

Department of Education – Teachers' Pension

Annual Scheme Statements

For the year ended 31 March 2026

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Department of Education – Teachers' Pension Annual Scheme Statements

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 2 July 2026



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Any enquiries regarding this publication should be sent to accounts.branch@education-ni.gov.uk telephone number 028 9127 9279.

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Abbreviations and terms used

ARAC	Audit and Risk Assurance Committee
AVCs	Additional Voluntary Contributions
CARE	Career Average Revalued Earnings
CPI	Consumer Prices Index
NICS	Northern Ireland Civil Service
DE	Department of Education
DfE	Department for the Economy
DoF	Department of Finance
DSO	Departmental Solicitor’s Office
FSAVC	Free Standing Additional Voluntary Contributions
FreM	Government Financial Reporting Manual
GAD	Government Actuary’s Department
GAR	Governance and Accountability Review
IAS	International Accounting Standards
ICO	Information Commissioner Officer
MPMNI	Managing Public Money Northern Ireland
NDPB	Non-Departmental Public Body
NEBM	Non-Executive Board Member
NFI	National Fraud Initiative
ONS	Office of National Statistics
PES	Public Expenditure System
PUCM	Projected Unit Credit Method
RMF	Risk Management Framework
SCS	Senior Civil Servant
SOAS	Statement of Outturn against Assembly Supply
SOCNE	Statement of Comprehensive Net Expenditure
TPPT	Teachers' Pay and Pensions Team
	Terms
The Department	The Department of Education
The Scheme	The Northern Ireland Teachers’ Pension Scheme / NITPS

ACCOUNTABILITY REPORT

REPORT OF THE MANAGERS For the year ended 31 March 2026

Statutory basis for the Scheme

The Northern Ireland Teachers’ Pension Scheme (“NITPS” or the “Scheme”) operates under the Teachers’ Superannuation Regulations (Northern Ireland) 1998 (as amended) and the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014 (as amended).

Eligibility to join the Scheme

Persons in the employments specified in Schedule 1 of the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014 are eligible to join the Scheme.

Further information about the Scheme is available on the internet at www.education-ni.gov.uk.

Main features of the Scheme

The NITPS is an unfunded, defined benefit scheme to which teachers and their employers contribute. Benefits are index-linked and there is provision for payments to dependants.

Corporate Governance and Management of the Scheme

The NITPS is managed by the Department of Education (“the Department”). The Department also manages the Teachers’ Premature Retirement Compensation Scheme which operates under the Teachers’ (Compensation for Redundancy and Premature Retirement) Regulations (Northern Ireland) 2010.

The Scheme Manager is responsible for policy in respect of the Scheme, legislative changes, and managing the relationship with the Government Actuary’s Department (GAD).

The Scheme Administrator is responsible for the implementation of the Scheme regulations including day to day management of receipts and payments, and correspondence with Scheme members.

To manage the annual requirements for actuarial valuations and information for the preparation of the Annual Scheme Statements, the NITPS Steering Group meets during the year and attends monthly GAD meetings.

To enable the Accounting Officer to maintain a sound system of internal control, the Accounting Officer is informed by the work of the internal auditors and reports from senior managers on the effectiveness of internal controls; and by comments made by the external auditors in their management letter and other reports. More detail is provided in the Governance Statement.

The Public Service Pensions Act (Northern Ireland) 2014 (“the 2014 Act”) requires each public service pension scheme (including the NITPS) to have a Pension Board to assist the Scheme Manager in securing the effective and efficient administration of the pension scheme and a Scheme Advisory Board for considering major changes to scheme rules.

Pension Board

Primary and secondary legislation does not prescribe the constitution of the Pension Board beyond the requirement that employer representatives and member representatives are equal in number. The Pension Board is comprised of 12 members and includes:

- An independent chairperson (recruited following the principles of the Public Appointments Process);
- A pensions official from the public sector pensions arena;
- Four pension scheme member representatives;
- Four employer representatives; and
- Two Departmental officials at Directorate level drawn from the pension’s policy area of business and from the finance area of business.

Scheme Advisory Board

The Scheme Advisory Board is chaired by a Departmental official and the other members are nominated by a defined list of organisations representing members and employers. Attendance at meetings is limited to two attendees per organisation.

The NITPS Advisory Board is the established forum for consultation on matters relating to the Scheme. The Board comprises representatives of the recognised teacher unions, the University and College Union and employers from both the school and further education sectors.

Employers

The NITPS is for persons in the employments specified in Schedule 2 of the Teachers’ Superannuation Regulations (Northern Ireland) 1998 and Schedule 1 of the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014. A full list of employers currently within the Scheme can be obtained from the [Scheme Administrator](#).

Arrangements governing determination of contribution rates and benefits

The Department in exercise of powers conferred upon it by the Superannuation (Northern Ireland) Order 1972 and after consultation with relevant interested parties makes regulations which determine the contributions and benefits of the Scheme.

Key developments in-year

Changes in contributions

Salary bandings for contribution rates for employees were increased by 1.7% from 1 April 2025. Contribution rates for employees were in accordance with the table below. Employers’ contributions were 29.1% of pensionable pay.

Lower Salary*	Higher Salary*	Contribution Rate in 2025-26
-	£34,872.99	7.40%
£34,873	£46,943.99	8.87%
£46,944	£55,660.99	9.90%
£55,661	£73,768.99	10.52%
£73,769	£100,590.99	11.65%
£100,591	>£100,591	12.06%

* Contributions are based on a member’s annual salary rate (actual earnings)

Changes in benefits

Pensions increased by 1.7% with effect from 1 April 2025 (1 April 2024: 6.7%).

Public service pensions, which began before 1 April 2025, will be increased by 1.7% with effect from 1 April 2025. Pensions, which began on or after 1 April 2024, will be increased on a reduced pro rata basis. The 1.7% increase reflects the notification from the Public Service Pensions Revaluation (Prices) Order (Northern Ireland) 2025.

Department of Education – Teachers’ Pension Scheme Statements 2025-26

Membership statistics

Details of changes in membership of the NITPS are as follows:

A. Active members¹	
Active members at 1 April 2025 (As Previously Reported)	28,622
Opening adjustment ²	235
Actual Number at 1 April 2025	28,857
 Add:	
New entrants in the year	2,577
Further Employment	13
Total Joiners	2,590
 Less:	
Age, infirmity and premature retirements	(689)
Phased retirements	(139)
Death in service	(20)
Refunds/opt out	(14)
Transfers out	(2)
Net withdrawals from active to deferred status	(72)
Total Leavers	(936)
<hr/>	
Active members at 31 March 2026	30,511

Notes

1. An active member is defined as an individual who is in pensionable service and where the employer has not provided a withdrawal indicator.
2. An opening balance adjustment is required in respect of active and deferred members due to the late receipt of service history information from employers which changes the classification of the member. This occurs where information is received between the date the previous Statements were prepared and the date that the current Statements have been prepared.

Department of Education – Teachers’ Pension Scheme Statements 2025-26

B. Deferred members¹	
Deferred members at 1 April 2025	13,749
Opening adjustment ²	(230)
Actual Number at 1 April 2025	13,519
 Add:	
Net withdrawals from active to deferred status	133
Total Joiners	133
 Less:	
Awards out of service	(148)
Death in Service	(7)
Opt Out from deferred status	(10)
Other Leavers	(83)
Total Leavers	(248)
Deferred members at 31 March 2026	
	13,404

Notes

1. A deferred member is defined as a member who has previously been in pensionable service, or who was in pensionable service but their employer has provided a withdrawal indicator.
2. An opening balance adjustment is required in respect of active and deferred members due to the late receipt of service history information from employers which changes the classification of the member. This occurs where information is received between the date the previous Statements were prepared and the date that the current Statements have been prepared.

Department of Education – Teachers’ Pension Scheme Statements 2025-26

C. Pensions in payment	Members	Dependants	Total
Pensions in payment at 1 April 2025	23,276	2,899	26,175
Opening adjustment ¹	754	-	754
Actual Number at 1 April 2025	24,030	2,899	26,929
Add:			
Members retiring in the year			
Age/ Premature pensions			798
Dependant pensions			241
Phased retirement			139
Deferred to retirement			148
Total members retiring in the year and dependants			1,326
Less:			
Deaths in period			(573)
Dependant deaths			(200)
Ceasing (age, out of education)			(195)
			(968)
Pensions in payment at 31 March 2026			27,287

Note

1. An opening balance adjustment is required in respect of active and deferred members due to the late receipt of service history information from employers which changes the classification of the member. This occurs where information is received between the date the previous Statements were prepared and the date that the current Statements have been prepared.

