

# Meeting of the HSC Pension Scheme Pension Board

## Castle Buildings

Wednesday 12 October 2016

### In Attendance:

Deborah McNeilly	DoH - <b>Chairperson</b>
Phil McCusker <b>(PMC)</b>	DoH – Pension Policy and Legislation
Russell McGowan <b>(RMG)</b>	DoH – <b>(Secretariat)</b>
Martin Bradley <b>(MB)</b>	HSC Pension Service
Desi Lowry <b>(DL)</b>	RCN
Kevin McCabe <b>(KMC)</b>	NIPSA
Kevin McAdam <b>(KMA)</b>	UNITE
Mary Caddell <b>(MC)</b>	RCM
Pamela Crozier <b>(PS)</b>	Western HSC Trust
Alan Stout <b>(AS)</b>	NIGPC
Oonagh Burns <b>(OB)</b>	BSO
Roberta Magee <b>(RM)</b>	UNISON
Maryna Chambers <b>(MC)</b>	Northern HSC Trust
Andrea Henderson <b>(AH)</b>	BSO

---

### Apologies:

Dr Padhriac Conneally <b>(PC)</b>	BMA
Jacqui Kennedy <b>(JC)</b>	Belfast HSC Trust

---

## 1. Welcome / Introductions / Apologies / Conflict of Interest

The Chairperson welcomed representatives and conveyed apologies received. No conflicts of interests were declared. Members were also notified that concerns were raised by BSO Internal Audit about attendance at both the Pension Board and Scheme Advisory Board and that the Department would be writing to remind employer and member representatives of the need to ensure there is adequate representation at meetings.

Members were also advised that the DoH Appointments and Business Unit are seeking the approval of Minister to proceed with the competition for the appointment of an independent chair

**ACTION POINT 1: DoH to write to Board members to ensure adequate attendance at meetings**

## 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 29 June 2016.

### Scheme Managers Report

**MB** provided members with a Scheme Manager's report which detailed the key achievements and developments for the period June 2016 to September 2016.

### Choice 2 Exercise

**MB** informed members that the Choice 2 exercise involving 27000 members had commenced and members had until 20 January 2017 to make a decision. He agreed to provide Choice workshops for GPs/GP Practice staff.

### GMP Reconciliation Exercise

**MB** explained that HSC Pension Service had made a business case for 8 additional staff with a cost circa £600,000 to DoH Finance Department to undertake the reconciliation exercise which is expected to take up to 18 months to complete. **MC** asked if the exercise was justified considering the cost, **MB** explained that DoF on the advice of HMRC had advised all N.I. public service pension schemes to carry out the exercise.

### 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, on completion of the Choice 2 exercise.

### Annual Benefit Statements (ABS)

**MB** informed members that HSC Pension Service had notified the Pension Regulator of a 'Breach of Law' as member ABS's had not been issued by the 31 August 2016 as required by regulation.

He explained that HSC Pension Service did not become aware of the issues with members data until after the Pension Board meeting on 29 June. He advised members that the Pension Service had since met with the Pension Regulator and agreed to implement an 8 week data improvement plan which would resolve the existing data issues. **The Chair** asked if he was content and confident that all data issues would be resolved and that the ABS statements would be issued in November, **MB** confirmed that the data issues would be resolved within 8 weeks allowing all ABS statements to be issued by mid/late November 2016.

**OB** asked if the data improvement plan would have an impact on payroll, **MB** stated it was likely to have some impact but as yet not aware of how significant.

### Ill Health Retirement / Death in Service

**The Chair** sought assurance that advice on such issues would be provided on a timely basis. **MB confirmed** that in future cases members would be provided with benefit statements under both 'death in service' and 'one off commuted lump sum' and that information / advice would be included to members affected by the Choice 2 / Protection Opt-Out exercises.

**OB** advised that a group has been established involving Payroll / Pension Service / HR to escalate payroll/pension issues and to tighten up existing processes. **MB** advised that HSC Pension Service was developing an Employers Guide on Pensions and a draft has been issued to employers for comment. **DL** asked that Board members be provided with a copy of the guide.

**ACTION POINT 2: MB to provide Board members with a copy of the Employers Guide when finalised.**

### Scheme Valuation

**PMC** advised Board members that GAD had raised concerns over a number of issues with the 2015 Scheme data provided by HSC Pension Service to date. GAD were also concerned that these issues could be repeated in respect of the 2016 data, which in turn, would affect the assumptions used by GAD in the determination of employer contribution rates. He advised that the Scheme

Advisory Board would be taking a keen interest in the data quality and assumptions used for the Valuation at its next meeting in November.

**The Chair** asked if the HSC Pension Service will be back on track to provide GAD with the necessary data by the required date of 16 December, **MB** confirmed that the required data would be provided on time.

#### Legislative Changes / Biennial Review / Advisory Board

**RMG** informed members that legislation to provide access to the Pension Scheme for employees of GP Federations was expected to be introduced late October with retrospective effect to 1/6/2016.

The Biennial Review sub-group set up to monitor the effect of the increase in the retirement age has published its first report, and as the new scheme has only recently been established the report contains few recommendations as was expected. The report does however raise concerns about the quality of scheme data from all N.I. public service schemes.

**ACTION POINT 3: Secretariat to provide Board members with a copy of the published report.**

#### Risk Register

Members briefly discussed the draft risk register and heatmap provided.

**OB's** view was that there was too much included in the register some of which overlapped with the Pension Service risk register. **MB** agreed to provide members with a copy of the Pension Service risk register for comparison. **DL** stated that a risk register policy document should also be developed which would provide the interpretation needed to accompany a risk register.

**The Chair** advised that the Department has recently developed a new type of risk register which may more appropriate for use by the Pension Board.

**ACTION POINT 4: MB to provide members with a copy of the HSC Pension Service Risk Register**

**ACTION POINT 5: DoH to provide members with an amended draft risk register and policy document for consideration at next meeting.**

### Conflict of Interest (COI) Policy Document

Members briefly discussed the COI Policy document provided and agreed to forward any comments / proposals on the document to the Secretariat by 4 November.

**ACTION POINT 6: RMG to clarify two points on the COI declaration form in relation to question 3 and the definition of 'immediate family'.**

### Training / Work Plan

Members agreed to consider and forward to secretariat what particular training sessions they would like to see provided at future meetings.

### Scheme Accounts

Members were content with the Scheme Accounts which includes the Auditor's statement at pages 31 and 32.

## **3. Presentation on Annual Allowance (AA) / Lifetime Allowance (LTA)**

**MB** explained to members how the drop in the HMRC Annual Allowance limit and its tapering could affect certain members, especially those gaining promotion or receiving a significant pay increase.

## **4. Schedule of Next Meeting**

The date of the next meeting is scheduled for:-

- **18 January 2017    10.00 – 12.00            Room C3.18 Castle Buildings**