

Meeting of the HSC Pension Scheme Pension Board

The Glasshouse Stormont Castle

Tuesday 6 November 2018

In Attendance:

David Best (DB)	Chairperson
Russell McGowan (RMG)	DoH – (Secretariat)
Phil McCusker (PMC)	DoH
Martin Bradley (MB)	HSC Pension Service
Dessie Lowry (DL)	RCN
Dr Padhraic Conneally (DPC)	BMA
Roberta Magee (RM)	UNISON
Andrea Henderson (AH)	BSO
Kevin McAdam (KMA)	UNITE
Kevin McCabe (KMC)	Nipsa
Alan Stout (AS)	NIGPC

Apologies:

Oonagh Burns (OB)	Northern HSC Trust
Maryna Chambers (MC)	Northern HSC Trust
Jacqui Kennedy (JC)	Belfast HSC Trust
Cara McLaughlin (CMC)	Western HSC Trust
Mary Caddell (MC)	RCM

1. Welcome / Introductions / Apologies

The Chair welcomed those attending, conveyed apologies received and confirmed that the meeting was quorate.

RMG informed members that Oonagh Burns had resigned her position on the Board and that a replacement employer representative would be sought via the HR Director's Forum. He confirmed the appointment of Cara McLaughlin (Western Trust) who has replaced Pamela Crozier as an employer representative on the Board.

ACTION POINT 1: Secretariat to seek a replacement for Oonagh Burns via the HR Director's Forum.

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 3 July 2018.

4. Action Points from Previous Meeting

AP1 – This action point is still outstanding as **MB** is still awaiting information from Payroll.

AP3 – **MB** confirmed that guidance on ‘on call’ payments would be included in the next employer Technical Update.

AP4 / AP5 – Chair obtained Board agreement to defer the commissioning of an Independent Auditor in light of the extra staff resources obtained by HSC Pension service to deal with payroll/data queries.

AP7 – The issue of ABS for some Belfast Trust members is still unresolved. It was agreed that **RM** would provide the names of 4 staff who had not received their ABS to HSC Pension Service to investigate.

AP9 – **MB** confirmed he had received no requests to provide ‘Partial Retirement’ training but would happily provide training to Board members at a future meeting.

AP10 – **DPC** highlighted that the seminars provided by HSC Pension Service were exceedingly useful to scheme members. It was agreed by all that the **Chair** should write to the HSC Pension Service expressing the Board’s thanks for the service provided.

AP13 – The Chair advised after meeting with the chair of the DoE Pension Board that he felt it was appropriate for the scheme accounts to be shared with the Pension Board. Furthermore he confirmed that **Andrew Dawson (DoH)** was supportive of the need for the Pension Board to develop a strategy document and that this could be an item for discussion on an ‘Away Day’ for Board members which could also discuss Board member training and a review of the Risk Register.

All other Action Points from the previous meeting have been cleared.

ACTION POINT 2: MB to provide details of Band 8A opt-outs

ACTION POINT 3: RM to forward the names of 4 staff to HSC Pension Service for ABS investigation

ACTION POINT 4: Chair to write to HSC Pension Service acknowledging the good service being provided via the pension seminars.

During the action points update, **DPC** raised the concerns of BDA staff regarding Annual Allowance (AA) certificates, in particular the timing of their issue and the process/timeframe around utilising the 'Scheme Pays' arrangements. He further highlighted issues regarding Added Year contracts and how they were affecting Lifetime Allowance (LTA) limits for members on retirement. **AS** agreed that these issues were also true for GPs and in some instances getting cover for OOH shifts was proving problematical due to the likelihood of AA charges. **MB** informed members that he wasn't aware of any issues regarding AA certificates, however he did acknowledge that it was difficult at times to get the required information from GPs. It was agreed that HSC Pension Service would clarify the process and timeframe involved for the issuing of AA certificates and the Scheme Pays facility.

ACTION POINT 5: MB to clarify process and timeframe for AA certificates and Scheme Pays for GPs/Dentists

ACTION POINT 6: Secretariat to check with GB colleagues on the effect of Added Years on the LTA.

5. *Scheme Managers Report*

MB provided members with the Scheme Manager's report and updated members on the key areas.

Final Pay control

MB informed members there was currently 7 cases where Employers were being charged under the Final Pay Control regulations.

GMP Exercise

He confirmed that HSC Pension Service had met the deadline of 31/10/18 and were now in the process of identifying and calculating any under or over payments. **RMG** confirmed that Pension Policy Unit was preparing a Business Case applying for the write off of any overpayments occurring. **PMC** confirmed that pensions in payment were being adjusted going forward.

Breach of Law – Outstanding Employer Contributions

In response to a question from the Chair, **MB** confirmed that the outstanding employer contributions (circa 25%) has still to be paid.

Protection Opt Out Exercise

MB confirmed that 30 scheme members had taken up the option of foregoing protection in the 2008 scheme and have move directly into the 2015 Scheme.

Scheme Data Issues

MB informed members that HSC Pension Service had received funding for an additional 9 members of staff whose main responsibilities will be dealing with pension/payroll data issues. He was confident that the centralising of all pension related functions within HSC Pension Service would have a positive impact going forward. He hoped the new staff would be in post by the end of 2018. Members welcomed this development.

