Isle of Man
Government
Reiltys Ellan Vannin

1. Chairman's Introduction

The aim of the Public Sector Pensions Authority (PSPA) is to provide a quality administration service to members of Isle of Man public service pension and related schemes, to be the manager for the majority of public sector schemes and to be a centre of technical excellence concerning pensions and related matters in order to provide proactive support and advice to the Council of Ministers. The purpose of this review is to consider the work undertaken by the PSPA over the last year and also the work that the Authority expects to be involved in over the forthcoming year.

The Government Unified Scheme (GUS) continues to bed down after its introduction in April 2012 with an amendment scheme being approved by Tynwald last year to sweep up minor technical and administrative changes.

However, GUS and public sector pension schemes in general came under intense scrutiny in the last year following the publication of the Public Sector Pensions Joint Working Group report to Tynwald into the fairness and sustainability of public sector pensions. Tynwald noted the report and the resolution arising from the debate required the PSPA to consult upon the proposed reforms, have the actuarial figures independently verified and to negotiate with staff sides if reforms were required. In July 2015 Tynwald further resolved that the PSPA should conclude the consultation and negotiation process by the end of the year and submit final proposals to Tynwald for approval in February 2016.

Two independent actuarial reports were commissioned, one by the Government Actuary's Department (GAD) and another, at the request of the Employees' Side by First Actuarial, both of which confirmed that the figures, assumptions and methodology used in the first report published by Hymans Robertson were appropriate and soundly based. However, First Actuarial's report went further and set out a number of options for dealing with the widening gap between income and expenditure and in general supported the stance taken in the Joint Working Group Report.

The last year saw employer and staff sides working together in partnership to establish whether reform was necessary and if so what the reforms should look like and when they should take place. The largest number of members sit within the Unified Scheme and a Committee was established jointly chaired by the Minister for Policy and Reform and the Regional Officer for Unite the Union.

The Committee met monthly and set up a sub-committee to explore the technical detail of the reports and to consider the options set out by First Actuarial and in the Joint Working Group Report. This sub-committee, known as the Technical Advisory Group (TAG) met in between meetings of the full Committee and reported back monthly. TAG continued the partnership working which has been the hallmark of the PSPA since its inception in 2012 with professional pension expertise being provided by the PSPA, Office of Human Resources and full time trade union pension specialists.

TAG set out a number of options for reform for the full Committee to consider. Following a final series of meetings to consider the TAG recommendations, all trade unions with the exception of Prospect and the Prison Officers' Association agreed to the proposals.

The proposals are a significant step to put the Unified Scheme on a more sustainable footing going forward. However, there is still a requirement to address the historic cash flow position i.e. the deficit between income and expenditure for legacy members who have already retired, or will in the medium term be retiring, on higher benefits for their service already completed, where insufficient financial provision has been made in the past. The historic position cannot solely be addressed by penalising current or expected new members. The Treasury has identified solutions for managing legacy funding issues arising from Public Sector Pensions as part of its medium term financial strategy and, as part of future budget setting processes, it will be necessary for Treasury and the PSPA to work together in order to identify options for managing the issue in the long term.

Similar pension Committees were established in respect of the Police and Teachers' Pension Schemes and significant advances have been agreed in line with the recommendations set out in the Working Group report. However, more work is required and is ongoing.

Discussions are also to begin with regards to reforms to the Judicial Scheme. However, the outcome of a review into Judicial Pensions in the UK is awaited before further progress can be made.

Discussions have also been held with the Emoluments Committee regarding reform of the Tynwald Membership Pension Scheme and it has been agreed that the management of the Scheme will be transferred to the PSPA and that a reformed version of the Scheme in line with the recommendations in the Working Group report, will with its Members, be subsumed into the Unified Scheme. It is anticipated that the necessary legislation and pension changes for Tynwald Members will be in place shortly after the dissolution of Tynwald ahead of the General Election in September.

I am pleased to report that the third year of full Audited Reports and Accounts for the schemes administered by the PSPA have been produced and enabled our auditors to approve unqualified and comprehensive accounts which continue to improve the transparency of our schemes.

2015 saw the tragic death of Karl Flint, one of the Board's employee representatives. Karl was a tireless worker for the teaching profession and for the Board and his untimely death only a year after he retired was a very sad loss. Angela Moffatt, Prospect's Negotiation Officer, was appointed to the PSPA Board towards the end of last year by the Council of Ministers and succeeds him.

