

Public Sector Pensions Authority

Operations Report

Quarter 1

September 2019



**Isle of Man**  
Government

*Reilrys Ellan Vannin*

# Operations Report

Section	Page Number
Executive Summary	3
Membership Information	5
Retirement Cases	6
Forthcoming Retirements	7
Financial Information	8

## Executive summary

### Membership Information

The figures shown on page's 5 to 8 reflect current membership data held by the PSPA.

### Work Statistics

The number of tasks outstanding at the end of the quarter is 882 recorded cases, which exceeds our operational goal of having no more than 300 tasks outstanding. The total output over the quarter was significantly lower than in recent months with 1311 cases being completed. 984 of the 1311 tasks were cleared within the service Level Agreements (SLA) shown below, resulting in performance 75%.

### Service Level Agreements (SLA)

The service level agreements are:

- 5 working days for miscellaneous enquiries
- 7 working days for Estimates
- 8 working days for New Starters
- 9 working days for Transfers, Deaths, Deferred Preservations, Refunds and Awards

### Operation Team - Work for the next period (Q2 2019-20)

#### Implementation of PiP

Testing of the report for the monthly financial scheme data is still ongoing and due for completion in September 2019. Plans are in place to migrate the Oracle Pensioner payroll in to PiP and process is due to be finalised by December 2019.

#### Annual Benefit Statements to 31 March 2019

The delivery of Deferred Annual Benefit Statements is due in August 2019.

In respect of the Active Annual Benefits Statements, these will be delayed this year due to the lateness of the annual financial information (AFI) from the central government payroll, which is due to implementation of PiP. The work to collate the employer's annual financial (AFI) data from April to August 2018 and then merge with the new PiP system MFI data from September 2018 to March 2019 is in development and is tabled for completion by PiP project team for September 2019.

Subject to the delivery of accurate AFI data, it is expected that the statements will be issued early in 2020.

#### Delays in processing retirements, refunds and leavers

Due to limited resources in OHR Payroll, the PSPA are not receiving final pay data in time to settle retirements and at the moment these are being delayed by several weeks. The PSPA will endeavour to manage expectations and ensure the Payroll Office is aware of the most urgent cases, which are claims for retirements and deaths. Other claims such as for refunds, transfers and preservations are currently delayed and as such service turnaround times have been extended.

## PSPA administration team

Below are the contact details of the team administering the IOM Public Service Pension Schemes:

Team Member	Name	Contact Details
<b>Operations Manager</b> (Quotes, Awards and Deaths)	John McMillan	T 686388 E <a href="mailto:john.mcmillan@pspa.im">john.mcmillan@pspa.im</a>
<b>Systems Manager</b> (Data, refunds, transfers)	Mark Williams	T 687097 E <a href="mailto:mark.williams@pspa.im">mark.williams@pspa.im</a>
<b>Governance Manager</b>	Jane Mooney	T 685739 E <a href="mailto:jane.mooney2@pspa.im">jane.mooney2@pspa.im</a>
<b>Governance Team Leader</b>	Marta Ludwig-Looney	T 685733 E <a href="mailto:marta.ludwig-looney@pspa.im">marta.ludwig-looney@pspa.im</a>
<b>Director - Operations</b>	Kath Brondon	T 687023 E <a href="mailto:kath.brondon@pspa.im">kath.brondon@pspa.im</a>

## Pension Scheme Membership information

This section sets out the membership profile of each scheme as at the 1 April 2019. The PSPA reports the number of memberships in a scheme not the number of individual members. This is because schemes operate a "one employment equals one membership" rule. As such, members who are employed in multiple employments will have multiple memberships.

### Active Memberships

Scheme Name	Active Memberships
Isle of Man Government Unified Scheme	10092
Judicial Scheme 2004	8
Police Pension Regulations 1991 and 2010	230
Teachers Superannuation Order 2010	1441
<b>Total</b>	<b>11771</b>

### Deferred Members with Preserved Benefits

Scheme Name	Deferred Memberships
Isle of Man Government Unified Scheme	2805
Police Pension Regulations 1991 and 2010	57
Teachers Superannuation Order 2010	355
The Superannuation Manual Workers No1 Scheme	4
<b>Total</b>	<b>3221</b>

### Pensioners

Scheme Name	Pensioner Memberships
Isle of Man Government Unified Scheme	5793
Judicial Scheme 2004	8
Police Pension Regulations 1991 and 2010	287
Teachers Superannuation Order 2010	1103
The Superannuation Manual Workers No1 Scheme	64
<b>Total</b>	<b>7255</b>

## Retirement Cases

The table below details the number and description of Retirement Cases completed during the reporting period.