D. Compensation payments	
Members in receipt of compensation at 1 April 2025	6,792
Less: Deaths/other leavers	(49)
Members in receipt of compensation at 31 March 2026	6,743

Transfers

The Scheme previously accepted a group transfer of 13 members from the Northern Ireland Civil Service Pension Scheme on 8 May 2017. The latest estimate of £810k (2024-25: £770k) bulk transfer is reflected on the Combined Statement of Financial Position as a Receivable which has not yet been received by the Scheme.

Financial position at 31 March 2025-26

Net expenditure in 2025-26 was £436m (2024-25: £407m). The increase is caused largely by an increase in pension financing costs. The interest rate cost charge of £635m, is an increase of £30m compared to the charge of £605m in 2024-25. This is due to an increase in the nominal discount rate between 31 March 2024 and 31 March 2025 which increases the interest cost in 2025-26. The current service cost charge of £311m, is an increase of £8m compared to the charge of £303m in 2024-25. This is due to the slight decrease in the discount rate net of Consumer Price Index (CPI) inflation between 31 March 2024 and 31 March 2025.

The Pension liability at 31 March 2026 was £11.8bn compared to £12.5bn at the end of the previous year. The decrease of £0.7bn is due in the main to an actuarial gain of £1.0bn (2024-25: loss of £0.1bn). This gain arose from an improvement in financial assumptions. Further details are provided in the Report of the Actuary and an analysis of movements in the Scheme liability is shown at note 14.4 to the Scheme Statements.

The Scheme had an AME resource saving of £47.0m due to higher than anticipated contributions to the Scheme and a less than expected interest cost chargeable to the liability. However, the Scheme incurred a Non-Budget Excess of £147k due to lower than anticipated premature retirement compensation receipts from the Department of the Economy. The Scheme will seek Assembly approval by way of an Excess Vote in a Budget Act at the first opportunity.

The Scheme also had a net cash requirement saving of £45.9m due to lower than anticipated payment of pensions.

Issues for 2025-26

McCloud

Regulations to introduce the first (prospective) part of the McCloud remedy for the NITPS came into operation on 1 April 2022 and ensured the closure of the legacy scheme (final salary) to future accrual from this date. All active members currently in the legacy scheme were moved into the reformed (Career Average Revalued Earnings/CARE) scheme from that date.

Regulations to introduce the second (retrospective) part of the remedy for NITPS came into operation on 1 October 2023. The regulations address the difference in treatment that occurred between 1 April 2015 to 31 March 2022. Affected members will have the option to take pension built up during this “remedy period” on either a final salary or CARE benefits basis.

The Scheme has implemented the Deferred Choice where members are able to select the remedy choice at retirement age. For those members that have already retired they are currently being offered remedial service statements detailing the choices available and the values of the pensions under each one. Members are then allowed up to a period of 12 months to inform the Scheme of

their desired option. On receipt of the members’ option the team will then revise the pension benefits and issue any arrears due if applicable.

Currently the Scheme are working towards a deadline of 31 March 2027 to issue the remaining remedial service statements. This date is in line with other public sector pension schemes in Northern Ireland.

Any increased cost to the Scheme, as a result of decisions to be taken in relation to the McCloud ruling, will be expected to be paid out over future decades as currently active scheme members retire and their pensions start to be paid. Future effects for the level of contributions required from employers will be tracked as part of the quadrennial valuation process for the Scheme.

Actuarial Valuation

Work on the 2024 Actuarial Valuation is on-going. Valuation data has been finalised and shared with GAD. The outcome of the 2024 Valuation will determine the employer contribution rate from April 2027.

Scheme Member contribution rates

New contribution rates were implemented by the Teachers’ Pension Scheme (Northern Ireland) Amendment Regulations 2025. The regulations came into operation on 1 April 2026 with the changes ensuring that member contribution deliver a collective yield of 9.6% as required by HM Treasury.

COVID-19

The Actuary has considered the potential implications of the impact of the COVID-19 pandemic on the actuarial calculations. The current population mortality projections make a short term allowance for the impact of the COVID-19 pandemic. Further details are provided in the Report of the Actuary.

Details of significant actuarial assumptions adopted in calculating the pension liability for inclusion in the financial statements as at 31 March 2026 are included in note 14, together with sensitivity of the pension liability to changes in the significant actuarial assumptions in note 14.3.

Events after the reporting period

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

Disclosure of information to Auditor

The Accounting Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the Scheme’s auditor is aware of such information. So far as he is aware there is no relevant audit information of which the Scheme’s auditor is unaware.

Information for members

Additional Voluntary Contributions

The NITPS has no arrangements to offer Free-Standing Additional Voluntary Contributions (FSAVCs) or stakeholder pensions. However, the Scheme provides for employees to make Additional Voluntary Contributions (AVCs) to increase their pension entitlements or to increase life assurance cover. Employees may arrange to have agreed sums deducted from their salaries, for onward payment to the approved provider, namely Prudential plc. No contributions to these AVCs are made by the Scheme or teachers’ employers. Members participating in this arrangement receive an annual statement from the approved provider as at 31 March confirming the amounts held on their account and any movements in the year. All transactions and related assets and liabilities connected with the AVC scheme are private arrangements between Prudential and the employees, therefore they do not form part of the NITPS Statements.

Final AVC figures supplied by Prudential for 2025-26 were as follows:

Prudential Teachers’ AVC Facility (Northern Ireland)	2025-26	2024-25
	£000	£000
Movements in the year		
Balance at 1 April	39,554	40,167
New investments	6,140	4,590
Sales of investments to provide pension benefits	(6,612)	(5,339)
Change in market value of investments	18	136
Balance at 31 March	39,100	39,554
Contributions received to provide life cover	6	8
Benefits paid on death	(119)	(25)

Scheme Managers, Advisers and Employers are listed below:

Accounting Officer

David Malcolm
Permanent Secretary
Department of Education
Rathgael House
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Rathgill
BANGOR
BT19 7PR

Scheme Manager and Premature Retirement Compensation Scheme Manager

Mark Bailey
Department of Education
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Rathgill
BANGOR
BT19 7PR

Scheme Administrator and Premature Retirement Compensation Scheme Administrator

Brian Quinn
Department of Education
Teachers’ Pay & Pensions Team
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40 Foyle Street
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BT48 6AT

Pension Scheme Actuary

Government Actuary’s Department
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10 South Colonnade House
Canary Wharf
London
E14 4PU

Bankers

Danske Bank
Donegall Square West
BELFAST
BT1 6JS

Legal Advisers

Departmental Solicitor’s Office
Victoria Hall
12 May Street
BELFAST
BT1 4NL

Auditor

Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

Contact for enquiries

Any enquiries about the NITPS or the Teachers’ Premature Retirement Compensation Scheme should be sent to the Scheme Administrator at the address above.

REPORT OF THE ACTUARY

Introduction

1. This statement has been prepared by the Government Actuary’s Department (GAD) at the request of the Department of Education Northern Ireland (DENI). It provides a summary of GAD’s assessment of the Scheme liability in respect of the NITPS 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 NITPS is a defined benefit scheme providing pension and lump sum benefits on retirement, death and resignation. The Scheme is wholly unfunded. We are 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 2024 based on the data provided as at 31 March 2024 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 2024 used to prepare this statement.

Table A – Active Members

31 March 2024 Membership data		
	Number	Total pensionable pay* (£ million pa)
Males	6,670	
Females	21,118	
Total	27,788	971.9

* Pensionable Pay is the full-time equivalent figure.

Table B – Deferred members

	Number	Total deferred pension* (£ million pa)
Males	4,334	
Females	9,603	
Total	13,937	19.4

* Pension amounts include the pension increase granted in April 2024.

Table C – Pensions in Payment

	Number	Total annual pension* (£ million pa)
Males**	8,267	
Females**	17,443	
Total	25,710	480.6

* Pension amounts include the pension increase granted in April 2024.

** Includes spouses and dependants

Methodology

- 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 Accounting Statements.
- 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.

Principal financial assumptions

- 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
Rate of return (discount rate)	5.60%	5.15%
Rate of pension increases in payment and deferred pensions (assuming 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:		
Pension increases (CPI)	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 Public Expenditure System (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 assumptions is set by Department of Education Northern Ireland (DENI), 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 lower short-term forecasts from the Office for Budget Responsibility (relative to CPI inflation).
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

	Standard Table and Adjustments
Males	
Retirements in Normal Health	93% of S3NMA
Current Ill – Health Pensioners	86% of S3IMA
Future Ill – Health Pensioners	86% of S3IMA
Dependants	87% of S3DMA
Females	
Retirements in Normal Health	93% of S3NFA
Current Ill – Health Pensioners	102% of S3IFA
Future Ill- Health Pensioners	102% of S3IFA
Dependants	90% of S3DFA

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 2022-based projections for the United Kingdom published by the Office of National Statistics (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 will not be used in the 31 March 2026 accounts.
15. The Scheme’s actuarial factors were updated in 2023-24 and remain in force. Consistent to the accounts calculations as at 31 March 2025, these have been allowed for in the calculating the accounting position as at 31 March 2026.
16. Our advice on the selection of assumptions can be found in our draft assumptions and methodology report originally circulated in draft dated 17 March 2026 and finalised in parallel with this report.