In response to a question from **KMC** he confirmed that the approval for the extra staff resources had been obtained from all the relevant parties including trade unions.

Scheme Advisory Board (SAB) - Update

MB updated members that the SAB had been commissioned by DoH to provide advice on rectifying the breach of the cost cap identified by the scheme valuation. He advised that a SAB Sub Group had been established to consider a number of preferred options for rectifying the breach for consideration by the full SAB. Some of the options being considered were increasing the accrual rate, increasing member benefits and/or reducing member contributions. He informed members

of the difficulties some these changes, if accepted, would be for HSC Pension Service, in particular member communication and associated costs due to system software changes that may be required.

AH agreed that the changes being considered could cause significant issues for Payroll/HSC Pension Service and that early sight of any recommendations adopted would be very helpful. In response to a question from **DPC**, **MB** advised that the cost cap breach would not have any retrospective effect on those members who had retired or left the scheme.

AS stated that the increase in the employer contribution rate to 22.5% will have a massive effect on GP Practices if it is not funded.

MB updated members on the review of member contribution tiers from 1 April 2019 informing members that SAB had agreed to defer changing the tiers until the 2017/18 AFC pay award was finalised. **DL** stated this could prove problematic as the framework for pay is via yearly budgets and therefore DoH can't commit to a 3 year pay deal as in GB.

Annual Benefit Statements (ABS)

MB stated that 58,000 ABS have been uploaded to the member self-service portal, however he acknowledged there were still some problems in relation to Medical and Dental Practitioner statements. He confirmed that the Pension Regulator was happy with the approach being taken by HSC Pension Service to rectify these issues.

Internal Disputes

MB provided a summary of the cases contained in the Scheme Managers Report.

Chair Comments

In response to a suggestion from the **Chair**, **MB** agreed that future Scheme Manager Reports will include the key achievements from the previous report for

comparison purposes and will also include evidence detailing progress achieved on payroll issues and the GMP exercise between reporting periods.

ACTION POINT 7: Scheme Managers Report to include Key Achievements from the previous report and evidence of progress achieved in relation to data issues and GMP exercise.

6. Pension Board Annual Report 2017/18

Members accepted the contents of the Annual Report subject to a minor date change to the communication strategy. It was agreed the report should be published on the HSC Pension Service website.

ACTION POINT 8: Secretariat to publish the Annual Report on HSC Pension Service website

7. Cyber Security

MB confirmed that HSC Pension Service have a business continuity plan that is regularly reviewed and procedures updated. He confirmed to date there were no security breaches identified or reported. In response to a question from the **Chair** he stated that he had full confidence in the IT support staff and the private company responsible for backing up the current provider.

8. Data Improvement Plan (DIP)

MB confirmed that the DIP is continually monitored and that data is constantly updated on a daily basis. He confirmed that the Pension Regulator had approved the DIP.

In response to a question from **AS**, **MB** confirmed that HSC Pension Service had not received any significant enquiries as a result of the new GDPR regulations, but stated that they do receive FOI enquiries.

9. Scheme Accounts

Members acknowledged the complexity and detail contained in the scheme accounts. In response to a question from the **Chair**, **MB** advised that the increase

in membership from 63,000 to 80,000 was as a result of Auto Enrolment and a retrospective member adjustment of 10,000 members.

10. Pension Board Risk Register

Members acknowledged the amendment made to the risk register to include data accuracy. After a short discussion it was agreed that a review of the risk register would be carried out as part of an 'away day' for Board members

11. Training Plan

The **Chair** stated it was best practice to keep a record of the training members had received and after a short discussion it was agreed that training issues should form part of the agenda for the members 'away day'.

In response to a query from **DL**, **RMG** advised members that the Pension regulator website was a valuable source of information for Pension Board members to consider.

12. Pension Regulator Survey

MB confirmed that HSC Pension Service had just completed the annual on line return to the Pension Regulator and agreed to update members of any issues highlighted by the Pension Regulator.

RMG advised members that the Pension Regulator is due to carry out its annual survey of all public service schemes and he will circulate the final report to board members on completion.

13. Partial Retirement Training

MB provided members a short explanation of the Partial Retirement options for scheme members and it was agreed that Partial Retirement form part of the training plan discussions at the 'away day'.

14. AOB

MB informed members that HSC Pension Service is finalising a benchmarking exercise and that the HSC Scheme was the most cost effective scheme in NI out of 30 schemes. He agreed to share the final report with board members when completed.

In response to a question from **DPC**, **MB** explained the high rating was due to the good use of systems and technology, for example MMS (Member Self Service)

In response to a question from **the Chair**, **MB** confirmed that Internal Audit had a planning document for the whole of the BSO including the HSC Pension Service. He agreed to share with Board members the Internal Audit plan for the HSC Pension Service.

ACTION POINT 9: MB to share Internal Audit plan for HSC Pension Service

15. Date of Next Meeting

The dates of the next two Board meetings and an 'Away Day' were agreed by those attending. The venue for all three dates has yet to be finalised but they are likely to be in the Belfast area.

Next Meetings

Wednesday 30 January 2019 10.30 to 12.30

Wednesday 8 May 2019 10.30 to 12.30

Away Day

Tuesday 26 March 2019 10.30 to 14.00