

Meeting of the HSC Pension Scheme Pension Board

Castle Buildings

Wednesday 29 June 2016

In Attendance:

Deborah McNeilly	DoH - Chairperson
Phil McCusker (PMC)	DoH – Pension Policy and Legislation
Russell McGowan (RMG)	DoH – (Secretariat)
Martin Bradley (MB)	HSC Pension Service
Desi Lowry (DL)	RCN
Kevin McCabe (KMC)	NIPSA
Mary Caddell (MC)	RCM
Dr Padhriac Conneally (PC)	BMA
Pamela Crozier (PS)	Western HSC Trust
Alan Stout (AS)	NIGPC
Oonagh Burns (OB)	BSO
Janet McCartney (JMC)	Northern HSC Trust

Apologies:

Roberta Magee (RM)	Unison
Maryna Chambers (MC)	Northern HSC Trust

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 13 April 2016.

Outstanding Action Point - Decision Making Process (TOR)

Members agreed that in the event of a tied vote on any item that the interim chair will have the deciding vote.

Scheme Managers Report

MB provided members with a Scheme Manager's report which detailed the key achievements and developments for the period April 2016 to May 2016, highlighting in particular the high number of pension estimates processed partly as a result of the Voluntary Exit Scheme.

He informed members that the member self service functionality will go live in November 2016 which will allow members to calculate their own pension estimates and confirmed that there are now two Employer liaison officers in post (funded by the Trusts) to assist employers and members on pension related issues. Poster campaigns across the Trusts would be used to highlight forthcoming issues such as Auto Enrolment, Choice 2 exercise and the provision of Annual Benefit Statements.

Discussion took place on the turnaround times for providing pension estimates to members. **MB** advised that any delays were not on the part of the HSC Pension Service as once the information is received from employers they are processed within two weeks. **OB** advised that the main reason for the delays in processing was due to issues between Trust HR and Payroll. She informed members that a meeting was scheduled between HR and Payroll to improve internal processes which would help resolve delay issues that members were experiencing.

ACTION POINT 1: OB to report back any issues as a result of the meeting between Trust HR and Payroll.

PC enquired if **MB** was happy with the performance of current IT system. **MB** advised he was content and had no significant issues with its performance. He informed Board members that HSC Pension Service had recently undertook contingency testing and no issues of concern were identified.

Internal Disputes (ID) / Pension Ombudsman (PO)

MB informed Board members of an increase in requests from scheme members seeking the award of MHO status citing the increase in the retirement age to state pension age as the main driver for many of the enquiries, some of which

were processed through the ID procedures. He explained the background to the cases detailed on the ID/PO report provided. It was agreed that all future reports should be anonymised.

Protection Opt-Out

MB informed members that HSC Pension Service will be writing directly to the 329 members eligible for protection opt-out with information on the purpose of the exercise and what members who wish to opt-out are required to do.

Choice 2 Exercise

MB confirmed that 27,000 members are eligible for the Choice 2 exercise which would be scheduled to take place late September 2016. He advised that those retiring on ill health prior to the exercise commencing would be offered 'Choice 2' prior to retirement.

Annual Benefit Statements (ABS)

MB Confirmed that members will receive their ABS by 31 August 2016 and those members without access to a Personal Computer (PC) would be provided with a hard copy. He advised that all staff would be notified via employers in writing in advance of the exercise commencing. In response to a question from the Chair he advised that there were no risks or red flag issues in meeting the statutory deadline of 31 August 2016. He also confirmed that ABS statements would be issued to deferred members.

DL enquired if HSC Pension Service has sufficient resources to deal with any member enquiries once the statements have been issued. **MB** advised he hopes to retain those staff currently involved in the Pension Reform exercise until December 2016 to deal with any ABS enquiries.

Annual Allowance (AA) statements

MB explained to members how the drop in the HMRC Annual Allowance limit and its tapering could affect certain members. He confirmed that the new limit would be factored into the Annual Allowance statements due to be issued. In response to a question from **PC** he confirmed that the AA statements for any members affected will be issued by 6 October 2016 as required by statutory regulation.

GMP Reconciliation Exercise

MB explained that HSC Pension Service would require additional resources due to the size of the task involved and that in conjunction with the Teachers and Civil Service Pension Scheme, who are also required to carry out a similar exercise, a business case was being prepared for Departments to consider.

National Fraud Initiative (NFI)

The Chair enquired if the HSC Pension Service were required to carry out an exercise under the NFI. **MB** confirmed that the exercise was due to commence shortly with a timescale listed of January 2017 for completion.

ACTION POINT 2: HSC Pension Service to provide Board members with a report when exercise completed.

III Health Retirement / Death in Service

PMC explained the problems that can sometimes arise when members die in service and have outstanding annual leave. This can lead to confusion as to whether benefits can be paid as a 'one off commuted lump sum' or as 'death in service' benefits. In such cases the difference can be quite significant. The Chair stated that clarity is required for employers and members as to the options that are available.

OB confirmed that Trusts are proactive in such cases which are fast tracked and guidance is provided to allow members to make decisions much sooner.

MB agreed that in future cases members would be provided with benefit statements under both 'death in service' and 'one off commuted lump sum' and where possible staff from HSC Pension Service would meet with those scheme members affected to explain their options.

Scheme Valuation

MB confirmed that HSC Pension Service was on track and there were no concerns with the valuation timescale or the data they are required to provide to Government Actuary's Department (GAD).

Risk Register

Members discussed and agreed that the Pension Board should have its own risk register and were content for the DoH Pension Policy and Legislation Unit to provide a draft register for members to consider.

ACTION POINT 3: DoH Pension Policy and Legislation Unit to provide members with a draft risk register for consideration.

Scheme Advisory Board (SAB) Update / Legislative Changes

RMG informed members that Desi Lowry and Paul Cummings were elected joint chairs of the SAB. He advised that at the last SAB meeting members felt that the Pension Board should consider the appointment of a finance representative and given that Vivienne Toal has just recently resigned from the Pension Board perhaps this was a good opportunity for employer representatives to consider appointing a finance representative. **OB** agreed to discuss with employer representatives the appointment of an employer finance representative.

ACTION POINT 4: OB to take forward the appointment of an employer finance representative.

RMG advised members that there were two sets of draft regulations with solicitors for final clearance and hoped that both sets would come into operation in September 2016 with retrospective effect to 1 April 2016.

Forward Work Plan

The Chair took members through a draft work plan for the scheme year 2016/17 detailing the main issues the Board will need to consider and listed a number of recurring agenda items for future board meetings. Members were content with the draft work plan. It was agreed that future Board meetings should include a 15 minute presentation provided by HSC Pension Service on a specific topic which members feel would be beneficial. It was agreed that for the October Board Meeting HSC Pension Service would provide a presentation on HMRC Annual Allowance (AA) and Lifetime Allowance (LTA) limits.

ACTION POINT 5: HSC Pension service to provide 15 minute presentation on AA/LTA limits at the board meeting scheduled for 12 October.

3. Schedule of Future Meetings

The date of future meetings are scheduled as follows:-

- **12 October 2016 10.00 – 12.00**
- **18 January 2017 10.00 – 12.00**

The venue for future meetings will be confirmed in due course.