

Meeting of the HSC Pension Scheme Pension Board

Room C3.18 Castle Buildings

Tuesday 5th December 2017

In Attendance:

Deborah McNeilly	DoH - Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Phil McCusker (PMC)	DoH
Martin Bradley (MB)	HSC Pension Service
Dessie Lowry (DL)	RCN
Mary Caddell (MC)	RCM
Oonagh Burns (OB)	BSO
Maryna Chambers (MC)	Northern HSC Trust
Andrea Henderson (AH)	BSO
Dr Padhraic Conneally (DPC)	BMA
Roberta Magee	UNISON
Jacqui Kennedy (JC)	Belfast HSC Trust

Apologies:

Pamela Crozier (PC)	Western HSC Trust
Kevin McAdam (KMA)	UNITE

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 agreed the minutes of the previous meeting held on 13 September 2017.

MB updated members on Action Point 1 from previous meeting that OHS (Occupational Health Service) turnaround times were fairly well up to date with 29 out of 32 cases being processed within the six week deadline, advising that HSC Pension Service write to OHS in all cases where the deadline has not been met.

Independent Chair – Update

The Chair informed members that it was expected that the appointment of an independent chair would be progressed following the appointment of a Minister.

Scheme Managers Report

MB provided members with the Scheme Manager's report which detailed the key achievements and developments for the period 1 September 2017 to 31 October 2017. In particular he highlighted the continuing growth in retirements and requests for estimate of benefits adding that the issuing of Annual Benefit Statements (ABS) would help reduce the number of estimate requests going forward. He also provided additional information to the table at Section 7 of the Scheme Manager's Report dealing with Internal Disputes and Pension Ombudsman cases.

Employer Liaison Officers (ELO)

MB again 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. **JK** informed members that discussions were taking place within Trust's about investing and developing their own pension expertise. **OB** informed members that this issue was scheduled to be discussed again at an Employers meeting on 8 December.

In response to a question from **MC**, **MB** confirmed that the increased uptake in pension seminars was as a result of the numerous changes to pensions that had occurred since 2015.

GMP Reconciliation

MB updated members that the exercise was progressing better than previously thought. In response to a question from **OB** he stated that investment in technology rather than personnel was the way forward as new technology would resolve most of issues identified. In response to a question from the Chair **MB** confirmed that pensioner cases are being prioritised.

Annual Benefit Statements (ABS)

MB informed members that all ABS statements for year ending 31 March 2017 have been produced and will be uploaded incrementally by the end of December 2017, and that a poster campaign was underway to inform members of how they can access their 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 once he received the details of those affected.

Payroll Queries

MB informed members that 5 members of staff were working on payroll queries. In response to an issue on data quality raised by **OB**, **MB** confirmed that the current information provided by the payroll to pensions interface is not providing the required data needed by Pension Service, however a system software solution is now available and a business case is being drawn up for BSO/DH with regards to its funding, expected to be in the region of £8000 a year.

Breach of Law

MB confirmed that the Pension Regulator (PR) would be taking no enforcement action in relation to the underfunding of employer contributions, but expects that the issue is resolved by 30/4/2018. In response to a question from **DL**, **MB** confirmed that it was only the HSC Trusts that were involved in the underfunding of contributions.

The Chair stated that it should be possible for payroll to make a lump sum payment on account to the Pension Scheme in order to meet the PR deadline of 30/4/2018 and advised members she would bring this matter to the attention of the Strategic Finance Forum.

MB also advised members that the PR would be more robustly focussed on public sector pension schemes from 2018/19 onwards.

On Call Payments

MB explained the procedures as to how on-call payments for part time members is treated for pension purposes. He advised that nothing had changed in relation to this issue and that the guidance provided to employers by HSC Pension Service was to simply clarify the process.

MC and **RM** raised concerns as to how this may affect members pay and their pension contributions, in particular if refunds of member contributions were appropriate, and commented that changes to on-call forms would probably be required. **MB** assured members that staff would see no changes/reduction to the pay awarded for on-call working and that the issue was simply identifying what proportion of on-call payments was deemed to be pensionable.

JK and **AH** stated that previous experience showed that anytime changes to systems/procedures were introduced it usually brings further challenges. **MB** reiterated that this was not a change in policy but simply a clarification and that the issue could be resolved by appropriate payroll coding.

OB stated that the guidance procedures will need to be explained clearly to staff. **The Chair** advised that the systems in place need to be robust and training and communication with employers will be very important.

Data Improvement / Scheme Valuation

A recommendation by **the Chair** that 'data improvement' should be a standing item on the Agenda and that **MB** should provide members with a progress report on data improvement at future Board meetings was agreed by members.

MB advised Board members that HSC Pension Service had delivered all the requested data to GAD within the required timeframe.

PMC updated members on the scheme valuation advising that the Scheme Advisory Board (SAB) was scheduled to meet in January 2018 to finalise the scheme specific assumptions. In addition SAB members would also be asked to consider an appropriate member contribution structure from April 2019 onwards.

This would involve consideration of the use of 'actual pay' as opposed to 'whole time equivalent pay' for setting the appropriate contribution tier for members.

In response to a query from **DPC** as to whether tiered contributions is appropriate in a CARE pension scheme, **PMC** advised this would be one the issues that the SAB would be considering in relation to member contribution rates from April 2019.

Risk Registers

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

The Chair proposed that **MB** report to the Board what cyber security plans and system resilience is in place and that cyber security and business continuity should be added to the HSC Pension Service Risk Register.

MB advised in response to a question from **DPC** that HSC Pension Service had contingency plans in place to deal with major disasters and that these plans were tested annually.

ACTION POINT 1: MB to update Board members on Pension Service cyber security plans and system resilience at the next meeting.

Training Plan

Discussion took place as to what training should be provided/undertaken by Board members, with **PMC** highlighting that member data issues, employer roles and legislative requirements were recurring issues at Board meetings.

It was agreed that at future meetings there should be two items of training on the Agenda, so for the next meeting it was agreed **MB** would provide training on 'partial retirement' and **PMC/RMG** would provide training on scheme legislation.

AOB

RMG informed members that HSC Pension Service / DoH had completed the Pension Regulator online survey of pension schemes and would issue the survey to Board Members

ACTION POINT 2: RMG to provide Board members with the Pension Regulator online survey completed by HSC Pension Service / DoH.

3. Schedule of Next Meeting

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

ACTION POINT 3: Secretariat to write to Board members to seek a suitable date for next meeting.