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 in paragraphs 4 to 17. 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. This approach is consistent with last year.

Table F – Statement of Financial Position

£ million

	31 March 2026	31 March 2025
Total market value of assets	nil	nil
Value of liabilities	11,849	12,459
Surplus/(Deficit)	(11,849)	(12,459)
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 23.7% 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 Accounting Statements. Members contributed between 7.4% and 12.06% 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

	Percentage of pensionable pay	
	1 April 2025 to 31 March 2026	1 April 2024 to 31 March 2025
Employer Contributions	29.1%	29.1%
Employee Contributions (average)	9.6%*	9.3%
Total Contributions	38.7%	38.4%
Current Service Cost (expressed as a % of pay)	23.7%	23.3%

* Employee contributions are payable at rates between 7.4% and 12.06% (between 7.4% and 11.7% in 2024-25) of pensionable pay, depending upon members’ salaries. The member contribution rate tier structure is updated annually to reflect changes in the Consumer Price Index and reviewed more generally typically as part of the quadrennial actuarial valuation. The latest of these structural updates took effect from 1 April 2025. The target yield (weighted average employee contribution rate) is 9.6% of actual pensionable pay. The figures above show actual contribution yields, based on the amounts received during each period.

20. The key difference between the assumptions used for funding valuations and the Accounting Statements is the discount rate, although price inflation and salary increases are also determined differently. The discount rate for the Accounting Statements 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 £1,312m (derived from contributions payable by employers over the year). Based on this information, the accruing cost of pensions in 2025-26 (at 23.7% of pay) is assessed to be £311m.
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 other 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 significant actuarial assumptions.
25. The most significant financial assumptions are the discount rate, general earnings increases and inflationary increases (currently based 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% a year	- 8.0%	- £948 m
(ii)	(long –term) earnings increases*	+0.5% a year	+ 1.0%	+ £118 m
(iii)	inflationary (CPI) increases*	+0.5% a year	+ 7.0%	+ £829 m
Demographic assumptions				
(iv)	additional one year increase to life expectancy at retirement*		+ 3.0%	+ £355 m

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

The discount rate sensitivity has been estimated as c.15 years as 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 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.

Garth Foster FIA C.Act
Actuary
Government Actuary’s Department
15 May 2026

STATEMENT OF ACCOUNTING OFFICER’S RESPONSIBILITIES

Under the Government Resources and Accounts Act (Northern Ireland) 2001, the DoF has directed the NITPS to prepare for each financial year a statement of accounts 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 scheme 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 (FReM) and in particular to:

- ◆ observe the Accounts Direction issued by the DoF 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 FReM have been followed, and disclose and explain any material departures in the financial statements;
- ◆ prepare the financial statements on a going concern basis;
- ◆ Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

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 scheme, are set out in the Accounting Officers’ Memorandum issued by the DoF 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 auditors of the NITPS 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

1. Introduction

- 1.1 This Governance Statement is a key feature of the NITPS Annual Statements. It provides details of how I, as the Accounting Officer, ensured effective management and control of resources during the 2025-26 year and of the action taken to ensure effective risk management and a high standard of corporate governance.
- 1.2 The Head of Internal Audit has provided me with a report on internal audit activity within the Department during the year, which includes the NITPS. It has provided an overall “Satisfactory” opinion on the Department’s governance, risk management and internal control system. However, there have been limited audit opinions awarded in respect of the reviews of:
- Sponsorship of the Education Authority (EA),
 - Sponsorship of Comhairle na Gaelscolaíochta (CnaG) and the Northern Ireland Council for Integrated Education (NICIE), and
 - Schools Estate Asset Management .

In addition, three limited opinions remain after consideration of follow up reviews in respect of:

- Health and Safety – New Way of Working,
- Additional Educational Needs Team and
- Business Continuity Planning.

Also, an internal audit review of NITPS (report dated 30 January 2026) resulted in a limited assurance opinion. As a result of this review, it was recommended that comprehensive documented procedures for the monthly and annual accounting processes should be developed. Also, roles and responsibilities should be formally agreed and documented. The agreed implementation date for the recommendations is 30th September 2026.

2. Governance Framework

- 2.1 The Department operates under the direction and control of the Minister of Education who is the Head of the Department. The Minister leads the Department and is responsible and accountable to the Northern Ireland Assembly for the policies, programmes and actions of the Department.
- 2.2 As Permanent Secretary, I am the Minister’s principal adviser, the administrative head of the Department and the Accounting Officer. As the Accounting Officer, I am personally responsible and accountable to the Minister and to the Northern Ireland Assembly for the effective management and organisation of the Department and NITPS, including the use of public money and the stewardship of its assets.

- 2.3 I have delegated the role of Scheme Manager to the Director of Education Workforce, while the day to day administration of the Scheme is carried out by Teacher’s Pay and Pension’s Team (TPPT).

The Departmental Board

- 2.4 The Department is managed by a Departmental Board which, within the strategic framework set by the Minister, supports me as Permanent Secretary in discharging my role.
- 2.5 The Departmental Board is chaired by me and during 2025-26 was comprised of the Acting Permanent Secretary, the three Deputy Secretaries; the Chief Inspector of Education and Training Inspectorate; the Finance Director; the Departmental Strategic Human Resources Business Partner; and two independent Non-Executive Board Members (NEBM).
- 2.6 The role of the independent Board members is to provide an independent and external perspective on the work of the Departmental Board; bring some specific expertise to its discussions; and provide a constructive challenge across the Departmental Board’s business. Other Departmental Directors have been invited to attend meetings where agenda items relevant to their business areas required their attendance to inform discussion. The Departmental Board’s work is guided by a Corporate Governance Framework. During 2025-26, the Departmental Board met on seven occasions.
- 2.7 Further details on the Departmental Board can be found in the main Governance Statement published in the Department’s 2025-26 Annual Report and Accounts. This includes a list of members along with individual attendance records, details of the Board’s role and categories of routine business.

Board Sub-Committees

- 2.8 During 2025-26 the Departmental Board was supported by the Audit and Risk Assurance Committee (ARAC).

Audit and Risk Assurance Committee

- 2.9 The ARAC is an independent advisory committee with no executive functions. Further information on its roles and responsibilities can be found at [DAO \(DoF\) 03/18 ARAC handbook](#).
- 2.10 The Department’s ARAC normally comprises of four independent members. Two members are NEBMs, one of whom serves as the ARAC Chairperson. During 2025-26, Mr Paul Corrigan served as NEBM and ARAC Chairperson and Mrs Anna Carragher served as NEBM. The remaining two members are serving Senior Civil Servants (SCS). During 2025-26, Mr Richard Logan (Finance Director, DoJ) and Mr Patrick Butler (Head of Legacy Inquest Unit/Senior Legal Advisor to Coroners, DoJ) supported the ARAC as independent members.

2.11 Throughout the year the Committee considered the findings from internal and external audit activity, including updates on whistleblowing and fraud cases along with the outcomes of key governance processes such as risk management, Governance and Accountability Review meetings (GAR) and the bi-annual Non Departmental Public Body (NDPB) governance statements. In addition, the Committee invited various risk owners (Directors) to attend and provide assurance on their areas of responsibility.

ARAC Attendance 2025-26

2.12 See below details of ARAC members’ attendance during the year:

Name	Meetings Attended	Out of a possible
Paul Corrigan (Chairperson)	4	4
Anna Carragher	4	4
Patrick Butler	3	4
Richard Logan	4	4

Further details on the ARAC can be found in the Department’s overarching Governance Statement which is published in the Department’s 2025-26 Annual Report and Accounts.

Pension Board/Scheme Advisory Board

2.13 The NITPS Pension Board and Scheme Advisory Board were established under the Teachers’ Pension Scheme Regulations (Northern Ireland) 2014. The Pension Board has responsibility for assisting the Scheme Manager to secure compliance with the Regulations and other legislation relating to the governance and administration of the Scheme, along with the provision of advice to the Department about the scope and direction of the administration as delivered by its service providers and Department of Education officials.

2.14 The Pension Board also provides assurance to me as Accounting Officer, scheme members and employers about the effective financial management of the NITPS, including contribution collection, financial forecasting, debt management and production of Scheme Statements. The Board consists of the Chair, appointed by the Minister of Education, four scheme member representatives, four employer representatives, a pension specialist from within the wider Public Sector, and two Department of Education officials (one of whom is the Scheme Manager).

