

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) on 14 October 2019 2019 at 10.30 am 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
Mr I Wright

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

Apologies: Mrs D Halsall
Ms K C Brondon
Mrs J Mooney (Assistant Secretary)

Minute No. **Minute**

55/19 Conflicts of Interest

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

56/19 Minutes

The minutes of the meeting of 2 September 2019 were approved and signed by the Chair.

57/19 Risk Register Review

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

The Board requested that the revised Risk Register should include the residual risk which remained once mitigating actions had been taken against a specific risk.

The Board requested that in addition to the Risk Register, consideration should be given to a rolling calendar of actions that should be taken and or considered by the PSPA in relation to the identified risks.

58/19 Administration Issues

The Board noted the concerns raised by the Executive in relation to the accuracy of the data being supplied to the PSPA, ongoing problems with the programming of the iTrent System and its interface with the PSPA's Compendia administration system. The Board noted that problems with the accuracy of data had led to some cases being raised by Scheme Members with the Isle of Man Pensions Ombudsman.

The Board received the Director of HR Services, OHR and the Compliance and Systems Manager, PSPA at 10:55.

The Board received 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 to its members.

The Board noted that the provision of Financial data was proving difficult in a single report format, and as such it was likely that the Monthly Financial Data for

the PSPA may be provided as four separate reports as opposed to a single report. One of the key problems that arose was in relation when individuals had a position change – i.e. change of job or change of role.

The Board noted a number of issues had been addressed and that the PiP project team was now working on specific items – i.e. basic pay/superannuable pay. The Board noted that due to concerns raised by the PSPA's external auditors, the issue of identifying superannuable pay was to be the project team's current highest priority.

The Board noted that the PiP Project Manager had left and raised its concern that momentum may be lost. The Board was advised that the replacement Project Manager was an individual who had been involved in the project since its inception, and as such it was considered there would not be a loss of momentum.

The Board was advised that the PSPA and OHR continued to work closely and at present were meeting twice weekly to discuss issues and steps being taken to address those issues. The Board noted that both parties were working towards a goal where the system was beneficial for all sides.

The Board thanked the officers for attending and requested that it be provided with a monthly update report, and requested that officers from PSPA and OHR attended on a quarterly basis.

The Director of HR Services, OHR and the Compliance and Systems Manager, PSPA left the meeting.

59/19 Public Sector Pensions Transfers

The Board considered a memorandum from the Executive concerning Treasury proposals for amendments to the Pension Schemes Act 1995 and in particular the Transfer methodology for Public Sector Pension Schemes.

The Board noted that the first proposal recommended a change to the way transfer values are calculated and that this should be done on an accrual basis, aligned to the assumptions used for carrying out scheme valuations as opposed to the current GN11 basis which is related to gilt yields.

The Board noted that the second proposal sought to place further restrictions on the types of pension schemes to which members of Isle of Man public sector pension schemes may transfer their pension rights. The Board noted that this built upon the transfer policy the Board had previously approved, (**minute 102/14 refers**).

After due consideration the Board expressed its support for these proposals, and noting that Treasury had requested that they be raised with Trade Unions at the TAG meeting, requested that the views expressed by the Board were fed back to Treasury once the matter had been discussed with the Trade Unions.

60/19 Establishment of a Voluntary Defined Contribution Scheme

The Board considered a paper from the Chief Executive dated 10 September 2019 updating the Board in relation to the progression of the Tynwald motion by the PSPA to establish a Voluntary Defined Contribution Scheme by 31 December 2020 and also to seek the Board's approval to the Next Steps.

The Board noted the work which had been carried out thus far, and considered the next steps should be to seek a view from Treasury, and considered it should be asked to set out its stated position in relation to the introduction of a voluntary DC Scheme, as well as the views of the Council of Ministers, before

progressing the work further.

61/19 Governance Workshop Update

The Board considered a memorandum dated 30 September 2019 from the Governance and Legislation Manager which provided an update on the governance workshop and also a proposed Action Plan. The Board noted that a training plan was currently being finalised based upon the Pensions Regulator's Toolkit, and that this would be submitted to its November 2019 meeting for consideration.

62/19 Local Government Scheme – Cost sharing review

The Board noted that the Chief Executive had been requested to chair a review committee on behalf of the island's Local Government Scheme to consider options for the introduction of cost sharing into that scheme.

The Board considered that this highlighted as to how the PSPA was being asked to provide advice and guidance to Schemes which it was not responsible for and considered that in time, it may lead to the PSPA having to take on extra responsibility for those Public Sector Schemes not currently managed by the PSPA.

63/19 Public Sector Administration Ombudsman

The Board noted that from 1 January 2020 the PSPA would fall under Tynwald Commissioner for Administration, but that owing to the way the legislation had been drafted, where there was an established complaints procedure (i.e. IDRP) the Administration Ombudsman would not conduct an investigation.

64/19 Statutory Boards Act 1987

The Board noted that a review was to be conducted on the different types of Statutory Board that were in place across Government. The Board noted that this may result in a redrafting of the Statutory Boards Act 1987, under which the PSPA falls.

Date of next meeting

The next meeting will be held on Wednesday 13 November 2019 commencing at 10.30 am.

There being no other business the meeting closed at 12.30.

Date