

Department of Finance

**Superannuation and Other Allowances
Pension Schemes Statement
For the year ended 31 March 2026**

Laid before the Northern Ireland Assembly under section 10(4) of the
Government Resources and Accounts Act (Northern Ireland) 2001
by the Department of Finance
on 1 July 2026

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ACCOUNTABILITY REPORT

REPORT OF THE MANAGERS

Introduction

This report provides key information on the Northern Ireland Civil Service pension arrangements, comprising the alpha Pension Scheme and the Principal Civil Service Pension Scheme (Northern Ireland), (“PCSPS(NI)”), including ongoing developments and other information for members. The PCSPS(NI) was closed to new members from 1 April 2015 and closed for all future accrual from 1 April 2022. Civil Service Pensions Branch continues to administer the PCSPS(NI). Both are unfunded, defined benefit occupational pension schemes.

Statutory basis for the Scheme

The alpha pension scheme was introduced with effect from 1 April 2015 as the main pension scheme for the Northern Ireland Civil Service. The legislation made to introduce the alpha scheme was titled ‘The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014’.

Eligibility to join the Scheme

New entrants from 1 April 2015 join the alpha scheme. Existing members of the Principal Civil Service Pension Scheme (Northern Ireland), PCSPS(NI), transferred to alpha from 1 April 2015 unless they had transitional protection. (see page 4).

Members are eligible to join the Scheme if they are in a permanent or fixed term employment as a civil servant, permanent or fixed term employment in any of the employments or bodies listed at Annex A where an Admission Agreement is in place or permanent or fixed term employment under the terms of Fair Deal or New Fair Deal.

Main features of the Scheme, including benefits and how they are funded

The alpha scheme is an unfunded, defined-benefit, career average revalued earnings (CARE) occupational pension scheme. Members and employers contribute on a ‘pay-as-you-go’ basis. A member can build up an annual pension based on a percentage of earnings each scheme year, and tax relief is given on the pension contributions made. A scheme year runs from 1 April to 31 March. Alpha pension is built up by adding 2.32% of pensionable earnings from each scheme year to an alpha pension. The alpha pension built up is adjusted each year in line with a rate set by the Department of Finance (DoF), currently linked to movements in the Consumer Price Index (CPI).

CPI under The Public Service Pensions Revaluation Order (Northern Ireland) 2025 was 1.7% therefore alpha pension entitlements of active members were revalued by this percentage from 1 April 2025.

Pensions in payment are increased in accordance with the Pensions (Increase) Act (Northern Ireland) 1971 and the Social Security Pensions (Northern Ireland) Order 1975, with annual increases being determined by the prevailing Pensions (Increase) Order. The increase reflects annual changes in the cost of living as measured by the Consumer Prices Index (CPI). It is applied on the first Monday after 6 April each year. Since 2011, the increase has been based on the change in CPI in the 12 months to the end of the preceding September.

The pension age for the alpha scheme will be equal to, and will keep in step with, changes to State Pension Age. When a member starts taking their benefits, they will get an option to exchange some of their annual pension for a one-off, tax-free, lump sum. The alpha scheme also provides ill-health, death and dependants benefits.

Benefits drawn before pension age are subject to actuarial reduction for early payment, with the exception of ill-health retirement benefits. Members who take an early pension may buy-out the actuarial reduction. Members may purchase additional amounts of index linked pension payable on retirement ('contributed benefits') by making additional contributions from salary or lump sum payments.

- Information on PCSPS(NI) – Closed Scheme

The PCSPS(NI) was closed to new members from 1 April 2015 and closed for all future accrual from 1 April 2022. Civil Service Pensions Branch continues to administer the PCSPS(NI). The Scheme draws its statutory authority from the Superannuation (Northern Ireland) Order 1972.

The PCSPS(NI) rules are structured into 4 sections. Sections 1, 2 and 3 set out the provisions relating to the different pension arrangements under the Scheme. There are three final salary arrangements (Classic, Classic Plus and Premium) and one 'career average revalued earnings' arrangement (Nuvos). Section 4 of the rules, contains the Scheme governance arrangements and provisions for cost control.

The 1972 Section provides for Classic, the original final salary arrangement. Under Classic, benefits accrued at 1/80 of final pensionable earnings with an automatic lump sum of 3/80 of final pensionable earnings for each year of reckonable service.

The 2002 Section provides for the Premium final salary arrangement for entrants who joined from 1 October 2002 until 29 July 2007. In addition, the 2002 Section provides that those existing members who were in post on or before 30 September 2002 were able to choose Premium or the hybrid Classic Plus arrangement in which benefits before 1 October 2002 are as for Classic and benefits from that date forward are as for Premium. Under the Premium and Classic Plus arrangements, benefits from 1 October 2002 accrue at 1/60 of final pensionable earnings for each year of reckonable service with no automatic lump sum although pension may be commuted to lump sum.

Normal pension age for members in Classic, Classic Plus and Premium is 60.

The 2007 Section was introduced into the PCSPS(NI) with effect from 30 July 2007. The 2007 Section, known as Nuvos, is for members whose service started on or after 30 July 2007. Nuvos is an unfunded, defined-benefit, career average revalued earnings (CARE) occupational pension arrangement. Members could build up an annual pension based on a percentage of earnings each scheme year, and tax relief was given on the pension contributions made. A scheme year runs from 1 April to 31 March. Nuvos pension built up by adding 2.3% of pensionable earnings from each scheme year to a Nuvos pension. The Nuvos pension built up is adjusted each year in line with prices. The pension age for Nuvos is 65. When a member starts taking their benefits, they will get an option to exchange some of their annual pension for a one-off, tax-free, lump sum on leaving.

The PCSPS(NI) provides ill-health, death and dependants benefits. Benefits drawn before pension age are subject to actuarial reduction for early payment, with the exception of ill-health retirement benefits. From 1 April 2010 members who take an early pension may buy-out the actuarial reduction.

- Protected Members – Closed Scheme

From 1 April 2015, most PCSPS(NI) members switched to the new alpha scheme. The PCSPS(NI) closed to future service accrual on 31 March 2022.

Some PCSPS(NI) members did not have to switch to alpha under a process referred to as transitional protection. Those who were within 10 years of their PCSPS(NI) normal pension age on 1 April 2012 were generally allowed to remain in the PCSPS(NI) until leaving employment covered by the Scheme. Those who were between 10 and 13.5 years from their PCSPS(NI) normal pension age on 1 April 2012 were given a ‘tapered alpha enrolment date’ between 1 May 2015 and 1 February 2022 but could opt to forego their tapered protection and switch to alpha on 1 April 2015. A legal challenge against the transitional protection was successful, finding the transitional protection arrangements to be discriminatory on the grounds of age. This has become known as the McCloud judgment. Subsequently, all final salary arrangements closed to future accrual on 31 March 2022, with remaining members in service accruing all future pensions as members of alpha. Further details are provided on page 8 and 9.

- Automatic enrolment

From 1 February 2013 all new entrants were automatically enrolled into a pension scheme on joining. Those who opt out are included in a re-enrolment exercise undertaken every 3 years.

- Partnership Pension Account

Alternatively new entrants from 1 October 2002 may choose to join a money purchase stakeholder based arrangement to which the employer contributes (Partnership Pension Account) instead of Premium, Nuvos or alpha. The employer makes an age-related contribution into the pension account. Employees are not required to contribute, but any contributions made are matched by the employer up to an upper limit of 3%. From 1 February 2019 eligibility for the Partnership Pension Account was expanded to all active members of the NICS pension schemes, including members of Classic and Classic Plus. Additionally, the number of switching dates has increased and the time limits for switching have been changed to increase flexibility for members. From 1 April 2022 onwards all active NICS pension scheme members can choose to remain in the alpha pension scheme or join Partnership.

- New Fair Deal

The New Fair Deal Policy is a non-statutory policy that deals with staff who are compulsorily transferred from the public sector to independent providers delivering public services. From October 2013, these independent providers can apply to join the Scheme under the New Fair Deal. The resulting employee members can remain in the Scheme while they continue to be principally employed on the work they carried out while in the public sector.

The New Fair Deal policy requires Civil Service Pensions to recognise “qualifying service” in a contractor’s pension scheme for all staff who transfer employment, irrespective of whether or not they transfer their accrued pension benefits. If this is not done, then in certain circumstances, e.g. ill-health retirement and death in service within the first 2 years of re-joining, members’ benefits accrued in the Scheme from re-joining may be significantly reduced. This has always been the policy, and an amendment regulation was made in 2022 to the alpha pension scheme in order to allow the scheme manager to treat service in another pension scheme as qualifying service for the alpha scheme.

However, a retrospective amendment to the rules of the PCSPS(NI) is required in order for the policy to continue to be applied and it is anticipated that this will be picked up as a wider set of PCSPS(NI) scheme amendments in 2026-27.

- Civil Service Compensation Scheme (NI)

The Civil Service Compensation Scheme (Northern Ireland) (“CSCS(NI)”), effective from 1 April 2014, sets out the level of compensation that can be paid on leaving under voluntary exit, voluntary or compulsory redundancy and inefficiency terms. The scheme applies to staff in an employment covered by the Northern Ireland Civil Service (NICS) pension and compensation arrangements.

Compensation Scheme Summary:

Element of the Civil Service Compensation Scheme (Northern Ireland)	Voluntary Redundancy	Compulsory Redundancy	Voluntary Exit
Tariff	1 month’s pay per year of service	1 month’s pay per year of service	1 month’s pay per year of service
Cap for those below pension age	21 months’ pay	12 months’ pay	21 month’s pay
Cap for those above pension age	6 months’ pay	6 months’ pay	6 month’s pay
Lower paid protection (£31,097 deemed minimum – reviewed annually)	Must be applied	Must be applied	Does not have to be applied
Higher paid cap (£123,946 deemed maximum – reviewed annually)	Must be applied	Must be applied	Must be applied
Early access to pension benefits where member has reached minimum scheme pension age	Must be permitted	Must be permitted	Must be permitted
Use compensation payment to buy out reduction for taking pension early	Must be permitted	Must be permitted	Must be permitted
Employer top up payment to buy out any remaining pension reduction	Must be permitted	Not permitted	May be permitted at the employer’s discretion
Notice Period	3 months	6 months	3 months

- Dismissals under the Sickness Absence Management Policy

The Northern Ireland Civil Service retains an ability to compensate staff who are dismissed where this is in the mutual interest of both the employer and the employee. This type of dismissal is referred to being on the grounds of “inefficiency”. “Inefficiency” is the legal reason for dismissing a member of staff as a result of an unacceptable level of attendance. It does not refer to a member of staff’s performance or their ability to satisfactorily carry out their role. Such staff currently have a contractual right to be considered for compensation following dismissal, but do not have a contractual right to receive a payment. Such payments are made at the employing Department’s discretion. Inefficiency terms were not reformed in 2014 and the current wording in the CSCS(NI) only relates to members of Sections I and II of the PCSPS (NI) (members of Classic and Premium). Others are calculated on the same basis but are paid ex-gratia. Compensation is not payable if the member is over their scheme pension age.

Management of the Scheme

The Scheme is administered by the Department of Finance’s Civil Service Pensions Operations Branch which is based in Orchard House, Londonderry.

Organisations responsible for managing the Scheme

The Department of Finance is the Scheme Manager for the PCSPS(NI), alpha pension scheme and any statutory pension scheme connected with them, including the CSCS(NI). The Scheme Manager is responsible for managing and administering the Scheme and any statutory pension scheme that is connected with it. The Department and Scheme Manager may delegate any functions under the Scheme Rules or Regulations, including the powers to delegate.

Public Service Pensions / Civil Service Pensions Policy, & Legislation & Communications Branch is responsible for the implementation of pension reform and legislation including the required governance arrangements under the 2015 regulations. The branch provides policy and guidance on public service pensions policy and legislation for the Northern Ireland public service pension schemes and their sponsor departments, as well as pension legislation and procedural matters to meet the needs of civil service pension scheme employers and supports the Departments in maintaining compliance with Civil Service Pensions policy. The branch is also responsible for all communications including the maintenance and development of the Civil Service Pensions (“CSP”) website. The branch is also responsible for the management of Internal Dispute Resolution (IDR) Stage 2 and Pensions Ombudsman cases.

Corporate governance of the Scheme, including management team

Information on the Civil Service Pension Board and the Civil Service Scheme Advisory Board is provided in the Governance Statement on pages 30 and 31.

Managers:

Accounting Officer

Mr Neil Gibson

DoF

Clare House

303 Airport Road West

BELFAST,

BT3 9ED

Scheme Administrator

Compensation Scheme Administrator

Mr Jonathan Butler

DoF, Civil Service Pensions

Orchard House

40 Foyle Street

LONDONDERRY, BT48 6AT

Arrangements governing determination of contribution rates and benefits

The contributions due from employers and employees to fund future service liabilities are set by the Actuary. The rates payable are a percentage rate of the member’s pensionable earnings and are reviewed as part of the periodical funding valuation of the Scheme, which takes place every four years.

Scheme regulations set a rate, expressed as a percentage of pensionable earnings of members of the schemes, to be used for the purposes of measuring changes in the costs of the schemes. The rate is called the “Employer Cost Cap”. The regulations make provision requiring the cost of a scheme to remain within specified margins either side of the employer cost cap and for cases where the cost of the scheme

would otherwise go beyond those margins, provision specifying a target cost within those margins. Scheme regulations incorporate provision for a cost control mechanism.

The cost cap mechanism was reformed with effect from the 2020 actuarial valuation. The new mechanism allows for the reformed scheme (alpha), to have an increased cost cap corridor of +/-3% and also includes an economic check. This means that a breach would only result in changes if there was still a breach once the impact of any change in the wider economic outlook had been taken into account.

