

Meeting of the HSC Pension Scheme Pension Board

The Glasshouse – Stormont Estate

Wednesday 13th September 2017

In Attendance:

Deborah McNeilly	DoH - Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Phil McCusker	DoH
Martin Bradley (MB)	HSC Pension Service
Dessie Lowry (DL)	RCN
Mary Caddell (MC)	RCM
Pamela Crozier (PC)	Western HSC Trust
Oonagh Burns (OB)	BSO
Maryna Chambers (MC)	Northern HSC Trust
Andrea Henderson (AH)	BSO
Dr Padhraic Conneally (DPC)	BMA
Kevin McAdam (KMA)	UNITE
Jacqui Kennedy (JC)	Belfast HSC Trust
Elaine Shug (ES)	BSO
Liam McIvor (LMI)	BSO
Wendy Thompson (WT)	BSO

Apologies:

Alan Stout (AS)	NIGPC
Kevin McCabe (KMC)	NIPSA
Roberta Magee (RM)	UNISON

1. Welcome / Introductions / Apologies / Conflict of Interest

The Chairperson welcomed representatives and conveyed apologies received.
No conflicts of interests were declared.

2. Matters Discussed / Action Points

Minutes of last meeting

Board Members were updated on the action points and agreed the minutes of the previous meeting held on 3 May 2017.

Independent Chair – Update

The Chair informed members that candidates had been informed of the delay in appointment due to the absence of a Minister. She advised that the delay was not expected to lead to a re-running of the selection process.

Update from BSO – Underfunded Employer Contributions / Data Issues

The Chair welcomed **LMI**, **WT** and **ES** on behalf of the Board for attending the meeting to update members on concerns they had raised at previous meetings in relation to underfunded employer contributions and member data issues.

ES took members through a slide presentation on the remedial action BSO Payroll Shared Service Centre (PSSC) is undertaking to resolve the underfunding of employer contributions, this includes manually working through the validation of estimated amounts up to 31 March 2017 and system software solutions. In response to a question from the Chair she confirmed that PSSC will provide employers/DoH with an estimated liability for 2017/18 and a report to the Pension Regulator by 31 October 2017.

The **Chair** asked what action is being taken to provide the Board with wider assurance that this is not the only issue, **WT** responded that Internal Audit has been asked to substantially increase the checks it performs and **LMI** added that this would hopefully provide the wider assurance that the Board was looking for. **ES** confirmed the timing of the next Internal Audit would be in 2017/18

In relation to member data issues **ES** advised at present pension input queries are higher than PSSC can clear, and cannot be managed within current resources. Currently there are 7000+ data queries and the average number submitted each day to PSSC was 33. Pension Reform and Auto Enrolment had led to an increase in the volume of work and that some of the gaps in member data were historic going back a number of years before implementation of HRPTs.

In addition she informed members that HSC Pension Service had received a satisfactory rating from internal auditors, however, there were two areas for

improvement identified relating to death in service payments and the underfunding of employer contributions.

MB advised that HSC Pension Service could clear the outstanding 7000+ data queries if resources were provided, however in the long term unless there was a system software solution the data errors would continue to accumulate month on month. **LMI** advised that in attempting to stem the flow of continuous pressure he was impressing upon **MB** and **ES** to look within BSO for existing resources. He also advised that he was awaiting a resource bid from **MB** and that resource funding was also an issue for the DoH to consider. **WT** agreed that additional resources would help in the short term but that a system solution was the way forward.

In response to questions from the Chair on the types of data errors, how they are generated and what assurance is provided that payments are being correctly calculated, **MB** replied that the typical queries were in relation to Part Time hours, NINO numbers and multiple employments, and they are generated from pension events and requests for pension estimates. He confirmed that the new calculation templates recently introduced had resulted in no underpayments or overpayments.

Pension Board – Annual Report 2016/17

Members endorsed the Pension Board's Annual Report for 2016/17 which will shortly be published on the HSC Pension Service website.

Pension Regulator – Annual Report 2016

Members discussed briefly the Pension Regulator report with the Chair drawing members attention to paragraph 1.7 of the executive summary which covered scheme governance and administration. **MB** informed members that HSC Pension Service had a good relationship with the Pension Regulator who had approved the Branch's data implementation plan.

