

Meeting of the HSC Pension Scheme Pension Board

Room C3.18 Castle Buildings

Wednesday 3rd May 2017

In Attendance:

Deborah McNeilly	DoH - Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Marc Bailie	DoH
Martin Bradley (MB)	HSC Pension Service
Heather Dougherty	HSC Pension Service
Desi Lowry (DL)	RCN
Mary Caddell (MC)	RCM
Pamela Crozier (PC)	Western HSC Trust
Alan Stout (AS)	NIGPC
Oonagh Burns (OB)	BSO
Maryna Chambers (MC)	Northern HSC Trust
Andrea Henderson (AH)	BSO
Dr Padhraic Conneally (DPC)	BMA
Kevin McAdam	UNITE
Jacqui Kennedy (JC)	Belfast HSC Trust

Apologies:

Phil McCusker (PMC)	DoH – Pension Policy and Legislation
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 18 January 2017.

Independent Chair – Update

The Chair informed members that shortlisting for the post of Independent Chair has been completed and that interviews are expected to take place at the end of May with the possibility that a new chair could be in place for the next Board meeting.

Scheme Managers Report

MB provided members with the Scheme Manager's report which detailed the key achievements and developments for the period 1 January 2017 to 31 March 2017. In particular he highlighted the increase in the number of telephone enquiries received, suggesting this was likely to increase over the coming weeks due to the issuing of the Annual Benefit Statements (ABS).

He advised there was one internal dispute application relating to the award of Mental Health Officer (MHO) status which was not upheld.

Employer Liaison Officers (ELO)

MB highlighted some of the work carried out by the ELO's and hoped that Employers would continue to provide the funding for the current year. **DL** commented that the work of the ELO was of great benefit to members and he hoped the funding would also be made available. **JK** and **MC** confirmed that the Belfast Trust and Northern Trust were content to continue to provide funding for the ELOs. It was agreed that HR Directors should respond to **MB's** letter in relation to future funding as soon as possible. Employer representatives of the Board agreed to take this issue forward with their HR Directors.

Choice 2 Exercise

MB informed members that the Choice 2 exercise has been completed and 318 members out of a possible 27,000 opted to transfer their 1995 Section Service to the 2008 Section. HSC Pension Service were now updating the member records of those who opted to transfer.

GMP Reconciliation Exercise

MB explained that HSC Pension Service had resourced staff to be in place until 31 May 2017, and was awaiting a response from the Department with regards to the future funding of the exercise. **The Chair** acknowledged that the GMP exercise was an inescapable pressure, stating as well as additional funding, non inescapable pressures should also be identified to assist in the completion of the exercise as required. In response to a question from the Chair, **MB** confirmed that the GMP exercise was similar across all N.I. Public Service Schemes.

Annual Benefit Statements (ABS)

MB informed members that the ABS statements for year ending 31 March 2016 have been issued and that the statements for year ending 31 March 2017 would be issued by 31 August 2017. Future ABS statements would be issued to members via the Self Service Portal (SSP) on the HSC Pension Service website, with hard copies issued to those who do not have access to the SSP. The Pension Regulator has also been informed that the ABS statements for year ending 31 March 2017 are on track. He advised that to date between three and four hundred telephone/email enquiries of various nature have been received as a result of the distribution of the 31 March 2016 ABS.

He further advised that the ABS statements would replace pension estimate requests in due course and in response to a question from **AH** confirmed that this would be communicated to members by December 2017.

In response to a question from **MC** he confirmed that deferred member ABS for year ending 31 March 2016 would be issued shortly, and every five years thereafter.

Data Issues

MB advised that there were around 6000 outstanding payroll data errors and that he would be meeting next week with BSO Payroll colleagues to try and resolve these issues. He further advised that there were likely to be a number of under and over payments of pension as a result. In response to a question from the

Chair **MB** confirmed he was unaware of any other issues in relation to data outside of the 6000 cases referred to previously.

He confirmed that that Pension Regulator was aware of the issues and HSC Pension Service has agreed a data improvement plan with the Regulator with a timescale for resolution of six months.

AH advised members that BSO payroll staff are currently working overtime to carry out corrections/revisions as a result of the data errors identified and only then would it be clear as to how many under or over payments had occurred.

DPC commented that this was the third Board meeting in a row where data problems have been identified and discussed and what is the likelihood that the issues would soon be resolved. **MB** in response stated that the Pension Regulator was now keeping a close eye on developments to ensure that data issues were resolved as soon as possible and had the power to impose fines if necessary.

Scheme Valuation

MB advised Board members that the HSC Pension Service was on track to deliver the data required for the scheme valuation in line with GAD requirements and within the appropriate timeframe.

Underpaid Employer Contributions

The Chair informed members that the BSO Payroll Shared Services had received a poor rating by internal audit and that separately it had been identified that employer contributions had been under deducted by around £15m. **DM** advised that a root cause analysis review was being carried out by BSO and an action plan was being developed to address issues identified. **AH** advised that the audit report had specifically identified it was the system performance that was unacceptable. **DL** expressed concerns relating to the correct calculation of member pay by the payroll system in addition to pension payroll issues.

Board members agreed that Liam McIvor, Chief Executive of BSO and Maxine Patterson, Payroll Manager of BSO should be invited to the next Pension Board meeting to address the concerns of Board members in relation to member data and under deducted employer contributions.

Board members further agreed that the Pension Regulator should be notified under 'Breach of Law' guidance of the underpaid employer contributions.

ACTION POINT 1: Chair to issue invite to Chief Executive / Payroll Manager of BSO to attend next Pension Board meeting.

ACTION POINT 2: Secretariat to notify the Pension Regulator of 'Breach of Law' relating to underpaid employer contributions.

Protection Opt-Out

MB informed members that HSC Pension Service that this exercise is has yet to commence but it is one of a number of exercises they plan to carry out this year.

Brewster Court Case

RMG explained that as a result of the Supreme Court ruling on 8 February 2017, scheme members would no longer be required to complete a partner nomination form in order for an unmarried partner to be considered for survivor benefits. He further advised the Department was awaiting guidance from HMT as to how retrospective cases prior to the court ruling should be administered.

Forfeiture Circular

Board members discussed and agreed the content of the draft circular on forfeiture of benefits.

ACTION POINT 3: DoH Pension Policy Unit to issue agreed forfeiture circular service wide.

Risk Register

No amendments to the Pension Board Risk Register were identified.

MB agreed that he would include the Risk Register for the HSC Pension Service as an Annex to future Scheme Manager Reports.

ACTION POINT 4: MB to include HSC Pension Service Risk Register as an Annex in Scheme Manager Report.

Register of Interests

Board members agreed to complete the Register of Interests as required by Pension Regulator.

ACTION POINT 5: Board members to complete the Register of Interests Schedule and return to secretariat by 26 May 2017.

Future Training / Work Plan

It was agreed that HSC Pension Service / DoH Pension Policy Unit should consider what appropriate training/guidance should be provided to Board members at future meetings.

ACTION POINT 6: HSC Pension Service / DoH Pension Policy Unit to identify training recommendations for future meetings.

Annual Report

Members agreed the proposed chapter headings for the Board's Annual Report

ACTION POINT 7: DoH Pension Policy Unit to draft the Annual Report for consideration at the next Board Meeting.

3. Schedule of Next Meeting

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

ACTION POINT 8: Secretariat to write to Board members to seek a suitable date for next meeting.