The Authority has also worked hard to share ideas and information on what is a complex subject with a wide range of interest groups via ongoing meetings with trade unions and stakeholder representatives (of civil servants, teachers, the police service and Tynwald Members), the Pensions Forum, individual one-to-one sessions with members and meetings with local financial advisers and the Chamber of Commerce. The PSPA's website has also been continuously updated in order to provide tailored information to members of its schemes and to provide clarification and support on issues as they arise.

The PSPA's fourth year has been a challenging one and the next year promises to be equally so. However, the Board and the Executive are ready for the challenges ahead and look forward to continuing to develop the role and work of the Authority over the forthcoming year.

Jerry Carter LLB
Chairman

2. Chief Executive's Commentary

Part of the ongoing frustration with public sector pensions is that there is no simple, easy or immediate solution to the historic situation we find ourselves in. The original Isle of Man public sector superannuation schemes were established in the 1960's, through the application of UK public sector schemes to Isle of Man Government employees. This was done at a time when the public service was relatively small, low wages were compensated for by a good pension and the contributions received, exceeded payments made. The schemes were initially designed to be self-funding as far as possible with contributions from members and employers used to pay the benefits of current retired scheme members.

Historically, income was adequate to meet expenditure with some support from Government and therefore there was limited need to set aside additional monies. However, we now have to fund the benefits built up over the last 50 years for an older workforce who are living longer. This has led to current and projected expenditure v income issues. There has been high wage growth, high benefits and growth in the public service and considerable improvements in longevity, all of which impacts upon pension costs.

When the schemes were introduced in the 1960's average life expectancy was in the early 70's, meaning pensions would be in payment for only about 10 -15 years, assuming a retirement age of 60. Life expectancy is now in the mid 80's meaning pensions will be in payment for about 20 - 25 years. By the middle of the century it is expected that average life expectancy will exceed 90 years. So, pensions earned by today's employees give rise to payment obligations extending potentially, seventy years or more into the future.

Pay-as-you-go pension schemes contrast with funded schemes, in which contributions are used to create assets in a pension fund, which is invested and, at the point of retirement, is usually sufficient to meet benefits for the scheme member. Whilst the Isle of Man Government has maintained a Pension Reserve since 1994, it is important to emphasise that the reserve is not a pension fund in the same way as a private sector pension fund operates. The Pensions Reserve was primarily established to accumulate the receipt of transfer values in respect of incoming employees. Its secondary purposes were to stabilise the annual financing of:

a) transfer values payable from outgoing employees,
b) lump sums payable to retiring employees, and
c) the emerging pensions liability

Since its inception the Public Sector Employees Pension Reserve (PSEPR) has increased substantially although initially this was only at a moderate rate. The reserve benefited from positive fiscal conditions towards the end of the last decade. However, following the renegotiation of the VAT agreement combined with the worldwide financial crisis which commenced in 2008, there is no longer an expectation of growth in the Pension Reserve. Instead it will be exhausted in the next decade as it is used to fund the growing cost of benefits accrued to date.

Government is committed to increasing the level of minimum employer pension contributions to 15% in April 2016 (initially through a reallocation from centrally held budgets) and phasing up to 20% over the following 5 years. This assumption is included within the 2016 Budget.

Given current and future projected benefit levels, and even assuming increased member contributions as proposed in the PSPA report, this is still insufficient to avoid a rapid run-down of the Pension Reserve Fund which will mean that an increasing proportion of the cost of paying benefits will need to be met from General Revenue.

In the 2016 budget, provisional figures for the future use of the Pensions Reserve indicated that it would be depleted by the end of 2020/21. The projected position on the Pensions Reserve as published in the 2016 Budget assumed, in the absence of agreement otherwise, that there are no immediate changes agreed to public sector pension schemes and contribution levels, other than the introduction of the employer superannuation contribution escalator, which has already been accepted by both sides.

However, as part of this further work on legacy funding issues, estimates have been produced on the basis of the cost envelope proposals and member contribution increases contained within the PSPA report "Fairness and Sustainability of Public Sector Pension Schemes – Revised Proposals". It has therefore been proposed by Treasury to lengthen the transition of the drawdown of the reserve until 2022/23.

