

15 December 2015

Isle of Man Government Unified Scheme 2011 PSPA Pensions Committee Joint Member Notice

Managers: Please bring this to the attention of staff who do not have regular access to emails or may be absent from work. It is essential that every staff member is properly informed.

This notice is intended for members of the Isle of Man Government Unified Scheme 2011 (the Scheme) only

Dear Colleague

The purpose of this email is to bring you up to date with the progress that the PSPA Pensions Committee (the Committee) has made during its discussions on proposals to reform the Isle of Man Government Unified Scheme 2011 (GUS).

Over the last few months, the Technical Sub-Committee of the Committee, which was established to look at the detail of the Pensions Working Group proposals, has met regularly to discuss the need to reform public sector pensions, with an aim to produce a range of options for consideration and negotiation by the Committee.

The Technical Sub-Committee have been looking at a number of aspects that impact on the continued sustainability of GUS, primarily the cash flow in and out of GUS and the future value of benefits that are being built up by members of GUS and how the cost of providing those benefits is shared between the members, employers and the Government.

This has led to consideration of a concept known as the "cost envelope". This is a new way of looking at the value of your pension and you will hear more about this concept as discussions progress. Put simply, a "cost envelope" is the value of a range of benefits built up by scheme members each year expressed as a percentage of their pensionable pay. In its discussions, the Technical Sub-Committee are looking at the "cost envelope" for GUS and working up a range of options that they propose will put GUS on a more financially sustainable footing going forward. The range of options includes a majority of the suggestions made in Public Sector Joint Working Group "Fairness and Sustainability" report. These included proposals to increase member and employer contributions and changes to future benefits for both existing members and new entrants.

Going forward, work continues and regular discussions will be taking place within the Committee with a view to reporting back to February 2016 Tynwald on progress.

It is anticipated that the Committee will soon be in a position to commence discussions on a range of options for further consultation with members and we will keep you informed of its progress over the next few months.

We have added more information about the Committee's progress so far and the discussions taking place on to the FAQs which can be accessed on the webpage [here](#). In addition to

these, you can see previous communications including the Public Sector Pensions Joint Working Group report "Fairness and Sustainability" on the PSPA website at www.pspa.im

If you would like any further information or would like to feed back your views to the PSPA Pensions Committee then please send your email to Feedback.PSPA@gov.im

PSPA Pensions Committee