

## **In Confidence**

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on Monday 14 January 2013 at 12.00 noon in the PSPA Meeting Room, Goldie House, Douglas.

**Present: PSPA**

Mr J Carter (Chairman)  
Mr A Cannan, MHK (Vice Chairman)  
Mr E Holmes  
Mr A Shipley  
Mr L I Singer, MHK

**In Attendance:** Mr I T Murray

Mr I W C Burnett

**Apologies:** None

<b>Minute No</b>	<b>Minute</b>
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<b>01/13</b>	<b>Minutes</b>
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The minutes of the meeting held on 5 December 2012 were approved and signed.

<b>02/13</b>	<b>Matters Arising:</b>
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**Review of Compensation and Injury Benefits**

It was noted that 4 responses had been received by the PSPA so far in relation to the consultation on the future of the Compensation Scheme and that consultation closed on 14 January 2013.

The Board noted the next meeting of the Working Group was due to be held on 21 January 2013.

**Manual Workers (No.1) Scheme**

The Board noted that the pensioner member of this scheme who had contacted the PSPA had been written to and thus far no response had been received.

The Board was informed that the individual considered that he had previously been misinformed in relation to his pension benefits but that this was some considerable time before the PSPA was established. The individual was therefore grateful of being offered the opportunity to come and discuss his circumstances with the Chief Executive who will keep the Board informed of future progress.

**Cost Sharing**

The Board noted that a meeting with the Actuary had been arranged for 30 January 2013, and that relevant paperwork would be issued prior to the meeting.

**Teachers Joining GUS**

Mr Shipley declared a Conflict of Interest.

The Board noted that a paper regarding the broad principles on the future of Teachers Pension provision had been submitted to the Council of Ministers for consideration and that this would be considered by Council on Thursday 17 January.

**03/13**

### **Risk Register review**

The Board reviewed the Risk Register and noted the changes that had been made during the course of the previous month.

It was noted that, in relation to the risk regarding the estimates for pension payments to be made, the actual level of payments being made may be higher than had been envisaged by key stakeholders. The Board noted that more people had retired than had been anticipated, as many had remained in post until GUS had been introduced. It was also noted that neither the PSPA nor employers could dictate when individuals retired.

It was considered that in relation to the Judicial Scheme, no changes should be considered until the outcome of the Judicial Review in the UK was known.

**04/13**

### **Police (Amendment) Scheme 2013**

The Board consider a paper concerning a proposed Police (Amendment) Scheme 2013 and in particular that Police Pension Amendment Regulations were to be drafted, which seek to update the current regulations with a number of amendments which have been applied to the UK Regulations.

The Board noted that these were historic in nature and had been passed over by the Department of Home Affairs, the previous managers of the Police Pension Scheme.

The Board sought to clarify that there would be no unforeseen consequences of the delayed implementation of these regulations. The Executive considered that, as both the Department and the Federation were aware of the proposed regulations, that any potential risks would be minimal.

**05/13**

### **Quarterly Performance Report**

The Deputy Director Operations and Administration Manager joined the meeting.

The Board considered the Quarterly Performance Report, for the period ending September 2012 and received a verbal briefing from the Deputy Director Operations. It was noted that the increase in payments being made, compared to the previous quarter, was partly attributable to the cyclical nature of retirements for Teachers, the majority of whom retire at the end of a school year.

The Board noted that following the implementation of the new Compendia administration system new SLA targets would be introduced, which would be more challenging than those currently in place.

The Board noted that there had been some high lump sum payments made during the quarter and requested that in future reports these were highlighted.

The Board thanked the Deputy Director and Administration Manager who left the meeting.

**06/13**

### **Insurance against Death Benefits and Ill Health Retirements**

The Board considered a memorandum from the Chief Executive concerning the possibility of insuring the payment of Death Benefits and Ill Health Retirements.

The Board noted that payments made in relation to these benefits amounted to at least £1m per annum, and that the proposals were in line with the approach often taken by private sector pension providers. The Board noted that the proposals were

at an early stage but requested that, if they were progressed, local providers should be considered in the first instance.

### **Dates of future meetings**

It was agreed the next meeting would be held on 8 March 2013. [This has subsequently been changed to 22 March 2013.]

### **Any Other Business**

**07/13**

#### **Financial Viability of Public Sector Schemes**

The Board noted that in a recent presentation the Treasury Minister had attributed the financial viability of public sector schemes to the PSPA. The Board noted that under Section 6 (1)(a) of the Public Sector Pensions Act the PSPA is responsible for advising the Council of Ministers on policy relating to the superannuation of public sector employees and considered therefore that it was not responsible for the financial viability of the schemes.

**08/13**

#### **Death In Service – Personal Case**

Mr Holmes declared an interest and left the meeting.

The Board was advised of a case regarding a deceased member of staff from the Water Authority, who had died in an accident at work. The Board noted that pension and lump sum benefits were payable to the deceased member of staff's dependent children.

The Board noted that an additional award was payable under the Interim Injury Benefit Scheme, but only if it was established that the death was not wholly or mainly due to or seriously aggravated by the deceased's own culpable negligence or misconduct.

The Board directed that, until the facts surrounding the accident had been clarified and the Water Authority had confirmed that no fault lay with the deceased member of staff, no award should be made.

**The meeting closed at 13:50**