

Public Sector Pensions Authority

Operations Report

Quarter 1

August 2020



Isle of Man
Government

Reilrys Ellan Vannin

Operations Report

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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 1153. This exceeds the operational goal of having no more than 300 tasks outstanding. The total output over the quarter was 1139 cases completed, with 721 cleared within the service Level Agreements (SLA) shown below, resulting in performance 63%.

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

COVID-19: Due to the initial disruption to the PSPA ability to carry out its administration functions and the restrictions of remote working, the PSPA extended its SLA from 25 March 2020.

Operation Team - Work for the next period (Q1 2020-21)

Implementation of PiP

The PSPA continue to work collaboratively with OHR Payroll on numerous longstanding data issues, including delays and levels of accurate data being reported for starters and leavers and the mandatory financial data it requires to manage and administer the pension schemes. Due to the lack of accurate reports from PiP, OHR has agreed to allocate resources to provide the PSPA of the pay and service data needed to administer the pension benefits of leavers in a manual format, this is an interim measure and will ensure that pension claims are settled within a reasonable timescale. The PSPA continues to work on solutions with PiP to enable the reporting of accurate data for all joiners and leavers and the provision of financial data.

Annual Benefit Statements to 31 March 2019

Active and Current Members: The Active Annual Benefits Statements are due for issue in July 2020.

Processing retirements, refunds and leavers

Due to delays experienced early in the year and over the COVID lockdown, the PSPA's output reduced and service levels were impacted. However, with the onset of data being provided by OHR, this continues to improve and whilst turnaround times for all claims will remain at 30 days after the receipt of all the required information from Payroll, service is slowly improving and it is expected to be back to normal levels by the end of 2020.

PSPA administration team

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

Team Member	Name	Contact Details
Operations Manager (Quotes, Awards and Deaths)	John McMillan	T 686388 E john.mcmillan@pspa.im
Systems Manager (Data, refunds, transfers)	Appointed September 2020	T 687097 E
Governance Manager	Jane Mooney	T 685739 E jane.mooney2@pspa.im
Data Manager	Mark Williams	T 687097 E mark.williams@pspa.im
Director - Operations	Kath Brondon	T 687023 E kath.brondon@pspa.im

Pension Scheme Membership information

This section sets out the membership profile of each scheme as at the 1 July 2020. 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	10236
Judicial Scheme 2004	8
Police Pension Regulations 1991 and 2010	235
Teachers Superannuation Order 2010	1452
Total	11931

Deferred Members with Preserved Benefits

Scheme Name	Deferred Memberships
Isle of Man Government Unified Scheme	2804
Police Pension Regulations 1991 and 2010	54
Teachers Superannuation Order 2010	345
The Superannuation Manual Workers No1 Scheme	4
Total	3207

Pensioners

Scheme Name	Pensioner Memberships
Isle of Man Government Unified Scheme	5970
Judicial Scheme 2004	9
Police Pension Regulations 1991 and 2010	289
Teachers Superannuation Order 2010	1120
The Superannuation Manual Workers No1 Scheme	63
Total	7451

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	1
Police Pension Regulations	Normal Retirement	2
Unified Scheme	Normal Retirement	64
Unified Scheme	Ill Health Retirement	9

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.

Scheme	Normal Retirement Age (NRA)	Number
Judicial 2004	65	2
Police 1991	55	6
Teachers 2007 (with pre 2007 service)	60	68
Teachers 2007 (with post 2006 service only)	65	27
Unified Scheme	65	203

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 2020. 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 51 retirements recorded in the quarter to 30 June 2020. The total number of retirements for previous years are listed in the table below:

Scheme Year	Number of retirements
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	279
2020-21	79

2. For the quarter to 30 June 2020 the average retirement age for retirements was 58 years and 5 months. The average retirement ages of previous years are shown below:

Scheme Year	Average Retirement Age
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
2019-20	59 years and 10 months
2020-21	58 years and 5 months

3. Transfers-in: total transfers into the schemes to the end of the first quarter is £290,000.
4. Transfers-out: total transfers out from the schemes to the end of the first quarter is £69,000.

5. Income and Expenditure: total income to the end of the first quarter was £17.7 million and expenditure totalled £28.9 million.

Table 1		Unified Scheme	Teacher s' Scheme	Police 1991 & 2010 Schemes	Judicial 1992 & 2004 Schemes	Manual Workers No 1	TOTAL
INCOME	Year	£000	£000	£000	£000	£000	£000
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	2018/18	50,963	9,896	2,903	209	0	62,434
Contributions	2019/20	55,548	10,138	2,275	220	0	68,181
Contributions	2020/21	14,619	2,520	590	63	0	17,792
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
Transfers In	2019/20	154	0	571	0	0	725
Transfers In	2020/21	178	0	112	0	0	290
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
Other - Early Retirements	2019/20	0	0	0	0	0	0
Other - Early Retirements	2020/21	0	0	0	0	0	0
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
Total Income	2019/20	55,702	10,138	2,846	220	0	68,906
Total Income	2020/21	14,797	2,520	702	63	0	18,082
EXPENDITURE	Year	£000	£000	£000	£000	£000	£000
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
Pensions in Payment	2019/20	-53,545	-13,872	-5,864	-431	-354	-74,066
Pensions In Payment	2020/21	-14,035	-3,587	-1,498	-120	-88	-19,328
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
Lump Sums/Awards Paid	2019/20	-20,403	-1,431	-1,237	-130	0	-23,201
Lump Sums/Awards Paid	2020/21	-8,319	-199	-245	-0	-0	-8,763
Triviality Payments	2018/19	2,317	111	87	0	0	2,515
Triviality Payments	2019/20	-1,509	0	0	0	0	-1,509
Triviality Payments	2020/21	-347	-109	-0	-0	-0	-456
Injury Scheme Benefits	2020/21	-65	-0	-178	-0	-0	-243
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
Transfers Out	2019/20	-923	0	0	0	0	-923
Transfers Out	2020/21	-69	-0	-0	-0	-0	-69
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
Refunds Paid	2019/20	-216	-26	-5	0	0	-247
Refunds Paid	2020/21	-28	-0	-2	-0	-0	-30
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	2018/19	75,305	16,314	7,648	480	351	100,098
Total Expenditure	2019/20	-76,596	-15,329	-7,106	-561	-354	-99,946
Total Expenditure	2020/19	-22,863	-3,895	-1,923	-120	-88	-28,889
CASHFLOW	Year	£000	£000	£000	£000	£000	£000
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
Net Cashflow	2019/20	-20,894	-5,191	-4,260	-341	-354	-31,040
Net Cashflow	2020/21	-8,066	-1,375	-1,221	-57	-88	-10,807

Important notes:

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

Figures are subject to rounding and may not correctly total.

Injury Awards represent payments of Permanent Injury Allowance from Police Injury Benefits Regulations 2010 and Public Sector Injury Benefits Scheme 2015.