

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 11 July 2016 in the PSPA Meeting Room, Goldie House, Douglas

Present: **PSPA**
Mr J Shimmin, MHK (Vice Chairman)
Ms A Moffatt
Mr E Holmes

In Attendance: Mr I W C Burnett, (Secretary)
Mr I T Murray
Ms K C Brondon

Apologies: Mr J B Carter, (Chairman)
Mr T Wild, MLC

Minute No. Minute

35/16 Conflicts of Interest

There were no conflicts declared.

36/16 Minutes

The minutes of the meeting of 13 June 2016 were approved and signed by the Vice-Chairman.

37/16 Risk Register Review

The Board noted the changes that had been made to the previous month's Risk Register.

38/16 Public Sector Pension Scheme Accounts – 'Going Concern' statement

The Board considered a memorandum from the Deputy Chief Executive, regarding a letter, dated 14 June 2016, received from Treasury confirming that the cash flow relating to Public Sector Pensions in the short and medium-long term will be met. After due consideration the Board gave its approval to the 'going concern' assessment of all pension schemes it manages on a 'global' basis for the year ended 31 March 2016.

39/16 Pension Payment Discrepancy Policy

The Board considered a memorandum, dated 30 June 2016, from the Director of Operations, regarding the Public Sector Pensions Authority's policy with regard to the recovery of pension overpayments.

The Board sought confirmation as to why the Chief Executive had the authority to write off pension overpayments up to £250,000. It was confirmed that this was approved by the initial PSPA Board when it was first established in February 2012, and was based upon advice received at the time from colleagues in other Government Departments.

The Board noted the Policy and agreed with the outlined approach, but requested that the level of write off be reviewed and for consideration be given as to whether £250,000 was an appropriate level. The Board requested that the findings of the review be submitted to the next Board meeting for its consideration.

40/16

Public Sector Pensions Reform

The Board considered a memorandum, dated 30 June 2016, from the Chief Executive regarding the progression of public sector pension reforms in the light of the Motion, which was approved at the June 2016 sitting of Tynwald. The Board noted the decision made by Tynwald, and the timescales contained within it, in particular for draft amendments to Schemes to be laid before the February 2017 sitting of Tynwald. The Board noted the Executive's proposal for the reestablishment of the former Technical Advisory Group, (TAG) and for this group be tasked with developing proposals to meet the requirements of the Tynwald motion and that these be submitted to the PSPA for consideration.

A view was expressed that there were a number of steps that needed to be taken before consideration could be given to developing proposals or reforming TAG. In particular that the decision made by Tynwald needed to be communicated to all Scheme Members and Representative organisations and that views should be sought from Trade Unions as to how it wished to progress discussions on any scheme design changes, which may include the reestablishment of TAG. A further view was expressed that notwithstanding the motion approved by Tynwald, the timescales within it were very ambitious and should be realistic.

Concern was raised that seeking views from the various organisations would delay the development of proposals for consideration, and that this would in turn make the meeting of the timescales set out in the Tynwald Motion even tighter than they already were.

Concern was also raised that any delay in progressing the development of proposals, or meeting the February 2017 timescales may provide an opportunity for the new administration, that would be in place following the September 2016 General Election, to review the motion approved by Tynwald.

After extensive discussion the Board agreed that the PSPA should issue an update to Scheme Members and their representative organisations setting out the decision made by Tynwald, but that this should not set out what the next steps should be. It was agreed that this communicate would be circulated to the Board for approval.

In addition it was agreed that the PSPA should seek views as on the appropriate mechanism for taking forward collective discussions on

Scheme design changes, and that once established these should be considered by the Board at its September 2016 meeting.

41/16

PSPA Annual Review for the Year Ended 31 March 2016

The Board considered a memorandum, dated 30 June 2016, from the Chief Executive and the accompanying draft PSPA Annual Review. After due consideration the Board agreed the draft of the PSPA Annual Review for the year ended 31 March 2016 and agreed that it should be forwarded to the Council of Ministers for information and placed on the PSPA website.

42/16

2016 Benefit Statements

The Board noted that, as a consequence of the Tynwald decision on Public Sector Pension Reform, the Executive was not proposing to conduct a bulk issue of Annual Benefit Statements. Those Scheme Members who were approaching retirement in the near future would receive a benefit statement, as would any Scheme Member who made a request for one.

Date of Next Meeting

The next meeting will be held on 12 September 2016 at 10.00 am.

There being no other business the meeting closed at 11.15