

PSPA Paper no. 02/22

Public Sector Pensions Authority

Operations Report

Quarter 3 2021/22

February 2022



**Isle of Man**  
Government

*Reilrys Ellan Vannin*

## Operations Report

Section	Page Number
Executive Summary	3
Membership Information	5
Retirement Cases	6
Forthcoming Retirements	7
Financial Information	8

## Executive summary

### Membership Information

The figures shown on pages 5 to 8 reflect current membership data held by the PSPA.

### Work Statistics

The number of tasks outstanding at the end of the quarter is 1304. This exceeds the operational goal of having no more than 300 tasks outstanding. The total output over the quarter was 1961 cases completed, with 1467 cleared within the service Level Agreements (SLA) shown below, resulting in performance 75%.

### Service Level Agreements (SLA)

The service level agreements are:

5 working days for miscellaneous enquiries

7 working days for Estimates

8 working days for New Starters

9 working days for Transfers, Deaths, Deferred Preservations, Refunds and Awards

### Operation Team - Work for the next period (Q4 2021-22)

#### Employer Data

The PSPA continue to work collaboratively with OHR Payroll on numerous longstanding data issues. The timeliness and accuracy of starter and leaver data being submitted by OHR has improved but there is still a large backlog. Once again, the PSPA has seconded an Operations Manager for the next 3 months to work in Payroll to access the data whilst offering training. This will enable the PSPA to have the data it needs to process claims and ensure its data is up to date. Work continues on improving the quality of the data and to provide it in an automated format. Development work on an automated data report ("MFI") from PiP is still ongoing in OHR with no date for delivery of a test model.

#### Annual Benefit Statements to March 2021

There remains a small number of statements still being worked due to issues with missing data or waiting for a manual calculation.

#### Proof of Life for Overseas Pensioners

The PSPA's annual exercise to validate the ongoing eligibility of its overseas pensioners to continue to receive a public sector pension has been completed. To date, there are a small number of forms that have not been returned and after the PSPA has made every effort to contact the pensioner the pension are suspended.

## PSPA administration team

Below are the contact details of the team administering the IOM Public Service Pension Schemes:

Team Member	Name	Contact Details
<b>Operations Manager</b> (Quotes, Awards and Deaths)	John McMillan	T 686388 E <a href="mailto:john.mcmillan@pspa.im">john.mcmillan@pspa.im</a>
<b>Operations Manager</b> (Data, refunds, transfers, Annual Benefit Statements)	Catherine Devine	T 685717 E <a href="mailto:catherine.devine@pspa.im">catherine.devine@pspa.im</a>
<b>Data Manager</b>	Mark Williams	T 687097 E <a href="mailto:mark.williams@pspa.im">mark.williams@pspa.im</a>

### Pension Scheme Membership information

This section sets out the membership profile of each scheme as at the 31 December 2021. The PSPA reports the number of memberships in a scheme not the number of individual members. This is because schemes operate a "one employment equals one membership" rule. As such, members who are employed in multiple employments will have multiple memberships.

#### Active Memberships

Scheme Name	Active Memberships
Isle of Man Government Unified Scheme	10012
Judicial Scheme 2004	8
Police Pension Regulations 1991 and 2010	232
Teachers Superannuation Order 2010	1335
<b>Total</b>	<b>11587</b>

#### Deferred Members with Preserved Benefits

Scheme Name	Deferred Memberships
Isle of Man Government Unified Scheme	3031
Police Pension Regulations 1991 and 2010	69
Teachers Superannuation Order 2010	393
The Superannuation Manual Workers No1 Scheme	3
Judicial Scheme 2004	1
<b>Total</b>	<b>3497</b>

#### Pensioners

Scheme Name	Pensioner Memberships
Isle of Man Government Unified Scheme	6251
Judicial Scheme 2004 and 1992	9
Police Pension Regulations 1991 and 2010	295
Teachers Superannuation Order 2010	1169
The Superannuation Manual Workers No1 Scheme	56
<b>Total</b>	<b>7780</b>

## Retirement Cases

The table below details the number and description of Retirement Cases completed during the reporting period.

Scheme	Description	Number
Unified Scheme	Normal Retirement	50
Unified Scheme	Ill Health Retirement	5
Teachers Scheme	Normal Retirement	1
Police Schemes	Normal Retirement	1

Description Key	Type
Normal Retirement	Member has collected their pension entitlement at or after their schemes permitted retirement age.
Ill Health Retirement	Member has been awarded their pension early due to ill health
Actuarial Reduced Retirement	Member has collected their pension earlier than the schemes Normal Retirement Age
Augmented Retirement	Member has retired on grounds of redundancy or approved early retirement and received augmented benefits

### Forthcoming retirements

This section highlights the members of the schemes who will attain or will be beyond their Normal Retirement Date (NRD) within the next quarter.

