

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 28 July 2015 at 14.00 in the PSPA Meeting Room, Goldie House, Douglas.

Present: PSPA

Mr J Carter (Chair)
Mr J P Shimmin, MHK (Vice Chair)
Mr K Flint
Mr E Holmes
Mr T P Wild, MLC

In Attendance: Mr I T Murray
Mr I W C Burnett (Secretary)

Apologies:

Minute Minute
No

Conflicts of Interest

There were no conflicts of interest declared in relation to the items on the agenda.

37/15 Board Training

The Board received a short presentation on the history of Public Sector Pensions on the Isle of Man which provided some background to some of the key events in relation to Public Sector Pensions on the Island.

38/15 Minutes

The minutes of the meeting of 19 June 2015 were approved and signed by the Chairman.

39/15 Matters Arising

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Minute not Published.

Tynwald Members Scheme

The Board noted that proposals had been put forward to the Emoluments Committee for consideration, which had been positively received. The PSPA had offered to meet with individual members of the Scheme on a one to one basis, and to date, a number of Scheme members had taken up the offer or made appointments to meet with the PSPA in the near future.

40/15 Risk register review

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

41/15 Pensions Ombudsman determination – revision of commutation factors for Police and Fire-fighters

The Board considered a memorandum dated 21 July from the Director of

Operations regarding a recent UK Pension Ombudsman's case in which it was determined that the lump sums paid to retired police and fire-fighters between December 2001 and December 2004 be recalculated to take account of revised commutation factors.

The Board noted that the Pensions Ombudsman extended his determination to apply to all UK Police and Fire Schemes, in order to avoid any similar claims being raised by other members of the Police and Fire Schemes in the UK.

The Board noted that this determination applied to United Kingdom Schemes, however, as the Schemes for Isle of Man Firefighters and Police Officers were based upon the UK Schemes, including the methodology for calculating Pension Commutation, then the Isle of Man should follow the actions taken by the managers of the UK Schemes.

The Board noted that the Regulations governing the Police and former Fire Schemes state that when a member opts to convert pension for a lump sum, the residual pension will be calculated from factor tables supplied by GAD. The Board noted that the Pensions Ombudsman's determination in relation to the complaint required GAD to issue revised factors for the period concerned and noted the Executive's view that if the PSPA did not apply the Pension Ombudsman's determination, the PSPA would not be complying with the Police Scheme and former Fire Schemes.

The Board noted that as yet GAD had not issued the revised factors, but these were expected imminently.

After due consideration the Board agreed that the PSPA should comply in full with the UK Pension Ombudsman's determination and apply the revised commutation factors in accordance with the instructions due to be issued in the near future by GAD.

42/15 Isle of Man Government Unified Scheme (Amendment) Scheme 2015

The Board considered a Memorandum dated 22 July 2015 from the Deputy Chief Executive requesting that the Board considered feedback from the public consultation on proposals to make the Isle of Man Government Unified Scheme (Amendment) Scheme 2015. 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 and agreed that it should be published on the PSPA website.

The Board considered the draft Scheme and after due consideration approved and made the Isle of Man Government Unified Scheme (Amendment) Scheme 2015.

It was noted that further discussion on when the Scheme should be put forward to Tynwald for approval should be entered into with the Vice Chair in early September.

43/15 Public Sector Pensions Committee

The Board received a verbal update from the Chief Executive in respect of the Committee meeting held on 26 June 2015 and the recent emergency debate held during the July 2015 sitting of Tynwald.

The Board noted the dates set out in the amended motion which was approved by Tynwald. The Board noted that whilst these were challenging, they needed to be achieved during this administration and ahead of the General Election in 2016.

The Board noted that during the Tynwald debate many of the comments were political in nature and not necessarily based upon facts. The Board considered that

the PSPA needed to establish how best to address the number of 'myths' which surrounded Public Sector Pensions.

After some debate the Board agreed that the feasibility of holding a panel debate on the radio should be investigated. Mr Wilde agreed to look into this, and it was agreed that if it went ahead, the Chairman, the Chief Executive and Mr Wilde would take part.

Date of next meeting

The Board agreed the next meeting would take place on Wednesday 16 September starting at 2pm.

The meeting closed at 15:40