The 2020 Scheme actuarial valuation was completed by the Government Actuary's Department ("GAD") in October 2023 and the results for the Scheme were set out in the GAD report published in November 2023, which stated that the cost cap was within the new +/-3% corridor specified in the Department of Finance regulations and, as there was no breach of the cost control mechanism, the economic check does not apply and no changes to benefits or member contributions were required.

As all active members are now members of 'alpha', a CARE scheme, where the cost of benefits are less driven by salary progression, Government Actuary's Department recommended that Civil Service Pensions ("CSP") moves to a flat-rate structure. A flat rate of employer contribution was therefore introduced from 1 April 2024 and set to 31 March 2027 and is 34.25% for all active pension scheme members. The rate includes an administration levy of 0.25%.

A copy of the Northern Ireland Civil Service Pension Scheme ("NICSPS") 2020 Valuation Results Report is available on the Civil Service pensions (NI) website at :www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations.

Key developments in year

Changes in contributions

From 1 April 2025 to 31 March 2026 the employer contribution rate remained at a flat rate, 34.00% pensionable pay (excluding charges for administration). From 1 April 2025 to 31 March 2026 the average rate of employee contributions was 5.57% based on actual earnings, rather than the full time equivalent - tiered to protect those with lower earnings. From 1 April 2025 to 30 June 2025, employee contributions ranged from 4.60% to 8.05% depending on salary and applies to all active members of alpha as set out in the following table.

Annualised Rate of Pensionable Earnings (Salary Bands)		% Contribution Rate for All Members
From	To	From 1 April 2025 to 30 June 2025
£0	£27,091.99	4.60%
£27,092.00	£61,645.99	5.45%
£61,646.00	£165,793.99	7.35%
£165,794.00 and above		8.05%

Employee contribution rates and applicable salary bands from 1 September 2025, alongside bands for the period 1 July 2025 to 31 August 2025 are set out in the following table.

Annualised Rate of Pensionable Earnings (Salary Bands)				% Contribution Rate for All Members
From 1 July 2025 – 31 August 2025		From 1 September 2025 to 31 March 2026		
From	To	From	To	
£0	£27,091.99	£0	£28,716.99	4.65%
£27,092.00	£61,645.99	£28,717.00	£65,343.99	5.65%
£61,646.00	£165,793.99	£65,344.00	£175,740.99	7.55%
£165,794.00 and above		£175,741.00 and above		8.25%

Actuarial valuation

A copy of the Northern Ireland Civil Service Pension Scheme (“NICSPS”) 2020 Valuation Results Report is available on the Civil Service pensions (NI) website at :www.finance-ni.gov.uk/articles/northern-ireland-civil-service-pension-scheme-valuations.

Work on the 2024 Scheme actuarial valuation is underway.

Changes in benefits

There was a 1.7% pension increase for 2025-26 from 7 April 2025. Pensions which came into payment on or after 8 April 2024 and before 7 April 2025 received the correct pro-rata increase.

Challenge against transitional protection provisions and the ‘McCloud’ Remedy.

In December 2018, the Court of Appeal in England and Wales ruled that transitional protection provisions contained in reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, amounted to direct age discrimination and were therefore unlawful. In June 2019, the Supreme Court refused permission for any further appeal of that ruling. In July 2019, the Westminster Government confirmed that, as transitional protection was offered to members of all the main public service pension schemes, remedy would be required across all schemes. Following a consultation on options to address the discrimination the Department of Finance set out its proposed remedy, which would end transitional protection and provide all eligible members with a choice to have benefits for the period between 1 April 2015 and 31 March 2022 (known as the Remedy Period) calculated under legacy or reformed scheme.

The Department of Finance Remedy has been implemented in two phases, namely the “Prospective Remedy” and the “Retrospective Remedy”. Phase one was completed on 1 April 2022 by amendments to the scheme rules which meant all active members who had received transitional protection in 2015 joined the new pension scheme ‘alpha’ for all future service. This ensured that, from 1 April 2022 onwards, all active NICS pension scheme members are members of the alpha pension scheme thus ending the discrimination from 1 April 2022 onwards.

Phase two, the “Retrospective Remedy” was implemented by a further set of rule changes on 1 October 2023. From this date all active members with service in the remedy period are provided with an option to have that service calculated under either legacy or reformed scheme rules at the point of retirement. This is known as the deferred choice underpin (DCU).

Members who had service during the Remedy Period but who had already retired or left service before the DCU was implemented on 1 October 2023 are now entitled to an ‘Immediate Choice’ to have their benefits for during the remedy period recalculated under either legacy or reformed scheme rules. The Immediate Choice will be retrospective. This process involves complex calculations to provide members with individually tailored statements. There are around 10,000 immediate choice cases. At the date of this Report of the Managers the Department has provided over 80% of these remedy choice statements to eligible Immediate Choice members and is on track to complete this exercise by the required timeline of 31 March 2027.

Legal challenges

In addition to the challenges on transitional protection and the deferred choice underpin, a number of other legal challenges have been brought against public sector schemes in recent years concerning survivor benefits. These cases have been considered and amendments to scheme regulations will be made to implement the outcome of these court rulings during 2026-27. The impact of these cases has been considered for the 2025-26 financial statements and assessed as not having material impact.

Legislative Changes 2025-26

There was a legislative change made to the NICS Pension Scheme Rules and Regulations during 2025-26. S.R. 2025 No. 109 amended The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 to clarify the definition and annualisation of pensionable earnings for the purposes of calculating member contribution rates, with effect from 1 July 2025.

Transfers

The following represents the position in relation to bulk transfers completed or ongoing throughout the 2025-26 financial year:

Name	Comments
DHSSPS RPA	Bulk Transfer Out (Ongoing) A bulk transfer of employment of 13 staff with various dates for transfer of liability. Payment expected to be made in 2026-27.
NIPS Teachers	Bulk Transfer Out (Ongoing) A bulk transfer out of 5 members on 8 May 2017. An interim payment was made in 2024-25. Final payment is expected to be made during 2026-27.
Probation Board NI	Bulk Transfer In (Completed) Bulk transfer in following the transfer of employment of 2 members to the Department of Finance on 1 October 2019. Payment was received during the year from NILGOSC completing the pension transfer process.

Car Park Services Limited	Bulk Transfer In (Ongoing) 4 staff given access to NICS Pension Schemes retrospectively from 1 November 2022. GAD are considering the transfer in arrangements.
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Membership statistics (movement in year)

The NI Civil Service Pension Schemes have approximately 30,758 active members, 9,419 deferred members and 34,572 pensioner members and dependents receiving benefits. The details of movements in membership during the year are shown at Annex B.

Financial Position at 31 March 2026

The movements in the Scheme during the year are summarised in the Statement of Comprehensive Net Expenditure. Net expenditure in 2025-26 was £0.40 billion (2024-25: £0.39 billion). Income comprises mainly of pension contributions. Total contribution income for the year was £0.44bn (2024-25: £0.41bn). The charge to the Statement of Comprehensive Net Expenditure recognises the movements in the Scheme liability. This comprises the current service cost, £0.30 billion (2024-25: £0.28 billion) and interest on Scheme liabilities, £0.54 billion (2024-25: £0.51 billion)

The Scheme liability at 31 March 2026 was £10.11 billion compared with £10.50 billion at 31 March 2025. The change of £0.39 billion is primarily due to an increase in the discount rate, and a reduction in expectations for long-term pay increases.

Further details are given in the Report of the Actuary starting on page 20 and in Note 15 of the financial statements.

Events after the reporting period

There were no events that require amendment to this statement after the reporting period.

Issues arising in 2025-26

- Amendments to alpha Regulations

There was a requirement for Civil Service Pensions to introduce amendment regulations to the Retrospective Remedy regulations (The Public Service (Civil Servants and Others) Pensions (Remediable Service Regulations (Northern Ireland) 2023)). Following consultation during December 2025 and January 2026 these amendment regulations were made on 27 May 2026 and are effective from 18 June 2026. They replicate changes also made to the Civil Service Pension Scheme in GB to streamline the remedy process and ensure it operates as intended for affected scheme members. A further set of minor amendments are planned for the alpha scheme. These are technical ‘tidy up’ changes which are not time critical and do not alter scheme provision for members. These will be based on changes for the analogous Civil Service Scheme in GB and will be progressed to similar timescales as Cabinet Office during 2026-27.

- Additional amendments to the rules of the PCSPS(NI)

A further set of minor amendments are also planned for the PCSPS(NI). Again, these are technical ‘tidy up’ changes which are not time critical and do not alter scheme provision for members. A draft has now been received from the Cabinet Office based on proposed changes for the analogous Civil Service Scheme in GB and will be progressed to similar timescales as Cabinet Office during 2026-27.

Information for Members

Supplementary information available to members

Supplementary information is available to scheme members on the Civil Service Pensions (NI) website at: www.finance-ni.gov.uk/civil-service-pensions-ni.

- Complaints Handling

Civil Service Pensions has two distinctive sets of complaints handling procedures. The first covers complaints about pensions and is governed by The Occupational Pensions Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008 and covers any disagreement under the provisions of the Northern Ireland Civil Service pension schemes. This complaints procedure has two stages which are time-bounded for application and response.

In 2025-26 Civil Service Pensions determined 36 stage 1 cases and 18 stage 2 cases. The first stage is dealt with by the Line Manager of the person dealing with the case. The second stage is dealt with by the Head of Civil Service Pensions Policy & Legislation Branch. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented. If the complainant remains dissatisfied with the outcome after the two stages have been exhausted, they still have the right of appeal to The Pensions Ombudsman. The Pensions Ombudsman’s Office have a Resolution Team who aim to resolve pension complaints informally. The team is made up of Resolution Specialists with many years’ experience of pensions and complaint handling and it relies on the willingness of parties to work together to reach a mutually agreeable resolution as an alternative to a formal investigation by their Adjudication Service. In 2025-26 Civil Service Pensions had 4 cases resolved through either the Resolution Team or the Formal Adjudication process.

The second type of complaint covers complaints and comments about the standard of service provided. Civil Service Pensions uses this information to continue to improve the standard of service in the future. This is also a two stage process with the first stage being dealt with by the line manager of the person dealing with the case or the Head of Branch and the second stage is dealt with by the Director of Pensions Division. In 2025-26 year, Civil Service Pensions dealt with 18 cases at stage 1, and 2 cases at stage 2. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented.

	Service complaints Stage 1	Service complaints Stage 2	Internal Dispute Resolution Stage 1	Internal Dispute Resolution Stage 2
Ongoing at 31 March 2025	-	-	12	7
Received during year	18	3	38	20
Cleared/Determined in year	(18)	(2)	(36)	(18)
Ongoing at 31 March 2026	-	1	14	9

Leaflets on both Civil Service Pensions complaints procedures can be found on Civil Service Pensions website at: [Civil Service Pension \(NI\) Complaints and appeals procedures | Department of Finance \(finance-ni.gov.uk\)](#)

- Personal Data

Civil Service Pensions are fully committed to complying with the UK General Data Protection Regulation (GDPR) and Data Protection Act 2018 and have documentation and processes in place to ensure that all staff, contractors and other parties who have access to personal information held by or on behalf of us are fully aware of and abide by their responsibilities under data protection legislation.

Civil Service Pensions have ensured:

- adherence to the Department's robust policies and guidance which support data protection requirements are in place;
- communication and awareness of data protection delivered to all staff;
- adequate training in UK GDPR and data protection for all staff;
- holdings of personal data have been documented and are compliant with the GDPR principles;
- correct procedures are in place to detect, report and investigate data breaches and any breaches have been taken forward in line with the Departmental policies; and
- correct safeguards are in place to protect personal data held on Departmental IT systems.

- Annual Benefit Statements

Annual benefits statements are a requirement of section 14 of the Public Service Pensions Act (Northern Ireland) 2014. For the current year by 31 August 2025 Civil Service Pensions had issued 88.30% of alpha statements for the active membership. These were uploaded to the Online Portal on 29 August 2025. To date all alpha statements have been issued where Civil Service Pensions holds the relevant information from employers to do so. No breach of law was reported to the Pensions Regulator.

- Remediable Service Statements

Remediable Service Statements (RSS) are a new annual requirement from 2024-25 onwards for those active members of the NICS Pension Schemes who are impacted by the 2015 Remedy (McCloud) and have remediable service, i.e. service during the Remedy Period from 01 April 2015 to 31 March 2022. These RSSs show the value of pension benefits calculated in both the PCSPS(NI) and alpha for service during the Remedy Period.

Information about Freestanding Additional Voluntary Contributions and Stakeholder Pensions

Employees of Departments and other organisations which participate in the NICS Pension Schemes may make their own arrangements for making payments to institutions which offer Free-Standing Additional Voluntary Contribution Schemes. The Managers of the NICS Pension Schemes have no responsibility in connection with such arrangements but have in place in-house arrangements with two Additional Voluntary Contribution providers – Scottish Widows’ Fund and Life Assurance Society and Standard Life Assurance Ltd.

Standard Life is the formally appointed, designated stakeholder pension provider for NICS employment in accordance with the access requirements of the Welfare and Pensions Reform Act 1999. Employers have made the arrangements known to staff and provide a facility for staff to contribute through payroll if they so wish. No contributions are made by the Managers of the NICS Pension Scheme or by employers.