The Board membership is as follows:

Northern Ireland Teachers Pensions Board Members	
Role	Name
Scheme Manager	Mark Bailey
Chair	Michael Burton
Public Service Pension Scheme (PSPS) Member	Peter Philip
Departmental Member	Neil Palmer
Employer Rep	Angela Armstrong
Employer Rep	Gail Flavell
Employer Rep	Sean Lavery
Employer Rep	Joanne McKenna
Member Rep	Robin McLoughlin OBE, effective from October 25
Member Rep	Raymond Beggs
Member Rep	Maxine Murphy-Hughes, effective from June 25
Member Rep	Kevin Daly

- 2.15 The Scheme Advisory Board is responsible for providing advice to the Scheme Manager, at the Department’s request, on the desirability of changes to the Scheme and on matters of policy. The Board also facilitates discussion between the Department, teacher unions and employer representatives on policy development and policy implementation for the NITPS. The Board is chaired by a Departmental official. The following organisations have representation on the Board;

Department of Education
 Department for the Economy
 National Education Union
 National Association of Head Teachers
 National Association of Schoolmasters, Union of Women Teachers
 Irish National Teachers’ Organisation
 Ulster Teachers’ Union
 University and Colleges Union
 Education Authority
 Council for Catholic Maintained Schools
 Colleges Northern Ireland
 Northern Ireland Council for Integrated Education
 Comhairle na Gaelscolaíochta
 Governing Bodies Association

- 2.16 The Department maintains registers of any notified conflicts of interest for members of the Pension Board and Scheme Advisory Board.

3 Department of Education / Northern Ireland Teachers’ Pension Scheme Governance Bodies Performance

3.1 I consider that the Departmental Board, NITPS Pension Board and Scheme Advisory Board, operated effectively during 2025-26, meeting regularly and considering relevant issues at the appropriate time.

Review of Departmental Board Effectiveness

3.2 The Review of Board Effectiveness requires independent input within the Board’s Terms of reference. This has been delayed due to the Board Secretariat being off on long term sickness. The Board Evaluation is an item at the upcoming Board meeting when it will be discussed in greater detail.

4 Corporate Governance

4.1 As noted in the Department’s Governance Statement, the Department has in place a Corporate Governance Framework which aligns with the Corporate Governance in Central Government Departments: Code of Practice Northern Ireland 2025. Subsidiary Governance Statements were prepared and signed by all Directors and have been used to prepare the Department’s Governance Statement. Directorates were asked to confirm that no significant lapses of security took place during 2025-26. Although the Department made the Information Commissioners Office and affected data subjects aware of a data breach incident, involving the distribution of a set of meeting minutes, the ICO did not follow up with DE and the Department did not formally report any personal data breaches to the ICO.

5 Quality of data used by the Board

5.1 The Departmental Board relies on four main sources of data to inform its deliberations. These are:

- Statistical information designated as ‘Official Statistics’ and some as ‘National Statistics’. As such, they are produced in line with the eight principles and three supporting protocols set out in the UK Statistics Authority’s Code of Practice for Official Statistics (for example, data related to enrolments, attainment, attendance, workforce);
- Financial information prepared from internal and external finance systems, which are supported by internal control frameworks and subject to both internal and external audit scrutiny across the education sector (including monitoring reports on capital and resource expenditure);
- Human Resources information, mainly data on absence management sourced from official reports provided by the Northern Ireland Statistics and Research Agency; and

- Inspection evidence, mainly data used to compile the Education and Training Inspectorate reports and the annual report to the Departmental Board.

5.2 The Department’s Annual Report and Accounts sets out the steps taken by the Board to satisfy itself as to the quality of data provided.

6 Ministerial Directions

6.1 Arrangements exist to respond to a situation where an Accounting Officer believes that he/she is being asked by a Minister to take a course of action that could potentially result in irregular expenditure; impropriety; or poor value for money. In such circumstances, the Accounting Officer may seek a formal Ministerial Direction to proceed.

6.2 On 9 December 2025, the Minister issued a Ministerial Direction to the Department to allow implementation of the 2025-26 Teachers’ pay award, at a cost of £38.3m in the current financial year.

The 2025-26 pay award for teaching staff in Northern Ireland was due to be made at 1 September 2025. However, given the funding position within the education sector, it had not been possible to make a pay offer. There was therefore increasing tension and anxiety among teachers in relation to the overdue pay award, particularly given that other public sector colleagues in health and justice had already seen their pay increase agreed by the Executive.

While this issue remained unresolved, the risk of industrial action by teachers was considerable. Any prolonged industrial action would have undermined the significant efforts since restoration of the Northern Ireland Assembly to normalise the education system and improve educational outcomes.

Given the imperative of averting further damaging industrial action within the education sector, the Minister was convinced of the pressing need to make a pay award to teachers and decided that a pay increase in line with England and Wales was necessary. However, given that the cost of the proposed award was £38.3m in 2025-26, officials could not construct a case for this expenditure that met the requirements of Managing Public Money Northern Ireland (MPMNI), as it was not affordable under the current agreed budget. Therefore, the Accounting Officer sought a Ministerial Direction, which the Minister agreed to issue, having taken into account the significant risk, and associated impact, of a return to industrial action, should a pay award not be made.

7 Risk Assessment

7.1 The Departmental Board has responsibility for ensuring that an effective risk management process is in place and is regularly reviewed. In discharging this responsibility, it is supported by the ARAC and the Department’s Internal Audit Team. NEBMs participate in discussions in relation to Departmental risk at Departmental Board meetings. This arrangement, in conjunction with written and oral updates provided at each ARAC meeting, ensures that the ARAC is kept fully informed of the Department’s risk profile to enable it to undertake its responsibilities effectively.

7.2 The DE Risk Management Framework (RMF) sets out the Department’s approach to risk and the mechanisms through which potential risks to the achievement of the Departmental objectives are identified and evaluated. The RMF is subject to annual review and any amendments are approved by the Departmental Board. It was updated and amendments approved by the Board in April 2025 and again in April 2026.

7.3 During 2025-26 the Corporate Risk Register comprised six areas of risks.

1. Financial;
2. Alignment and delivery;
3. Relationships;
4. Safeguarding;
5. People; and
6. Programme.

The six areas of risks remained in place throughout the 2025-26 year and were subject to ongoing (quarterly) review and update. At the Departmental Board in April 2026, it was agreed that the Corporate Risk Register opening review for 2026-27 would continue with the extant risks, but subject to a full review of the Corporate Risk Register in early 2026-27.

7.4 The Departmental group has adhered to:
The Orange Book: Management of Risk- Principles and Concepts (His Majesty's (HM) Treasury: 2023).

The Risk Management Framework (RMF) sets out the Department’s approach to risk and the mechanisms through which potential risks to the achievement of Departmental objectives are identified and evaluated. Risk management is applied in a consistent way in the Department, the EA and across the other NDPBs.

Budget Authority

7.5 The Northern Ireland Budget (No. 2) Act 2025, which received Royal Assent on 28 July 2025, provided the statutory authority for the 2025-26 Northern Ireland Budget.

7.6 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 23 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.

Scheme administration

7.7 The Department acknowledges the impact of the staffing resource challenges being faced and the importance of maintaining appropriate resourcing levels to ensure a high standard of service delivery.

Scheme Valuation

- 7.8 Actuarial valuations of the Scheme are undertaken every four years. A valuation of the Scheme by Government Actuary’s Department as of 31 March 2024 is on-going and is anticipated to be finalised during 2026-27.

Overpayments

- 7.9 Recovery of current year and previously discovered overpayments is ongoing. The target for overpayments is to not exceed 0.2% of the overall yearly payroll value. This is monitored on a monthly basis with quarterly reporting to the Pension Board. The current value of overpayments is above this threshold (0.25%) which reflects both the recognition of the large overpayment discovered during the NFI 24/25 review, together with extensive McCloud process activity during the year. Total overpaid pensions by the Scheme amounts to £1,614k as at 31 March 2026 (2025: £704k) - see Note 11.

Accuracy of membership data

- 7.10 The Department remains focused on improving the accuracy of membership data and is continuing to work with the Teachers’ Pension IT system provider to deliver more accurate and reliable reports. The Department recognises the importance of the accuracy of the membership data produced from the pension system and continues to strive to improve the quality of this information.

Data security lapses

- 7.11 There were no reportable data breaches relating to the Scheme in 2025-26.

Fraud Prevention and Whistleblowing

- 7.12 The Department’s fraud and whistleblowing arrangements are approved, in place and published on the DE website. The DE Whistleblowing arrangement are currently under review and a new version, once approved, will be published in 2026/27.
- 7.13 Fraud monitoring and reporting arrangements have been effectively maintained throughout the year.
- 7.14 The Department participates in the biennial National Fraud Initiative (NFI), which compares public sector databases to identify mismatches between information held. This allows the Department to compare teachers’ pension payroll against other payrolls and the mortality screening which is also part of the NFI process. Where anomalies are found, each case is investigated to ascertain if overpayments or possible fraud have taken place. The current two-year process of NFI 24/25 is now complete and all reports have been considered and investigated as necessary. There were 12 overpayments identified in the Pension Payroll due to non-reporting of pensioner’s deaths. Of the initial total value £360k of overpayments identified, 7 have been repaid valued at £63k, of the remaining 5, 1 is going through the probate system for recovery, 3 continue to be investigated by the NICS Fraud Investigation Service, and after assistance from the PSNI, the other case

valued at £247k has been frozen by the receiving bank, and TPPT continue to work with DSO to recover the full amount in the near future.

