

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 2 September 2019 at 2.30 pm in the PSPA Meeting Room, Prospect House, Douglas

Present:

PSPA

Mr J B Carter (Chairman)
Hon C C Thomas, MHK (Vice Chairman)
Mrs J Poole-Wilson MLC
Mrs D Halsall
Mr I Wright

In Attendance:

Mr I T Murray
Mr I W C Burnett, (Secretary)
Mrs J Mooney (Assistant Secretary)

Apologies:

Ms K C Brondon

Minute No. Minute

45/19 Conflicts of Interest

There were no other conflicts of interest declared in addition to those previously recorded.

46/19 Minutes

The minutes of the meeting of 15 July 2019 were approved and signed by the Chair.

Matters Arising

21/19 Public Sector Pensions Reform

It was noted that the Executive had met with representatives of the Judiciary to discuss Judicial Pension reform following the first reading of the Public Sector Pensions (Amendment) Bill 2019. Progress on this matter was contingent upon COMIN's further consideration of the Bill ahead of the second reading which was provisionally scheduled for the sitting of the Keys in October 2019.

47/19 Cost sharing relating to Public Sector Pension Schemes

The Board considered a memorandum, dated 19 August 2019, from the Chief Executive seeking to determine how the Board wished to progress the Cost Sharing legislation.

The Board was advised that Treasury considered that Option 2 : the "75% and 25% split of costs" was the appropriate option in terms of fairness as it represented true cost sharing and with the 8 year recovery period being considered reasonable as it represented the "average future working lifetime" of scheme members. The Executive provided clarification regarding the basis of the "recovery period" and impact.

It was noted that the option preferred by the Employee Representatives, who had responded to the consultation process on behalf of their members, was Option 1: "2% of pay buffer option".

Option 3: "75/25 with small buffer" was also considered to be important as it represented the "voice" of the consultation.

The Executive confirmed that it was for the Board to make a recommendation to be endorsed by Tynwald via legislation.

After considerable discussion the Board considered that, whilst some members were minded to support Option 3, there was merit in entering into further discussion with TAG as it was important that the consensus and goodwill achieved so far in the consultation process be maintained. It was considered that it would be helpful for the numeric examples provided in the memorandum to be shared with those parties in TAG and that a meeting in mid-October was to be arranged to discuss the issues raised.

The Vice Chairman left the meeting at 3.28pm.

It was agreed that the Chief Executive would prepare a paper to be considered by TAG at the October meeting and that the matter would be brought back to the meeting of the Board in November 2019 for determination.

48/19 Administration Issues

The Board considered a memorandum from the Operations Director dated 20 August 2019 which served to update the Board on the progress to date on the development and testing of the Monthly Financial Information (MFI) report from the new Payroll/HR system (iTrent) required by the PSPA.

The Board received the Director of HR Services; the Project Manager, GTS; and the Compliance and Systems Manager, PSPA) at 3.35pm.

The Director of HR Services and the Compliance and Systems Manager provided the Board with a verbal update on the current status of the PiP project and the provision of the Monthly Financial Information (MFI) which is provided by OHR Payroll to the PSPA in order that the PSPA may provide Annual Benefit Statements (ABS) to its members.

The Board was advised that the target date for OHR to deliver the Annual Financial Information (AFI) for the year to 31 March 2019 was 31 October 2019 and that OHR had committed extra resources to achieve this. After the next system build on Friday 13 September 2019 there was to be a "check point" at which a decision would be made as to whether the MFI reporting could facilitate the delivery of the MFI for the period September 2018 – March 2019 and, if not, the contingency plan was for a manual version of the data to be provided for the purposes of the Annual Financial Information (AFI).

The importance of the data being correct was emphasised and it was agreed that the priority was to achieve accurate data even if this meant a delay in the issuing of the ABS. The Board considered that the PSPA would wish to advise its members of any such delay and it was agreed that The Director of HR Services would attend the meeting of the Board in October to provide an update on the position and the likely delivery dates and the impact of these for the ABS. It was anticipated however that the earliest the ABS for the year to 31 March 2019 could be issued would be January 2020.

It was noted that it was considered that the MFI reporting facility, once established and correct, would potentially save months of work in future years and, as such, it was worthwhile continuing with the project to achieve this.

All three left the meeting at 3.55pm

The Board noted that the Executive was committed to working with colleagues in the PiP project team and Payroll to address the various issues, but that in doing

so there may be an impact upon the PSPA's resources and performance against its SLAs. It was confident that the issues with the PiP system could be resolved however the issue should continue to be included in the PSPA's Risk Register for monthly review.

49/19 Risk Register Review

The Board noted that format of the Risk Register had been revised and that the intention was that it would be updated monthly and reviewed as a whole quarterly. It was agreed that the review and approval of the Register for this month should be held over to the October meeting of the Board.

50/19 Governance Workshop Update

The Board considered a memorandum dated 20 August 2019 from the Operations Director which provided an update on the governance workshop and also a proposed Action Plan. The Board noted the memorandum and agreed to adopt the Action Plan

51/19 Public Sector Pension Scheme Accounts - Going Concern Statement

The Board considered a memorandum dated 21 August 2019 from the Deputy Chief Executive seeking the PSPA's approval to a "going concern" assessment of all the pension schemes it manages on a "global" basis for the year ended March 2019. It included a letter dated 19 June 2019 from the Chief Accountant of the Treasury which confirmed that Department's commitment to funding over the next three years' in order that the PSPA can continue to meet its obligations to members.

The Board approved the PSPA assessment of Going Concern and was content that it be provided to the auditors.

52/19 Quarterly Performance Report – Quarter 1, 2019/20

The Board noted the Quarterly Performance Report for the first quarter of 2018/19, ending June 2019.

53/19 Any Other Business

The Board observed that the Executive had been due to meet with the Teachers' Representatives in September in relation to Cost Sharing. It was agreed that the Executive should write to them advising that as cost sharing was still under discussion, the proposed meeting should be postponed.

54/19 Date of next meeting

The next meeting will be held on Monday 14 October 2019 commencing at 10.30 am.

There being no other business the meeting closed at 16.22.

Date