Whilst the reforms proposed by the PSPA will bring about sustainability for future service costs, they would not, and could not, address the current and expected expenditure on benefits accrued to date by current and former members of the schemes, including pensioners. Increasing employee contributions to an amount that would address the legacy gap would render it unaffordable for employees (and with a resultant diminishing number of members paying contributions, make the funding gap even worse). Indeed, as First Actuarial stated in their report: *"...It does not seem fair to ask members to pay a contribution which is much higher than value of the benefits they will be receiving themselves. This would effectively be asking them to pay for legacy issues..."*

Council therefore asked the Cabinet Office for a further report into this issue with the purpose of:

- bringing greater transparency to, and understanding of, the costs of public service pensions,

- identifying the options for addressing the legacy funding gap,

- reaching conclusions and making recommendations on how the legacy funding gap should be managed in the long term.

Tynwald received the PSPA's report at its sitting in June, endorsed the proposals for reform contained therein and agreed that the options for managing the legacy position in the longer term will be subject to further investigation by the PSPA and Treasury, in conjunction with Tynwald Members, with a further report to be submitted to Tynwald for consideration after the General Election.

As I stated in last year's review, "the PSPA has continued to implement change around the pensions and related public sector schemes which it administers and manages within the Isle of Man Government. As much of the change has been achieved via cooperation between the PSPA, employers and stakeholders, in comparison with the UK, where there continues to be considerable industrial unrest around, in particular, pensions changes, to some extent the changes already successfully implemented to the Island's public sector schemes have sometimes gone unnoticed." However, with the justifiably high level of political and public concern around public sector pensions this is unlikely to remain the case. New legislation has been drafted to transfer the management of the Tynwald Member Scheme to the PSPA and for its membership, past and present to be transferred to the Unified Scheme and reformed in line with the recommendations set out in the Working Group report.

The Police and Teachers' Schemes are also set for reform and changes are likely to be agreed in the next few months and discussions are underway for changes to the Judicial Scheme.

In the four years since the establishment of the PSPA, significant change has already been introduced:

- From April 2012, a new Unified Pension Scheme (GUS) which brought together 15 existing schemes, introduced higher contributions for many members, lower ongoing benefits for new members and for the first time, local control of pensions issues for the majority of public servants;
- A new Redundancy Compensation Scheme replacing schemes which, in respect of many of their provisions, had been in place for over thirty years. Amongst other aspects, this introduced more cost effective benefit provisions and the removal of the automatic and costly pension augmentation provision for civil servants and other analogous employment groups for individuals over age 50;
- A new Injury Benefits Scheme to better manage the benefits due in respect of workplace illness or injury;
- The introduction of the UK "Fair Deal" type legislation to enable public sector staff, whose employment is transferred as a result of services which are outsourced to the private or third sectors, to remain in their public sector pension scheme subject to payment of appropriate employee and employer contributions and individual contract negotiations;
- Working with Treasury and the Attorney General's Chambers to introduce legislation which enables the PSPA to influence the schemes into which members can take transfer values and thus better control the potentially large outflows of monies from our schemes into private pensions;
- The production of Audited Reports & Accounts for all of the schemes managed and administered by the PSPA in line with best practice governance;
- Provision of technical and staffing resources to the Public Sector Pensions Joint Working Group. PSPA Pensions Committee and TAG;
- The ongoing provision of quarterly updates to Treasury in respect of income and expenditure issues within public sector pension schemes and "what if" calculations for numbers of members retiring over the next five years.

The PSPA has also been actively involved in the following:

- Input and involvement in the pre-retirement courses run by the Learning, Education and Development team of the Office of Human Resources;

- Provision of data and support to Treasury and the Government Actuary's Department with regard to the pensions aspects of the Government's annual accounts;
- Regular update meetings with teaching unions and the Department on forthcoming pensions changes;
- Involvement in the Joint Consultative Committee between the Police Federation and the Department of Home Affairs;
- Discussions with the Tynwald Emoluments Committee on changes to Members pensions.

It has been a challenging fourth full year of the PSPA's existence and the PSPA has continued to work with colleagues around Government and with the Council of Ministers to continue to review, reform and update public service pensions and related schemes. Much is yet to be done and Year 5 looks to set to be a particularly busy year as further reforms are contemplated.

I continue to be grateful to both the Board for the support they have provided to the staff of the PSPA, and to my colleagues for the considerable effort they have put in during what has been another year of challenge.