Scheme Managers Report

MB provided members with the Scheme Manager's report which detailed the key achievements and developments for the period 1 April 2017 to 31 August 2017. In particular he highlighted the increase in the number of payroll pensioners and delays in responses from OHS in relation to ill health retirements. He added that Pension Service had agreed a 6 week turnaround time with OHS and that he would update the Board members again on this issue at the next meeting. In response to a question from **DPC** MB confirmed that urgent cases are treated as urgent fast-tracked by OHS.

In response to questions from **OB** and the **Chair** regarding the volume of telephone calls / requests for estimates, **MB** advised that Pension Service would shortly be introducing a web chat service to run for one week in each month which would hopefully reduce the number of queries.

ACTION POINT 1: MB to update the Board on progress with OHS turnaround times.

GMP Reconciliation/Increase in SPA/Scheme Costs

In relation to the GMP exercise he was seeking software fixes to assist with bulk uploading of records. He also explained how the increase in State Pension Age would impact, in particular for those who had purchased ERRBO and Additional Pension contracts, as these members would have to be contacted and advised of the increase and how they would be affected. He further advised that it is possible that scheme costs could also increase as enhanced service under tier 2 ill-health retirements would be higher as a result. He also updated members on the IDR and Ombudsman cases.

Employer Liaison Officers (ELO)

MB highlighted the successful work and estimated savings as a result of the employer funded ELO's and hoped that funding in the long term would continue. He informed members that HR Directors were happy to continue employing ELOs however there was some resistance from Finance Directors in relation to the cost and funding. **MC** confirmed the Northern Trust and Finance Director were happy for the funding to continue in the short term but not so sure in the long term.

DPC commented that as pension expertise has disappeared at Trust level it was important this expertise was replicated and therefore it was important to continue with ELOs. **JK** stated that the role of ELOs needs to continue regardless of where the funding / resources come from.

The Chair stated as ELOs were set up primarily for special exercises such as Pension Reform / Choice exercise and not as part of normal Pension Service business that perhaps it should be resourced by BSO/Employers, and that it was an internal employer matter for HR Directors to convince Finance Directors to continue with the funding. It was agreed that this the matter should be considered again at the next Pension Board meeting in December 2017.

Annual Benefit Statements (ABS)

MB informed members that the ABS statements for year ending 31 March 2017 were currently being uploaded at a rate of 3000 per day to the MSS service and that all statements would be uploaded over the next 7-8 weeks. He advised they will carry out a publicity campaign to get members to sign up to MSS and that the Pension Regulator was content with this approach.

Scheme Valuation

MB advised Board members that he was not aware of any data issues in relation to the scheme valuation and HSC Pension Service had delivered all the requested data to GAD within the required timeframe.

Burns Case

PMC briefly update members on a challenge by a scheme member relating to the non-use of service prior to 6/4/1988 in the calculation of widower's benefits.

Protection Opt-Out

MB informed members that HSC Pension Service had identified 300+ members eligible for this exercise and would be providing members with guidance/communication as well and one to one meetings to explain the options and consequences of opting-out out of protection.

Risk Register

No amendments areas to be added to the Pension Board Risk Register were identified.

Forward Work Plan

It was agreed that the draft Agenda for the next Board meeting be issued early to allow members to propose items that they would like to have covered in relation to the forward work plan for 2017/18

ACTION POINT 2: Secretariat to issue early draft Agenda for the next meeting for members to consider/propose topics for forward work plan.

Training Plan

Members agreed to complete before the next meeting the Pension Regulator's online self-assessment template to help identify gaps in knowledge which would provide the basis of a forward training plan for 2017/18. DL proposed that the Board should map back to see what topics have been covered to date or what gaps exist in line with the Pension Regulator's Code of Practice.

It was agreed that the Partial Retirement process/options should be included on the Agenda for the first meeting in 2018.

ACTION POINT 3: Secretariat to provide the link to the Pension Regulator's self-assessment template for completion by members before the next meeting.

ACTION POINT 4: DoH Pension Policy Unit to identify work covered/gaps identified in line with the Pension Regulator's Code of Practice.

3. Schedule of Next Meeting

The date of the next meeting to be scheduled for December 2017. Members will be contacted shortly for a suitable date.

ACTION POINT 5: Secretariat to write to Board members to seek a suitable date for next meeting.