

## **In Confidence**

Minutes of a meeting of the Public Sector Pensions Authority (PSPA) held in the Committee Room, 3<sup>rd</sup> Floor, Main Government Building, Bucks Road on 14 March 2022 at 2:53pm.

**Present: PSPA**

Mr M Kiernan (Chair)

Mr R Mercer MLC

Mrs D Halsall

**In Attendance:** Mr IT Murray

Ms K Brondon (Board Secretariat)

Mrs M Ludwig-Looney (Assistant Secretary)

**Apologies:** Ms Kate Lord-Brennan MHK

Mr I Wright

**Minute No. Minute**

**11/22 Conflicts of Interest (minutes 12/21, 22/21, 42/21 and 64/21 refer)**

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

**12/22 Minutes**

Mr Mercer asked for a correction of the February 22 Minutes, particularly Minute 04/22 iii. The Board decided that minutes will be approved as corrected at the next Board Meeting.

**13/22 Matters Arising**

There were no matters arising.

**14/22**

**Implementation of the Voluntary Defined Contributions Arrangement Policy (minutes 89/20, 03/21ii, 17/21i, 27/21, 39/21, 72/21i, 76/21ii and 09/22i refer)**

The Board received a paper (PSPA Paper No. 05/22) from the Deputy Chief Executive (DCE)

The DCE provided the Board with an update on developments in relation to the Voluntary Defined Contributions Scheme and in particular, that subsequent to discussions with the Attorney General's Chambers (AGC), the PSPA has been advised that it does not have the viries under the Public Sector Pensions Act 2011 to make the DC Arrangement as a Statutory Scheme. The AGC has advised the PSPA that such Arrangement can be established by a Policy, made by the PSPA, via a Council of Ministers direction.

The DCE also advised the Board, that separately to the IOM Government Defined Contribution Policy, the PSPA is intending to develop a Statutory Scheme which would provide the Death in Service Lump Sum for the members of the DC Arrangement, and the draft is scheduled to be submitted to the July 2022 Board meeting.

The DCE highlighted to the Board that the DC Arrangement would also be accessible to existing DB scheme members who wish to make Additional Voluntary Contributions (AVCs) to boost their pensions savings. The DCE then explained that the PSPA would hold a governance role in this new arrangement. It would receive an update on the progress on the arrangement every six months and it would monitor the customer engagement.

The Board noted that the PSPA proposes to support new employees' choice of a DB or DC pension scheme by providing support, guidance and bespoke independent financial advice for

a £150 "on boarding fee" (which it is proposed will be met by the PSPA for a short period whilst initial membership is monitored and that this is to be agreed with Treasury), and an ongoing cost of circa 0.50% to be deducted from each employee's DC fund. The DCE asked the Board to consider and if content, approve the draft Isle of Man Government Defined Contribution Policy (the Policy) for the establishment of a Defined Contribution Arrangement (DC Arrangement).

The Board had a brief discussion upon which it requested further information from the Executive on both the provider and the financial advice to be provided to members. It also requested to allow more time for consideration of the matter and to wait for submission of any comments from the absent Board Members. The Executive will collate all information and comments and will refer back to the Board via email. In principle, the Policy was agreed by those present.

**15/22**

### **Any Other Business**

The DCE provided the Board with the following verbal updates:

i. Voluntary Defined Contributions Provider

The DCE confirmed that Aviva was awarded the contract to fulfil Tynwald's request of 2019 to provide the Voluntary DC arrangement as an alternative to the existing Defined Benefit Pension Schemes for public sector employees

ii. Partial Retirement

The DCE confirmed that the matter has now been referred to the Office of Human Resources for its consideration and work to make formal policy recommendation to Council of Ministers in relation to

revising the Isle of Man re-employment of public sector staff following retirement.

iii. Isle of Man Government Unified Scheme (Amendment) Scheme 2022

The DCE gave a verbal confirmation to the Board that the Consultation on the amendment has commenced and is scheduled to close on the 22 March 2022.

iv. Teachers Pensions Advisory Board

The Board noted that at the recent meeting (18 February 2022) with Teachers Unions the matters discussed were in relation to indexation to Average Pay and the impact of delayed IOM pay negotiations, the introduction of the Voluntary Defined Contributions arrangement and the timescale for the actuarial valuation assumptions. The date of the next meeting of the TPAB is scheduled for May 2022

**16/22**

**Date of the next meeting – Wednesday, 20 April 2022 at 9AM.**