

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 11 December 2017 in the PSPA Meeting Room, Prospect House, Douglas

Present: **PSPA**
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: Mr J B Carter, (Chairman)
Ms A B Moffatt

Minute No. Minute

73/17 Conflicts of Interest

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

74/17 Minutes

The Minutes of the meeting of 13 November 2017 were approved. In the absence of the Chairman, it was agreed they would be held over to the meeting in January 2018 for signature.

75/17 Matters Arising

69/17 – Public Sector Schemes - Report and Accounts 2016/17

The Board noted that the Annual Report and Audited Accounts for 2016/17 for each of the Public Sector Schemes were due to be laid before the December 2017 sitting of Tynwald.

70/17 - Public Sector Pensions Reform – Proposals for Police Pensions Regulations

The Board noted that the Police Pension (Amendment) Regulations 2017 had been submitted for consideration to the December 2017 sitting of Tynwald.

76/17 Risk Register Review

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

77/17 Progressing Public Sector Pension Reform - Teachers' Superannuation Order 2010

The Board considered a memorandum dated 11 December 2017 from the Operations Director concerning proposed reforms to the Teachers Superannuation Order 2010.

The Board noted the progress that had been made and the proposals that had been made by the Teaching Unions following the meeting with the Executive on 25 November 2017.

The Board considered the proposed draft letter to the Teaching Unions prepared by the Executive, setting out the PSPA's position in terms of Pension Reform. After due consideration the Board agreed:

- i. in legislative terms, it was content that the current Scheme rules will stand and that the future changes will be applied to the existing Scheme rules via amending legislation;
- ii. no changes should be made to the Normal Pension Ages in the Scheme;
- iii. in recognition of the increases to Teachers pension contributions, over a three year period and in line with those implemented to the Teachers' Pension Scheme in the UK, it is content that no further pension contribution increases would be sought and contribution rates and the applicable salary tiers will remain unchanged at this time;
- iv. it would favour an overall cost saving of 1% of pensionable pay achieved by reducing the accrual rate for future pension for all Members;
- v. it would be content to consider options for increasing the amount of lump sum that can be taken by members on retirement, with the proviso that no additional costs, as advised by its actuaries, should result from a change in options;
- vi. the formation of a Technical Forum in relation to the Teachers Scheme made up of representatives of the PSPA and Teaching Unions, that would act as the conduit for exchange of ideas and views between the PSPA and representatives of Scheme Members; and
- vii. Cost Sharing will be applied to the Scheme which will be achieved through the implementation of cost sharing legislation which will be effective from 2020.

The Board agreed that the Scheme Actuary should be requested to supply information on the level of reduction to the future accrual rates that will equate to a 1% of pensionable pay saving.

The Board noted the next meeting between the PSPA and the Teaching Unions would take place on 19 January 2018.

78/17

The General Data Protection Regulations

The Board considered a memorandum dated 11 December 2017 from the Operations Director concerning the impact of the General Data Protection Regulations upon the PSPA.

The Board discussed the processes for the implementation of the new Data Protection Act and thereby the repeal of the current Act.

In relation to effects of the new Act upon the PSPA the Board noted that the PSPA did not have a dedicated trained Data Protection Officer (DPO) and that the Data Protection duties were being carried out by the Executive. As the PSPA did not have the resource to accommodate a qualified DPO the Board noted that the Cabinet Office was working with the Executive to seek a corporate solution for the PSPA, and those other Boards and Offices that have been unable to appoint a DPO.

The Board noted the Executive was working with the Attorney General's Chambers to put in place the required agreements with External organisations which the PSPA received and shared data with. The Board agreed that this included other Departments, Boards, and Offices of Government as the Public Sector Pensions Act 2011 established the PSPA as a separate and distinct Statutory Board within Government.

The Board further noted the actions that the Executive had identified as needing to be taken by the PSPA in order to work towards compliance with the General Data Protection Regulations 2018.

79/17 Pensions Reform

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

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.

80/17 Annual Benefit Statements

The Board noted that the majority of the Annual Benefit Statements had been issued, and that the remainder would be issued in due course.

81/17 Isle of Man Government Unified Scheme 2011 – Retained Firefighters

The Board noted that the issue regarding allowing Retained Firefighters to be members of the Unified Scheme was currently with the Department for further consideration.

Date of Next Meeting

The next meeting will be held on Monday 22 January 2018 commencing at 10.30 am.

There being no other business the meeting closed at 11.35 a.m.

_____ **Date**