

Public Sector Pensions Authority

Operations Report

Quarter 2

November 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 1038. This exceeds the operational goal of having no more than 300 tasks outstanding. The total output over the quarter was 1857 cases completed, with 1503 cleared within the service Level Agreements (SLA) shown below, resulting in performance 80%.

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 (Q3 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.

Annual Benefit Statements to 31 March 2020

Active and Deferred Members: The Annual Benefits Statements are due for issue in December 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
Legislation and Governance Manager	Ruth Hussey	T 685739 E ruth.hussey@pspa.im
Operations Manager (Quotes, Awards and Deaths)	John McMillan	T 686388 E john.mcmillan@pspa.im
Operations Manager (Data, refunds, transfers)	Catherine Devine	T 685717 E catherine.devine@pspa.im
Data Manager	Mark Williams	T 687097 E mark.williams@pspa.im

Pension Scheme Membership information

This section sets out the membership profile of each scheme as at the 1 October 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	10119
Judicial Scheme 2004	8
Police Pension Regulations 1991 and 2010	244
Teachers Superannuation Order 2010	1423
Total	11794

Deferred Members with Preserved Benefits

Scheme Name	Deferred Memberships
Isle of Man Government Unified Scheme	2798
Police Pension Regulations 1991 and 2010	54
Teachers Superannuation Order 2010	343
The Superannuation Manual Workers No1 Scheme	4
Total	3199

Pensioners

Scheme Name	Pensioner Memberships
Isle of Man Government Unified Scheme	6062
Judicial Scheme 2004	9
Police Pension Regulations 1991 and 2010	290
Teachers Superannuation Order 2010	1135
The Superannuation Manual Workers No1 Scheme	61
Total	7557

Retirement Cases

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

Scheme	Description	Number
Teachers	Normal Retirement	19
Police Pension Regulations	Ill Health	1
Unified Scheme	Normal Retirement	74
Unified Scheme	Ill Health Retirement	8

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	62
Teachers 2007 (with post 2006 service only)	65	28
Unified Scheme	65	205

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 102 retirements recorded in the quarter to 30 September 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	153

2. For the quarter to 30 September 2020 the average retirement age for retirements was 58 years and 6 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 6 months

3. Transfers-in: total transfers into the schemes to the end of the second quarter is £414,000.
4. Transfers-out: total transfers out from the schemes to the end of the second quarter is £75,000.
5. Income and Expenditure: total income to the end of the second quarter was £36.08 million and expenditure totalled £58.4 million.

ELEMENT	YEAR	UNIFIED SCHEME (INCLUDING TYNWALD SCHEME)	TEACHERS' SCHEME	POLICE 1991 & 2010 SCHEMES	JUDICIAL 1992 & 2004 SCHEMES	MANUAL WORKERS NO 1	TOTAL
INCOME	Year	£000	£000	£000	£000	£000	£000
Contributions Combined	2013/14	21,976	8,552	1,088	34	9	31,659
Contributions Combined	2014/15	22,502	8,872	1,050	33	5	32,462
Contributions Combined	2015/16	23,437	8,952	1,002	37	5	33,433
Contributions Combined	2016/17	46,018	9,397	2,072	205	3	57,695
Contributions Combined	2017/18	47,908	9,680	2,087	220	2	59,897
Contributions Combined	2018/19	37,424	7,332	1,635	158	0	46,549
Contributions Combined	2019/20	51,440	9,272	2,079	201	0	62,992
Contributions Combined	2020/21	29,183	5,155	1,204	128	0	35,670
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	2,104
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	109	0	501	0	0	610
Transfers In	2020/21	249	19	146	0	0	414
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
Other - Early Retirements	2019/20	0	0	0	0	0	0
Other - Early Retirements	2020/21	0	0	0	0	0	0
Total Income	2013/14	24,203	8,895	1,088	34	9	34,229
Total Income	2014/15	25,988	9,319	1,053	33	5	36,398

Total Income	2015/16	25,686	9,284	1,350	683	5	37,008
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	38,913	7,663	2,396	158	0	49,130
Total Income	2019/20	51,549	9,272	2,580	201	0	63,602
Total Income	2020/21	29,432	5,174	1350	128	0	36,084
EXPENDITURE	Year	£000	£000	£000	£000	£000	£000
Pensions in Payment	2013/14	-33,577	-10,798	-4,185	-411	-358	-49,329
Pensions in Payment	2014/15	-37,155	-11,458	-4,919	-415	-383	-54,330
Pensions in Payment	2015/16	-40,631	-12,186	-5,296	-420	-361	-58,894
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	-37,762	-10,053	-4,779	-360	-264	-53,218
Pensions in Payment	2019/20	-53,547	-13,872	-5,863	-431	-354	-74,067
Pensions in Payment	2020/21	-28,173	-7,130	-3,010	-241	-173	-38,727
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	-2,686	0	-8	-27,432
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	-17,415	-1,968	-1,014	0	0	-20,397
Lump Sums/Awards Paid	2019/20	-20,385	-1,431	-1,237	-130	0	-23,183
Lump Sums/Awards Paid	2020/21	-16,074	-1,551	-423	0	0	-18,048

Triviality Payments	2018/19	-1,295	-95	-87	0	0	-1,477
Triviality Payments	2019/20	-1,509	0	0	0	0	-1,509
Triviality Payments	2020/21	-863	-50	0	0	0	-913
Injury Benefit Schemes	2020/21	-128	0	-379	0	0	-507
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
Transfers Out	2019/20	-923	0	0	0	0	-923
Transfers Out	2020/21	-75	0	0	0	0	-75
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	-114	-6	-3	0	0	-123
Refunds Paid	2019/20	-213	-26	-5	0	0	-244
Refunds Paid	2020/21	-131	0	-12	0	0	-143
Total Expenditure	2013/14	-60,961	-13,428	-5,594	-411	-474	-80,868
Total Expenditure	2014/15	-71,450	-15,783	-6,877	-415	-453	-94,978
Total Expenditure	2015/16	-70,756	-16,229	-8,083	-420	-369	-95,857
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	-57,765	-12,495	-5,796	-360	-264	-76,680
Total Expenditure (to date)	2019/20	-76,577	-15,329	-7,105	-561	-354	-99,926
Total Expenditure (to date)	2020/21	-45,444	-8,731	-3,824	-241	-173	-58,413
CASHFLOW	Year	£000	£000	£000	£000	£000	£000
Net Cashflow	2013/14	-36,758	-4,533	-4,506	-377	-465	-46,639
Net Cashflow	2014/15	-45,462	-6,464	-5,824	-382	-448	-58,580
Net Cashflow	2015/16	-45,070	-6,945	-6,733	264	-364	-58,848

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 (to date)	2018/19	-18,852	-4,832	-3,400	-202	-264	-27,550
Net Cashflow	2019/20	-25,028	-6,057	-4,525	-360	-354	-£36,324
Net Cashflow	2020/21	-16,012	-3,557	-2,474	-113	-173	-22,329

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.