Scheme	Description	Number
Teachers	Normal Retirement	3
Teachers	Ill Health Retirement	1
Unified Scheme	Normal Retirement	67
Unified Scheme	Ill Health Retirement	3

Description Key	Type
Normal Retirement	Member has collected their pension entitlement at or after their schemes permitted retirement age.
Ill Health Retirement	Member has been awarded their pension early due to ill health
Actuarial Reduced Retirement	Member has collected their pension earlier than the schemes Normal Retirement Age
Augmented Retirement	Member has retired on grounds of redundancy or approved early retirement and received augmented benefits

## Forthcoming retirements

This section highlights the members of the schemes who will attain or will be beyond their Normal Retirement Date (NRD) within the next quarter.

<b>Scheme</b>	<b>Normal Retirement Age (NRA)</b>	<b>Number</b>
Judicial 2004	65	3
Police 1991	55	8
Teachers 2007 (with pre 2007 service)	60	57
Teachers 2007 (with post 2006 service only)	65	26
Unified Scheme	65	141

### NOTE

- For the purposes of this report we have assumed a NRA for all Unified Scheme members as age 65.
- Although this table is based upon the Normal Retirement Age (NRA) for each Scheme, there are variations which mean that some members can retire at differing ages and a number of members retire after NRA. For the purpose of this table, only the Normal Scheme Retirement Age has been analysed.

## Financials

Table 1 on pages 9 and 10 reports the income and expenditure from the schemes managed by the PSPA for the year end to 30 June 2019. It includes data for the previous five years for comparison purposes. It is important to note that these figures are compiled on a cash flow basis and are unaudited. Furthermore, the figures are subject to rounding and may not correctly total.

### Commentary and Observations:

1. There were 74 retirements recorded in the quarter to 30 June 2019. The total number of retirements for previous years are listed in the table below:

<b>Scheme Year</b>	<b>Number of retirements</b>
2010-11	224
2011-12	353
2012-13	368
2013-14	366
2014-15	393
2015-16	398
2016-17	345
2017-18	355
2018-19	328
2019-20	74

2. For the quarter to 30 June 2019 the average retirement age for retirements was 59 years and 3 months. The average retirement ages of previous years are shown below:

<b>Scheme Year</b>	<b>Average Retirement Age</b>
2013-14	59 years and 7 months
2014-15	59 years and 2 months
2015-16	59 years and 2 months
2016-17	59 years and 7 months
2017-18	59 years and 6 months
2018-19	59 years and 4 months

3. Transfers-in: total transfers into the schemes in the quarter was £28,000.
4. Transfers-out: total transfers out from the schemes in the quarter was £28,000.
5. Income and Expenditure: total income for the quarter was £17.2 million and expenditure totalled £25 million



<b>Table 1</b>		<b>Unified Scheme</b>	<b>Teacher s' Scheme</b>	<b>Police 1991 &amp; 2010 Schemes</b>	<b>Judicial 1992 &amp; 2004 Schemes</b>	<b>Manual Workers No 1</b>	<b>TOTAL</b>
<b>INCOME</b>	<b>Year</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Contributions	2013/14	21,976	8,552	1,088	34	9	31,731
Contributions	2014/15	22,502	8,872	1,050	33	5	32,548
Contributions	2015/16	23,437	8,952	1,002	37	5	33,519
Contributions	2016/17	46,018	9,397	2,072	205	3	57,695
Contributions	2017/18	47,908	9,680	2,087	220	2	59,897
Contributions	<b>2018/18</b>	<b>50,963</b>	<b>9,896</b>	<b>2,067</b>	<b>209</b>	<b>0</b>	<b>62,454</b>
<b>Contributions Q1</b>	<b>2019/20</b>	<b>14,060</b>	<b>2,505</b>	<b>556</b>	<b>51</b>	<b>0</b>	<b>17,172</b>
Transfers In	2013/14	1,038	143	0	0	0	1,181
Transfers In	2014/15	2,254	347	3	0	0	2,604
Transfers In	2015/16	863	247	348	646	0	2,103
Transfers In	2016/17	843	419	351	0	0	1,613
Transfers In	2017/18	953	822	965	0	0	2,740
Transfers In	2018/19	1,562	1,050	783	0	0	3,395
<b>Transfers In Q1</b>	<b>2019/20</b>	<b>21</b>	<b>0</b>	<b>7</b>	<b>0</b>	<b>0</b>	<b>28</b>
Other - Early Retirements	2013/14	1,189	200	0	0	0	1,389
Other - Early Retirements	2014/15	1,232	100	0	0	0	1,332
Other - Early Retirements	2015/16	1,387	85	0	0	0	1,472
Other - Early Retirements	2016/17	495	0	0	0	0	495
Other - Early Retirements	2017/18	135	0	0	0	0	135
Other - Early Retirements	2018/19	87	0	0	0	0	87
<b>Other - Early Retirements Q1</b>	<b>2019/20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Total Income	2013/14	24,203	8,895	1,088	34	9	34,301
Total Income	2014/15	25,988	9,319	1,053	33	5	36,484
Total Income	2015/16	25,686	9,284	1,350	683	5	37,095
Total Income	2016/17	47,356	9,816	2,423	205	3	59,803
Total Income	2017/18	48,996	10,502	3,052	220	2	62,772
Total Income	2018/19	52,614	10,946	2,990	209	0	66,759
<b>Total Income Q1</b>	<b>2019/20</b>	<b>14,081</b>	<b>2,505</b>	<b>563</b>	<b>51</b>	<b>0</b>	<b>17,200</b>
<b>EXPENDITURE</b>	<b>Year</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Pensions in Payment	2013/14	33,577	10,798	4,185	411	358	50,096
Pensions in Payment	2014/15	37,155	11,458	4,919	415	383	55,110
Pensions in Payment	2015/16	40,631	12,186	5,296	420	361	59,712
Pensions in Payment	2016/17	43,805	12,395	5,641	484	354	62,679
Pensions in Payment	2017/18	47,130	12,879	6,079	495	348	66,931
Pensions in Payment	2018/19	50,947	13,428	6,384	480	351	71,590
<b>Pensions in Payment Q1</b>	<b>2019/20</b>	<b>13,221</b>	<b>3,455</b>	<b>1,645</b>	<b>105</b>	<b>87</b>	<b>18,513</b>
Lump Sums/Awards Paid	2013/14	23,222	2,546	1,403	0	116	27,287
Lump Sums/Awards Paid	2014/15	28,746	3,160	1,945	0	70	33,921
Lump Sums/Awards Paid	2015/16	20,914	3,824	2,696	0	8	27,500
Lump Sums/Awards Paid	2016/17	23,716	1,936	1,350	181	56	27,239
Lump Sums/Awards Paid	2017/18	25,245	2,996	2,398	51	38	30,728
Lump Sums/Awards Paid	2018/19	20,708	2,392	1,173	0	0	24,273

