

Dear All

The Remuneration Board met on 24 March. The following is a summary of the Board's discussion and decisions following our latest consultations.

I would like to add my thanks for the responses to the consultations regarding the Remuneration Board's revised Determination for 2016-17. Our deliberations are greatly enhanced by considering the views of Members and their support staff.

### **AMSS Salaries 2016-17**

The Board agreed to increase AMSS salaries for 2016-17 by 1.1%, to be implemented on 1 April.

The Board noted the responses relating to how the changing nature of devolved politics and the additional requirements placed on AMs could impact AMSS. The consultation responses which refer to this issue will inform the Board's discussions regarding its future work programme.

### **Office Costs Allowance 2016-17**

The Board agreed to increase the office costs allowance by 1% for 2016-17. This is to be reviewed again for 2017-18 and Members will, of course, have an opportunity to inform this decision.

Members may apply for Exceptional Expenses if they believe that the allowance is insufficient for their particular circumstances.

### **Residential Accommodation Expenditure (RAE) 2016-17**

The Board decided to maintain the maximum entitlement to residential accommodation allowance for outer area Members which is currently £735 per month for rent payments.

The Board agreed to continue the rate of the RAE subsidiary allowance relating to essential repairs on mortgaged properties which is currently set at 10% of the annual outer area allowance.

The Board also confirmed the sum for the caring responsibilities allowance (subject to the approval of a business case) of up to £1,440 per annum to cover the higher cost of suitable accommodation.

Members should be aware that all three elements above will be reviewed for 2017-18 and should there be any exceptional circumstances in the meantime, Members may also apply for Exceptional Expenses through Member's Business Support.

### **Political Party Support Allowance**

The Board agreed that the total Political Party Support Allowance of £900,000 should be increased by 1.1%, in line with the proposed increase in the pay award to AM Support Staff.

### **An updated and consolidated Determination for 2016-17**

The Board will ensure a revised Determination will be made available in hard copy and electronic version for all Members in May 2016.

### **Funding arrangements for the salaries of party group staff whose posts become redundant following the election.**

The Board agreed that the salaries of party group staff whose posts are to be made redundant following the election should be funded centrally.

### **Member Pension Scheme contribution rates confirmation**

Members will be aware that the Pension Scheme from the Fifth Assembly is based on Career Average Revalued Earnings (CARE) rather than Final Salary. In light of this the rate of contributions paid to the Scheme by Members and the Commission has been reviewed by the Scheme Actuary. The Actuary has confirmed that the total contribution payable to the Scheme should be 26% of Members' salaries with effect from 6 May. The Commission's contribution to the Scheme will be 15.6%. Members aged 55 or over on 1<sup>st</sup> April 2012 will continue to pay the same level of contributions as they do now. All other Members will pay contribution to the Scheme at the rate of 10.5% of their Salary.

### **AMSS pension scheme: Provision for an Independent Financial Adviser (IFA)**

The Assembly Member Support Staff Pension Scheme is a defined contribution pension scheme which is run by Aviva. There is an Independent

Financial Adviser (IFA) aligned to the Scheme who is currently paid by commission for the services he provides.

The Pensions Team recently surveyed the AMSS asking for feedback on how the Scheme is currently communicated, including whether they had contacted the IFA and how useful this had been.

Feedback confirmed that AMSS value being able to talk to someone to help them understand their pension, they want clear communications and help in understanding the amount they should consider saving towards their retirement. The Board considered a number of ways to approach this including the role of the IFA and the future cost of providing this service. The Board agreed not to appoint an IFA after April 2016. Instead the Pensions Team will become the main point of contact for AMSS with queries about their pension.

The Assembly Pensions Team will write to all members of the scheme explaining this change in more detail confirming the new arrangements that will be put in place to ensure that all AMSS, including those based in the regions outside of Cardiff, get the help and support they need to understand their pension.

AMSS have been asked to contact the Pensions Team should they have any concerns about the changes.

### **Thank you**

The Board would like to thank the Members who will not be returning for their contribution to Welsh public life and wish them well in their future endeavours. I look forward to reengaging with those successful in being elected to represent the people of Wales after the election.

A key priority for the Board will be to continue to develop strong relationships with Members using a range of methods. An important element of this will be the establishing of a new AM representative group, which we will aim to do as soon as possible in the Fifth Assembly.

Kind regards



**Dame Dawn Primarolo**

**Cadeirydd / Chair**

**Bwrdd Taliadau/Remuneration Board**