

## **In Confidence**

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on Wednesday 30 January 2013 at 10.45 a.m.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  
Mr P Summers – Hymans Robertson  
(item 12/13)  
Mr S Scott – Hymans Robertson (item  
12/13)

**Minute No    Minute**

**09/13            Isle of Man Government Unified (Amendment Scheme) 2013**

The Board received a copy of a draft Scheme of Amendment for the Unified Scheme and draft consultation notice.

The Executive advised that as part of the ongoing review of the Unified Scheme it wished to progress a Scheme of Amendment which is broadly clarifying in nature, based on the PSPA's experience of running the Scheme for a year and the type of queries about Scheme provisions which have been raised by stakeholders and which are unclear in the current Scheme rules. In addition, the draft scheme sought to provide some technical updates to current provisions.

The Board was requested to consider the draft Scheme and consultation notice and for each Board member to indicate if they were content with the proposed drafts by Friday 8 February 2013, with a view to commencing a consultation exercise in the week commencing 11 February 2013.

**10/13            Teachers Joining GUS**

Mr Shipley declared a Conflict of Interest.

The Board noted that the Council of Ministers had considered a paper regarding the broad principles on the future of Teachers pension provision.

The Board noted that Council had determined that it did not support the principle that pay negotiations should be separated such that pensions issues are negotiated locally between the Department and trade unions whilst pay remains broadly linked to the UK.

The Board therefore considered that at this point in time it was unable to offer options around membership of GUS to Isle of Man teachers and lecturers, and in line with Council's view, if the Department and unions wish to progress this matter further, the first stage in moving towards such a position would be for the Department and the trade unions to open discussions around local negotiation of both pay and pensions issues and thereafter, if a degree of agreement is reached,

to put revised proposals to both the PSPA and to Council with regard to pensions. The Board noted that a view had been expressed by some of the teaching unions UK pension advisers that for the time being the status quo should be maintained, until the future of pay and pensions for Teachers in the UK is established. It was agreed that the Chief Executive would write to the Department confirming Council's decision.

### **11/13 Tynwald Members Presentation**

The Board noted that the Chief Executive, the Chairman and Vice-Chairman were to give a presentation to members of Tynwald on 5<sup>th</sup> February. The purpose of the presentation was to:

- Outline what successes/changes had already been achieved;
- Answer any questions that were raised; and
- Highlight that the Unified Scheme was a long term solution, and that it had not been designed to provide instant reductions in ongoing liabilities.

The Board considered that a similar presentation should be made to the Trade Unions and other representative organisations in the near future.

Peter Summers and Steven Scott from Hymans Robertson joined the meeting.

### **12/13 Cost Sharing Under GUS**

The Board was in receipt of a paper, entitled "Isle of Man Government: GUS – the detail of cost-sharing", which had been prepared by Hymans Robertson.

The purpose of the paper was to assist the PSPA to establish the detail of the cost sharing mechanism for GUS before putting proposals to Treasury and Council for their approval. Mr Summers ran through the each section of the report, answering queries from the Board and confirming points of detail where necessary.

The subjects covered in the Report included:

- The basics of Cost Sharing;
- Detailed analysis of the issues to be considered when designing and implementing a cost sharing mechanism;
- Work carried out so far;
- Consideration on what else needs to be done; and
- Views on the next stage.

After considerable discussion the Board concluded that it would be prudent to formulate proposals for a cost sharing mechanism based upon the work already carried out and principles agreed by the Unified Scheme Steering Group, set out in points (a) to (l) on pages 8 and 9 in the Report.

It was agreed that a further briefing paper setting out detailed proposals as a result of the discussions would be prepared for consideration at the next Board meeting.

The Board also considered when the first actuarial valuation should be carried out, being mindful of the agreement that the first cost sharing valuation that could result in changes to the scheme, was not due to be carried out until 2020. It was agreed that the PSPA should endeavour to carry out a first valuation in 2013 so set a "base line" position for GUS and that a cost sharing valuation should then be carried out in three or four years time to ascertain the then position in advance of

the 2020 date from which changes to the Scheme could be made.

**The meeting closed at 13:10**