8 Excess Vote

- 8.1 The Scheme incurred a Non-Budget Excess of £147k due to lower than anticipated premature retirement compensation receipts from the Department of the Economy. The Scheme will seek Assembly approval by way of an Excess Vote in a Budget Act at the first opportunity. This income by nature is not static and is difficult to precisely control. For this reason, the Department is in discussion with the DoF to reclassify this income from Non Budget to Annually Managed Expenditure thereby allowing the Department greater flexibility in managing the potential of an excess vote.

9 Conclusion

- 9.1 In conclusion, it is my assessment that an appropriately rigorous system of governance and accountability in relation to the NITPS is operating, which I can rely on as Accounting Officer, to provide assurance that the public funds and other resources for which I am accountable are deployed effectively and appropriately in this area during 2025-26 and up to the date of approval of the Annual Report and Accounts.

Signed:



Date: 1 July 2026

Accounting Officer

STATEMENT OF OUTTURN AGAINST ASSEMBLY SUPPLY (AUDITED)

In addition to the primary statements prepared under International Financial Reporting Standards (IFRS), the Government Financial Reporting Manual (FRM) requires NITPS to prepare a Statement of Outturn against 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 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 normally 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	
Annual Managed Expenditure										
Resource	SOAS 1.1	437,858	-	437,858	484,896	-	484,896	47,038	47,038	409,211
Total		437,858	-	437,858	484,896	-	484,896	47,038	47,038	409,211
Total Budget										
Resource	SOAS 1.1	437,858	-	437,858	484,896	-	484,896	47,038	47,038	409,211
Total		437,858	-	437,858	484,896	-	484,896	47,038	47,038	409,211
Non-Budget										
Resource	SOAS 1.1	(2,268)	-	(2,268)	(2,415)	-	(2,415)	(147)	(147)	(2,301)
Total		(2,268)	-	(2,268)	(2,415)	-	(2,415)	(147)	(147)	(2,301)
Total Budget and Non -Budget		435,590	-	435,590	482,481	-	482,481	46,891	46,891	406,910

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

The Scheme incurred a Non-Budget Excess of £147k due to lower than anticipated premature retirement compensation receipts from the Department of the Economy. The Scheme will seek Assembly approval by way of an Excess Vote in a Budget Act at the first opportunity.

Department of Education – Teachers’ Pension Scheme Statements 2025-26

Net Cash requirement 2025-26, all figures presented in £000

Item	Note	Outturn	Estimate	Outturn vs Estimate, saving / (excess)	Prior Year Outturn Total, 2024-25
Net Cash Requirement	SOAS 3	49,750	95,693	45,943	41,654

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

Administration Costs 2025-26, all figures presented in £000

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.

Department of Education – Teachers’ Pension Scheme Statements 2025-26

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

SOAS 1.1 Analysis of Resource Outturn by Estimate Line

Type of spend (Resource)	Resource Outturn							Estimate			Outturn vs Estimate, saving / (excess)	Prior Year Outturn Total, 2024-25
	Administration			Programme				Total	Virements*	Total inc virements		
	Gross	Income	Net	Gross	Income	Net	Total					
Spending in Annually Managed Expenditure (AME) 1 - Pensions, Lump sums, Gratuities and Premature Retirement Compensation	-	-	-	951,171	(513,313)	437,858	437,858	484,896	-	484,896	47,038	409,211
Total Voted AME	-	-	-	951,171	(513,313)	437,858	437,858	484,896	-	484,896	47,038	409,211
Total Spending in AME	-	-	-	951,171	(513,313)	437,858	437,858	484,896	-	484,896	47,038	409,211
Non-budget spending 2: Premature Retirement Compensation – Receipts	-	-	-	-	(2,268)	(2,268)	(2,268)	(2,415)	-	(2,415)	(147)	(2,301)
Non-budget	-	-	-	-	(2,268)	(2,268)	(2,268)	(2,415)	-	(2,415)	(147)	(2,301)
Total Resource	-	-	-	951,171	(515,581)	435,590	435,590	482,481	-	482,481	46,891	406,910

*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.

SOAS 2. Reconciliation of outturn to net expenditure

The total resource outturn in the SOAS is the same as the net expenditure in the SoCNE in both the current and prior year and no reconciliation is therefore required.

SOAS 3. Reconciliation of Resource Outturn to Net Cash Requirement

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

Item	Note	Outturn Total	Estimate	Outturn vs Estimate, saving / (excess)
Total Resource Outturn	SOAS 1.1	435,590	482,481	46,891
<i>Adjustments to remove non cash items:</i>				
New provisions and adjustments to previous provisions	14	(951,171)	(979,000)	(27,829)
<i>Adjustments to reflect movements in working capital:</i>				
Increase/(decrease) in receivables	11.1	763	5,000	4,237
(Increase)/decrease in payables	13.1	(2,655)	-	2,655
Use of Provisions	14.4	567,223	587,212	19,989
Net Cash Requirement		49,750	95,693	45,943

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.

SOAS 4. Amounts of Income to the Consolidated Fund

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

SOAS 4.1 Analysis of income payable to the Consolidated Fund

In addition to income retained by the department, the following income is payable to the Consolidated Fund (cash receipts being shown in italics)

Item	Note	Outturn Total 2025-26		Prior Year 2024-25	
		Income (Accruals)	Receipts (Cash Basis)	Income (Accruals)	Receipts (Cash Basis)
Income in budgets surrendered to the Consolidated Fund (resource)		-	-	-	-
Total Amount payable to the Consolidated Fund		-	-	-	-

OTHER ASSEMBLY ACCOUNTABILITY DISCLOSURES

Losses and Special Payments

During the years 2025-26 total losses relating to the Scheme were less than £300,000; and in accordance with Annex 4.10 to MPMNI, no further disclosure is required

	2025-26	2024-25
Total Number of Losses	-	-
Total Value of Losses (£000)	-	-
Details of losses over £300,000 Administrative Write -offs	-	-

Special Payments:

During the years 2025-26 there were no special payments relating to the Scheme.

	2025-26	2024-25
Total Number of Special Payments	-	-
Total Value of Special Payments (£000)	-	-
Details of Special Payments over £300,000		

Signed:



Accounting Officer

Date: 1 July 2026

THE CERTIFICATE 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 the Department of Education: Northern Ireland Teachers’ Pension Scheme (“the Scheme”) for the year ended 31 March 2026 under the Government Resources and Accounts Act (Northern Ireland) 2001. The Scheme financial statements comprise: the Combined Statements of Comprehensive Net Expenditure, Financial Position, Changes in Taxpayers’ Equity, 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.

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.

Qualified opinion on regularity

In my opinion, except for the breach of Assembly control total as described in the basis for qualified opinion on regularity section below, 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 qualified opinion on regularity

The Assembly authorised a negative resource limit for the Scheme's non-budget expenditure line of £2,415,000 (i.e. income) for 2025-26. The Scheme reported a shortfall in anticipated receipts, resulting in an outturn of £2,268,000 which breached the authorised limit by £147,000, as shown in the Statement of Outturn against Assembly Supply. This breach in control total (i.e. shortfall in anticipated receipts) is outside the authority granted by the Assembly and is therefore irregular. The shortfall arose due to lower than anticipated premature retirement compensation receipts from the Department for the Economy.

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.

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. The Accounting Officer is responsible for the other information. 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 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 that 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 enquiries 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; and
- 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. The voted Assembly control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget and Net Cash Requirement. 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.

My detailed observations are included in my report attached to these financial statements at pages 62 and 63.



Dorinnia Carville
Comptroller and Auditor General
Northern Ireland Audit Office
106 University Street
BELFAST
BT7 1EU

2 July 2026

FINANCIAL STATEMENTS

COMBINED STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 March 2026

**Principal Arrangements
Teachers’ Pension Scheme**

	Note	2025-26 £’000	2024-25 £’000
Income:			
Contributions receivable	3	(510,555)	(501,233)
Transfers in	4	<u>(5,026)</u>	<u>(4,027)</u>
		<u>(515,581)</u>	<u>(505,260)</u>
Expenditure:			
Service cost	6	311,000	303,000
Pension financing cost	7	635,000	605,000
Enhancements	8	145	143
Transfers in – additional liability	9	<u>5,026</u>	<u>4,027</u>
		<u>951,171</u>	<u>912,170</u>
Net expenditure		<u>435,590</u>	<u>406,910</u>
 Other comprehensive net expenditure			
	Note		
Pension re-measurements:			
Actuarial (gain)/loss	14.7	<u>(993,947)</u>	<u>109,779</u>
Total comprehensive net income for the year		<u>(558,357)</u>	<u>516,689</u>

The notes on pages 46 to 61 form part of these Scheme Statements.