Scheme Managers, Advisers and Employers

Accounting Officer:	Mr Neil Gibson DoF Clare House 303 Airport Road West BELFAST, BT3 9ED
Managers or Administrators:	Mr Jonathan Butler DoF Civil Service Pensions Orchard House 40 Foyle Street LONDONDERRY, BT48 6AT
Actuary:	Government Actuary's Department 6 th floor 10 South Colonnade Canary Wharf LONDON E14 4PU
Bankers:	Danske Bank Donegall Square West BELFAST, BT1 6JS
Legal advisers:	Departmental Solicitor's Office 2 nd Floor Lanyon Plaza 7 Lanyon Place BELFAST, BT1 3LP
Auditors:	Northern Ireland Audit Office 106 University Street BELFAST, BT7 1EU
Employers:	Principal Employers - All NICS Departments and Agencies Additional Bodies - See Annex A
<u>Contact for enquiries:</u>	Mr Jonathan Butler DoF Civil Service Pensions Orchard House 40 Foyle Street LONDONDERRY, BT48 6AT

Annex A

ADDITIONAL EMPLOYMENT OR OFFICES TO WHICH NORTHERN IRELAND CIVIL SERVICE PENSION SCHEMES APPLY**1. Museums**

Employment by the Board of Trustees of the National Museums and Galleries of Northern Ireland

Employment in the Northern Ireland Museums Council

2. Assembly Offices

Clerk to the Assembly

Clerk – Assistant to the Assembly

Second Clerk – Assistant to the Assembly

Fourth Clerk at the Table

Committee Clerk

Librarian

Assistant Librarian

Editor, Deputy Editor and Assistant Editor of Official Reports of Debates Reporter

Examiner of Statutory Rules for Northern Ireland

3. Offices of the Planning Appeals Commission

Chief Commissioner

Chief Professional Commissioner

Senior Professional Commissioner

Professional Commissioner

Principal Professional Commissioner

4. Employment in the Northern Ireland District Councils

Derry and Strabane District Council

Fermanagh and Omagh District Council

Mid Ulster District Council

Causeway Coast and Glens District Council

Mid and East Antrim District Council

Antrim and Newtownabbey District Council

Belfast City Council

North Down and Ards District Council

Lisburn and Castlereagh District Council

Armagh, Banbridge and Craigavon District Council

Newry, Mourne and Down District Council

5 Other Bodies

Police Complaints Board for Northern Ireland
Employment by the Commissioner for Children and Young People for Northern Ireland
Employment in the Equality Commission for Northern Ireland
Employment in the Fair Employment Agency established under the Fair Employment (Northern Ireland) Act 1976
Chairman of the Fair Employment Agency
Employment in the Labour Relations Agency established under the Industrial Relations (Northern Ireland) Order 1976
Chairman of the Labour Relations Agency
Employment in the Equal Opportunities Commission established under the Sex Discrimination (Northern Ireland) Order 1976
Chairman of the Equal Opportunities Commission for Northern Ireland
Employment by the Northern Ireland Assembly Commission
Employment in the Northern Ireland Economic Development Office incorporated on 4 October 1978 under the Companies Act (Northern Ireland) 1960
Employment in the General Consumer Council for Northern Ireland established under the General Consumer Council (Northern Ireland) Order 1984
Office of Director General of Electricity Supply for Northern Ireland established under the Electricity (Northern Ireland) Order 1992
Office of Chairman of the Consumer Committee for Electricity
Employment in Invest Northern Ireland
Employment in the Northern Ireland Judicial Appointments Commission
Employment in the Commission for Racial Equality (Northern Ireland)
Secretary to the Mental Health Commission
Chief Commissioner of the Equality Commissioner for Northern Ireland
Employment by the Northern Ireland Social Care Council
Chief Executive to the Mental Health Commission
Employment by the Northern Ireland Practice and Education Council for Nursing and Midwifery
Employment by the Northern Ireland Health and Personal Social Services Regulation and Improvement Authority
Employment in the Economic Research Institute of Northern Ireland Limited
Employment in the Office of the Commissioner for Children and Young People for Northern Ireland
Employment by the Police Service of Northern Ireland as a Civilian Direct Recruit
Employment in the Office of the Chief Electoral Officer for Northern Ireland
Employment in the Agri-food and Biosciences Institute
Employment in the Regional Health and Social Care Board
Employment in the Regional Agency for Public Health and Social Well-being
Employment in the Regional Business Services Organisation
Offices of the Director and Deputy Director of Public Prosecutions (Northern Ireland)
Commissioner for Older People for Northern Ireland

Chief Inspector of Criminal Justice in Northern Ireland
Commissioner of the Northern Ireland Law Commission
Police Ombudsman for Northern Ireland
Charity Commission for Northern Ireland
Commission for Victims and Survivors for Northern Ireland
Victims and Survivors Service Limited
Maze / Long Kesh Development Corporation
Employment in the Office of the Certification Officer for Northern Ireland
Employment in the Office of the Northern Ireland Public Service Ombudsman
Commissioner for Survivors of Institutional Childhood Abuse
Victims of Crime Commissioner Designate
A member of the Office of Identity and Cultural Expression
Employment by the Office of Identity and Cultural Expression
Irish Language Commissioner
Employment by the Irish Language Commissioner
Commissioner for the Ulster Scots and the Ulster British tradition
Employment by the Commissioner for the Ulster Scots and the Ulster British tradition

6 New Fair Deal Employers

G4S
Staffline
Sodexo
Car Park Services Limited

NICS PENSION SCHEMES MEMBERSHIP STATISTICS 2025-2026**TOTAL****ACTIVE MEMBERS**

Members at 1 April 2025*	30,213
Opening Membership adjustment	(52)
New entrants in year**	2,185
Leavers	(1,529)
Closing Membership adjustment	(59)
Members as at 31 March 2026*	30,758

DEFERRED MEMBERS

Deferred as at 1 April 2025	9,332
Membership Adjustment	(9)
New deferred members	442
Deferreds ceased	(346)
Deferred as at 31 March 2026	9,419

PENSIONERS

Pensioners as at 1 April 2025	Members*	28,991
	Dependents	5,424
Opening adjustment	Members*	(208)
	Dependents	9
New retirees	Members	1,430
	Dependents	348
Deaths/Cessations/Others	Members	(1,058)
	Dependents	(364)
Pensioners as at 31 March 2026	Members*	29,155
	Dependents	5,417

Notes:

1. The figures above are position statements i.e. they represent the status of the membership recorded as at the date in question.
2. The Active Member adjustment represents a reduction of 52 on the opening balance as at 1 April 2025 due to revised opening balances provided by Employers.

3. The Active Member adjustment represents a reduction of 59 on the Closing Balance as at 31 March 2026 due to revised Closing Balances provided by Employers.

4. The Deferred Member adjustment represents a reduction of 9 on the opening balance as at 1 April 2025 due to housekeeping and retrospective action.

5. The Pensioner Member adjustment represents a reduction of 208 on the opening balance as at 1 April 2025 due to housekeeping and retrospective action

6. The Dependants adjustment represents an addition of 9 on the opening balance as at 1 April 2025 due to housekeeping and retrospective action.

* Partial Retirees included in both active and pensioner member figures.

**Opt-in and Opt-out figures included in new entrants and leavers.

REPORT OF THE ACTUARY

1. This statement has been prepared by the Government Actuary's Department (GAD) at the request of the Department of Finance (Northern Ireland) (DoF). It provides a summary of GAD's assessment of the scheme liability in respect of the Northern Ireland Civil Service Pension Scheme (NICSPS) as at 31 March 2026, and the movement in the scheme liability over the year 2025-26, prepared in accordance with the requirements of Chapter 12 of the 2025-26 version of the Financial Reporting Manual.

2. The NICSPS is a defined benefit scheme providing pension and lump sum benefits on retirement, death and resignation. The scheme is wholly unfunded. I am not aware of any informal practices operated within the scheme which lead to a constructive obligation.

3. The assessment has been carried out by calculating the liability as at 31 March 2020 based on the data provided as at 31 March 2020 and rolling forward that liability to 31 March 2026.

Membership data

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

Table A - Active members

	Number	Total pensionable pay* (p.a.) £ million
Males	13,835	430.7
Females	14,693	403.8
Total	28,528	834.5

* Pensionable pay is the Actual figure

Table B - Deferred members

	Number	Total deferred pension* (p.a.) £ million
Males	4,263	14.0
Females	4,984	14.8
Total	9,247	28.8

* Pension amounts include the pension increase granted in April 2020

Table C - Pensions in payment

	Number	Annual pension* (p.a.) £ million
Males	15,493	198.8
Females	11,013	84.6
Spouses & dependants	5,309	26.3
Total	31,815	309.7

* Pension amounts include the pension increase granted in April 2020.

Methodology

5. The present value of the liabilities as at 31 March 2026 has been determined using the Projected Unit Credit Method (PUCM), with allowance for expected future pay increases in respect of active members, and the demographic and financial assumptions applying as at 31 March 2026. The current service cost (expressed as a percentage of pensionable pay) in respect of accruing costs in the year ended 31 March 2026 was determined using the PUCM and the demographic and financial assumptions applicable at the start of the year, that is, those adopted as at 31 March 2025 in the 2024-25 accounts.

6. This statement takes into account the benefits normally provided under the scheme, including age retirement benefits, ill-health retirement benefits and benefits applicable following the death of the member. It does not include the cost of injury benefits (in excess of ill-health benefits). It does not include premature retirement and redundancy benefits in respect of current active members, although the assessment of liabilities includes pensions already in payment in respect of such cases.

Financial assumptions

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

Table D: Principal financial assumptions

Assumption	31 March 2026	31 March 2025
	p.a.	p.a.
Nominal discount rate	5.60%	5.15%
Rate of increase in CPI inflation	2.55%	2.65%
Rate of general pay increases	3.30%	3.40%
Rate of short-term general pay increase	n/a	n/a
Real discount rate in excess of:		
• CPI inflation	2.95%	2.40%
• Long-term pay increases	2.20%	1.65%
Expected return on assets	n/a	n/a

8. The assumptions for the discount rate and pension increases are specified by HM Treasury in the PES (2025) 09, dated 4 December 2025, and remain unchanged for these accounts. The PES assumptions reflect market conditions at the previous 30 November and are typically not amended for any changes between November and the accounting date.

9. The long-term salary assumption is set by DoF, having taken actuarial advice, and is intended to be an average over the future careers of scheme members, with a recognition that increases in any particular year may be lower or higher than the assumption. The assumption allows for a reduction in our view of the long-term salary increases as well as lower short-term forecasts from the Office for Budget Responsibility (relative to CPI inflation). As requested by DoF, we have allowed for a 25-26 pay award of 6.00%.

10. The assessment of the liabilities allows for the known pension increases up to and including April 2026.

11. Additionally, for the accounts as at 31 March 2026, allowance has been made for known inflation experience up to March 2026 to inform, in part, the pension increase that is expected to apply in April 2027. This is consistent with the approach taken for the accounts as at 31 March 2025.

Demographic assumptions

12. Table E summarises the mortality assumptions adopted to prepare this statement, which were derived from the specific experience of the scheme membership, and other relevant sources. The table refers to the standard mortality tables prepared by the Continuous Mortality Investigation (part of the Actuarial Profession) known as the ‘S3 tables’ with the percentage adjustments to those tables derived with reference to scheme experience.

Table E – Post-retirement mortality assumptions

Baseline mortality	Standard table	Adjustment
Males		
Retirements in normal	S3NMA_H	86%
Current ill-health pensioners	S3NMA_H	86%
Future ill-health pensioners	S3NMA_H	86%
Dependants	S3DMA	100%
Females		
Retirements in normal	S3NFA_H	107%
Current ill-health pensioners	S3NFA_H	107%
Future ill-health pensioners	S3NFA_H	107%
Dependants	S3DFA	116%

13. These assumptions in Table E above, and the other demographic assumptions such as commutation and family statistics, are in line with those adopted for the 31 March 2020 funding valuation of the scheme. Note that the accounts as at 31 March 2025 were also based on the assumptions adopted for the 2020 valuation.

14. Mortality improvements are assumed to be in line with the latest 2022-based projections for the United Kingdom published by the ONS in January 2025. This is the same approach taken as per the 2024-25 accounts. ONS has published 2024-based projections on 28 April 2026. However, these population projections will require detailed review before adoption. As such, these projections have not been used in the 31 March 2026 accounts.

15. The scheme’s actuarial factors were updated in 2023-24 and remain in force, [Updated actuarial factors - GOV.UK](#). Consistent to the accounts calculations as at 31 March 2025, these have been allowed for in calculating the accounting position as at 31 March 2026.

16. Our advice on the selection of assumptions was issued in our assumptions and methodology report of 2 March 2026.

Liabilities

17. Table F summarises the assessed value as at 31 March 2026 of benefits accrued under the scheme prior to this date based on the data, methodology and assumptions described above. The corresponding figures for the previous year are shown for comparison. The liabilities at 31 March 2025 and 2026 both include an allowance for the higher cost of benefits accruing under McCloud.

Table F: Statement of financial position

	31 March 2026 £ billion	31 March 2025 £ billion
Total market value of assets	nil	nil
Value of liabilities	10.11	10.50
Surplus/(Deficit)	(10.11)	(10.50)
of which recoverable by employers	n/a	n/a

Accruing costs

18. The cost of benefits accrued in the year ended 31 March 2026 (the current service cost) is assessed as 27.4% of pensionable pay.

19. For the avoidance of doubt, the actual rate of contributions payable by employers and employees is not the same as the current service cost assessed for the accounts. A current service cost below (or above) the total contribution rate does not indicate that employers and employees have collectively paid contributions more (or less) than the costs of benefits accrued during the year. Members contributed between 4.6% and 8.25% of pensionable pay, depending on the level of their pay. The actual employer contribution rate was determined as part of a funding valuation using different assumptions. Table G shows the employer and employee contributions during the year 2025-26 as a percentage of pensionable pay and compares the total contributions with the current service cost assessed for the 2025-26 accounts.

Table G - Contribution rate

	2025-2026 % of pay	2024-2025 % of pay
Employer contributions*	33.9%	33.8%
Employee contributions (average)	5.6%	5.4%
Total contributions	39.5%	39.2%
Current service cost (expressed as a % of pay)	27.4%	27.0%

* Under the current arrangements, the expenses of administering are borne by employers through an administration levy which is included in the contributions payable to the scheme (0.25% of pay).