Ian Murray
Chief Executive

3. Responsibilities and Composition of the Authority

Core Responsibilities

The Public Sector Pensions Authority (PSPA) was established under section 5 of the Public Sector Pensions Act 2011 on 17 January 2012, and under section 6 of the Act has the following responsibilities:

- Advising the Council of Ministers on policy relating to the superannuation of public sector employees;
- Keeping under review the implementation and administration of the Act;
- Making schemes providing for the superannuation of public sector employees, subject to the approval of Tynwald;
- Ensuring that any scheme is properly maintained and administered, whether by the PSPA itself or on its behalf;
- The preparation of annual accounts relating to its schemes;
- Any other responsibility that the Council of Ministers considers necessary or desirable, subject to the approval of Tynwald.

Composition of the Authority as at 31 March 2016

Appointments to the Authority are made by the Council of Ministers in line with the Public Sector Pensions Act 2011.

Chair:	Jerry Carter, LLB
Employer Representatives:	John Shimmin, MHK (Vice Chair) Tony Wild, MLC
Employee Representatives:	Eric Holmes (Unite the union) Angela Moffatt (Prospect)

During the year, the following individuals also served on the Board:

Karl Flint (National Union of Teachers).

4. Corporate Governance

Board Meetings

The Board met formally on thirteen occasions during the year and further informal update meetings were held between the Chair and the Executive as required.

Structure and resourcing of the Executive

This is shown in **Annex A**. The PSPA has 18 members of staff. The PSPA is continuously reviewing its resourcing requirements into the future, based on anticipated workloads.

Schemes administered by the PSPA.

The PSPA administers and manages the following pension schemes:

- Isle of Man Government Unified Scheme 2011;
- Police Pension Regulations 1991 and 2010;
- Judicial Pension Schemes 1985 and 2004;
- Teachers' Superannuation Order 2011;
- Superannuation Manual Workers (No. 1) Scheme 1973
- Tynwald Membership Pension Scheme 1995 (administration only).

The PSPA also administers and manages schemes for:

- Compensation benefits on redundancy: The Public Sector Compensation Scheme 2013
- Injury benefits - making payments for permanent illness or injury arising from public sector employment: The Injury Benefits Scheme 2015.

Pensions and related legislation enacted during the year.

The PSPA has enacted, and Tynwald has approved, the following amending legislation during the course of 2015/16:

- Public Sector Injury Benefit Scheme 2015
- Isle of Man Government Unified Scheme (Amendment) Scheme 2015.

The PSPA has also been involved in other related but non legislative work during the year which is highlighted in this report.

5. The PSPA's future plans

The PSPA had the following plans at the start of the year for administration, best practice governance and scheme management, which were split into three key phases in line with Government policy:

a. Short term: next 12-18 months;
b. Medium term: 18 months to 4 years;
c. Longer term: 4 years and beyond.

Short term: next 12 to 18 months

Economic Growth & Diversification	**Balanced Budget**	**Protecting the Vulnerable**
	Continued efficient implementation of Unified Scheme + amendments to reflect ongoing experience	
	Contribution increases: Police & Teachers Schemes	Recognising effect of contribution changes
	Progressing UK led changes to the Judicial Scheme	New ill-health processes and procedures in the light of ongoing experience
	Competitive review of specialist adviser contracts (Actuarial and audit)	

Medium term: 18 months to 4 years

Economic Growth & Diversification	**Balanced Budget**	**Protecting the Vulnerable**
Monitoring Ill-health retirements & liaison with OHR	Initial GUS valuation and valuations of other public sector schemes– base point position for future valuations and cost sharing assessments	Improve member communications, interaction & services
Supporting different working patterns	Audited accounts for each Scheme (7 sets)	Improvements in governance & transparency
Input into review of pension provision and wider T&Cs for health workers to enable better recruitment/retention	Consideration of future structure of Police and Teachers schemes including UK led benefit changes or amalgamation into GUS. Similar considerations for	

	Tynwald Members pensions (ongoing)	
	Work with Department on future of the Local Government Scheme	
	Monitor GUS experience against expectations and report back	
	Manage external relationships: costs, advice: getting the balance right	

Longer term: 4 years and beyond

Economic Growth & Diversification	**Balanced Budget**	**Protecting the Vulnerable**
Consider what constitutes "the public service" for future pension provision	Implementation of any further changes resulting from the Pensions Working Group report	Review of ongoing pensions strategy and effect on workers
Consider the commercial expansion of the PSPA admin. service	1st GUS cost sharing valuation and 2nd GUS actuarial valuation	Monitor effect of UK & other legislative changes on workers/schemes
Selling others services and expertise more widely	Review GUS design and recommend any changes	Develop new ideas & ways of remunerating people: total reward concept
Developing on-Island expertise and professionalism	Valuations/cost sharing for Police & Teachers Schemes	
	Review of ongoing pensions strategy and costs	
	Joined-up government: working closer with others, sharing ideas and implementing change	
	Funding for future pension provision	

With regard to those areas highlighted above in green, the PSPA has implemented the changes highlighted and is working towards the other plans outlined.

