

Public Sector Pensions Authority

Operations Report

Quarter 4

April 2021



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 1226. This exceeds the operational goal of having no more than 300 tasks outstanding. The total output over the quarter was 1693 cases completed, with 1291 cleared within the service Level Agreements (SLA) shown below, resulting in performance 76%.

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 (Q1 2021-20)

Employer Data

The PSPA continue to work collaboratively with OHR Payroll on numerous longstanding data issues. However, the PSPA is still experiencing shortfall in the number and accuracy of the data for leavers and starters to the schemes being reported by OHR Payroll, which may delay the administration process.

Annual Benefit Statements 2020

A majority of the annual benefit statements have all been issued. There are a small number that are delayed and these are being worked on and will be sent out by June 2021. Currently, the PSPA are dealing with a large number of member queries and these will be answered by the end of May 2021.

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 |
| Operations Manager (Data, refunds, transfers, Annual Benefit Statements) | 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 31 March 2021. 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 | 9868 |
| Judicial Scheme 2004 | 9 |
| Police Pension Regulations 1991 and 2010 | 234 |
| Teachers Superannuation Order 2010 | 1381 |
| Total | 11492 |

Deferred Members with Preserved Benefits

| Scheme Name | Deferred Memberships |
|--|----------------------|
| Isle of Man Government Unified Scheme | 2877 |
| Police Pension Regulations 1991 and 2010 | 58 |
| Teachers Superannuation Order 2010 | 359 |
| The Superannuation Manual Workers No1 Scheme | 4 |
| Total | 3298 |

Pensioners

| Scheme Name | Pensioner Memberships |
|--|-----------------------|
| Isle of Man Government Unified Scheme | 6183 |
| Judicial Scheme 2004 | 9 |
| Police Pension Regulations 1991 and 2010 | 290 |
| Teachers Superannuation Order 2010 | 1149 |
| The Superannuation Manual Workers No1 Scheme | 59 |
| Total | 7690 |

Retirement Cases

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

| Scheme | Description | Number |
|----------------|-----------------------|--------|
| Teachers | Normal Retirement | 13 |
| Unified Scheme | Normal Retirement | 49 |
| 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 | 7 |
| Teachers 2007 (with pre 2007 service) | 60 | 65 |
| Teachers 2007 (with post 2006 service only) | 65 | 22 |
| Unified Scheme | 65 | 217 |

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 31 March 2021. 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 71 retirements recorded in the quarter to 31 March 2021. 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 | 297 |

2. For the quarter to 31 March 2021 the average retirement age for retirements was 58 years and 11 months. The average retirement ages 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 | 59 years and 6 months |

3. Transfers-in: total transfers into the schemes to the end of the fourth quarter is £856,000.
4. Transfers-out: total transfers out from the schemes to the end of the fourth quarter is £143,000.
5. Income and Expenditure: total income to the end of the fourth quarter was £72.5million and expenditure totalled £111.5 million.

| ELEMENT | YEAR | UNIFIED 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 | 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 | 48,455 | 9,896 | 2,207 | 209 | 0 | 60,767 |
| Contributions Combined | 2019/20 | 55,548 | 10,078 | 2,275 | 220 | 0 | 68,121 |
| Contributions Combined | 2020/21 | 58,379 | 10,533 | 2,425 | 257 | 0 | 71,594 |
| 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 | 154 | 0 | 571 | 0 | 0 | 725 |
| Transfers In | 2020/21 | 453 | 20 | 383 | 0 | 0 | 856 |
| 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 | 50,104 | 10,947 | 2,990 | 209 | 0 | 64,250 |
| Total Income | 2019/20 | 55,702 | 10,078 | 2,846 | 220 | 0 | 68,846 |
| Total Income (to date) | 2020/21 | 58,875 | 10,553 | 2,808 | 257 | 0 | 72,493 |
| EXPENDITURE | Year | £000 | £000 | £000 | £000 | £000 | £000 |
| 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 | -50,700 | -13,435 | -5,603 | -480 | -351 | -70,569 |
| Pensions in Payment | 2019/20 | -53,800 | -13,872 | -6,603 | -431 | -354 | -75,060 |
| Pensions in Payment | 2020/21 | -56,961 | -14,318 | -6,028 | -481 | -340 | -78,128 |
| Lump Sums | 2015/16 | -20,914 | -3,824 | -2,686 | 0 | -8 | -27,432 |
| Lump Sums | 2016/17 | -23,716 | -1,936 | -1,350 | -181 | -56 | -27,239 |

| | | | | | | | |
|------------------------------------|----------------|----------------|----------------|---------------|-------------|-------------|-----------------|
| Lump Sums | 2017/18 | -25,245 | -2,996 | -2,398 | -51 | -38 | -30,728 |
| Lump Sums | 2018/19 | -23,025 | -2,503 | -1,259 | 0 | 0 | -26,787 |
| Lump Sums | 2019/20 | -21,862 | -1,431 | -1,237 | -130 | 0 | -24,660 |
| Lump Sums | 2020/21 | -25,975 | -2,939 | -423 | 0 | 0 | -29,337 |
| 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 | -2,270 | -274 | 0 | 0 | 0 | -2,544 |
| Injury Benefit Schemes | 2020/21 | -278 | 0 | -763 | 0 | 0 | -1,041 |
| 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 | -143 | 0 | 0 | 0 | 0 | -143 |
| 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 | -242 | -6 | -16 | 0 | 0 | -264 |
| 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 | 2018/19 | -76,353 | -16,416 | -6,953 | -480 | -351 | -100,553 |
| Total Expenditure | 2019/20 | -78,310 | -15,329 | -7,845 | -561 | -354 | -102,399 |
| Total Expenditure (to date) | 2020/21 | -85,869 | -17,537 | -7,230 | -481 | -340 | -111,457 |
| CASHFLOW | Year | £000 | £000 | £000 | £000 | £000 | £000 |
| 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 | -26,249 | -5,469 | -3,963 | -271 | -351 | -36,303 |
| Net Cashflow | 2019/20 | -22,608 | -5,251 | -4,999 | -341 | -354 | -33,553 |
| Net Cashflow | 2020/21 | -26,994 | -6,984 | -4,422 | -224 | -340 | -38,964 |

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.