20. The key difference between the assumptions used for funding valuations and accounts is the discount rate, although price inflation and salary increases are also determined differently. The discount rate for accounts is set each year by HM Treasury to reflect the requirements of the accounting standard IAS 19.

21. The pensionable payroll for the financial year 2025-26 was £1.11 billion (derived from contributions payable by employers over the year). Based on this information, the accruing cost of pensions in 2025-26 (at 27.4% of pay) is assessed to be £0.30 billion.

22. Past service costs arise when an employer undertakes to provide a different level of benefits than previously promised. I am not aware of any events that have led to a significant past service cost over 2025-26.

23. I am not aware of any events that have led to a significant settlement or curtailment gain or loss over 2025-26.

Sensitivity analysis

24. The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. In recognition of this uncertainty, I have been asked to indicate the approximate effects on the actuarial liability as at 31 March 2026 of changes to the most significant actuarial assumptions.

25. The most significant financial assumptions are the discount rate, general earnings increases and inflationary increases (currently based on CPI). A key demographic assumption is pensioner mortality.

26. Table H shows the indicative effects on the total liability as at 31 March 2026 of changes to these assumptions (rounded to the nearest 0.5%).

Table H - Sensitivity to significant assumptions

Change in assumption	Approximate effect on total liability		
Financial assumptions			
(i) discount rate*:	+0.5% p.a.	-7.0%	- £0.7 billion
(ii) (long-term) earnings increase*:	+0.5% p.a.	+1.0%	+ £0.1 billion
(iii) inflationary (CPI) increases*:	+0.5% p.a.	+6.5%	+ £0.7 billion
Demographic assumptions			
(iv) additional 1 year increase in life expectancy at retirement		+3.5%	+ £0.4 billion

* Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.

The discount rate sensitivity shown implies a scheme duration of c.16 years as at the underlying data date.

Covid-19 and climate change

27. Covid-19 and climate change are areas where there remains significant uncertainty, which could affect both future economic and demographic experience. In line with previous years, the assumptions used in the preparation of the 2025-26 Resource Accounts allow for the current impacts of Covid-19 and climate change to the extent that they are reflected in the market data used to set or derive assumptions.

28. The 2022-based population projections consider Covid-19 as a mortality shock event, applying an appropriate short-term adjustment rather than projecting its effects forward. Death rates from Covid-19 in excess of that already allowed for in the mortality assumptions and reflected in the membership data would emerge as an experience gain in future years' accounts.

Mary Stevenson FIA C.Act
Actuary, Government Actuary's Department
14 May 2026

STATEMENT OF ACCOUNTING OFFICER'S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the Department of Finance has directed the Northern Ireland Civil Service Pension Schemes to prepare, for each financial year, financial statements in the form and on the basis set out in the Accounts Direction.

The combined financial statements are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Combined Schemes at the year end and of its income and expenditure, Statement of Financial Position and cash flows for the financial year. The financial statements are required to provide disclosure of any material expenditure or income that has not been applied to the purposes intended by the Assembly or material transactions that have not conformed to the authorities that govern them. In addition, the financial statements must be prepared so as to ensure that the contributions payable to the Scheme during the year have been paid in accordance with the Scheme rules and the recommendations of the Actuary.

In preparing the financial statements the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- observe the Accounts Direction issued by the Department of Finance, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going-concern basis; and
- confirm that the Annual Report and Accounts as a whole are fair, balanced and understandable and take personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

The Department of Finance has appointed the Permanent Head of the Department as Accounting Officer for the Northern Ireland Civil Service Pension Schemes. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the assets of the pension schemes, are set out in the Accounting Officers' Memorandum issued by the Department of Finance and published in *Managing Public Money Northern Ireland*.

As the Accounting Officer, I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Northern Ireland Civil Service Pension Schemes' auditors are aware of that information. So far as I am aware, there is no relevant audit information of which the auditors are unaware.

GOVERNANCE STATEMENT

The Department of Finance (“DoF”) is one of nine Northern Ireland departments. The Department is governed under a model with the following responsibilities:

- The Minister for Finance reports to the Northern Ireland Executive on all of the functions of the Department;
- The Permanent Secretary has responsibility to the Minister for the day-to-day operation of the departmental functions and as Accounting Officer for the managing and controlling of the resources used by the Department; and
- The Departmental Board (the Board) provides collective leadership, strategic direction and has responsibility for operational delivery of the functions of the Department.

The Department’s organisation chart is as shown on page 36.

The Budget Act (Northern Ireland) 2026, which received Royal Assent on 20 March 2026, together with the Northern Ireland Spring Supplementary Estimates 2025-26 which were agreed by the Assembly on 17 February 2026, provide the statutory authority for the Executive’s final 2025-26 expenditure plans. The Budget Act (Northern Ireland) 2026 also provides a Vote on Account to authorise expenditure by departments and other bodies into the early months of the 2026-27 financial year.

This Governance Statement, which has been agreed by the Board, sets out how these responsibilities have been discharged during 2025-26.

Ministerial Directions

There were no Ministerial Directions during 2025-26.

Context

The financial outlook remains challenging. With demand for public services growing, innovation, efficiency and prioritisation are essential.

The DoF Business Plan for 2025-26 was published on 4 June 2025. Specific targets underpin the main themes of:

- Managing public money;
- Supporting people;
- Transformation and Innovating;
- Providing evidence and insights; and
- Delivering public services.

Scheme management also ensures the delivery of pension services in the most efficient and effective way possible to meet customer needs and statutory requirements. Whilst the Scheme is a standalone entity these targets are applied to the management and administration of the Scheme.

Accounting Officer

The Permanent Secretary as Departmental Accounting Officer is responsible to the Minister and to the Assembly for the proper handling and reporting of the use of public money by the Department under the main principles set out in *Managing Public Money Northern Ireland (MPMNI)* and for establishing and maintaining a sound system of internal control for the management of resources under the Permanent Secretary's control.

At the beginning of the financial year, the Accounting Officer delegated responsibility to the Board Members and Chief Executives for the management of budgets within their respective business areas. Formal assurances were received twice yearly from each Board Member and Chief Executive on risk management, governance, financial management and delegations within their respective areas of responsibility in the format of assurance statements. Key issues emanating from those statements are reflected in this Governance Statement and necessary actions followed up with the relevant Directors.

Departmental Board

The Accounting Officer chairs the Board, which met on six occasions in 2025-26. During this period the Board held discussions on:

- Business Continuity;
- Business Planning;
- Climate and Sustainability;
- Communications;
- Covid-19 Inquiry;
- Cyber Security;
- Service Delivery;
- Finance;
- HR, People and Resources;
- Information, Governance and Assurance;
- Integr8;
- Legislative Programme;
- Major Capital Programmes and Projects;
- NI Census;
- NICS Estate Strategy;
- Public Procurement;
- Social Value;
- Raising Concerns;
- Risk; and
- Strategic Asset Management.

In addition, the Board considered and discussed the HR Policy Review, NICS One Year People Plan and NICS Five-Year People Strategy, DOF People Plan and DoF Health & Wellbeing Framework, the NICS Diversity Plan and DoF Equality Action Plan.

Each Board meeting commences with a Chair's remarks section, which provides an update on matters of strategic importance that the Permanent Secretary feels will be relevant to the work of the Board. This also allows for open debate and questions to be asked of the Chair. Regular Stocktake meetings with Executive

Board members between formal Board meetings ensure regular engagement at leadership level across teams.

Compliance with the Corporate Governance in Central Government Departments: Code of Good Practice NI

The Department has in place a Corporate Governance Framework that is available on the staff intranet site. This reflects the key principles in [Corporate governance in central government departments: code of good practice NI 2025](#) and sets out details of the Department’s corporate governance arrangements.

The assessment found that the Department is compliant with the spirit and principles of the code across the majority of its aspects.

Attendance of non-executive and executive members at Board and Departmental Audit and Risk Committee (“DARC”) meetings during 2025-26:

Role	Name	Number of Board Meetings Attended (in total)	Number of DARC Meetings Attended (in total)
Permanent Secretary	Neil Gibson	5	7
Deputy Secretary, Land & Property Services (LPS)	Sharon Gallagher	4	1
Chief Executive & Registrar General, Northern Ireland Statistics & Research Agency (NISRA)	Philip Wales	5	N/A
Departmental Solicitor	Louise Crilly	3	1
Deputy Secretary, Public Spending Group	Joanne McBurney	2	N/A
Deputy Secretary, Strategic Policy & Reform	Tony Simpson	5	1
Deputy Secretary, People & Organisational Development	Jill Minne	4	N/A
Deputy Secretary, NICS Human Resource	Catherine Shannon	5	1
Deputy Secretary, Construction & Procurement Delivery	Sharon Smyth	6	N/A
Deputy Secretary, Digital, Security & Finance Shared Services	Paul Duffy	6	N/A
Deputy Secretary, Digital Shared Services	Paul Grocott (from 2 March 2026)	-	N/A
Group Head of NICS Internal Audit Services	Tracey McCavigan (temporarily promoted from 14 April 2025)	6	N/A

Role	Name	Number of Board Meetings Attended (in total)	Number of DARC Meetings Attended (in total)
Director of Corporate Services	David Hughes	6	4
Director of Finance	Gavin Patrick	5	7
Director of Communications and Engagement	Mark McLaughlin (to 30 November 2025)	4	N/A
	Ciarrai Conlan (temporarily promoted from 1 December 2025)	2	N/A
Non-Executive Board Member	Joan McEwan	5	7
Non-Executive Board Member	Olwen Laird	6	7

Note - where Directors are unable to attend, they will send deputies.

Civil Service Pension Board

The Northern Ireland Civil Service Pension Board (NICSPB), is a body which was established on 1st April 2015 in accordance with the Public Service Pensions Act (Northern Ireland) 2014. The Board is responsible for assisting the Scheme Manager (the Department of Finance) in the effective administration of the Civil Service (Northern Ireland) pension schemes and assisting the Department in securing compliance with the pension scheme regulations and other legislation relating to the governance and administration of the schemes; and requirements imposed by the Pensions Regulator.

The NICSPB provide a statement of assurance to the Accounting Officers, members and employers about the effective financial management including contribution collection, financial forecasting, and debt management; that beneficiaries receive the benefits to which they are entitled under the rules and regulations of the schemes and production of annual scheme accounts. This assurance is given in the Board’s Annual Report. The NICSPB oversees and monitors the Northern Ireland Civil Service Pension Scheme budget forecasting, estimating and modelling, and monitors audit arrangements.

NICSPS review the Scheme’s monthly income and expenditure and the efficacy of its debt management through receipt of a financial report and overpayment report in advance of each Board meeting.

The NICSPB has three nominees each from employers who participate in the scheme and employee representatives. In addition to this, it also has two shadow representatives (voting members) – one nominated from employer representative bodies/one nominated from member representative bodies to deputise on behalf of the representatives at future meetings in their absence. It has two non-voting members and is chaired by an independent chairperson. The NICSPB met on four occasions in 2025-26, with three of those meetings being held virtually and one being a face to face meeting. Minutes of all Board meetings are published on the Departmental website. Each year the NICSPB produces a review of its work for the year via its Annual Report which is published on the NICSPB page on the CSP(NI) website at: [Northern Ireland Civil Service Pension Board \(NICSPB\) | Department of Finance \(finance-ni.gov.uk\)](#)

In November 2025, with the agreement of members of the Pension Board and Scheme Manager, an amendment to the NICSPB Terms of Reference enabled the Scheme Manager to extend the appointment of Mr Graham's tenure as Chairperson by a further period to September 2028, with the discretion to extend for a further two years, subject to review.

Current NICSPB members are:

- Bumper Graham (Independent Chairperson)
- Brian Quinn (DE) - Employer Nominee
- Caroline McCarthy (DoJ) - Employer Nominee
- Gary Fair (TEO) - Employer Nominee
- Sheila Ward (DoF) - Shadow Employer Nominee
- Maria Morgan (NIPSA) – Employee Nominee
- Laurence McCann (FDA) – Employee Nominee
- Joanne Veighey (NIPSA) Employee Nominee
- Ryan Wilson (NIPSA) Shadow Employee Nominee
- Peter Philip (DoF - Policy and Legislation) non-voting representative
- Olivia McMenamy (Finance) non-voting representative

Civil Service Scheme Advisory Board

The Scheme Advisory Board (SAB) role is to advise the responsible authority, DoF, on the desirability of changes to the schemes. The responsible authority may commission the SAB to advise on any matter in relation to the schemes the responsible authority considers appropriate, and any commission may be framed as an open request for regular advice on a range of issues, or a narrow requirement for advice on a specific issue. The responsible authority may give responsibility to the SAB to advise on the efficient and effective scheme administration and management. The SAB comprises of the NICS Pension Board Chair, one employee representative, one employer representative and is chaired by a senior Departmental official. The SAB met on one occasion during 2025-2026.

Declarations of Interest

Corporate Services Division maintains a "Register of Interests" for all staff at the senior civil service grades, which includes the members of the Departmental Board. Declarations include any private interest that may give rise to conflict with an individual's position and role within the Department, including:

- Private occupations, such as sitting on the boards of other public bodies;
- Payment for private work;
- Relationships with suppliers and/or consultants with whom the Department does business;
- Gifts or benefits received in connection with work in the Department;
- Membership of professional institutes and/or committees; and
- Any other interests that could have a conflict.

For 2025-26, a number of interests were declared that could potentially pose a conflict with the business of the Department. The Accounting Officer has, however, been provided with assurance that line manager assessments have been carried out, mitigations are in place if necessary and that no significant conflict has materialised. A Register of Interests for Departmental Board members is available on the Department's

website at [DoF Senior Civil Servants \(SCS\), Departmental Board and Sub-committee Members' Register of Interests](#).

