

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 26 January 2016 at 8.30 am in the PSPA Meeting Room, Goldie House, Douglas.

Present: PSPA

Mr J Carter (Chairman)

Mr J Shimmin, MHK (Vice Chairman)

Mr E Holmes

Ms A Moffatt

In Attendance: Mr I T Murray

Mr I W C Burnett

Apologies: Mr T Wild, MLC

Minute No	Minute
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01/16	Conflicts of Interest
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Aside from the previously informed conflict raised by Mr Shimmin in relation to the Teachers' Pension Scheme and the Tynwald Members Pension Scheme and Ms Moffatt's in relation to the Temporary Injury Award appeal and the Pensions Review there were no further conflicts declared.

02/16	Minutes
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The minutes of the meetings of 9 November, 14 & 17 December 2015 were approved and signed by the Chairman.

03/16	Matters Arising
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Teachers' Pension Scheme

The Board noted that the Executive were due to meet with the Teaching Unions in week commencing 1 February 2016 for further reform discussions.

Temporary Injury Award Appeal – Minute not Published.

04/16	Public Sector Pensions Reform – Proposals for Police Pensions Regulations
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The Board noted the correspondence received from the Isle of Man Police Federation and a memorandum dated 4 January 2016 from the Deputy Chief Executive concerning the proposals for reform for Police Pension Regulations.

The Board noted that further discussions had been held with the Federation and noted the Federation's assurance that it wished to work with the PSPA in establishing proposals for the reform of Police Pensions Regulations.

The Board noted that unlike the proposals being progressed in relation to the Unified Scheme, the Federation considered that reform should be focused on new joiners rather than spreading them across the current membership and new joiners. The Board considered this may have a detrimental effect on recruitment and asked that the view of the Department be sought in this regard.

The Board asked noted that in line with other Public Sector Schemes, it was proposed that a cost sharing mechanism should be in place. The Board considered

that this requirement should be confirmed to the Department and the Federation.

After further consideration the Board determined that subject to:

- i. The Department confirming that the effect any proposals for new joiners may have on recruitment to the Constabulary are taken into consideration before finalising such proposals; and
- ii. That in line with all other public sector schemes, any proposals must include cost sharing arrangements,

it was content to confirm the position for existing members outlined under Option two of the PSPA's Options Document, as outlined in the draft letter, and that Executive should continue to hold further discussions with the various interested parties in relation to changes to the Police Scheme, and that these should focus in the main on new joiners to the Police Pension Scheme.

05/16 Public Sector Pensions Committee

The Board recorded its thanks for the efforts made by all parties in the work over the past year which culminated in the draft report being finalised and submitted to the Board for its consideration.

The Board considered the report. A concern was raised that the report did not set out in detail what the outcome of the report would be, in particular as to what it meant for individual members. The Board noted that whilst some suggested changes were included in the report, the report focused on putting in place an agreed cost envelope for future pensions upon which any future scheme changes would be based. The Board noted that, subject to the acceptance of the report by Tynwald, the next stage would be for a reformed PSPA Pensions Committee to reconvene to work up proposals for changes to the provisions of Schemes.

The Board considered that the report had met the terms of the Tynwald motion of December 2014, but noted a concern that the report may be considered, by some political representatives, not to go far enough and may in their view require 'tougher' proposals.

A concern was raised that, as yet, the Members of the PSPA Committee had not seen a copy of the final report. The Board also noted that Scheme Members were not aware of either the content of the report or when the report would be released. However, it was noted that as the report was requested by Tynwald it could not be circulated more widely until it had been received by Members of Tynwald.

The Board considered the content of the report and provided drafting comments to the Executive to be incorporated in the final version.

The Board considered as to whether, subject to the incorporation of the drafting comments, it was content for the report to be submitted to the Council of Ministers prior to submission to the February 2016 sitting of Tynwald. After due consideration the Board agreed, by a majority decision, to submit the report to the Council of Ministers.

The Vice Chair informed the Board he had to Depart for another previously arranged appointment, and requested that the item regarding Board Communication be held over to the next Board Meeting.

The Vice Chair left the meeting.

06/16 PSPA Board Communication

The Board noted that this item would be carried over to the next meeting.

Before closing the meeting the Executive raised the circumstances regarding the issuing of the Pensions Update Document, discussed at the December Board meeting (**minutes 75/15 and 77/15 refer**). The Chief Executive confirmed that he had released a draft copy of the document to the Employer's side Joint Chair of the Technical Advisory Group of the Pensions Committee (TAG), and had done so in good faith given that the Employers' Side of TAG had been tasked by TAG with producing a more detailed updating document to supplement the Joint Notices produced by TAG. The Chief Executive offered the Board its apologies if this course of action was considered inappropriate.

The Board noted the apology and agreed it would discuss the matter further at its February Meeting.

The next meeting will be held on 22 February 2016 at 2:30pm.

The meeting closed at 10:15 am