

Peredur Owen Griffiths MS, Chair
Finance Committee
Senedd Cymru

23 October 2023

Senedd Cymru (Members and Elections) Bill

Dear Peredur,

Thank you for the opportunity to contribute recently to the Finance Committee's scrutiny of the estimated costs of the Senedd Cymru (Members and Elections) Bill.

During the scrutiny session I was asked about the potential effect on the Members Pension Scheme of 36 new Members of the Senedd, with reference to the likely impact of such on the age profile of Scheme members. I noted that the Scheme's Actuary had recently undertaken a valuation of the Scheme and that the Remuneration Board would be meeting with the Actuary on the day following my evidence session with the Committee. I promised to raise this matter with the Scheme's Actuary.

This letter is to inform the Finance Committee that the matter was raised with the Scheme's Actuary. For information the Actuary noted his view that, all other things being equal, a younger membership could mean that Commission contributions to the Scheme would reduce as their benefits are payable at a later date than those of older members and are therefore funded for over a longer period. At the same time the Actuary's valuation makes it clear that the Scheme's funding level and ongoing costs are sensitive to both investment markets and inflation. The likely impact of a younger membership will be taken into account in future Scheme valuations alongside such other considerations, if the Senedd's membership is increased via legislation. The next triennial valuation will be at 1 April 2026 with any potential changes in Commission contributions impacting budgets for 2027-28.

Yours sincerely,

A handwritten signature in black ink that reads "Elizabeth Haywood". The signature is written in a cursive, flowing style.

Dr Elizabeth Haywood,
Chair, Independent Remuneration Board of the Senedd

Croesewir gohebiaeth yn Gymraeg neu Saesneg. | We welcome correspondence in Welsh or English.