For 2025-26 there were also no declarations of interest made by the Department Board Members that could pose a conflict with the Pensions Scheme.

For staff at the grades below senior civil service, declarations of interest are monitored by the relevant Grade 3/5 and confirmed through the bi-annual assurance statement process.

The Department also collates the Registers of Interests relating to Ministers in all Departments. These are published at [Ministerial Interests](#).

In respect of our Department, Minister O'Dowd has declared an interest however, this has been considered and does not represent a conflict in relation to the Pension Scheme.

Application of Business Appointment Rules (BARs)

In compliance with Business Appointment rules, the Department is transparent in the advice given to individual applications for senior staff, including special advisers. Advice regarding specific business appointments has been published on the Department of Finance website [NICS Standards of Conduct Policy](#).

Departmental Audit and Risk Committee

The DARC supports the Accounting Officer and the Departmental Board on issues of risk, control and governance. In addition, DARC provides advice to the Accounting Officer and assurance around governance and internal and external audit, including the adequacy of internal audit coverage. DARC is chaired by one of the Non-Executive Board Members and operates under the best practice guidance contained within the Audit and Risk Assurance Committee Handbook (NI) issued under DAO (DoF) 03/18 in March 2018 and Effective Audit and Risk Assurance Committees – a Good Practice Guide issued in March 2025.

In total the Committee met on seven occasions during 2025-26, with four full agenda meetings, two meetings to discuss the draft accounts and one deep dive meeting, focused on outstanding Internal Audit Recommendations.

The risk profile for the Department has been reviewed regularly by the Departmental Board and DARC. During the year, new controls and management actions have been put in place to mitigate the risks and to minimise the impact should they materialise. This has resulted in the re-grading of risk status, and the inclusion and removal of risks at Departmental level as necessary. Work to refine the classification of risk ownership pertaining solely to the Department of Finance and more widely within shared services has continued during the year and this has been reflected in an updated and restructured risk register. Risks relating to the shared services operated by the Department will have an impact on other Departments and Arm's Length Bodies who rely on them and will be shared accordingly.

DARC has expanded its work plan to include updates on additional areas such as Major Programmes and Projects and When Things Go Wrong process. The Committee has also continued to review its standard agenda items, covering a range of corporate governance and internal control matters including:

- Progress against internal audit plans and development of future plans;

- Progress against internal audit recommendations;
- Departmental Resource Accounts;
- Assurance Statements provided by all Business Area Directors;
- Reports to Those Charged with Governance provided by NI Audit Office;
- Direct Award Contracts (DACs) & External Consultancy;
- Accountability Grids in relation to Public Accounts Committee recommendations;
- Fraud;
- Raising Concerns (whistleblowing);
- Climate Update and DoF Climate and Sustainability Action Plan;
- SEUPB Assurance and update papers;
- Public Accounts Committee (PAC) recommendations: and
- Renewable Heat Incentive scheme (RHI) Inquiry Recommendations.

At each meeting the DARC receives a summary position of the Audit Recommendations Register which indicates the progress being made against each internal and external audit recommendation. This provides a more complete view of outstanding actions and recommendations from these two lines of defence. This supports DARC in identifying those recommendations which are past due, or which require further discussion at DARC level. The DARC also receives a dashboard report providing a high-level view on progression of internal audit work against plan.

During the year the Chair of the DARC has presented a formal report from each DARC meeting to the Departmental Board. The Chair also presents an annual report outlining the work undertaken by the Committee and providing assurance on the systems of internal control in operation across DoF.

All meetings of the DARC are attended by representatives from the Northern Ireland Audit Office (NIAO) and the Head of Internal Audit (IA). The Chair of the Committee holds independent meetings separately with the NIAO and Head of IA to discuss any particular issues of concern.

The Committee completed its annual Self-Assessment Exercise in March 2026 which was presented at the April 2026 meeting. DARC concluded it was performing at an overall level of Meeting Standards (performing to the required standard).

Financial Management

Financial Management reporting to the Board plays a significant part in the effective monitoring and management of the Department's financial performance. The Board regularly reviews annual forecasts against budgets to inform progress of financial targets and agree any corrective action as necessary to ensure those targets are achieved.

The Finance Director provides financial management reports to the Board as well as advice and recommendations on the allocation of Departmental resources. This is supported by business areas providing actual expenditure and forecast information and analysis of variance against budgets which enables the Board to assess the extent to which corrective action is needed to address the Department's financial position.

Governance and Control Framework

The Department's Governance and Control Framework is the system by which the work of the Department is directed and controlled. This includes how the Department plans, sets and monitors achievement of its corporate objectives, how the risks to the achievement of those corporate objectives are identified and

managed and what controls are in place to provide assurance that the Board is in control of the risks to achieving the stated objectives. These arrangements are in place during the year under review and up to the date of approval of the Annual Report and Accounts.

The Governance and Control Framework contains advice and guidance to business areas on corporate governance and financial management including the approvals necessary for various types of expenditure. It also contains sources of information on the departmental approach to issues such as anti-fraud measures, charging, information security, procurement and raising concerns (whistleblowing) arrangements.

A key element of the Governance and Control Framework is the DoF Policy and Framework for Risk Management which sets out the approach to the identification and management of risk at all levels across the Department. The Departmental Board regularly reviews and manages departmental risks on the Corporate Risk Register, by evaluating each risk to determine the likelihood and impact of the risk occurring, ensuring controls and mitigating actions are in place. The Corporate Risk Register is supported further by risk registers at Directorate and Agency level.

DoF risk management arrangements are in line with the ‘UK Government Orange Book: Management of Risk – Principles and Concepts’ and the Corporate Governance Code with no departures to disclose.

Information Security

DoF has systems and processes in place, designed to support data protection, information management, and physical, IT and cybersecurity, including the appointment of a Senior Information Risk Owner (SIRO), and a network of Information Asset Owners (IAOs).

Departmental Performance

The DoF Business Plan 2025-26 set out the targets and objectives for the year against which performance is measured, reported and monitored. Progress is reported to the Board using a Red, Amber or Green (RAG) assessment of each target, supplemented by narrative outlining the actions taken to deliver the expected outcomes. The Business Plan is underpinned by detailed supporting plans at Directorate, Agency and Divisional level which are further cascaded into individual staff Personal Performance Agreements.

Level of Assurance

The Head of Internal Audit (HIA) provides an objective evaluation of, and opinion on, the overall adequacy and effectiveness of the Department’s framework of governance, risk management and control. Based on the audit work performed, it is the opinion of the HIA that the Department has established and maintained “satisfactory” governance, risk management and control processes during 2025-26. The overall opinion is based mainly on the results of the internal audit activity carried out during 2025-26 and cumulative assurances derived from the internal audit activity during the previous three years. Account has also been taken of the wider control framework in place throughout the Department.

In 2025-26 Internal Audit completed a follow up review of the McCloud Remedy, assessing the findings of the original 2024-25 audit which had resulted in a limited audit opinion. The follow up review concluded that a satisfactory audit opinion is now appropriate, reflecting the significant progress made by management in implementing the agreed recommendations.

Counter Fraud

The DoF Fraud Working Group continued to meet and correspond during 2025-26 to consider issues in relation to fraud, raise awareness of anti-fraud measures and disseminate information pertinent to the prevention and detection of fraud.

Actions taken during 2025-26 included the review of business area Fraud Risk Assessments and the commencement of the National Fraud Initiative (NFI) Exercise 2024-25 by investigating matches in relation to payroll, pensions, trade creditors, rates and housing benefit data. Participation in this exercise provides assurance that the department has effective controls in place for the prevention and detection of fraud. Progress updates are included in each Fraud paper presented to the DARC, which is a standing agenda item.

In respect of Civil Service Pensions, the 2024-25 exercise investigated 975 matches with no cases of fraud detected. It is anticipated that data for 2026-27 NFI exercise will be available towards the end of 2026. The Departmental Board receives a readout from each DARC which record the discussions around fraud.

Raising Concerns

The Department is committed to the highest possible standards in the delivery of its functions and services. In DoF, when concerns arise, we are fully committed to responding appropriately, correcting failures and learning lessons. This is in line with the [NICS Raising a Concern Policy Framework](#). Raising a concern, often referred to as “whistleblowing”, refers to someone notifying a Department or agency about something going wrong, including risk, danger, malpractice, wrongdoing or illegality. Each concern is considered appropriately, and ongoing updates provided to the DARC at each of its meetings.

DoF received 15 cases of concern during 2025-26; 9 were not treated as a concern and a reply was sent advising of alternative procedures or an alternative business area to contact. The issues in the cases raised and closed during the 2025-26 year did not raise any issues of significance or of general application business. No concerns were received that related to the Pension Scheme.

Conclusion

The Department and the Scheme is compliant with the Corporate Governance in central government departments: Code of Good Practice NI.

The Department and Scheme have an effective framework of governance, risk management and control in place that I can rely on as Accounting Officer. Where issues have arisen, appropriate action is being taken to address the issues concerned.

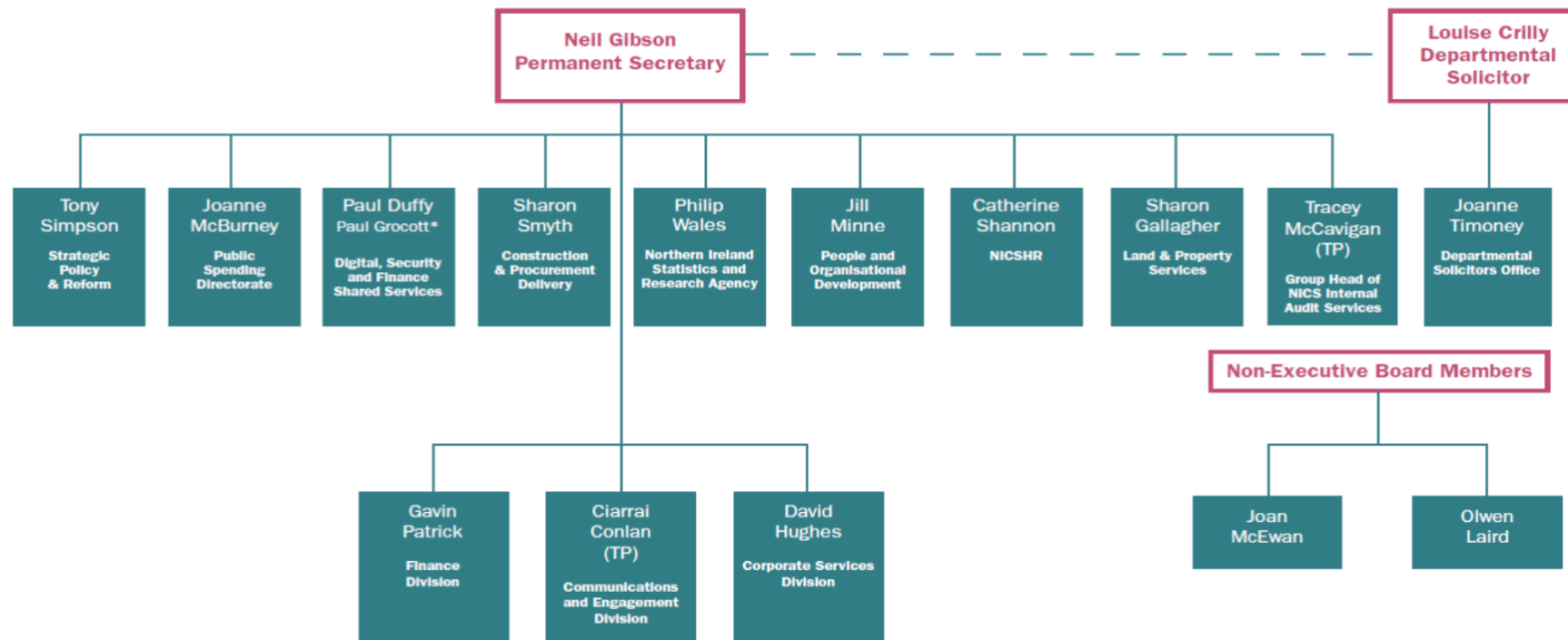
This Governance Statement is approved and signed



NEIL GIBSON
Accounting Officer
Department of Finance
Date: 24 June 2026



DoF Organisational Chart as at 31 March 2026



**On 1 April 2026 Digital Security and Finance Shared Services (DSF) was restructured into two separate Directorates. Paul Grocott was appointed as Deputy Secretary for Digital Shared Services and Paul Duffy was appointed Deputy Secretary for Inte8r and Finance Shared Services.*

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (AUDITED)

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FReM) requires the Northern Ireland Civil Service Pension Scheme to prepare a Statement of Assembly Supply (SOAS) and supporting notes.

The SOAS and related notes are subject to audit, as detailed in the Certificate and Report of the Comptroller and Auditor General to the Northern Ireland Assembly.

The SOAS is a key accountability statement that shows, in detail, how an entity has spent against their Supply Estimate. Supply is the monetary provision (for resource and capital purposes) and cash (drawn primarily from the Consolidated Fund), that the Assembly gives statutory authority for entities to utilise. The Estimate details supply and is voted on by the Assembly at the start of the financial year and is then normally revised by a Supplementary Estimate at the end of the financial year. It is the final Estimate, normally the Spring Supplementary Estimate, which forms the basis of the SOAS.

Should an entity exceed the limits set by their Supply Estimate, called control limits, their accounts will receive a qualified opinion.

The format of the SOAS mirrors the Supply Estimates to enable comparability between what the Assembly approves and the final outturn. The Supply Estimates are voted by the Assembly and published on the DoF website.