**COMBINED STATEMENT OF FINANCIAL POSITION
as at 31 March 2026**

**Principal Arrangements
Teachers’ Pension Scheme**

	Note	2025-26 £’000	2024-25 £’000
Current assets:			
Receivables	11	8,155	7,394
Cash and cash equivalents	12	8,142	4,391
Total current assets		16,297	11,785
Current liabilities:			
Payables (within 12 months)	13	(19,376)	(12,971)
Net current (liabilities), excluding pension liability		(3,079)	(1,186)
Pension liability	14.4	(11,849,000)	(12,459,000)
Net liabilities, including pension liability		(11,852,079)	(12,460,186)
Taxpayers’ equity:			
General fund		(11,852,079)	(12,460,186)
		(11,852,079)	(12,460,186)

Signed:



Date: 1 July 2026

Accounting Officer

The notes on pages 46 to 61 form part of these Scheme Statements.

COMBINED STATEMENT OF CHANGES IN TAXPAYERS’ EQUITY
for the year ended 31 March 2026

	Note	General Fund	
		2025-26 £’000	2024-25 £’000
Balance at 1 April		(12,460,186)	(11,985,151)
Net Assembly Funding – drawn down		53,500	42,500
Net Assembly Funding – deemed (prior year)		4,391	3,545
Supply (receivable) adjustment – current year	12	(8,141)	(4,391)
Comprehensive net expenditure for the year		(435,590)	(406,910)
Actuarial gain/(loss)	14.7	993,947	(109,779)
Net change in taxpayers’ equity		608,107	(475,035)
Balance at 31 March		(11,852,079)	(12,460,186)

The notes on pages 46 to 61 form part of these Scheme 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			
Net expenditure for the year		(435,590)	(406,910)
Adjustments for non-cash transactions:			
Increase in receivables	11	(762)	(1,857)
<i>Less movement in receivables relating to items not passing through the Combined Statement of Comprehensive Net Expenditure</i>		-	-
Increase in payables	13	6,405	2,737
<i>Less movement in payables relating to items not passing through the Combined Statement of Comprehensive Net Expenditure</i>		(3,750)	(847)
Increase in pension provision	14.4	946,000	908,000
Increase in pension provision – enhancements and transfers in	14.4	5,170	4,170
Use of provisions – pension liability	14.5	(563,910)	(543,785)
Use of provisions – death in service	14.5	(2,359)	(2,034)
Use of provisions – refunds and transfers	14.6	(954)	(1,128)
Net cash outflow from operating activities		(49,750)	(41,654)
Cash flows from financing activities			
From the Consolidated Fund (supply): current year		53,500	42,500
Net Financing		53,500	42,500
Net Increase / (Decrease) in cash and cash equivalents in the period before adjustments for receipts and payments to the Consolidated Fund		3,750	847
Receipts due to the Consolidated Fund which are outside the scope of the Scheme’s activities		1	-
Payments of amounts due to the Consolidated Fund		-	(2)
Net Increase in cash and cash equivalents in the period after adjustments for receipts and payments to the Consolidated Fund		3,751	845
Cash and cash equivalents at the beginning of the period	12	4,391	3,546
Cash and cash equivalents at the end of the period	12	8,142	4,391

The notes on pages 46 to 61 form part of these Scheme Statements.

NOTES TO THE SCHEME STATEMENTS

Basis of preparation of the Scheme Statements

1. The financial statements of the Northern Ireland Teachers’ Pension Scheme have been prepared in accordance with the relevant provisions of the 2025-26 Government Financial Reporting Manual (FReM) issued by DoF. The accounting policies contained in the FReM apply IFRS as adapted or interpreted for the public sector. International Accounting Standards (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 IFRS, the FReM also requires the Scheme to prepare an additional statement – a Statement of Outturn against Assembly Supply. This statement, and the supporting notes, show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

The NITPS is a contracted out, unfunded, defined benefit pay-as-you-go occupational pension scheme operated by the Department of Education on behalf of the members.

Contributions to the Scheme by employers and employees are set at rates determined by the Scheme’s Actuary and approved by the Department. The contributions partially fund payments made by the Scheme, the balance of funding being provided by the Northern Ireland Assembly through the annual Supply Estimates process. The administrative expenses associated with the operation of the Scheme are borne by the Department and reported in the Departments financial statements.

The financial statements of the Scheme show the financial position of the NITPS and the Teachers’ Premature Retirement Compensation Scheme 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 Scheme; 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 interest of the Pension liability. Further information about the actuarial position of the Scheme is dealt with in the Report of the Actuary, and the Scheme financial statements should be read in conjunction with that Report.

The Scheme Statements also have regard to the Accounts Direction given by the DoF in accordance with Section 9(2) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Statement of accounting policies

2. The accounting policies contained in the FReM follow IFRS to the extent they are meaningful and appropriate in 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 Scheme 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 Scheme Statements.

Going Concern Basis

- i. The Statement of Financial Position as at 31 March 2026 shows net liabilities of £11.9bn most of which represents pension liabilities falling due after one year. This Scheme is supply financed and draws its 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 Scheme the balance of funding being provided by the Northern Ireland Assembly through the annual Supply Estimates process. 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.

Accounting convention

- ii. These Scheme Statements have been prepared under the historical cost convention.

Pension contributions receivable

- iii. Employers’ normal contributions are accounted for on an accruals basis. Employers’ special contributions are accounted for in accordance with the agreement under which they are paid or, in the absence of such an agreement, on an accruals basis. Employee’s contributions and amounts received in respect of the purchase of added years of service are accounted for on an accruals basis. Neither AVCs nor payments to providers of Stakeholder Pensions (see the Report of the Managers), are brought into account in these statements.

Transfers in and out

- iv. Transfers in and out in respect of individuals are accounted for on a cash basis. However, where the Scheme has formally accepted or transferred a liability in respect of a group transfer, such transfers are accounted for on an accruals basis. Transfers in are simultaneously recognised as income and expenditure so that the increase in the Scheme liability is accounted for at the same time as the income is received.

Other income

- v. Other income, including refunds of benefits, overpayments recovered other than by deduction from future benefits and miscellaneous income, and the recovery of the capitalised cost of enhancement under the Premature Retirement Compensation Scheme are accounted for on an accruals basis. To the extent that this income also represents an increase in the Scheme liability, it is also reflected in expenditure.

Current service cost

- vi. The current service cost is the increase in the present value of the Pension Scheme liability arising from current members’ service in the year. The cost is based on the discount rate applicable at 1 April 2025, based on the financial and demographic assumptions adopted in the financial statements 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.

Past service cost

- vii. Past service costs are changes in the present value of the Pension Scheme liability related to employee service in prior periods arising in the current period as a result of the introduction of, change to, or improvement to, retirement benefits. Past service costs are recognised in the Combined Statement of Comprehensive Net Expenditure in the year in which the change in benefits vests.

Pension financing cost

- viii. The pension financing cost is the increase during the period in the present value of the Pension Scheme liability because the benefits are one period closer to settlement, and is recognised in the Combined Statement of Comprehensive Net Expenditure. The interest cost is based on the discount rate applicable at 1 April 2025, being 2.40% per cent real rate (i.e. 5.15% per cent including CPI inflation).

Other expenditure

- ix. Other expenditure is accounted for on an accruals basis except for the costs of administering the NITPS and the Teachers Premature Retirement Scheme which are borne by the Department.

Pension Scheme liability

- x. Provision is made for liabilities to pay pensions and other benefits in the future. The Pension Scheme liability is measured on an actuarial basis using the PUCM and is discounted at the rate applicable at the close of 31 March 2026, being 2.95% per cent real rate (i.e. 5.60% per cent including CPI inflation). The Scheme applies assumptions for the discount rate and rate of inflation as prescribed by HM Treasury.

Full actuarial valuations by a professionally qualified actuary are required at intervals not exceeding four years in accordance with the requirements of 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 by rolling forward the liabilities determined as at 31 March 2024 to 31 March 2026. This approach uses Membership data as at 31 March 2024, together with demographic and experience assumptions derived from the 31 March 2020 actuarial 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.

Pension benefits payable

- xi. Pension benefits payable are accounted for as a decrease in the Pension Scheme liability on an accruals basis.

Pension payments to those retiring at their normal retirement age

- xii. Lump sums and annual pension payments are accounted for on an accruals basis. Recognition is based on the pension liability accruing from the day following the date of retirement.

