scheme's legal advisers provides the permission necessary to allow the appointment of a pensioner Trustee in line with the decision previously taken by the Commission. Once the rule change has been made, the Secretariat to the Pension Scheme will take the necessary steps to run a ballot of existing pensioners to appoint a pensioner Trustee.

### **Governance Matters**

#### **Financial implications**

4. Provision for the funding of the Assembly Members' Pension Scheme has been included in the Commission's budget previously approved by the Assembly.
5. There is no increase in the level of funding required by this change to Trustees or Scheme rules.

#### **Risk Assessment**

6. Good governance principles suggest that the Pension Fund Trust arrangements should be reviewed regularly. The proposal to change Pension Fund trustees is intended to enhance the governance of the Pension Fund through election of a Pensioner Trustee.

#### **Compliance**

7. Section 20(6) of GOWA 2006 allows for the Assembly Commission to be given the responsibility for setting the levels of pensions for Assembly Members. Standing Order 1.7 confers this responsibility on the Commission.
8. Standing Order 1.10 provides for Trustees to be elected by the Assembly in plenary on a motion provided by the Commission.
9. There is no direct impact on the Assembly's statutory duties in relation to race equality or sustainable development.

**June 2008**



## Annex A

### **REVISED RULE C2 (3) OF THE NATIONAL ASSEMBLY FOR WALES MEMBERS' PENSION SCHEME RULES**

C2. (3) In these Rules "qualifying office" means any of the following offices:

- (a) the presiding officer;
- (b) the deputy presiding officer;
- (c) the Assembly First Secretary (to be subsequently known under the provisions of the Act as the First Minister);
- (d) the Assembly Secretaries (to be subsequently known under the provisions of the Act as the Welsh Ministers);  
and
- (e) the leader of the largest party not represented in the Assembly Cabinet (to be subsequently known as the leader of the largest political group without an executive role);
- (f) Chairs of Scrutiny Committees established in accordance with section 28 of the Act or Subject Committees previously established in accordance with section 57 of the Government of Wales Act 1998;
- (g) Chair of the Audit Committee established in accordance with section 30 of the Act or previously in accordance with section 60 of the Government of Wales Act 1998;
- (h) Chair of the Finance Committee established in accordance with Standing Order 14;
- (i) Deputy Ministers (to be subsequently known under the provisions of the Act as Deputy Welsh Ministers);
- (j) Counsel General;
- (k) leaders of opposition parties other than the largest
- (l) Government Chief Whip
- (m) Chairs of Committees established under Standing Orders 12,13,14,15,17,18 and 21
- (n) Assembly Commissioners
- (o) Opposition Chief Whip



## **Annex B**

### **REVISED SCHEDULE 1 TO THE NATIONAL ASSEMBLY FOR WALES MEMBERS' PENSION SCHEME RULES**

#### **SCHEDULE 1**

Rule B2

### **General provisions as to Trustees**

#### **Appointment of Trustees etc.**

1. The Trustees shall be no more than six in number.

1A. At any point in time, one of the six Trustees shall be a pensioner, in so far as there are individuals willing to present themselves for nomination, selection and appointment to that role. If at any time, only one nomination is received, that nominee will take effect as the pensioner Trustee with effect from such date and for such period as has been notified to him or her. Where more than one nomination is received, a ballot to select the individual with the highest number of votes will be held amongst the pensioner category membership of the Scheme.

2. No other person shall be appointed to be a Trustee unless he or she is a member of the National Assembly for Wales but a person shall not cease to be a Trustee merely because he or she ceases to be a member of the National Assembly for Wales.

3. The National Assembly for Wales may appoint or dismiss any Trustee to or from that office. A Trustee may resign from office by notice in writing to the presiding officer of the National Assembly for Wales.

4. The Trustees may act by a majority of those present at any meeting of the Trustees at which a quorum is present.

5. The procedure of the Trustees shall, subject to the provisions of these Rules, be such as the Trustees may determine; and the quorum for any meeting of the Trustees shall be three.

6. A decision of the Trustees shall continue in force until amended, varied or revoked by a further decision of the Trustees, notwithstanding any changes in the persons who are Trustees and notwithstanding that, by reason of an ordinary election for the National Assembly for Wales or for any other reason, there are for the time being no Trustees.

#### **Administrative provisions**



7. The Trustees may employ such officers and servants (if any) as they think necessary in connection with the management of the Scheme; and the expenses of managing it, including the fees of professional advisers and the remuneration and pensions, or contributions towards the pensions, payable to or in respect of officers and servants employed by the Trustees, shall be defrayed out of the Fund.

7A. The Trustees may by written authority signed by all the Trustees delegate, authorise the sub-delegation or provide for the exercise of any of their duties, powers and discretions as they consider appropriate, to such persons or body (including any one or more of themselves) as the Trustees may from time to time determine.

8. The Trustees of the Scheme may appoint such person as they think fit to acquire assets for and dispose of assets of the Fund on their behalf and in accordance only with such instructions as to investment policy, as the Trustees shall from time to time determine and lay down.

9. The Trustees of the Scheme shall review any acquisition or disposal of the assets of the Fund by such person as may be appointed under paragraph 8 on an annual basis.

10. Upon a review pursuant to paragraph 9, the Trustees may ratify the acquisition or disposal, or may take such other action in respect of it as they think fit.

11. The Trustees shall keep proper accounts and shall prepare in respect of each financial year of the Scheme statements of account and shall have the accounts and financial statements of the Scheme audited annually. The Trustees shall ensure that the audit is completed within seven months of the end of the financial year.

12. The auditor shall be appointed annually by the Trustees and shall be either the Auditor General for Wales or a person or firm authorised to audit a public limited company. The auditor shall have access to the books and records of the Scheme and may require such information and explanations as are reasonable for them to audit the accounts.

13. The auditor shall examine and certify every statement of account prepared under paragraph 11 of this Schedule and shall give an audit opinion on it. A copy of every such statement, together with the auditor's report and opinion on it, shall be laid before the National Assembly for Wales within three months of the opinion being signed.