The SOAS contain a summary table, detailing performance against the control limits that the Assembly has voted on, cash spent (budgets are compiled on an accruals basis and so outturn won't exactly reconcile to cash spent) and administration.

The supporting notes detail the following: Outturn detailed by Estimate Line, providing a more detailed breakdown (note 1); a reconciliation of outturn to net expenditure in the Statement of Comprehensive Net Expenditure (SOCNE), to tie the SOAS to the financial statements (note 2); a reconciliation of net resource outturn to net cash requirement (note 3) and an analysis of income payable to the Consolidated Fund (note 4).

Summary tables – mirror Part II and III of the Estimates

Summary table, 2025–26, all figures presented in £'000

Type of Spend	Note	Outturn			Estimate			Outturn vs estimate, saving / (excess)		Prior Year Outturn Total, 2024-25
		Voted	Non-Voted	Total	Voted	Non-Voted	Total	Voted	Total	
Departmental Expenditure Limit										
Resource	SOAS 1.1	-	-	-	-	-	-	-	-	-
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		-	-	-	-	-	-	-	-	-
Annual Managed Expenditure										
Resource	SOAS 1.1	402,207	-	402,207	428,500	-	428,500	26,293	26,293	387,560
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total		402,207	-	402,207	428,500	-	428,500	26,293	26,293	387,560
Total Budget										
Resource	SOAS 1.1	402,207	-	402,207	428,500	-	428,500	26,293	26,293	387,560
Capital	SOAS 1.2	-	-	-	-	-	-	-	-	-
Total Budget Expenditure		402,207	-	402,207	428,500	-	428,500	26,293	26,293	387,560
Total Budget and Non-Budget		402,207	-	402,207	428,500	-	428,500	26,293	26,293	387,560

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Net Cash Requirement 2025-26, all figures presented in £'000s

Item	Note	Outturn	Estimate	Outturn vs estimate, saving / (excess)	Prior Year Outturn Total, 2024-25
Net Cash Requirement	SOAS 3	68,304	101,800	33,496	87,907

Figures in the areas outlined in bold are voted totals subject to Assembly control.

Administration costs 2025-26, all figures presented in £'000s

Item	Note	Outturn	Estimate	Outturn vs estimate, saving / (excess)	Prior Year Outturn Total, 2024-25
Administration costs	SOAS 1.1	-	-	-	-

Administration costs are not a separate voted limit and a breach of the administration budget will not result in an excess vote.

Notes to the Statement of Outturn against Assembly Supply, 2025–26 (£'000s)

This note mirrors Part II of the Estimates: (Revised) Subhead Detail and Resource to Cash Reconciliation

SOAS 1. Outturn detail, by Estimate Line**SOAS1.1 Analysis of resource outturn by Estimate line, all figures presented in £'000**

Type of spend (Resource)	Resource Outturn							Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, 2024-25	
	Administration			Programme			Total	Total	Virements*	Total including virements			
	Gross	Income	Net	Gross	Income	Net							
Spending in Departmental Expenditure Limits (DEL)													
Voted Expenditure													
1	Redundancy and early retirement costs	-	-	-	5,116	(5,116)	-	-	-	-	-	-	-
Total spending in DEL		-	-	-	5,116	(5,116)	-	-	-	-	-	-	-
Spending in Annually Managed Expenditure (AME)													
Voted Expenditure													
2	Pensions, Lump Sum and Gratuities	-	-	-	844,676	(442,469)	402,207	402,207	428,500	-	428,500	26,293	387,560
Total Spending in AME		-	-	-	844,676	(442,469)	402,207	402,207	428,500	-	428,500	26,293	387,560
Total Resource		-	-	-	849,792	(447,585)	402,207	402,207	428,500	-	428,500	26,293	387,560

SOAS1.2 Analysis of capital outturn by Estimate line, all figures presented in £'000

Type of spend (Capital)	Outturn			Estimate			Outturn vs Estimate (inc virements), saving/ (excess)	Prior Year Outturn Total, 2024-25
	Gross	Income	Net total	Total	Virements*	Total inc. virements		
Spending in Departmental Expenditure Limits (DEL)								
Voted Expenditure	-	-	-	-	-	-	-	-
Total Voted DEL	-	-	-	-	-	-	-	-
Total spending in DEL	-	-	-	-	-	-	-	-
Spending in Annually Managed Expenditure (AME)								
Voted Expenditure	-	-	-	-	-	-	-	-
Total Spending in AME	-	-	-	-	-	-	-	-
Total Capital	-	-	-	-	-	-	-	-

*Virements are the reallocation of provision in the Estimates that do not require Assembly authority (because the Assembly does not vote to that level of detail and delegates to DoF). Further information on virements are provided in the Supply Estimates in Northern Ireland Guidance Manual, available on the DoF website.

The Outturn vs Estimate column is based on the total including virements. The Estimate total before virements have been made is included so that users can reconcile this Estimate back to the Estimates approved by the Assembly.

SOAS2. Reconciliation of outturn to net expenditure

The total resource outturn in SOAS1 is the same as net operating expenditure in the Statement of Comprehensive Net Expenditure in the current and prior year therefore no reconciliation is required.

SOAS3. Reconciliation of Net Resource Outturn to Net Cash Requirement

This note mirrors Part II of the Estimates: Resource to Cash Reconciliation.

Item	Note	Outturn total £'000	Estimate £'000	Outturn vs Estimate, Saving/ (excess) £'000
Total Resource Outturn	SOAS 1.1	402,207	428,500	26,293
Total Capital outturn				
<i>Adjustments to remove non-cash items:</i>				
New provisions and adjustments to previous provisions		(844,676)	(871,000)	(26,324)
<i>Adjustments to reflect movements in working balances:</i>				
Decrease/(Increase) in receivables		(5,973)	15,000	20,973
(Increase) in payables		(1,713)	-	1,713
Use of provision		518,459	529,300	10,841
Total		68,304	101,800	33,496
Removal of non-voted budget items				
Consolidated Fund Standing Services		-	-	-
Other		-	-	-
Total		-	-	-
Net Cash Requirement		68,304	101,800	33,496

As noted in the introduction to the SOAS above, outturn and the Estimates are compiled against the budgeting framework, not on a cash basis. This reconciliation bridges the resource outturn to the net cash requirement.

SOAS4. Amounts of Income Payable to the Consolidated Fund

This note mirrors Part III of the Estimates: Extra Receipts Payable to the Consolidated Fund.

Item	Note	Outturn total 2025-26 £'000		Prior Year 2024-25 £'000	
		Accruals	Cash basis	Accruals	Cash basis
Income in budgets surrendered to the Consolidated Fund (resource)		-	-	-	-
Income in budgets surrendered to the Consolidated Fund (capital)		-	-	-	-
<hr/>					
Non-budget amounts collectable on behalf of the Consolidated Fund (in the SoCNE)		-	-	-	-
[Excess] cash surrenderable to the Consolidated Fund		-	-	-	-
Total amount payable to the Consolidated Fund		-	-	-	-

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES**Losses and Special Payments (Audited)**Losses Statement

	2025-26	2024-25
Total number of losses	313	276
Total value of losses (£'000)	84	60

Individual Scheme losses during the year did not exceed £300,000.

Special Payments

There were no special payments made by the Scheme during the year (2024-25: None).



NEIL GIBSON
Accounting Officer,
Department of Finance
Date: 24 June 2026

**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 Department of Finance: Superannuation and Other Allowances Pension Scheme (the Scheme) for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The financial statements comprise the Combined Statement of Comprehensive Net Expenditure, the Combined Statement of Financial Position, the Combined Statement of Changes in Taxpayers' Equity, the Combined Statement of Cash Flows and the related notes including significant accounting policies. The financial reporting framework that has been applied in the preparation of the combined financial statements is applicable law and UK adopted international accounting standards as interpreted and adapted by the Government Financial Reporting Manual (FReM).

I have also audited the Statement of Outturn against Assembly Supply, and the related notes and the information in the Accountability Report that is described in that report as having been audited.

In my opinion, the financial statements:

- give a true and fair view of the state of the Scheme's affairs as at 31 March 2026 and of its combined net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001 and Department of Finance directions issued thereunder.

Opinion on regularity

In my opinion, in all material respects:

- the Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals for the year ended 31 March 2026 and shows that those totals have not been exceeded; and
- the income and expenditure 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 my certificate. My staff and I are independent of the 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 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 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.

The going concern basis of accounting for the Scheme is adopted in consideration of the requirements set out in the Government Financial Reporting Manual, which require entities to adopt the going concern basis of accounting in the preparation of the financial statements where it anticipated that the services which they provide will continue into the future.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

Other Information

The other information comprises the information included in the Annual Report other than the financial statements, the parts of the Accountability Report described in that report as having been audited and my audit certificate and report. The Accounting Officer is 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 certificate, 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 parts of the Accountability Report to be audited have been properly prepared in accordance with the Department of Finance directions made under the Government Resources and Accounts Act (Northern Ireland) 2001; and
- the information given in the Accountability 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 light of the knowledge and understanding of the Scheme and its environment obtained in the course of the audit, I have not identified material misstatements in the Accountability 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 and the parts of the Accountability Report to be audited 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 Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for:

- maintaining proper accounting records;
- 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 annual report is prepared in accordance with the applicable financial reporting framework;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error; and
- assessing the 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 Accounting Officer anticipates that the services provided by the Scheme will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act (Northern Ireland) 2001.

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 regulation, including fraud.

My procedures included:

- obtaining an understanding of the legal and regulatory framework applicable to the Scheme through discussion with management and application of extensive public sector accountability knowledge. The key laws and regulations I considered included the Government Resources and Accounts Act (Northern Ireland) 2001;
- making enquires of management and those charged with governance on the 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 the 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 area: management override of controls;
- 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;
- documenting and evaluating the design and implementation of internal controls in place to mitigate risk of material misstatement due to fraud and non-compliance with laws and regulations;
- 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 board and committee minutes, and agreeing financial statement disclosures to underlying supporting documentation and approvals as appropriate;
- 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 Statement of Outturn against Assembly Supply properly presents the outturn against voted Assembly control totals and that those totals have not been exceeded. I am also required to obtain evidence sufficient to give reasonable assurance that the income and expenditure 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

30 June 2026

FINANCIAL STATEMENTS**Combined Statement of Comprehensive Net Expenditure
for the year ended 31 March 2026**

	Note	2025-26 £'000	2024-25 £'000
Principal Arrangements – Northern Ireland Civil Service Pension Schemes			
Income			
Contributions receivable	3	438,659	407,593
Transfers in	4	3,810	3,534
		442,469	411,127
Expenditure			
Service cost	5, 15.4	(303,132)	(279,493)
Enhancements	6, 15.4	(2,064)	(1,389)
Transfers in	7, 15.4	(3,810)	(3,534)
Pension financing cost	9, 15.4	(535,670)	(514,271)
		(844,676)	(798,687)
Net expenditure		(402,207)	(387,560)
Agency Arrangements – Civil Service Compensation and Injury Benefit Schemes (NI)			
Income			
Injury payments recoverable from Employers	8	5,097	4,819
Compensation payments recoverable from Employers	10	19	43
		5,116	4,862
Expenditure			
Injury benefits payable	8	(5,097)	(4,819)
Compensation benefits payable	10	(19)	(43)
		(5,116)	(4,862)
Net expenditure		-	-
Other Comprehensive Net Expenditure			
Pension re-measurements:			
-Actuarial gain/(loss)	15.7	719,869	(12,940)
		719,869	(12,940)
Total Comprehensive Net income/(expenditure) for the year ended 31 March 2026		317,662	(400,500)

Notes 1 to 20 form part of these financial statements.

**Combined Statement of Financial Position
as at 31 March 2026**

	Note	31 March 2026 £'000	31 March 2025 £'000
Principal arrangements – Northern Ireland Civil Service Pension Schemes			
Current assets:			
Receivables	12	32,730	38,601
Cash and cash equivalents	13	4,534	3,581
Total current assets		37,264	42,182
Current liabilities:			
Payables (within 12 months)	14	(17,269)	(14,603)
Total current liabilities		(17,269)	(14,603)
Net current assets excluding pension liability		19,995	27,579
Pension liability	15.4	(10,111,123)	(10,504,775)
Net liabilities, including pension liability		(10,091,128)	(10,477,196)
Agency Arrangements - Civil Service Compensation and Injury Benefit Schemes (NI)			
Receivables - current	16	462	564
Net assets		462	564
Combined schemes - total net liabilities		(10,090,666)	(10,476,632)
Taxpayers' equity:			
General fund		(10,090,666)	(10,476,632)
		(10,090,666)	(10,476,632)

Signed:


Neil Gibson
Accounting Officer
Date: 24 June 2026

Notes 1 to 20 form part of these financial statements.

Combined Statement of Changes in Taxpayers' Equity for the year ended 31 March 2026

	Note	General Fund	
		2025-26	2024-25
		£'000	£'000
Balance as at 1 April		(10,476,632)	(10,164,039)
Net Assembly Funding - drawn down		69,257	87,798
Net Assembly Funding - deemed		3,581	3,690
Supply payable	14	(4,534)	(3,581)
Combined net expenditure for the year		(402,207)	(387,560)
Actuarial gain/(loss)	15.7	719,869	(12,940)
Net change in Taxpayers' Equity		385,966	(312,593)
Balance at 31 March		(10,090,666)	(10,476,632)

Notes 1 to 20 form part of these financial statements.