<b>Scheme</b>	<b>Normal Retirement Age (NRA)</b>	<b>Number</b>
Judicial 2004	65	1
Police 1991	55	10
Teachers	60 or 65	86
Unified Scheme	65	234

#### NOTE

- For the purposes of this report we have assumed a NRA for all Unified Scheme members is age 65.
- Although this table is based upon the Normal Retirement Age (NRA) for each Scheme, there are variations which mean that some members can retire at differing ages and a number of members retire after NRA. For the purpose of this table, only the Normal Scheme Retirement Age has been analysed.

## Financials

The Table on pages 9, 10 and 11 reports the income and expenditure from the schemes managed by the PSPA for the year ended 31 December 2022. It also includes data for the previous five full years for comparison purposes. It is important to note that these figures are compiled on a cash flow basis and are unaudited. Furthermore, the figures are subject to rounding and may not correctly total.

### Commentary and Observations:

1. There were 57 retirements recorded in the quarter to 31 December 2021. This gives a total number of retirements to the end of Q3 of 224. The total number of retirements for previous years are listed in the table below:

<b>Scheme Year</b>	<b>Number of retirements</b>
2010-11	224
2011-12	353
2012-13	368
2013-14	366
2014-15	393
2015-16	398
2016-17	345
2017-18	355
2018-19	328
2019-20	279
2020-21	297

2. For the quarter to 31 December 2021 the average retirement age for retirements was 60 years and 1 months. The average retirement ages are shown below:

<b>Scheme Year</b>	<b>Average Retirement Age</b>
2013-14	59 years and 7 months
2014-15	59 years and 2 months
2015-16	59 years and 2 months
2016-17	59 years and 7 months
2017-18	59 years and 6 months
2018-19	59 years and 4 months
2019-20	59 years and 10 months
2020-21	59 years and 6 months

3. Transfers-in: total transfers into the schemes to the end of the third quarter is £1.5m.
4. Transfers-out: total transfers out from the schemes to the end of the third quarter is £269,000.



5. Income and Expenditure: total income to the end of the second quarter was £56.9 million and expenditure totalled £85.8 million.

ELEMENT	YEAR	UNIFIED SCHEME	TEACHERS' SCHEME	POLICE 1991 & 2010 SCHEMES	JUDICIAL 1992 & 2004 SCHEMES	MANUAL WORKERS NO 1	TOTAL
INCOME	Year	£000	£000	£000	£000	£000	£000
Contributions Combined	2015/16	23,437	8,952	1,002	37	5	33,433
Contributions Combined	2016/17	46,018	9,397	2,072	205	3	57,695
Contributions Combined	2017/18	47,908	9,680	2,087	220	2	59,897
Contributions Combined	2018/19	48,455	9,896	2,207	209	0	60,767
Contributions Combined	2019/20	55,548	10,078	2,275	220	0	68,121
Contributions Combined	2020/21	58,379	10,533	2,425	257	0	71,594
Contributions Combined	2021/22	<b>45,180</b>	<b>8,132</b>	<b>1,821</b>	<b>208</b>	<b>0</b>	<b>55,341</b>
Transfers In	2015/16	863	247	348	646	0	2,104
Transfers In	2016/17	843	419	351	0	0	1,613
Transfers In	2017/18	953	822	965	0	0	2,740
Transfers In	2018/19	1,562	1,050	783	0	0	3,395
Transfers In	2019/20	154	0	571	0	0	725
Transfers In	2020/21	453	20	383	0	0	856
Transfers In	2021/22	<b>1,111</b>	<b>246</b>	<b>36</b>	<b>202</b>	<b>0</b>	<b>1,595</b>
Total Income	2015/16	25,686	9,284	1,350	683	5	37,008
Total Income	2016/17	47,356	9,816	2,423	205	3	59,803
Total Income	2017/18	48,996	10,502	3,052	220	2	62,772
Total Income	2018/19	50,104	10,947	2,990	209	0	64,250
Total Income	2019/20	55,702	10,078	2,846	220	0	68,846
Total Income	2020/21	58,875	10,553	2,808	257	0	72,493
Total Income	2021/22 to end Q3	<b>46,291</b>	<b>8,378</b>	<b>1,857</b>	<b>410</b>	<b>0</b>	<b>56,936</b>
EXPENDITURE	Year	£000	£000	£000	£000	£000	£000
Pensions in Payment	2015/16	-40,631	-12,186	-5,296	-420	-361	-58,894
Pensions in Payment	2016/17	-43,805	-12,395	-5,641	-484	-354	-62,679
Pensions in Payment	2017/18	-47,130	-12,879	-6,079	-495	-348	-66,931
Pensions in Payment	2018/19	-50,700	-13,435	-5,603	-480	-351	-70,569
Pensions in Payment	2019/20	-53,800	-13,872	-6,603	-431	-354	-75,060

