

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 4 February 2015 at 14.00 in the PSPA Meeting Room, Goldie House, Douglas.

Present: PSPA

Mr J Carter (Chairman)

Hon C R Robertshaw, MHK (Vice Chairman)

Mr K Flint

Mr E Holmes

Mr T P Wild, MLC

In Attendance: Mr I T Murray

Mr I Burnett (Secretary)

Ms K C Brondon

Apologies:

Minute No

Conflicts of Interest

There were no conflicts of interest declared.

01/15 Minutes

The minutes of the meeting of 17 December 2014 were approved and signed by the Vice-Chairman.

02/15 Matters Arising

Declaration of Relationship forms

The Declaration of Relationship forms were completed.

The Superannuation (Manual Workers) (No.1) Scheme 1973

Minute not Published.

Public Sector Reports and Accounts 2013/14

The Board noted that the signed Annual Reports and Audited Accounts for each Scheme had been forwarded to the Council of Ministers for its consideration at its meeting on 5 February 2014. It was anticipated that the Annual Reports and Audited Accounts would be laid before the March 2015 sitting of Tynwald.

Policy for payment of Cash Equivalent Transfer Values

The Board noted that following Tynwald's approval of the amendment to the Pension Schemes Act 1993 (Application) (Amendment) Order 2014 the PSPA had implemented the Policy for payment of Cash Equivalent Transfer Values. The Board noted that to date comment had only been received from one firm of Independent Financial Advisers. It was noted that the Administration Team was in the process of finalising those transfer requests received before the date the Policy was introduced.

03/15 Risk register review

The Risk Register was reviewed and the changes that had been made since the previous meeting of the Board were noted.

04/15 Public Sector Pensions Committee

The PSPA Board considered a memorandum dated 20 January 2015 from the Deputy Chief Executive concerning proposed Terms of Reference and a draft document of Frequently Asked Questions relating to the motion approved by Tynwald in December 2015 in respect of the Public Sector Pensions Joint Working Group report.

In considering the proposed Terms of Reference the Board noted the proposed date of 22 May 2015 for any options agreed with staff side representatives to be considered by the PSPA. The Board noted that there may be opposition to this proposed deadline. The Board acknowledged that it was a tight timescale but considered that, due to the seriousness of the issue, the date was realistic and achievable. It was agreed that if more meetings needed to be held between employer and employee representatives then these should be progressed within the timeframe.

After due consideration the Board approved the draft Terms of Reference subject to some minor drafting alterations identified during the course of discussions.

The Board considered the matter of the Hymans Robertson figures being independently verified. Due to the tight timescales it was agreed that this should be progressed alongside negotiations, on the basis that if the figures were independently verified, time had not been wasted, but if there were issues that required further review, the Committee could suspend negotiations until such time as all parties were content with the actuarial basis on which any proposals should be based.

The Board considered a recommendation that the UK Government Actuary's Department (GAD) should be engaged to carry out this work, on the basis that it was familiar with the Isle of Man Schemes, it had worked with Isle of Man Treasury on the Government Accounts, and that it had an in depth knowledge of Public Sector Schemes owing to its work with the UK Public Sector Schemes.

After due consideration the Board agreed that a recommendation should be communicated via a letter to the Trade Unions recommending the engagement of GAD to carry out this work, and subject to any major opposition this should be progressed at the earliest opportunity. It was agreed that a draft letter to Trade Unions would be circulated via e-mail to the Board for consideration and final approval.

In considering the draft "Frequently Asked Questions" document, the Board sought clarification on a number of points contained within the document, in particular in relation to the proposed increase in minimum retirement age from 55 to 58 and what options would be available to those employment groups with retirement ages of 55 within their terms and conditions, such as Mental Health Officers. The Board considered that these issues would be considered during the negotiations and therefore no change should be made to the current document at this stage. It was noted that as matters arose and/or were clarified, that the document could be updated.

After due consideration the Board approved the Frequently Asked Questions document and agreed that it should be published on the PSPA website.

05/15 Public Sector Injury Benefit Scheme 2015

The PSPA Board considered a memorandum dated 19 January 2014 from the

Director of Operations concerning the response to the consultation on the draft Public Sector Injury Benefit Scheme. The Board noted the comments that had been received and the proposed responses contained within the draft Consultation Response Document. After due consideration the Board approved the document.

The Board considered the draft Public Sector Injury Benefit Scheme 2015. The Board noted that the Scheme provided for Permanent Injury Awards and that Temporary Injury Awards would in future fall under the Terms and Conditions of the various Employment Groups, and that negotiations were currently being progressed in the various negotiating fora. The Board noted that the Executive had been informed that these would be concluded by the end of March 2015.

After due consideration the Board approved and made the Public Sector Injury Benefit Scheme 2015 with an effective date of 1 April 2015.

06/15 Isle of Man Government Unified Scheme 2011

The Board considered a memorandum dated 21 January 2015 seeking the Board's approval to consult upon a draft Scheme of Amendment to the Isle of Man Government Unified Scheme 2011.

The Board noted that this amendment was technical in nature and was not related to any proposals set out in the Public Sector Pensions Working Group Report.

The Board noted that it was proposed to forewarn Trade Unions of this Amendment Scheme and make it clear that it is not related to the Working Group Report before embarking on a wider consultation exercise. It was confirmed that the consultation period would be for three months. The Board considered that due to the sensitivity of issues relating to the Unified Scheme, following the December Report, that the consultation period should be for a minimum of three months.

After due consideration the Board approved that the draft Scheme be consulted upon.

07/15 Quarterly Performance Report – Quarter 3, 2014/15

The Board considered the Quarterly Performance Report for the third quarter of 2014/15 ending December 2014 and received a verbal briefing summarising the key points in the report from the Director, Operations.

The Board noted the contents of the Report and requested that its thanks be passed on to all the staff of the PSPA for the high performance levels that had been achieved over the third quarter.

08/15 Dates of Next Meeting

The Board considered the proposed dates for PSPA Board meetings during 2015.

It was noted that there were some dates on which individual Board Members would be unable to attend. It was agreed that the proposed dates should be entered into Outlook and that the dates could be reviewed during the course of the year.

09/15 Meeting with Emoluments Committee

The Chief Executive advised the Board that he had recently meet with the Tynwald Emoluments Committee to discuss the proposals contained within the December Report regarding the Tynwald Membership Schemes. The Emoluments Committee had requested a presentation to Members on 24 March 2015, on the proposed changes, which Mr Murray planned to make.

10/15 Part Time Firefighters

A query was raised with regard to whether part-time/retained firefighters should be offered membership of the Unified Scheme. The Executive understood that retained firefighters had their own pension arrangements in place through a group personal pension with Aviva. The Executive agreed that it would confirm the position.

The meeting closed at 17:20