

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 13 November 2017 in the PSPA Meeting Room, Prospect House, Douglas

Present: **PSPA**
Mr J B Carter, (Chairman)
Hon C C Thomas, MHK (Vice Chairman)
Mr D J Ashford
Mr E R Holmes

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

Apologies: Ms A B Moffatt

Minute No. Minute

65/17 Conflicts of Interest

There were no Conflicts of Interest declared in addition to those previously recorded.

66/17 Minutes

The Minutes of the meeting of 16 October 2017 were approved and signed.

67/17 Matters Arising

54/17 – PSPA Pensions In Payment - Declaration of Entitlement to Public Sector Pensions and Allowances Annual Review 2017

The Board noted the Executive's view that the review of Declaration of Entitlement to Public Sector Pensions was progressing well, and a significant proportion of responses had been received. It was noted that there were a small number of individuals who had raised concerns and questioned why this exercise was being undertaken, but in the main, the majority of queries were related to pension members seeking clarification, in particular as to who may witness the document.

It was confirmed that individuals could attend the PSPA's Office in order to have the signing of the document witnessed by PSPA staff.

68/17 Risk Register Review

The Board considered and noted the contents of the Risk Register.

In relation to the risk relating to redundancy exercises, the Board noted the current Mutually Agreed Resignation Scheme being run by the Department of Health and Social Care. Whilst it wasn't a Redundancy Scheme, the Board considered it could lead to an increase in individuals retiring, and considered it would be prudent to advise Treasury that there could be a 'spike' in retirement payments.

The Board considered that with the forthcoming implementation of the General Data Protection Regulations in May 2018, that any risks which related to the PSPA and were associated with the forthcoming legislation should be included on the Risk Register in future.

69/17

Public Sector Schemes - Report and Accounts 2016/17

The Board consider a memorandum dated 6 November 2016 and supporting documentation regarding the draft audited Reports and Accounts for the Public Sector Pension Schemes, for which the Public Sector Pensions Authority holds responsibility, for the year ending 31 March 2017.

The Board considered the Letter of Representation, for issue to PWC, and after due consideration the Board agreed it should be signed by the Chairman and Vice Chairman on behalf of the Board.

The Board considered the draft Audited Report and Accounts for each Scheme. It was confirmed that the Accounts were unqualified accounts.

The Board noted the Completion Report submitted by PWC and noted the only risk identified in the Report related to the medium to long term future funding and sustainability of Public Sector Pension Schemes. The Board noted that work was ongoing in respect of a Report to Tynwald concerning the funding of the legacy expenditure of Public Sector Pension Schemes and this was not therefore material to the operation of the PSPA or the signing of the Reports.

Auditors PWC Joined the meeting.

PWC informed the Board that the auditing process had gone well and summarised its Completion Report. PWC advised that as this was the final Audit it would conduct under its contract with the PSPA, it anticipated that the PSPA would formally advise it that their contract had come to an end. On this basis, PWC advised that it would provide a 'handover' once new auditors had been appointed.

After due consideration the Board accepted the Completion Report and thanked PWC for their work over the contract period.

The Board considered and approved the draft Annual Report and Audited Accounts for each Scheme and it was agreed each set of Reports and Audited Accounts would be signed by the Chairman and Vice Chairman and once completed, would be forwarded to PWC to sign.

Auditors PWC and the PSPA Finance Manager left the meeting.

70/17

Public Sector Pensions Reform – Proposals for Police Pensions Regulations

The Board consider a Memorandum dated 4 November 2017 from the Deputy Chief Executive and the draft Police Pension (Amendment) Regulations 2017.

The Board noted that the Executive had met with Treasury in order to seek concurrence for the Scheme to be made and submitted to Tynwald for approval. The Board was advised that Treasury had sought, and had been provided with, clarification in regard to the cost of future transferees into the constabulary from the UK being met by the Department of Home Affairs and not being absorbed by the Police Scheme.

The Board noted that the Constabulary and the Department had decided that the preferred method for seeking cost savings was through reduced benefits for new members rather than for current members. The Board noted that the reforms to the Police Scheme equated to a reduction of benefits for new members of about 7%.

After due consideration the Board agreed to make the Police Pension (Amendment) Regulations 2017, and approved their submission to the December 2017 sitting of Tynwald.

71/17

Pensions Reform

The Board noted the ongoing work in relation to the reform of Public Sector Schemes.

With regard to the Teachers Scheme the Board noted a meeting was due to be held to discuss further possible options for reform following the discussions at the previous meeting, which included a reduction in future benefits to achieve a saving of 1% of pensionable pay.

With regard to the Judicial Scheme, it was noted that a proposed meeting with all members of the Judicial Pension Scheme would be held in the near future.

The Board noted that the report concerning the future funding of the Public Sector Pension legacy was still under consideration by the Cabinet Office, and it was expected to be submitted to Tynwald for consideration in the new year.

72/17

Quarterly Performance Report – Quarter 2, 2017/18

The Board considered and noted the Quarterly Performance Report for the second quarter of 2017/18, ending June 2017.

The Board requested that its thanks be passed on to all staff for their efforts in maintaining the levels of delivery outlined in the report.

Date of Next Meeting

The next meeting will be held on Monday 11 December 2017 commencing at 10.30 am.

There being no other business the meeting closed at 11.55 a.m.

Date