Pensions in Payment	2020/21	-56,961	-14,318	-6,028	-481	-340	-78,128
Pensions in Payment	2021/22	<b>-44,424</b>	<b>-10,970</b>	<b>-4,642</b>	<b>-346</b>	<b>-244</b>	<b>-60,626</b>
Lump Sums	2015/16	-20,914	-3,824	-2,686	0	-8	-27,432
Lump Sums	2016/17	-23,716	-1,936	-1,350	-181	-56	-27,239
Lump Sums	2017/18	-25,245	-2,996	-2,398	-51	-38	-30,728
Lump Sums	2018/19	-23,025	-2,503	-1,259	0	0	-26,787
Lump Sums	2019/20	-21,862	-1,431	-1,237	-130	0	-24,660
Lump Sums	2020/21	-25,975	-2,939	-423	0	0	-29,337
Lump Sums	2021/22	<b>-17,989</b>	<b>-1,824</b>	<b>-1,005</b>	<b>0</b>	<b>-16</b>	<b>-20,834</b>
Triviality Payments	2018/19	-1,295	-95	-87	0	0	-1,477
Triviality Payments	2019/20	-1,509	0	0	0	0	-1,509
Triviality Payments	2020/21	-2,270	-274	0	0	0	-2,544
Triviality Payments	2021/22	<b>-3,048</b>	<b>-30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-3,078</b>
Injury Benefit Schemes	2020/21	-278	0	-763	0	0	-1,041
Injury Benefit Schemes	2021/22	<b>-199</b>	<b>0</b>	<b>-576</b>	<b>0</b>	<b>0</b>	<b>-775</b>
Transfers Out	2015/16	-8,961	-184	-85	0	0	-9,230
Transfers Out	2016/17	-898	-41	0	0	0	-939
Transfers Out	2017/18	-664	-9	0	0	0	-673
Transfers Out	2018/19	-1,179	-373	0	0	0	-1,552
Transfers Out	2019/20	-923	0	0	0	0	-923
Transfers Out	2020/21	-143	0	0	0	0	-143
Transfer Out	2021/22	<b>-249</b>	<b>-20</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-269</b>
Refunds Paid	2015/16	-250	-35	-6	0	0	-291
Refunds Paid	2016/17	-283	-48	-7	0	0	-338
Refunds Paid	2017/18	-237	-32	-8	0	0	-277
Refunds Paid	2018/19	-154	-10	-4	0	0	-168
Refunds Paid	2019/20	-216	-26	-5	0	0	-247
Refunds Paid	2020/21	-242	-6	-16	0	0	-264
Refunds Paid	2021/22	<b>-247</b>	<b>-37</b>	<b>-14</b>	<b>0</b>	<b>0</b>	<b>-298</b>
Total Expenditure	2015/16	-70,756	-16,229	-8,083	-420	-369	-95,857
Total Expenditure	2016/17	-68,702	-14,420	-6,998	-665	-410	-91,195

Total Expenditure	2017/18	-73,276	-15,916	-8,485	-546	-386	-98,609
Total Expenditure	2018/19	-76,353	-16,416	-6,953	-480	-351	-100,553
Total Expenditure	2019/20	-78,310	-15,329	-7,845	-561	-354	-102,399
Total Expenditure	2020/21	-85,869	-17,537	-7,230	-481	-340	-111,457
Total Expenditure	2021/22 to end Q3	<b>-66,156</b>	<b>-12,881</b>	<b>-6,237</b>	<b>-346</b>	<b>-260</b>	<b>-85,880</b>
<b>CASHFLOW</b>	<b>Year</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Net Cashflow	2015/16	-45,070	-6,945	-6,733	264	-364	-58,848
Net Cashflow	2016/17	-21,346	-4,604	-4,575	-460	-407	-31,392
Net Cashflow	2017/18	-24,280	-5,414	-5,433	-326	-384	-35,837
Net Cashflow	2018/19	-26,249	-5,469	-3,963	-271	-351	-36,303
Net Cashflow	2019/20	-22,608	-5,251	-4,999	-341	-354	-33,553
Net Cashflow	2020/21	-26,994	-6,984	-4,422	-224	-340	-38,964
Net Cashflow to end Q2	2021/22	<b>-19,865</b>	<b>-4,503</b>	<b>-4,380</b>	<b>64</b>	<b>-260</b>	<b>-28,944</b>

### Important notes:

These figures are compiled on a cash flow basis and are unaudited.

Figures are subject to rounding and may not correctly total.

Injury Awards represent payments of Permanent Injury Allowance from Police Injury Benefits Regulations 2010 and Public Sector Injury Benefits Scheme 2015.