6. Financial Review of Schemes

Table 1		Unified Scheme	Teachers' Scheme	Police 1991 & 2010 Schemes	Judicial 1992 & 2004 Schemes	Manual Workers No 1	Tynwald **	TOTAL
INCOME	Year	£000	£000	£000	£000	£000	£000	£000
Contributions Combined	2013/14	21,976	8,552	1,088	34	9	72	31,731
Contributions Combined	2014/15	22,502	8,872	1,050	33	5	86	32,548
Contributions Combined	2015/16	23,437	8,952	1,002	37	5	87	33,519
Transfers In	2013/14	1,038	143	0	0	0	0	1,181
Transfers In	2014/15	2,254	347	3	0	0	0	2,604
Transfers In	2015/16	863	247	348	646	0	0	2,103
Other - Early Retirements	2013/14	1,189	200	0	0	0	0	1,389
Other - Early Retirements	2014/15	1,232	100	0	0	0	0	1,332
Other - Early Retirements	2015/16	1,387	85	0	0	0	0	1,472
Total Income	2013/14	24,203	8,895	1,088	34	9	72	34,301
Total Income	2014/15	25,988	9,319	1,053	33	5	86	36,484
Total Income	2015/16	25,686	9,284	1,350	683	5	87	37,095
EXPENDITURE	Year	£000	£000	£000	£000	£000	£000	£000
Pension in Payment	2013/14	33,577	10,798	4,185	411	358	767	50,096
Pension in Payment	2014/15	37,155	11,458	4,919	415	383	780	55,110
Pensions in Payment	2015/16	40,631	12,186	5,296	420	361	818	59,712
Lump Sums	2013/14	23,222	2,546	1,403	0	116	0	27,287
Lump Sums	2014/15	28,746	3,160	1,945	0	70	0	33,921
Lump Sums	2015/16	20,914	3,824	2,696	0	8	58	27,500
Transfers Out	2013/14	3,964	81	0	0	0	0	4,045
Transfers Out	2014/15	5,387	1,157	10	0	0	0	6,554
Transfers Out	2015/16	8,961	184	85	0	0	0	9,230
Refunds Paid	2013/14	198	3	6	0	0	0	207
Refunds Paid	2014/15	162	8	3	0	0	0	173
Refunds Paid	2015/16	250	35	6	0	0	0	291
Total Expenditure	2013/14	60,961	13,428	5,594	411	474	767	81,635
Total Expenditure	2014/15	71,450	15,783	6,877	415	453	780	95,758
Total Expenditure	2015/16	70,756	16,229	8,083	420	369	876	96,733
CASHFLOW	Year	£000	£000	£000	£000	£000	£000	£000
Net Cashflow	2013/14	-36,758	-4,533	-4,506	-377	-465	-695	-47,334
Net Cashflow	2014/15	-45,462	-6,464	-5,824	-382	-448	-694	-59,274
Net Cashflow	2015/16	-45,070	-6,945	-6,733	264	-364	-789	-59,638

Notes on figures

1. Figures are provisional and unaudited and show the position for the last three financial years: 2013/14. 2014/15 and 2015/16.

2. Column headed: "Manual Workers No 1" refers to The Superannuation (Manual Workers) (No.1) Scheme 1973 which has 2 active members.
3. The Tynwald Members Pension Scheme was not managed by the PSPA during these years and therefore data is not shown.
4. Income line headed "Other – Early retirements" are where members have retired with enhanced pensions (generally in a redundancy situation) and the employer has made additional payments into a Scheme to fund the pension enhancement.

7. Issues to be addressed in the next 12 months

This section sets out the ongoing work that the PSPA might be expected to undertake over the course of the next year in continuing to work towards future public sector pensions sustainability.