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

- xiii. Refunds of employees’ contributions are accounted for on an accruals basis. Refunds include amounts payable both at the time of leaving or at normal retirement age (or earlier death).

Lump sums payable on death in service

- xiv. 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.

Actuarial gains and losses

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

Premature Retirement Compensation

- xvi. The cost of compensation for early retirement because of redundancy or in the interests of the efficient discharge of the employer’s function can be broken down into two elements, being the cost of enhancement (added years) and the cost of the early payment of unreduced pension. From 1 April 2008, employers became liable for the cost of enhancement in the

form of a lump sum paid to the Scheme to meet the liabilities that have yet to be discharged. During 2008-09 and 2009-10, the Scheme continued to meet the cost of early payment of unreduced pension. The cost of the future liability in setting up and revising the provision is recorded as expenditure in the Combined Statement of Comprehensive Net Expenditure, with the offsetting income reflecting the reimbursements receivable from the employers. The Department made regulations, which came into operation on 30 April 2010, which have the effect of transferring the full cost of premature retirement compensation (i.e. both enhancement and early payment of pension) to employers.

Cash and cash equivalents

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

Currency and rounding

- xviii. The functional currency is Sterling and, except where otherwise stated, all figures have been rounded to the nearest thousand pounds.

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

- xix. The Scheme has 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 a significant impact on the financial position or results of the Scheme.

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

- xx. 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 Public Sector implementation date is not yet confirmed. The impact of IFRS 18 on the Public Sector is still being assessed. The Scheme concludes that these are not expected to have a significant impact on the Scheme accounts going forward.
 - 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.

3. Contributions receivable

	2025-26 £000	2024-25 £000
Employers’ contributions	(381,713)	(378,222)
Employees’ contributions – normal	(126,430)	(120,568)
Employees’ contributions - purchase of added years	(144)	(142)
Premature retirement compensation receipts from DfE	(2,268)	(2,301)
	<u>(510,555)</u>	<u>(501,233)</u>

£520m contributions are expected to be payable to the Scheme in 2026-27.

4. Transfers in (*see also* Note 9)

	2025-26 £000	2024-25 £000
Individual transfers in from other schemes	<u>(5,026)</u>	<u>(4,027)</u>

5. Other pension income (*see also* Note 10)

	2025-26 £000	2024-25 £000
Capitalised cost of enhancements to pensions payable	<u>-</u>	<u>-</u>

6. Service cost (*see also* Note 14.4)

	2025-26 £000	2024-25 £000
Current service cost	311,000	303,000
	<u>311,000</u>	<u>303,000</u>

7. Pension financing cost (see also Note 14.4)

	2025-26 £000	2024-25 £000
Net interest on defined benefit liability	635,000	605,000

8. Enhancements (see also Note 14.4)

	2025-26 £000	2024-25 £000
Purchase of added years and added pension		
Employees:	145	143
	<u>145</u>	<u>143</u>

9. Transfer in – additional liability (see also Note 4)

	2025-26 £000	2024-25 £000
Individual transfers in from other schemes	5,026	4,027
	<u>5,026</u>	<u>4,027</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 part of the movement in the provision during the year.

10. Other pension cost (see also Note 5)

	2025-26 £000	2024-25 £000
Capitalised cost of enhancement to pensions payable	-	-

11. Receivables - contributions due in respect of pensions

11.1 Analysis by type

	2025-26 £000	2024-25 £000
Amounts falling due within one year:		
Pensions due from employers	4,812	4,576
Employees’ normal contributions	810	1,426
Group Transfers	1,602	770
Overpaid pensions	1,614	704
Other receivables	47	47
Provision for bad debt	(730)	(320)
Receivable from DfE	-	191
Total amounts falling due within one year	8,155	7,394

Included within these figures is £nil (2024-25: £nil) that will be due to the Consolidated Fund once the debts are collected.

12. Cash and cash equivalents

	2025-26 £000	2024-25 £000
Balance at 1 April	4,391	3,546
Net change in cash balances	3,750	845
Balance at 31 March	8,141	4,391
The following balances at 31 March were held at:		
Commercial banks and cash in hand	8,141	4,391

13. Payables - in respect of pensions

13.1 Analysis by type

	2025-26	2024-25
	£000	£000
Amounts falling due within one year:		
Pensions	(2,315)	(1,083)
HMRC and voluntary contributions	(7,795)	(7,074)
Other payables	(1,124)	(423)
Amounts issued from the Consolidated Fund for supply but not spent at year end	(8,141)	(4,391)
Consolidated Fund Extra Receipts due to be paid to the Consolidated Fund - Received	(1)	-
Total amounts falling due within one year	<u>(19,376)</u>	<u>(12,971)</u>

14. Pension Scheme liability

14.1 Assumptions underpinning pension scheme liability

The NITPS is an unfunded defined benefit scheme. The GAD carried out an assessment of the Scheme liabilities as at 31 March 2026. The Report of the Actuary on pages 12 to 17 sets out the scope, methodology and results of the work the Actuary has carried out.

The Scheme Manager 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 Scheme Manager should make available to the Actuary in order to meet the expected requirements of the Scheme auditor. This information includes, but is not limited to, details of:

- Scheme membership, including age and gender profiles, active membership, deferred pensioners and pensioners;
- Benefit structure, including details of any discretionary benefits and any proposals to amend the Scheme;
- Income and expenditure, including details of expected bulk transfers into or out of the Scheme; and
- Following consultation with the Actuary, the key assumptions that should be used to value the Scheme liabilities, ensuring that the assumptions are mutually compatible and reflect a best estimate of future experience.

The key assumptions used by the Actuary were:

Financial assumptions	At 31 March 2026	At 31 March 2025	At 31 March 2024	At 31 March 2023	At 31 March 2022
Rate of increase in salaries	3.30%	3.40%	3.55%	3.65%	4.15%
Rate of increase in pensions in payment and deferred pensions	2.55%	2.65%	2.55%	2.40%	2.90%
Nominal discount rate	5.60%	5.15%	5.10%	4.15%	1.55%
Rate of CPI inflation	2.55%	2.65%	2.55%	2.40%	2.90%
Discount rate net of CPI	2.95%	2.40%	2.45%	1.70%	(1.30)%

Life expectancies at age 60		At 31 March 2026	At 31 March 2025	At 31 March 2024	At 31 March 2023	At 31 March 2022
Current retirements:	Females (years)	30.4	30.3	30.1	30.0	29.9
	Males (years)	27.8	27.7	27.9	27.8	27.7
*Retirements in 20 ‘years’ time:	Females (years)	31.7	31.7	31.6	31.5	31.5
	Males (years)	29.3	29.2	29.6	29.5	29.4

**The life expectancy from age 60 of future pensioners will depend on their current age. This table shows the life expectancy from age 60 for future pensioners currently aged 40*

Department of Education – Teachers’ Pension Scheme Statements 2025-26

Life expectancies at age 65		At 31 March 2026	At 31 March 2025	At 31 March 2024	At 31 March 2023	At 31 March 2022
Current retirements:	Females (years)	25.4	25.3	25.1	25.0	24.9
	Males (years)	23.0	22.9	23.0	22.9	22.8
*Retirements in 20 ‘years’ time:	Females (years)	26.7	26.7	26.6	26.5	26.4
	Males (years)	24.4	24.4	24.6	24.5	24.5

**The life expectancy from age 65 of future pensioners will depend on their current age. This table shows the life expectancy from age 65 for future pensioners currently aged 45.*

These key assumptions are inherently uncertain, since it is impossible to predict with any accuracy future changes in the rate of salary increases, inflation, longevity or the return on corporate bonds. The Actuary uses professional expertise in arriving at a view of the most appropriate rates to use in the annual valuation of the Scheme liabilities. However, the Scheme Manager acknowledges that the valuation reported in these Scheme 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 the 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 financial assumptions table above.

In accordance with IAS 19 the Scheme Manager is required to undertake a sensitivity analysis for each significant actuarial assumption as at 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 sensitivity analysis of the pension liability in note 14.3.

14.2 Analysis of pension liability

Analysis of provision for pension liability	At 31 March 2026 £ billion	At 31 March 2025 £ billion	At 31 March 2024 £ billion	At 31 March 2023 £ billion	At 31 March 2022 £ billion
Pensions in payment	5.18	5.29	6.43	6.27	7.70
Deferred members	0.30	0.43	0.43	0.50	0.97
Active members	6.37	6.74	5.12	6.46	13.48
Total	11.85	12.46	11.98	13.23	22.15

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 Scheme liability, the Actuary must estimate the impact of several inherently uncertain variables into the future. The variables include not only the key financial assumptions noted in the table 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.