<b>Lump Sums/Awards Paid Q1</b>	<b>2019/20</b>	<b>6,118</b>	<b>90</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>6,375</b>
Triviality Payments	2018/19	2,317	111	87	0	0	2,515
<b>Triviality Payments Q1</b>	<b>2019/20</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>125</b>
Transfers Out	2013/14	3,964	81	0	0	0	4,045
Transfers Out	2014/15	5,387	1,157	10	0	0	6,554
Transfers Out	2015/16	8,961	184	85	0	0	9,230
Transfers Out	2016/17	898	41	0	0	0	939
Transfers Out	2017/18	664	9	0	0	0	673
Transfers Out	2018/19	1,179	373	0	0	0	1,552
<b>Transfers Out Q1</b>	<b>2019/20</b>	<b>28</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>28</b>
Refunds Paid	2013/14	198	3	6	0	0	207
Refunds Paid	2014/15	162	8	3	0	0	173
Refunds Paid	2015/16	250	35	6	0	0	291
Refunds Paid	2016/17	283	48	7	0	0	338
Refunds Paid	2017/18	237	32	8	0	0	277
Refunds Paid	2018/19	-154	-10	-4	0	0	-168
<b>Refunds Paid Q1</b>	<b>2019/20</b>	<b>-17</b>	<b>-6</b>	<b>-1</b>	<b>0</b>	<b>0</b>	<b>-24</b>
Total Expenditure	2013/14	60,961	13,428	5,594	411	474	81,635
Total Expenditure	2014/15	71,450	15,783	6,877	415	453	95,758
Total Expenditure	2015/16	70,756	16,229	8,083	420	369	96,733
Total Expenditure	2016/17	68,702	14,420	6,998	665	410	91,195
Total Expenditure	2017/18	73,276	15,916	8,485	546	386	98,609
Total Expenditure (to date)	2018/19	-75,305	-16,314	-7,648	-480	-351	-100,098
<b>Total Expenditure (to date) Q1</b>	<b>2019/20</b>	<b>-19,509</b>	<b>-3,551</b>	<b>-1,813</b>	<b>-105</b>	<b>-87</b>	<b>-25,065</b>
<b>CASHFLOW</b>	<b>Year</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Cashflow	2013/14	-36,758	-4,533	-4,506	-377	-465	-47,334
Net Cashflow	2014/15	-45,462	-6,464	-5,824	-382	-448	-59,274
Net Cashflow	2015/16	-45,070	-6,945	-6,733	264	-364	-59,638
Net Cashflow	2016/17	-21,346	-4,604	-4,575	-460	-407	-31,392
Net Cashflow	2017/18	-24,280	-5,414	-5,433	-326	-384	-35,837
Net Cashflow	2018/19	-22,691	-5,368	-4,658	-271	-351	-33,339
<b>Net Cashflow to end Q1</b>	<b>2019/20</b>	<b>-5,428</b>	<b>-1,046</b>	<b>-1,250</b>	<b>-54</b>	<b>-87</b>	<b>-7,865</b>

**Important notes:**

These figures are compiled on a cash flow basis and are unaudited.

Figures are subject to rounding and may not correctly total.