

In Confidence

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) held at 3.15pm on 5 October 2020, 3rd Floor, Prospect House, 27-29 Prospect Hill, Douglas

Present:
PSPA
Mr J B Carter (Chair)
Mrs D Halsall
Mrs J Poole-Wilson MLC
Mr I Wright

In Attendance:
Mr I T Murray
Ms K C Brondon
Mrs J Mooney (Assistant Secretary)

Apologies:
Hon R Harmer, MHK (Vice Chair)

Minute No. **Minute**

75/20 Conflicts of Interest

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

76/20 Minutes

The minutes of the meeting of 14 September 2020 were approved and signed by the Chair.

77/20 Matters Arising

Mr Wright joined the meeting at 3.25pm.

The following were matters arising from the minutes not covered by the agenda for this meeting:

- (i) The Deputy Chief Executive provided the Board with revised figures (which were to replace the figures submitted to the Board at the last meeting) in respect of the financial modelling for a Voluntary Defined Contribution Scheme. It was confirmed that the figures which had been provided to the Treasury had been on the correct basis. The Board was further advised that the Executive were due to meet with the Treasury to discuss this matter on Thursday 8 October 2020. The key issue was the anticipated cost to cashflow as with a DC scheme the employer contributions would be going out of Government to an insurance company so effectively the schemes would "lose" both the employer and employee contributions. The Chair emphasised that it would only be a voluntary scheme and take up would be subject to review (as per the Tynwald motion). It was noted that the legislation does not permit transfers from a DB scheme to a DC scheme so current members couldn't transfer into the new scheme. It was confirmed that there would be workshops for Tynwald Members as ultimately it would be for Tynwald to decide if the scheme was to go ahead and it was considered that it would be useful to have the Treasury view before holding those workshops. The Executive agreed to update the Board at the November meeting.
- (ii) The Chief Executive provided an update to the Board in respect of the

- setting of the valuation assumptions to be used for the baseline 2016 Cost Sharing valuation. A paper had been sent to the Treasury; TAG; and Teachers' Pensions Advisory Board in this regard - TAG had indicated that they were content with the proposals; there was due to be a meeting with the Teachers on the morning of Wednesday 7 October 2020 and Treasury would also consider on the same day.
- (iii) A question was raised to the actual membership of the PiP Steering Group (the Group had been referred to in minute ref 67/20) – the Executive agreed to establish this. A member of the Board further commented that, given the issues raised in minute ref 67/20, they felt compromised by their position on the PSPA Board and representing their members in terms of the position and actions agreed by the Board. The Chief Executive considered that the steps being taken in terms of the potential adoption of a new piece of software to assist in the reporting process in PiP and the commitment to provide outstanding leaver forms were steps in the right direction. The PSPA's Data Project Manager was involved in the re-specification of the MFI to align it with the new software. It was considered that OHR had always relied on there being an automated reporting solution but that was reliant on the base data being sound and consistent, which it wasn't, and what was needed was an OHR data manager to resolve the issues with both the historic and current data. A joint paper (from OHR and the PSPA) outlining the resources issues was due to be considered by Treasury this week. It was agreed to take item 6 on the agenda "Administration Issues" next as this was related to this matter.

78/20 Administration Issues

The Board considered Paper 21/20 from the Data Project Manager. It was noted that it was hoped that the scoping of the MFI report should be completed shortly. The Deputy Chief Executive advised that OHR were asking the PSPA to sign off on the scope, however the PSPA were not content to do that in the absence of it being ensured that the report would give everything it required. "Plan B" was that OHR would have to provide the information manually.

The Chairman requested that this item be placed on the agenda for the next meeting of the Board on 9 November 2020 and that, in the interim, Board members should be provided with updates on the situation via email. It was also agreed that the Data Project Manager and the Director of HR Services should be invited to attend the meeting on 9 November 2020.

It was noted that this issue remains of significant concern to both the Board and the Executive.

79/20 Compliance Schedule

The Board noted Paper 20/20 and the associated schedules. The Board was advised that the auditors would not sign off on the annual accounts and reports until these incorporated the 2019 valuation figures and that this would result in a slight delay in the finalisation of these. The Board considered that members could potentially undertake some of the UK Regulator online training modules ahead of training sessions delivered within the Board meetings and an appropriate link would be provided to them for this. The Board was also advised that there were a significant number of administrative changes to be made in respect of the GUS Scheme Rules which would probably be brought to the Board's next meeting for consideration. It was also noted that budget requests had been submitted in respect of funding for updates to Compendia;

communications in respect of the proposed voluntary DC Scheme; and the re-writing of the Teachers' and Police Schemes.

80/20 Any Other Business

- (i) The Chief Executive advised the Board that there was due to be a presentation to Tynwald Members on 6 October 2020 on the work being undertaken on pay and pensions in conjunction with the Tynwald Emoluments Committee.
- (ii) The Board was advised that Ruth Hussey would be joining the PSPA at the end of October on transfer from OHR.

There being no further business the meeting closed at 4.25pm

Signed:

Date: