

Meeting of the HSC Pension Scheme Pension Board

Room C3.18 Castle Buildings

Tuesday 3 July 2018

In Attendance:

David Best (DB)	Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Phil McCusker (PMC)	DoH
Marc Bailie (MBa)	DoH
Martin Bradley (MB)	HSC Pension Service
Dessie Lowry (DL)	RCN
Mary Caddell (MC)	RCM
Dr Padhraic Conneally (DPC)	BMA
Roberta Magee (RM)	UNISON
Kevin McCabe (KMC)	Nipsa
Cara McLaughlin (CMC)	Western HSC Trust

Apologies:

Kevin McAdam (KMA)	UNITE
Oonagh Burns (OB)	Northern HSC Trust
Maryna Chambers (MC)	Northern HSC Trust
Andrea Henderson (AH)	BSO
Jacqui Kennedy (JC)	Belfast HSC Trust
Alan Stout (AS)	NIGPC

1. Welcome / Introductions / Apologies

The new independent Chair (David Best) introduced himself to members, welcomed those attending and conveyed apologies received. He advised that attempts had been made to arrange a meeting date to suit all members. This had not been possible and it had been agreed to proceed as a meeting was overdue. It was noted that a 66% quorum had not been met.

2. Conflict of Interest

No conflicts of interests were declared.

3. Minutes of Previous Meeting

Board Members agreed the minutes of the previous meeting held on 5 December 2017.

4. Action Points from Previous Meeting

Action Points 2 and 3 from the previous meeting regarding the Pension Regulator survey and date of next meeting have been completed. **MB** to update members on Action Point 1 at today's meeting.

5. Scheme Managers Report

MB provided members with the Scheme Manager's report and updated members on the key areas. He informed members there was an increase in activity in relation to new pensions and telephone enquiries as a result of Auto Enrolment. He advised that HSC Pension Service have secured two permanent Employment Liaison Officer's (ELO) and that there was a high demand for retirement seminars and one to one consultations.

PC stated that the staff he had spoken to found the seminars very useful.

MB advised that some Band 8A staff had opted out of the pension scheme as a result of the increase in their contribution rate due to the 2017/18 pay award while other Band 8A staff had taken out a salary sacrifice scheme to reduce their contribution rate. In response to a query from **RMG** he agreed to provide the Board with the number of Band 8A staff that opted out of the scheme.

MB explained the consequences of opting-out and salary sacrifice and how member's benefits may be affected. Staff side members agreed to inform members the risk of opting-out and taking out a salary sacrifice.

ACTION POINT 1: MB to update Board members on the number of Band 8A staff that have opted out of the Scheme.

ACTION POINT 2: Staff Side to inform members of the risk of opting out and salary sacrifice.

Breach of Law

MB confirmed that the Pension Regulator (PR) would be taking no enforcement action in relation to the underfunding of employer contributions and that 75% had now been paid by employers with 25% still remaining to be paid. In response to a question from **the Chair**, **MB** explained that the issue could have been avoided if employers had correctly calculated pensionable pay during maternity leave but that there was a lack of understanding by employers how to calculate stretched maternity leave.

On Call Payments

MB explained that there were still some employer issues with on-call payments, in particular how they were recorded, and that employers were having difficulty in identifying the additional on call hours that are required to be treated as pensionable. **PC** informed members that in his experience treatment of on call payments was not consistent across all Trusts. **MC** advised that problems can sometimes arise when scheme members have more than one part time post. It was agreed that guidance should be issued to all employers as to how on call payments should be treated.

ACTION POINT 3: Pension Service to issue guidance to employers on treatment of on call payments for part time staff.

Presentation - GMP Reconciliation / Scheme Data

MB took members through a slide presentation on GMP and scheme data issues. He explained the background to the GMP reconciliation exercise and that significant progress had been made and the deadline for completion of December 2018 would be met. In response to a question from **PC**, **MB** confirmed that scheme members were unaffected and as of yet no under or overpayments have been identified.

In relation to member data **MB** advised that a team had been set up to deal with circa 28,000 issues across a number of categories, however he reassured Board members that all pensions were being paid correctly. He agreed with **MC** that data issues had increased since the move to a payroll shared service. **MB** further

advised that he was attending payroll forum meetings to highlight the issues and that senior management at the highest level in BSO were aware of the issues.

DL stated he was reassured by the extra resources in place to deal with current data issues but something needs to be done to stop them recurring and the Pension Board has not received any assurances from the Trusts / Payroll shared services on these issues. **The Chair** stated he would raise the issues with the Chief Executive of the BSO and discuss the possibility of having an independent auditor commissioned by the Department, as raised by **MBa**, identify possible solutions to these issues. Furthermore a proposal by **the Chair** to develop a Terms of Reference for auditors to assist with data issues was agreed.

ACTION POINT 4: Chair to raise the issue of commissioning an independent auditor with the CE of BSO.

ACTION POINT 5: MB to develop Terms of Reference internal audit to assist with data issues by MB.

6. Cyber Security

MB confirmed that HSC Pension Service have a communication strategy, continuation plan and an escalation plan to deal with any cyber breaches, flood or system breakdown. He advised that the pension payroll can be set up in a command centre at Gransha Park. In response to **DL** he confirmed that a 'dry run' is carried out once a year to test contingency plans.

7. Data Improvement Plan (DIP)

MB confirmed that the DIP is continually monitored and is due for review in April 2019. Furthermore the plan is discussed each quarter at a BSO senior management meeting and that the Pension Regulator has agreed the plan with Pension Service. In response to a question from **the Chair**, **MB** confirmed that although specific dates are not included in the DIP progress is continually reviewed.

8. Scheme Accounts

RMG agreed to issue the scheme accounts ending 31/3/2018 when they are finalised.

ACTION POINT 6: Secretariat to issued Scheme Accounts for year 31/3/18 when finalised.

Annual Benefit Statements (ABS)

RM informed members that 100 of staff in Intensive Care had still not received their ABS. In response **MB** stated he would investigate the circumstances.

ACTION POINT 7: JK to provide BSO with the details of those who have not yet received their ABS.

Annual Allowance Statements (AA)

In response to a question from **PC**, **MB** advised that annual allowance statements were only issued when a breach occurred and that this was unlikely to change and confirmed that only superannuable pay and not total pay was sent from payroll to Pension Service.

9. Risk Registers

A proposal by the chair to have 'data accuracy' included on the risk register was agreed by the Board.

ACTION POINT 8: Secretariat to update Risk Register to include 'Data Accuracy' as a risk.

10. Training Plan

It was agreed that at the next meeting **MB** would provide training to Board members on 'Partial Retirement' and that at a future meeting **PMC/RMG** would provide an overview of scheme legislation.

MB agreed to provide Board members with dates when HSC Pension Service would be providing pension seminars across employers so that Board members could also attend if they wish. Furthermore **MB** agreed that Pension Board

members would be included on the mailing list for future technical newsletters published by Pension Service.

ACTION POINT 9: MB to provide training on 'partial retirement' at next meeting.

ACTION POINT 10: MB to provide Board with dates of HSC Pension Service pension training seminars.

ACTION POINT 11: MB to include Board members on the mailing list for future technical newsletters.

11. AOB

11.1. Scheme Advisory Board (SAB) (Update)

PMC updated the board that the HMT Directions required for the scheme valuation had still not been published but were expected by the end of July. He advised that it was not yet clear if HMT will allow any slippage to implementation date of April 2019 but there were significant risks in terms of timescale and the absence of a Minister. He confirmed that SAB meetings were due to be scheduled for September and October.

11.2. RMG informed members that a draft Annual Report for 2017/18 was with the previous chair for clearance/comment.

ACTION POINT 12: RMG to circulate draft annual report to members.

11.3. The Chair asked members to consider whether the Pension Board Terms of Reference should include something on the Board's strategy. After some discussion it was agreed the Chair would contact the Chair of the DoE Pension Board to see what their TOR include on this issue.

ACTION POINT 13: Chair to liaise with Chair of DoE Pension Board regarding reference to strategy in the TOR.

12. Schedule of Next Meeting

The date of the next meeting to be scheduled for November 2018. Members will be contacted shortly for a suitable date.

ACTION POINT 14: Secretariat to write to Board members to seek a suitable date for next meeting.