Combined Statement of Cash Flows for the year ended 31 March 2026

	Note	2025-26 £'000	2024-25 £'000
Cash flows from operating activities			
Combined net expenditure for the year		(402,207)	(387,560)
Decrease/(Increase) in receivables - principal arrangements	12	5,871	(293)
Decrease in receivables - agency arrangements	16	102	64
<i>less movements in receivables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>			
Increase in payables: pensions	14	2,666	693
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>			
		(953)	109
Increase in pension provision	15.4	838,802	793,764
Increase in pension provision - enhancements and transfers in	15.4	5,874	4,923
Use of provisions - pension liability and death in service	15.5	(513,320)	(494,415)
Use of provisions - refunds and transfers	15.6	(5,139)	(5,192)
Net cash outflow from operating activities		(68,304)	(87,907)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		69,257	87,798
Compensation agency payments made on behalf of employers	10	19	41
Reimbursement of compensation payments made on behalf of employers	10	(19)	(41)
Injury benefit payments made on behalf of employers	8	5,097	4,819
Reimbursement of injury benefit payments made on behalf of employers	8	(5,097)	(4,819)
Lump sum payments made on behalf of employers (compensation)	10	-	2
Reimbursement of lump sums made on behalf of employers	10	-	(2)
Net financing		69,257	87,798
Net increase/(decrease) in cash and cash equivalents in the year before adjustment for receipts and payments to the Consolidated Fund		953	(109)
Net increase/(decrease) in cash and cash equivalents in the year after adjustment for receipts and payments to the Consolidated Fund		953	(109)
Cash and cash equivalents at the beginning of the year	13	3,581	3,690
Cash and cash equivalents at the end of the year	13	4,534	3,581

Notes 1 to 20 form part of these financial statements.

Notes to the Financial Statements

1. Basis of preparation of the Scheme financial statements

The financial statements of the Northern Ireland Civil Service Pension Scheme (the “Combined Schemes” or “Scheme”) have been prepared in accordance with the relevant provisions of the 2025-26 *Government Financial Reporting Manual (FReM)* issued by the Department of Finance. The accounting policies contained in the *FReM* apply International Financial Reporting Standards as adapted or interpreted for the public sector. IAS 19 *Employee Benefits* and IAS 26 *Accounting and Reporting by Retirement Benefit Plans* are of particular relevance to these statements. These financial statements show the unfunded pension liability and movements in that liability during the year.

In addition to the primary statements prepared under International Financial Reporting Standards, as adapted or interpreted for the public sector, the *FReM* also requires the Schemes to prepare an additional statement – a Statement of Outturn against Assembly Supply. This statement, and its supporting notes, show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

1.1 NICS Pension Schemes

The alpha scheme is an unfunded, defined-benefit, career average revalued earnings (CARE) occupational pension scheme. The Principal Civil Service Pension Scheme (NI) is a contracted out, unfunded, defined benefit pay-as-you-go occupational pension scheme. Both schemes are operated by the Department of Finance on behalf of members who satisfy the membership criteria.

Contributions to the Schemes by employers are set at rates determined by the Schemes’ Actuary and approved by DoF. Since April 2012 employee contributions have been set by a combination of Scheme Rules and government policy on increased employee contributions. The contributions partially fund payments made by the Schemes, the balance of funding being provided by the NI Assembly through the annual Supply Estimates process.

The financial statements of the Schemes show the position of the Northern Ireland Civil Service pension schemes at the year end and the income and expenditure during the year. The Combined Statement of Financial Position shows the unfunded net liabilities of the Schemes; the Combined Statement of Comprehensive Net Expenditure shows, amongst other things, factors contributing to the change in the net liability analysed between the pension cost, enhancements and transfers in, and the net financing cost of the pension liability. Further information about the actuarial position of the Schemes is dealt with in the Report of the Actuary, and the Schemes financial statements should be read in conjunction with that report.

The financial statements also have regard to the recommendations of the Statement of Recommended Practice Financial Reports of Pension Schemes to the extent that these are appropriate, together with the Superannuation (Northern Ireland) Order 1972 and The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014.

1.2 Civil Service Compensation Scheme (NI) – agency arrangements

The Civil Service Compensation Scheme (NI) acts as an agent for employers in the calculation of lump sum compensation payments arising under the Scheme. The majority of payments are made directly by employers. The recurring compensation payments made on behalf of employers are generally recovered from employers on a monthly basis.

1.3 *Civil Service Injury Benefit Scheme (NI) – agency arrangements*

The Civil Service Injury Benefit Scheme (NI) acts as an agent for employers in the payment of permanent injury benefit payments arising under the Scheme. Injury benefit payments are generally recovered from employers on a monthly basis.

2. **Statement of accounting policies**

The accounting policies contained in the *FReM* follow International Financial Reporting Standards to the extent that they are meaningful and appropriate to the public sector context.

Where the *FReM* permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Schemes for the purpose of giving a true and fair view has been selected. The accounting policies adopted have been applied consistently in dealing with items considered material in relation to the Schemes' financial statements.

2.1 *Accounting convention*

These financial statements have been prepared under the historical cost convention.

2.2 *Contributions receivable*

Employers' normal contributions are accounted for on an accruals basis. There are no employers' special contributions.

Employees' contributions, which include amounts paid in respect of the purchase of added years/added pension but which exclude Additional Voluntary Contributions, are accounted for on an accruals basis. The increase in the pension liability associated with the purchase of added years/added pension is recognised as expenditure.

2.3 *Transfers in and out*

Transfers in and out are generally accounted for on a cash basis. However, where the Schemes have formally accepted or transferred a liability, for example in the case of a group transfer, transfers are accounted for on an accruals basis. Transfers in are simultaneously recognised as income and expenditure (i.e. the increase in the pension liability is accounted for at the same time as the associated income).

Any material transfers that have been agreed but not settled by the end of the financial year, or which are still under negotiation, are disclosed by way of a narrative note.

2.4 *Other income*

Other income, such as interest on transfer values and pension premiums recovered from employers in the event of early retirement, is accounted for on an accruals basis.

2.5 *Current service cost*

The current service cost is the increase in the present value of the pension liability arising from employee service in the current year. The cost is based on the discount rate applicable at 1 April 2025, based on the financial and demographic assumptions applying as at 31 March 2025. For this calculation pension increases are assumed to be in line with Consumer Price Index (CPI) for benefits accrued and are recognised in the Combined Statement of Comprehensive Net Expenditure.

2.6 *Past service cost*

The past service cost is the change in the present value of the pension liability relating to employee service in prior years arising in the current year as a result of the introduction of reductions or improvements to retirement benefits.

2.7 *Pension financing cost*

The pension financing cost is the increase during the year in the present value of the pension liability because the benefits are one year closer to settlement. The interest cost is based on the discount rate applicable at 31 March 2025, i.e. 5.15% and is recognised in the Combined Statement of Comprehensive Net Expenditure.

2.8 *Other expenditure*

Other expenditure is accounted for on an accruals basis.

2.9 *Pension liability*

Provision is made for liabilities to pay pensions and other benefits in the future. The pension liability is measured on an actuarial basis using the projected unit credit method, with allowance for expected future pay increases in respect of active members, and is discounted at the rate applicable at 31 March 2026 (based on the applicable PES rate at November 2025), being 2.95% real rate (i.e. 5.60% per cent including inflation (2024-25: 2.40% per cent real rate (i.e. 5.15% per cent including inflation))).

Full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years in accordance with the requirements of the Government Financial Reporting Manual (*FReM*). In the intervening years the actuary reviews the most recent actuarial valuation at the reporting date and updates it to reflect current conditions. The pension liability included in these financial statements has been calculated using membership data as at 31 March 2020 and demographic assumptions in line with those for the 2020 funding valuation. Membership data has subsequently been rolled forward using cashflows as a proxy for membership movements through to 31 March 2026. These assumptions represent significant judgements on behalf of the scheme. Whilst this approach is reasonable and provides an appropriate basis for IAS 19 valuation purposes in line with *FReM* requirements, it introduces some degree of uncertainty. It should therefore be recognised the results for the IAS 19 valuation at 31 March 2026 included in these financial statements may differ from those that would emerge following an actuarial valuation based on full actual membership data at 31 March 2026.

2.10 Pension benefits payable

Pension benefits payable are accounted for as a decrease in the pension liability on an accruals basis. Pension benefits are treated as payable only from the time that the Schemes themselves have accepted liability.

2.11 Pension payments to those retiring at their normal retirement age

Where a member retiring has no choice over the allocation of benefits receivable between the value of the lump sum and the annual pension, the transaction is accounted for on an accruals basis.

Where a retiring member has a choice over the allocation of benefits between the value of the lump sum and the annual pension, the transaction is accounted for on a cash basis.

2.12 Pension payments to and on account of leavers before their normal retirement age

Where a member of the Schemes has the option of receiving a refund of contributions or a deferred pension, the transaction is accounted for as a decrease in the pension liability on a cash basis.

2.13 Injury benefits

Injury benefits which are determined for the first time and become payable on or after 1 April 2006 are rechargeable to the employer unless the qualifying injury occurred prior to 1 April 1998.

2.14 Lump sums payable on death in service

Lump sum payments payable on death in service are accounted for on an accruals basis. They are funded through the normal pension contributions and are a charge on the pension provision.

2.15 Actuarial gains and losses

Actuarial gains and losses arising from any new valuation and from updating the latest actuarial valuation to reflect conditions at the reporting year date are recognised in the Combined Statement of Comprehensive Net Expenditure.

2.16 Additional voluntary contributions

Additional Voluntary Contributions ('AVCs') are deducted from employees' salaries and are paid over directly by the employers to the approved AVC providers. The aggregate value of these AVC investments are disclosed in note 11.2 to the Scheme financial statements.

2.17 Compensation benefits payable

Compensation benefits payable are accounted for on an accruals basis.

2.18 Administration expenses

An element of the Accruing Superannuation Liability Charge, paid by employers, is appropriated in aid of the DoF to offset central management costs. These include the costs associated with the management and development of Civil Service pension arrangements, the procurement of pension payroll and other services, maintenance and development of pension software used by the Schemes administrators and

the publication of explanatory scheme material. Employers are responsible for the funding of the day to day administration of the NICS Pension Schemes and meet the associated costs from their running cost provision.

In 2025-26 an amount of £2,700k (2024-25: £2,600k) was collected by NICS Pension Schemes from participating employers and remitted to the DoF in respect of NICS Pension Schemes' administration expenses all of which are borne by the Department and participating employers of the Schemes.

2.19 Functional currency

The functional currency is Sterling and all figures have been rounded to the nearest thousand pounds.

2.20 Cash and cash equivalents

The cash balance is based on cash at bank adjusted for any outstanding payments and receipts that have yet to be processed through the financial statements.

2.21 Accounting standards, interpretations and amendments to published standards adopted during the year ended 31 March 2026

The Schemes have reviewed the accounting standards, interpretations and amendments to published standards that became effective during 2025-26 and which are relevant to its operations. The adoption of these standards has not had an impact on the financial position or results of the Schemes.

2.22 Accounting standards, interpretations and amendments to published standards not yet effective

The Scheme has reviewed the additional or revised accounting standards and new (or amendments to) interpretations that are due to come into effect in future years.

- IFRS 18 Presentation and Disclosure in Financial Statements will replace IAS 1 Presentation of Financial Statements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 18 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

- IFRS 19 Subsidiaries without Public Accountability: Disclosures allows eligible subsidiaries to apply IFRS Accounting Standards with reduced disclosure requirements and is effective for annual reporting periods beginning on or after the 1 January 2027 in the private sector. The impact of IFRS 19 on the Public Sector is still being assessed, and a decision has not yet been taken on an implementation date.

The Scheme concludes that these are not expected to have a significant impact on the Scheme accounts going forward. The Scheme presents its accounts in line with the Illustrative Statements referred to in the FreM as adapted for bodies in Northern Ireland.

2.23 Going Concern

The Statement of Financial Position as at 31 March 2026 shows net liabilities of £10.1bn most of which represents pension liabilities falling due after one year. Schemes are supplied finance and draw their funding from the Consolidated Fund therefore there is no liquidity risk in respect of the liabilities due in future years. Contributions partially fund payments made by the Schemes, the balance of funding being provided by the NI Assembly through the annual Supply Estimates process (as referenced in Note 1.1). There is no reason to believe that the future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of the Scheme's financial statements for 2025-26.

3. Contributions receivable

	2025-26	2024-25
	£'000	£'000
Employers	374,953	350,109
Employees:		
Normal	61,642	56,095
Purchase of added years/added pension/Expected Pension Age	2,064	1,389
	438,659	407,593

£475 million contributions are expected to be payable to the Scheme in 2026-27.

4. Transfers-in (see also Note 7)

	2025-26	2024-25
	£'000	£'000
Group transfers in from other schemes	(36)	20
Individual transfers in from other schemes	3,846	3,514
	3,810	3,534

5. Service cost (see also Note 15.4)

	2025-26	2024-25
	£'000	£'000
Current service cost	303,132	279,493
	303,132	279,493

6. Enhancements (see also Note 15.4)

	2025-26 £'000	2024-25 £'000
Employees:		
Purchase of added years/added pension/Expected Pension Age	2,064	1,389
	<u>2,064</u>	<u>1,389</u>

7. Transfers in – additional liability (see also Notes 4 and 15.4)

	2025-26 £'000	2024-25 £'000
Group transfers in from other schemes	(36)	20
Individual transfers in from other schemes	3,846	3,514
	<u>3,810</u>	<u>3,534</u>

Amounts receivable in respect of inward transfers increase the pension liability to the same extent. This increase is reflected in the Combined Statement of Comprehensive Net Expenditure as expenditure, and as part of the movement in the pension liability during the year.

8. Injury benefits

	2025-26 £'000	2024-25 £'000
Injury benefits payable	5,097	4,819
Less: recoverable from employers	(5,097)	(4,819)
	<u>-</u>	<u>-</u>

Injury benefits which are determined for the first time and become payable on or after 1 April 2006 are rechargeable to the employer, unless the qualifying injury occurred prior to 1 April 1998.

