

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) held at the offices of the PSPA, at 1.30 pm on 10 May 2021.

Present:

PSPA

Mr J B Carter (Chair)

Mr R Harmer, MHK (Vice Chair)

Mrs J Poole-Wilson MLC

Mr I Wright

In Attendance:

Mr I T Murray

Ms K C Brondon (Secretary)

Mrs M Ludwig-Looney (Assistant Secretary)

Apologies:

Mrs D Halsall

Minute No.

Minute

22/21

Conflicts of Interest (minute 12/21 refers)

There were no other conflicts of interests declared in addition to those previously recorded. It was noted that a new Conflicts Register would be used for each meeting and any new conflicts identified at the meeting would be recorded on the register. The Board also had a brief discussion with regard to previously circulated Register of Interest forms and it was agreed that those will be circulated again.

23/21

Minutes

The Vice Chair signed the minutes of the meeting held on 12 April 2021 which were approved by the Board.

24/21

Matters Arising

- i. [REDACTED]

[REDACTED] Baseline Cost Sharing Valuation
(minute 86/20; 93/20; 05/21 and 19/21 refer)

The Chief Executive (CEO) gave a brief update to the Board on the reasons for a delay in the delivery of the baseline cost sharing valuation from Hymans Robertson. Given that this will form the basis for cost sharing for

many years to come, Hymans Robertson has asked for some more time to finalise the figures and their advice to ensure that the information is accurate, in line with the legislation and in a format that can be easily shared with the trade unions. The CEO advised the Board that report should be available for the next Board meeting in June 2021.

25/21

Compliance Schedule Update

The Board received a paper from the CEO (PSPA Paper No. 10/21) with regard to compliance information for the quarterly review along with the updated Governance Work Schedule. The CEO briefed The Board on the PSPA intention to procure the services of specialist pensions lawyers to update and consolidate the various statutory documents that go to make up the Teachers' Superannuation Order 2011, the Police Pension Regulations 1991 and Police Pension Regulations 2010. The CEO also highlighted that the Information Commissioner's Office is currently undertaking a review of Records of Processing Activities across the Government and the PSPA is working closely with its DPO to ensure that the current records are adequate and up to date. The Board was content with the remaining contents of the Compliance Schedule.

26/21

Minimum Transfer In Value

The Board received an update (PSPA No. 11/21) from the Deputy Chief Executive (DCE) with regard to introduction of a policy which sets a minimum level of £10,000 for all Cash Equivalent Transfer Values (CETV) into the Isle of Man Government Unified Scheme 2011, the Police Pension Regulations 1991 and 2010 and the Teachers Superannuation Order 2011.

There was a discussion following the DCE briefing on the matter regarding potential unintended consequences following the introduction of a de minimis value of £10,000 for CETVs. The Board was made aware that, in line with the legislation, the PSPA is not obliged to accept any transfer and that there are already restrictions in place which allow processing potential transfers only from certain limited arrangements. The Board discussed the rationale behind the de minimis value in order to avoid any unintended or what may be deemed as unfair exclusions in processing the transfers after the Policy is introduced. The Board concluded that the Executive should undertake an impact assessment and subject to this being acceptable, the policy was agreed.

27/21

Voluntary Defined Contribution Scheme Update (minutes 89/20, 03/21 ii. and 17/21i refer)

The Board received an update (PSPA No. 12/21) from the DCE with regard to the Voluntary Defined Contribution Scheme following the recent presentation to the Treasury Board. The DCE assured the Board that it was made clear during the presentation that the Office of Human Resources will be required to actively participate in the administration of the new Scheme arrangement.

The Board noted the Treasury's qualified approval of the PSPA's proposed design principles, discussions and considerations regarding the potential funding scenarios and implications and that the costs should be reviewed on a regular basis after inception.

The Board approved the development and delivery of a project plan including the determination of what project budget it requires to progress the matter and to make an appropriate request for funds from Treasury.

The Board also approved the PSPA's paper to the Council of Ministers requesting its confirmation to progress the project based on the PSPA scheme design and thereafter, to arrange a Tynwald Member presentation to advise on the scheme design and project planning.

28/21

Declaration of Entitlement

The Board received an update (PSPA No. 13/21) from the DCE on the outcome of the exercise undertaken in 2020-2021 which sought a declaration from all pensioners of their continued right to receive a public sector pension in accordance with the PSPA's Declaration of Entitlement Policy. The Board noted that upon conclusion there were over 7,000 responses received of which a sample of 20% was signature cross-checked and that 16 pensions in payments were stopped given non-receipt of the required declaration form. The DCE assured the Board that before stopping those pensions, the PSPA had exhausted many avenues trying to locate the pensioners in question, including cross checking tax records and the death register. The Board noted the information provided in the paper.

29/21

Administration Issues: Update on progress in relation to the project to resolve ongoing data issues (minutes 78/20; 84/20; 97/20; 11/21 and 17/21iv refer)

The Board received an update (PSPA No. 14/21) from the CEO on progress in relation to the issues regarding the provision of data from the Office of Human Resources (OHR) to the PSPA. The CEO highlighted to the Board that there appears to be a shift in attitude toward the PSPA's data requirements following a recent meeting with the new Executive Director of OHR who assured the CEO of her understanding of PSPA's requirements for various data to fulfil its statutory obligations.

It was noted that the way in which IoM Government remunerated its employees and the multiple posts many people occupied (both concurrently and consecutively) was particularly complicated and therefore difficult to report on and these were significant contributing factors in the ongoing issues.

The Board was made aware that the OHR now understands that it may not be the reporting that is incorrect but the data input itself. Also, a new format for reporting starters and leavers was now being introduced which should provide more consistent information to the PSPA pending future establishment of the new MFI reporting function.

The CEO also brought to the Board's attention that the OHR now notes that they potentially may require a dedicated Data Manager who can work closely with the PSPA's Data and Systems Manager going forward.

The new Executive Director of OHR expressed in an email to the CEO that OHR is "...committed to improving data and resolving outstanding issues helping to ensure that the PSPA meet their statutory obligations..." The CEO is scheduled to attend a further meeting with the Executive Director OHR to continue the dialogue and progress.

The Board noted the update and requested that this item is kept on the Agenda for the next meeting in June 2021.

30/21

Operational Report for Quarter 4 2020/2021

The Board noted the Operational Report for quarter 4, 2020/2021 (PSPA No. 15/21).

The contents of the report were discussed and in particular the increased volume of recent retirements and deaths.

The DCE also briefed the Board with regard to the recent lockdown operations which ran more smoothly than in previous

instances. The Board was also made aware that the PSPA office is currently going through a major hardware update and that the PCs currently in situ will be soon replaced by Microsoft Surface Pro machines which are portable and thus will make for more cohesive working from either office or home. The DCE also updated the Board on the recent recruitment process which concluded in offering employment to 5 new/replacement staff.

31/21

Risk Register – Quarterly Update

The Board reviewed the Risk Register and in particular the changes highlighted and was satisfied with its contents.

32/21

Any Other Business

The DCE made the Board aware that the PSPA has resumed publishing redacted Board Meeting minutes on its website. The Board asked for an update on the website traffic – in particular how many entries on the Minutes’ subpage there had been.

The meeting concluded at 2.42pm.

Date of the next meeting 14 June at 2.30pm.

Signed

Date