

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) held in Committee Room 1, Tynwald Building at 2.30 pm on 12 July 2021.

Present:

PSPA

Mr J B Carter (Chair)

Mrs J Poole-Wilson MLC

Mr I Wright

In Attendance:

Mr I T Murray

Ms K C Brondon (Secretary)

Apologies:

Mr R Harmer, MHK (Vice Chair)

Mrs D Halsall

Mrs M Ludwig-Looney (Assistant Secretary)

Minute No.

Minute

42/21

Conflicts of Interest

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

43/21

Minutes

The Chair signed the minutes of the meeting held on 14 June 2021 which were approved by the Board.

44/21

Matters Arising

- i. Baseline Cost Sharing Valuation (minutes 06/21, 19/21 and 38/21 refer)
The Board received a verbal update from the Chief Executive. The Teachers' Pensions Advisory Board (TPAB) at its meeting on 9 July 2021 had received a detailed overview in addition to receiving a copy of the Baseline Cost Sharing Report produced by Hymans Robertson. The TPAB

were content with the results and were advised that subsequent to it receiving Treasury concurrence, the PSPA would promote the Cost Sharing implementation to Scheme Members via the 'Word from Will' bulletin and information on the PSPA's Cost Sharing page on its website.

45/21 Public Sector Pension Schemes (IDRP)(Amendment) Regulations 2021 (the Amending Regulations)

The Board received a memorandum from the Deputy Chief Executive (PSPA No. 19/21) to update the Board on the forthcoming consultation on the proposed amendment. The Board noted that the Amending Regulations make provision for a formal route of complaint to the Tynwald Commissioner for Administration. In addition, the Board noted however, that owing to the way the Tynwald Commissioner for Administration Act 2011 legislation had been drafted, where there was an established complaints procedure as there is in the PSPA's IDRP, the Tynwald Commissioner for Administration could not conduct an additional investigation. The Executive confirmed that they had confirmed this as the PSPA understanding of this particular legislative provision with the Tynwald Commissioner, which had subsequently not been challenged or corrected. The Board also noted that there were other types of complaint or dissatisfaction that would fall outside the IOM Pensions Ombudsman's authority and that in turn would probably fall under the Tynwald Commissioner for Administration's remit. The Board agreed with the Recommendations in the paper and that the formal consultation on the proposed Amending Regulations, for a period of 6 weeks should be instigated. Thereafter, the Amending Scheme and final consultation responses should be returned to the Board to make the Amending Regulations to be laid before the next available Tynwald, likely to be November 2021.

46/21 Audited Accounts 2019-2020.

The Board received a verbal update from the Chief Executive on the progress of the Audited Accounts. The Chief Executive explained that due to difficulties being experienced by the Auditors to reconcile memberships data and contributions, the Audited Accounts have not been finalised and will be delayed for a further estimated two weeks. The PSPA and OHR are working with the Auditors to provide assistance and data, but there are difficulties with some elements of historic data. The Board agreed that the Auditor's (PWC) Completion report (PSPA No. 27/21) and the draft accounts once available would be circulated to the Board electronically. Subject to any comments and the Board confirming its satisfaction with the findings and content of the various scheme reports and accounts, separate arrangements would be made with the Chair and Vice Chair to sign the Accounts off on behalf of the Board.

It is anticipated that final accounts would be laid before the October 2021 sitting of Tynwald.

47/21 The Public Sector (Cost Sharing) (Amendment) Scheme 2021 – Police Pension Regulations 1991 and 2010 Cost Sharing.

The Board received a memorandum from the Deputy Chief Executive (PSPA No 20/21) in relation to the implementation of a Cost Sharing mechanism for the Police Pension Regulations 1991 and 2010.

The Board noted that the Executive had undertaken a range of informal discussions with the Police Federation and Senior Command team over the last six months and that detailed explanations and examples as to how Cost Sharing may impact on the Police Pension Regulations 1991 and 2010 had been provided, to aid the membership in its understanding of the matter.

The Board noted that due to the small size of the police membership, the Executive and Scheme Actuary had offered a range of alternative ways in

which cost sharing could be applied, which mitigated the volatile impact on costs of a small and closed pension scheme.

The Board noted and agreed that the application of the GUS results to the Police Pension Regulations 1991 and 2010 was a fair and equitable cost sharing mechanism.

The Board noted that the Federation and the Joint Consultative Committee had ratified this approach. In conclusion, the Board agreed that the formal consultation process on the proposed Public Sector (Cost Sharing) (Amendment) Scheme 2021 should be instigated and progressed.

48/21 Any Other Business

- i. The Deputy Chief Executive confirmed to the Board that Treasury had agreed that the PSPA should apply indexation on the Pre '88 element of Guaranteed Minimum Pension. Treasury suggested that this may be better authorised and progressed via a Treasury Direction and it was seeking advice from the Attorney General's Chambers. Treasury had also requested that the PSPA ensure that Income Tax are made aware of the issue as retrospective payments of pension would have tax implications for the pensioners concerned.
- ii. The Board received a verbal update from the Chief Executive on behalf of the PSPA's Data Manager. **(minutes 78/20; 84/20; 97/20; 11/21; 17/21iv, 29/21 and 37/21 refer)** on progress in relation to the issues regarding the provision of data from the Office of Human Resources (OHR) to the PSPA. The Board was assured that matters are progressing with continued commitment from OHR and that the Data Project Manager is in continuous communication with Payroll on the data issues. It was noted that in relation to Starters the reporting was working well, however this took considerable more resources than OHR had allowed for and if this was to continue then OHR would need to consider a more permanent solution. In relation to Leavers, OHR has exceeded the targets in the SLA, but some leaver forms remained outstanding primarily due to a sharp increase in the numbers of leavers

since the end of lockdown. There are still issues with accuracy and quality, but in general, with the data being managed and accounted for at officer level on both sides, the situation is much improved. OHR has acknowledged significant issues with the source data input into PiP by some Managers and is proactively working to develop training aids and support for Managers to ensure that PiP is used correctly. The Board also noted that all data issues were being actively overseen by the new Executive Director of OHR who reports back to the Chief Executive on a monthly basis on the progress being made on the data issues.

The MFI is now also being progressed. Previous VPN issues have been resolved with GTS and MHR should now be able to access PiP remotely. The MFI scope has been approved by PSPA/OHR and is with MHR for any final comments before being returned to PSPA/OHR for final sign-off. MHR will then be able to build test reports and the first output is due shortly. Output is set to be tested against 2020-21 AFI if possible. The Chief Executive summarised that overall the progress was positive with the right people, with the skills at the right level engaged where needed.

- iii. **Isle of Man Government Unified (Amendment) Scheme 2021** The Chief Executive gave a verbal confirmation to the Board that the Scheme had been approved at June Tynwald and that changes made to Tynwald Members pay as a consequence of recent legislation will be introduced shortly and this will filter through to ensure the new pension provisions implemented by the amending scheme will be applied.
- iv. **Public Sector Administration (Fees) (Amendment) Order 2021** the Board noted that consultation had commenced.
- v. **Change in Board Meeting Venue** - the Board were advised that in future, Board meetings will take place in the Tynwald Committee Room 1 in the Tynwald building where available. If an alternative room is required, the Board will be duly notified. This is due to the PSPA Boardroom now being used as an office for the Data Team. Mrs Poole-Wilson advised that for the period that the HoK is dissolved before the general election (from 12 August to 23 September 2021) for

reasons of purdah the political members of the Board are not able to enter into the Tynwald Building.

49/21

The meeting concluded at 3:15PM.

Date of the next meeting 1 October 2021 at 10am venue to be confirmed.

Signed

Date