9. Pension financing cost (see also Note 15.4)

	2025-26 £'000	2024-25 £'000
Net interest on defined benefit liability	535,670	514,271
	<u>535,670</u>	<u>514,271</u>

10. Compensation benefits payable

The following represent the total annual compensation payments and compensation lump sums payable.

	2025-26 £'000	2024-25 £'000
Recoverable from employers	(19)	(41)
Total annual compensation payable	(19)	(41)
Lump sums payable recoverable from employers	-	(2)
Total lump sums payable	-	(2)
Total annual compensation and lump sums payable	(19)	(43)

11. Additional Voluntary Contributions

11.1 The Northern Ireland Civil Service pension schemes provide for employees to make additional voluntary contributions (AVCs) to supplement their pension entitlements or to increase life assurance cover. Employees may arrange to have agreed sums deducted from their salaries, for onward payment to one of the approved providers. The Managers of the Northern Ireland Civil Service pension schemes are responsible only for ensuring that members' contributions are paid to the approved providers. These transactions are not recorded in the main Schemes' financial statements. Instead, they are recorded by way of a note to the Schemes' financial statements. Members participating in this arrangement each receive an annual statement made up to 5 April from the approved provider confirming the amounts held on their account and the movements in the year.

11.2 The aggregate amounts of AVC investments are as follows:

	2025-26 £'000	2024-25 £'000
Scottish Widows*		
Balance as at 1 April	3,505	4,633
Opening balance adjustment*	-	(688)
Contributions received	121	167
Settlements	(585)	(819)
Changes in market value of investments	472	212
Balance as at 31 March	3,513	3,505

* Scottish Widows were unable to provide a full update on member AVC investments from 31 March 2021 and as a result the opening balance as at 1 April 2024 was adjusted to reflect the correct market value at the start of the financial year. The adjustment comprises movements in market value, contributions received and settlements during 1st April 2021 to 31st March 2024.

	2025-26 £'000	2024-25 £'000
Utmost		
Balance as at 6 April	582	574
Contributions received	6	6
Retirement benefits & premiums	(2)	(2)
Leavers (transfers and withdrawals)	(187)	(13)
Refunds and Deaths	-	(9)
Changes in market value of investments/final bonuses	53	26
Balance as at 5 April	452	582

	2025-26 £'000	2024-25 £'000
Standard Life		
Balance as at 6 April	2,670	2,705
Contributions received and transfers in	275	148
Expenditure and transfers out	(501)	(202)
Changes in market value of investments/final bonuses	464	19
Balance as at 5 April	2,908	2,670

12. Receivables – contributions due in respect of pensions

	2025-26 £'000	2024-25 £'000
Analysis by type		
Amounts falling due within one year:		
Pension contributions due from employers	27,130	32,489
Employees' normal contributions	4,441	5,168
Contributions for employees' added years/added pension	202	98
Group transfers	-	150
Overpaid pensions	1,209	849
Provision for doubtful debts	(252)	(153)
Balance at 31 March	32,730	38,601

There are no amounts due after more than one year as at 31 March 2026 or 31 March 2025.

13. Cash and cash equivalents

	2025-26 £'000	2024-25 £'000
Balance at 1 April	3,581	3,690
Net change in cash balances	953	(109)
Balance at 31 March	4,534	3,581

The following balances at 31 March were held at:

Commercial banks and cash in hand	4,534	3,581
Balance at 31 March	4,534	3,581

14. Payables – in respect of pensions

Analysis by type	2025-26 £'000	2024-25 £'000
Amounts falling due within one year		
Pensions	1,597	1,272
Other payables	8,878	7,580
Transfers out	2,260	2,170
Amounts issued from the Consolidated Fund for supply but not spent at year end	4,534	3,581
Balance at 31 March	17,269	14,603

There are no amounts payable after more than one year as at 31 March 2026 or 31 March 2025.

15. Pension liability**15.1 Assumptions underpinning the provision for pension liability**

The alpha scheme is an unfunded, defined-benefit, career average revalued earnings (CARE) occupational pension scheme. The Principal Civil Service Pension Scheme (NI) is a contracted out, unfunded, defined benefit pay-as-you-go occupational pension scheme. The Government Actuary's Department carried out an assessment of the Schemes liabilities as at 31 March 2026. The Report of the Actuary on pages 20 to 25 sets out the scope, methodology and results of the work the Actuary has carried out. Further details regarding the IAS 19 valuation at 31 March 2026 are included in note 2.9.

The Schemes' Managers together with the Actuary and the auditor have signed a Memorandum of Understanding that identifies, as far as practicable, the range of information that the Schemes' Managers should make available to the Actuary in order to meet the expected requirements of the Schemes' auditor. This information includes, but is not limited to, details of:

reported in these financial statements is not certain, since a change in any one of these assumptions will either increase or reduce the liability. For example, on its own, even a small rise in the assumed rate of inflation will result in an increase in the pension liability.

The assumption that has the greatest impact on the amount of the reported liability is the discount rate net of price inflation. As set out in FReM, and as required by IAS 19, the discount rate net of price inflation is based on yields on high quality corporate bonds. The rates are set out in the above table. Any decrease in the discount rate net of inflation leads to a significant increase in the reported liability.

In accordance with IAS 19 the Schemes' Managers are required to undertake a sensitivity analysis for each significant actuarial assumption as of the end of the reporting period, showing how the defined benefit obligation would have been affected by changes in the relevant actuarial assumptions that were reasonably possible at that date. This analysis, including details of the methods and assumptions used in preparing the sensitivity analyses, the limitations of these methods, and the reasons for any changes in methods and assumptions used in preparing the sensitivity analyses, are included in the analysis of the pension liability below. In the opinion of the Schemes' Managers, the Actuary has used key assumptions that are most appropriate for the Schemes in light of current knowledge.

15.2 Analysis of the provision for pension liability

Categories	At 31 March 2026 £'bn	At 31 March 2025 £'bn	At 31 March 2024 £'bn	At 31 March 2023 £'bn	At 31 March 2022 £'bn	At 31 March 2021 £'bn	At 31 March 2020 £'bn
Pensions in Payment	5.52	5.62	5.33	4.86	6.44	6.39	5.27
Deferred Pensions	0.42	0.47	0.48	0.61	1.08	0.98	0.99
Active Members (Past Service)	4.17	4.42	4.38	5.46	11.86	10.28	9.49
Total	10.11	10.50*	10.19	10.92*	19.39*	17.65	15.75

(* rounding difference)

Pension scheme liabilities accrue over employees' periods of service and are discharged over the period of retirement and, where applicable, the period for which a spouse or eligible partner survives the pensioner. In valuing the Schemes' liability, the Actuary must estimate the impact of several inherently uncertain variables far into the future. The variables include not only the key financial assumptions noted above, but also assumptions about the changes that will occur in the future in the mortality rate, the age of retirement and the age from which a pension becomes payable.

15.3 Sensitivity analysis

The value of the liability included in the statement of financial position may be significantly affected by even small changes in assumptions. For example, if at a subsequent valuation, it is considered appropriate to increase or decrease the assumed rates of inflation or increases in salaries, the value of the pension liability will increase or decrease. The Managers of the Schemes accept that, as a consequence, the valuation provided by the Actuary is inherently uncertain. The increase or decrease in pension liability charged or credited for the year resulting from changes in assumptions is disclosed in note 15.7. The note also discloses 'experience' gains or losses for the year, showing the amount charged or credited for the year because events have not coincided with assumptions made for the last valuation. The actual liability will differ from the figures quoted to the extent that the underlying assumptions are not borne out in practice, and (if applicable) to the extent that the data provided proves to be inaccurate.

The key financial assumptions are the rate of return net of price inflation and the rate of return net of salary inflation. The key demographic assumption is members' longevity.

The results of any actuarial calculation are inherently uncertain because of the assumptions which must be made. In recognition of this uncertainty GAD have been asked to indicate the approximate effects on the actuarial liability as at 31 March 2026 of changes to the most significant actuarial assumptions.

The most significant financial assumptions are the discount rate, general earnings increases and pension increases (currently based on CPI). A key demographic assumption is pensioner mortality.

The table below shows the indicative effects on the total liability as at 31 March 2026 of changes to these assumptions (rounded to the nearest 0.5%).

15.3 Sensitivity analysis

Sensitivity to significant assumptions

Change in assumption	Approximate effect on total liability		
Financial assumptions			
(i) discount rate*:	+0.5% p.a.	-7.0%	- £0.7 billion
(ii) (long-term) earnings increase*:	+0.5% p.a.	+1.0%	+ £0.1 billion
(iii) pension increases*:	+0.5% p.a.	+6.5%	+ £0.7 billion
Demographic assumptions			
(iv) additional 1 year increase in life expectancy at retirement		+3.5%	+ £0.4 billion

*Opposite changes in the assumptions will produce approximately equal and opposite changes in the liability.

15.4 Analysis of movements in the pension liability

	Note	2025-26 £'000	2024-25 £'000
Pension liability at 1 April		10,504,775	10,192,755
Current service cost	5	303,132	279,493
Pension financing cost	9	535,670	514,271
Enhancements	6	2,064	1,389
Pension transfers in	7	3,810	3,534
Benefits payable	15.5	(513,320)	(494,415)
Pension payments to and on account of leavers	15.6	(5,139)	(5,192)
Actuarial (gain)/loss	15.7	(719,869)	12,940
Pension liability at 31 March		10,111,123	10,504,775

During the year ended 31 March 2026, employer contributions represented 33.9% (2024-25: average 33.8%) of pensionable pay. The difference from the actual rate of 34.0% arises from the impact of yearly accrued income estimates from outstanding pay awards at year end.

15.5 Analysis of benefits paid

	2025-26 £'000	2024-25 £'000
Pensions or annuities to retired employees and dependants (net of recoveries or overpayments)	422,159	402,504
Commutations and lump sum benefits on retirement	91,161	91,911
Total benefits paid	513,320	494,415

15.6 Analysis of payments to and on account of leavers

	2025-26 £'000	2024-25 £'000
Refunds to members leaving service	1,648	1,667
Group transfers to other schemes	90	70
Individual transfers to other schemes	3,401	3,455
Total payments to and on account of leavers	5,139	5,192

15.7 Analysis of actuarial gain/(loss)

	2025-26 £'000	2024-25 £'000
Experience (loss)/gain arising on the pension liability	(115,600)	42,236
Changes in assumptions underlying the present value of pension liability	835,469	(55,176)
Total actuarial gain/(loss)	719,869	(12,940)

The actuarial gain in 2025-26 is primarily due to the increase in the discount rate, and a reduction in expectations for future indexation (CPI inflation) and long-term pay increases.

15.8 History of experience gains/(losses)

	2025-26 £'000	2024-25 £'000	2023-24 £'000	2022-23 £'000	2021-22 £'000
Experience (losses)/gains on pension liability:					
Amount (£000)	-115,600	42,236	-392,448	-238,579	70,527
Percentage of the present value of the pension liability	-1.14%	0.40%	-3.90%	-2.20%	0.40%
Total amount recognised in Statement of Changes in Taxpayers' Equity:					
Amount (£000)	719,869	-12,940	1,043,029	9,068,532	-1,271,434
Percentage of the present value of the pension liability	7.12%	-0.12%	10.20%	83.00%	-6.50%

16. Receivables – Non-supply

	2025-26 £'000	2024-25 £'000
Recoverable annual compensation payments	387	506
Recoverable lump sums	75	58
	462	564

17. Financial instruments

As the cash requirements of the Northern Ireland Civil Service pensions schemes are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector scheme of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Schemes' expected purchase and usage requirements and the Schemes are therefore exposed to little credit, liquidity or market risk.

18. Contingent Liabilities disclosed under IAS 37

GMP Equalisation and indexation

The Government published consultations on indexation and equalisation of Guaranteed Minimum Pensions (GMP), with the proposal being to extend the "interim solution" to those members who reach State Pension Age after 5 April 2021 (7 October 2020). A past service cost was recognised in 2019-20 for extending the equalisation to all future retirees.

There was also a further court ruling on 20 November 2020 regarding GMP equalisation. The court ruled that scheme trustees are required to revisit past Cash Equivalent Transfer Values (CETVs) to ensure GMP equalisation. This may result in additional top-ups where GMP Police Pension Scheme and related schemes equalisation means that members did not receive their full entitlement. For public service pension schemes, it is expected that this ruling will be taken forward on a cross scheme basis and will require legal input. This may require revisiting past CETV cases for members with State Pension age after 5 April 2016 and who took a CETV from the scheme before CETVs were equalised. The scope of any liability is yet to be determined as there is currently insufficient data on historic CETVs to estimate the potential impact, however it is anticipated to be a relatively small uplift for a relatively small subset of members (i.e. those who took a CETV and are in scope for a top up).

No additional costs were recognised for GMP equalisation and indexation in 2025-26 (2024-25: nil).

Other Cases

There are also a number of other legal cases lodged against public sector schemes which may have implications for the Scheme. Given the nature of these cases and current status of proceedings, it is not possible to quantify the potential financial impact on the Schemes at this time.

AVCs

In the unlikely event of a default by one of the approved AVC providers, the Department will guarantee pension payments. This guarantee does not apply to members who make payments to institutions offering Free Standing AVCs.

There were no other contingent liabilities during 2025-26 (2024-25: None).

19. Related-party transactions

The Schemes and the Compensation and Injury Benefit Schemes fall within the ambit of the Department of Finance, which is regarded as a related party with which the Schemes have had various material transactions during the year.

In addition, the Schemes have had material transactions with other government departments, and other central government bodies whose employees are members of the Schemes. None of the Managers of the Schemes, key managerial staff or other related parties have undertaken any material transactions with the Schemes during the year.

20. Events after reporting period

There were no events that require amendment to these financial statements after the reporting period.

Date of authorisation for issue

The Accounting Officer authorised these financial statements for issue on 30 June 2026.