The value of the liability on 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 Scheme Manager accepts that, as a consequence, the valuation provided by the Actuary is inherently uncertain. The increase or decrease in future liability charged or credited for the year resulting from changes in assumptions is disclosed in note 14.7. The disclosure of “experience” gains or losses for the year in note 14.8 shows the amount charged or credited for the year because events have not coincided with assumptions made for the last valuation.

14.3 Sensitivity analysis

A sensitivity analysis for each significant actuarial assumption as of the end of the reporting period is included below.

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 liability is very sensitive to the assumed discount rate but this is primarily because changing the discount rate in isolation also changes the rate net of earnings and pension increases. If earnings and pension increases were increased at the same time then the impact on the liability would be small. Higher pension increases have a substantial effect because this has an impact on all categories of members.

A wide range of demographic assumptions is required to determine the actuarial liability. All the assumptions are uncertain but some of the assumptions are more uncertain than others owing to the quality of the past data available for analysis and its relevance to members’ future circumstances. For example, the timing of retirements for members who remain in the existing scheme after 1 April 2015 is more predictable than for those who are moved into the new career average scheme. Some assumptions, for example, rates of death in service, only have a small impact on the liability. The significant assumptions for the purpose of the sensitivity analysis are those which are more uncertain and may have the potential for a larger impact on the liability. These are pensioner mortality, timing of retirements for members moving to the new scheme and withdrawal rates.

The following table shows the indicative effects on the total liability as at 31 March 2026 of changes to these assumptions (mostly rounded to the nearest 0.5%). The sensitivities show the change in each assumption in isolation. In practice such assumptions rarely change in isolation and given the interdependencies between the assumptions the impacts may offset to some extent.

Sensitivity to significant assumptions

Change in assumption	Approximate effect on total liability
Financial assumptions:	
(i) Discount rate* + 0.5% a year	- 8.0% - £948 m
(ii) (long term) earnings increases* + 0.5% a year	+ 1.0% + £118 m
(iii) inflationary (CPI) increases* + 0.5% a year	+ 7.0% + £829 m
Demographic assumptions:	
(iv) additional one year increase to life expectancy at retirement*	+ 3.0% + £355 m

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

14.4 Analysis of movements in the Pension Scheme liability

	Note	2025-26 £000	2024-25 £000
Scheme liability at 1 April		(12,459,000)	(11,983,998)
Current service cost	6	(311,000)	(303,000)
Pension financing cost	7	(635,000)	(605,000)
		<u>(946,000)</u>	<u>(908,000)</u>
Enhancements	8	(144)	(143)
Pension transfers in	9	(5,026)	(4,027)
		<u>(5,170)</u>	<u>(4,170)</u>
Benefits payable	14.5	566,269	545,819
Pension payments to and on account of leavers	14.6	954	1,128
		<u>567,223</u>	<u>546,947</u>
Actuarial gain/(loss)	14.7	993,947	(109,779)
Scheme liability at 31 March		<u>(11,849,000)</u>	<u>(12,459,000)</u>

During the year ended 31 March 2026, employers’ and employees’ contributions represented an average of 38.7% of pensionable pay. (2024-25: 38.4%)

14.5 Analysis of benefits paid

	2025-26 £000	2024-25 £000
Pensions or annuities to retired employees and dependents (net of recoveries or overpayments)	492,129	481,034
Commutations and lump sum benefits on retirement	71,781	62,751
Lump sum benefits on death in service	2,359	2,034
Total benefits paid	<u>566,269</u>	<u>545,819</u>

14.6 Analysis of payments to and on account of leavers

	2025-26 £000	2024-25 £000
Refunds to members leaving service	109	89
Individual transfers to other schemes	845	1,039
Total payments to and on account of leavers	954	1,128

14.7 Analysis of actuarial gain/(loss)

	2025-26 £000	2024-25 £000
Experience losses arising on scheme liabilities	(39,053)	(14,779)
Changes in demographic assumptions	-	(14,000)
Changes in financial assumptions	1,033,000	(81,000)
Total actuarial gain/(loss)	993,947	(109,779)

14.8 History of experience gains / (losses)

	2025/26	2024/25	2023/24	2022/23	2021/22
Experience gains / (losses) on Scheme liabilities					
Amount (£'000)	(39,053)	(14,779)	(501,256)	(1,333,110)	83,046
Percentage of the present value of the Scheme liabilities	(0.3)%	(0.1)%	(4.2)%	(10.1)%	0.4%
Total amount recognised in the Statement of Changes in Taxpayers’ Equity					
Amount (£'000)	993,947	(109,779)	1,591,744	9,662,890	(1,556,954)
Percentage of the present value of the Scheme liabilities	8.4%	(0.8)%	13.3%	73.1%	(7.0)%

15. Financial instruments

As the cash requirements of the Scheme 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 Scheme’s expected purchase and usage requirements and the Scheme is therefore exposed to negligible credit, liquidity or market risk.

16. Contingent liabilities disclosed under IAS 37

AVCs

In the unlikely event of a default by Prudential plc, the Department’s approved provider of an AVCs scheme, the Department will guarantee pension payments due from that scheme. This guarantee does not apply to members who make payments to institutions offering Free-Standing Additional Voluntary Contributions Schemes.

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 Scheme at this time.

17. Related party transactions

The NITPS and the Teachers’ Premature Retirement Scheme falls within the ambit of the Department. The department is regarded as a related party with which the Scheme has had various material transactions during the year.

In addition, the Scheme has 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 has undertaken any

material transactions with the Scheme during the year.

18. Events after the 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 the issue of the Scheme Statements on 2 July 2026.

THE REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE NORTHERN IRELAND ASSEMBLY

Excess Vote

Purpose of the Report

1. I am required to report my opinion as to whether the financial statements of the Northern Ireland Teachers’ Pension Scheme (NITPS or the Scheme) give a true and fair view under the Accounts Direction given by the Department of Finance in accordance with Section 11(2) of the Government Resources and Accounts Act (Northern Ireland) 2001. I am also required to satisfy myself that transactions are ‘regular’, which under the legislation means that expenditure and income have been applied to the purposes intended by the Northern Ireland Assembly (‘the Assembly’) and the financial transactions conform to the authorities which govern them. In doing so, I have regard to the supply limits set on expenditure controls by the Assembly.
2. The Supply Estimates in Northern Ireland Guidance Manual states that an Excess Vote may arise because of “a breach of the voted non-budget limit”. In some instances, the Assembly may vote a negative budgetary limit, and that where it does so an Excess Vote will arise if the activities within that budgetary limit fail to generate sufficient surplus income. The guidance notes that the implications of breaching a negative voted limit are the same as for breaching a positive limit.
3. In 2025-26, the Assembly set a negative resource limit for the Scheme’s non-budget expenditure line of £2,415,000. However, in 2025-26, the Scheme only generated £2,268,000 net income, resulting in £147,000 less net income than anticipated. Consequently, the Scheme breached this control total set by the Assembly and therefore incurred an ‘excess vote’, for which further Assembly approval is required. As a result, I have qualified my regularity opinion on the NITPS’s 2025-26 financial statements in this regard as supply limits set on expenditure controls by the Assembly have been breached.
4. The purpose of this report is to explain the reason for this qualification and to provide information on the extent and nature of the breach to inform the Assembly’s further consideration.

Excess Vote

5. The Assembly authorises and sets limits on amounts for the relevant budget boundaries (e.g. Resource Departmental Expenditure Limit, Capital Departmental Expenditure Limit, Resource Annually Managed Expenditure, Capital Annually Managed Expenditure and Non-Budget Expenditure) and the Net Cash Requirement.

6. Such amounts are set out in the Northern Ireland Supply Estimates for which approval and authority is given in the annual Budget Acts (Northern Ireland).
7. In 2025-26, the Spring Supplementary Estimates included a Non-Budget Expenditure limit for the NITPS of -£2,415,000 (i.e. income). Actual income against this line was however lower than anticipated at £2,268,000, resulting in a shortfall of £147,000 and a corresponding excess against the non-budget expenditure limit.
8. The excess occurred due to lower than anticipated premature retirement compensation receipts being received from the Department for the Economy (DfE). The Scheme told me that this income by nature is not static and is difficult to precisely control.
9. The Scheme also told me that DfE also treat the payment of these amounts as Non-Budget in nature, and in general, include the same or a similar amount in their Estimates as Voted Non-budget expenditure. Therefore, any variation from this amount will lead to either DfE or DE incurring an Excess Vote – for DfE, if the amount is greater than the control limit, or for DE when the amount is less than the control limit.
10. To address this issue going forward, the Department of Education is in discussions with the Department of Finance to reclassify this income from Non-Budget to Annually Managed Expenditure, thereby providing greater flexibility in managing the risk of an excess vote.

Obtaining Assembly approval

11. The Scheme will seek Assembly approval by way of an Excess Vote in a Budget Act at the first opportunity.



Dorinnia Carville
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2 July 2026