Unified Scheme – GUS

- **Implementing agreed scheme and contribution changes in line with Tynwald's wishes;**
- **Consultation and negotiation of required further sustainability changes via the Joint Negotiating Committees;**
- **Cost sharing: establish the detail around how cost sharing will work in the future under the Scheme.** Cost sharing is the mechanism for sharing any change in the future costs of providing benefits between the government/employers and members. Historically, any increases in pension costs tend to have been borne by the employer/government. Under a cost sharing arrangement, part of any future cost variation is shared with Scheme members either by adjusting benefits, contributions or both. Details of the new Cost Sharing mechanism have been agreed by Council and by Treasury, and the detail is to be considered by the technical sub-committee (TAG) of the PSPA Pensions Committee before legislation is drafted and consulted upon.
- **Changes to the transfer basis**: the PSPA is working with the Treasury Policy Team to review and amend the overriding legislation around the transfer basis, for transfers both into and out of our schemes, in order to give the PSPA the discretion, on the advice of its actuary, to establish its own transfer basis. The current basis is not linked to the assumptions established as part of the 2013 actuarial valuations and therefore in particular, is tending to distort the current transfer basis for both transfers in and out.
- **Schemes of Amendment**: various amending schemes have already been approved by Tynwald in respect of both technical and clarification changes to GUS. These will continue to be required as and when issues arise in the interpretation of the GUS Rules. Further drafting will also be required as a result of the changes approved by Tynwald.
- **Further changes to the administration system**: any required changes to the Unified Scheme (or others) may require considerable (and potentially costly) updates to the software behind the PSPA's administration system, which can only be undertaken by the system provider (Equiniti). The PSPA will however have to manage such a project and in addition, will need to put in place a programme for both specifying and testing any required changes, which will be a considerable resource issue given the high volumes of ongoing work.

Audited Accounts

- Audited accounts, as required by the Public Sector Pensions Act 2011, are now required for the fourth year for the pension schemes managed by the PSPA for the year ended 31 March 2016. The PSPA is working with its auditors on the preparation of the accounts to be laid before Tynwald later in the financial year.

Other ongoing work

- This includes further direct links and discussions with the Office of Human Resources and other government employers, to develop automated processes that will enable the transfer of member data more efficiently to the PSPA;
- Reconciling employment and pension anomalies for public servants with more than one employment.

Police, Teachers and Judicial Schemes

- Consideration and introduction of the UK led changes, or an Isle of Man alternative, to public sector schemes for those groups of employees whose terms and conditions, including pensions, are linked to the UK. Discussions are drawing to a conclusion with the relevant Departments, teaching unions and the Police Federation on how future sustainability changes might look. The PSPA continues to utilise external links with UK public sector pension teams involved in these schemes in Scotland, Northern Ireland and Wales to share ideas and to develop common systems whereby we can benefit from each other's knowledge and experience of change.

- The PSPA is monitoring the position on the proposed UK changes to the Judicial Pension Scheme, which are currently the subject of possible further legal challenge in the UK, before determining how change might look for this Scheme in the Isle of Man.

- Cost sharing provisions for any schemes which remain separate from the Unified Scheme will also need to be drafted and consulted upon by the PSPA once a basis is agreed.

Tynwald Members Pension Scheme

The PSPA has drafted the necessary legislation to transfer the management of the Scheme to the PSPA and the membership to the Unified Scheme. It is anticipated that the changes for Tynwald Members will be in place shortly after the General Election in September.

8. Summary and Conclusions

Considerable change has been made to Isle of Man Public Sector Schemes in the last four years to move them to a more sustainable basis. However, changes in the profile of the Government workforce and in particular, the numbers of early retirements over the last three years (with the knock on effect on cash flows) has hidden the effect of the reforms made to date, which were the start of a move towards better local control of public sector pension finances. Pension changes have elicited considerable industrial unrest in the UK which is still ongoing, and it is to the Island's credit that the changes made to date to pensions, along with redundancy compensation benefits (which were also legally challenged when introduced in the UK via the trade unions) and injury benefits have not witnessed such unrest and have been developed in partnership with employees and their trade unions.

Now that Tynwald has determined how the report from the PSPA on future sustainability will be progressed, the PSPA will seek to implement further changes to the Unified Scheme and those for Police, Teachers and the Judiciary.

The PSPA will continue to work positively towards engendering a greater understanding of the issues around the financing of public sector pensions and in supporting the Treasury, Cabinet Office and the Council of Ministers in formulating and moving forward future pensions strategy.

Annex A

PSPA Organisation