

JOINT COMMITTEE ON SUPERANNUATION
MINUTES OF MEETING HELD ON 25 MAY 2010

Present

Official Side:

Karen Cadman

Julia Wood

Mike Watkins

Julie Stevens (Minutes)

Trade Union Side

Alan Maloney

John Allison

Neil Walsh

Rob O' Neill

Apologies from Charles Cochrane and Naomi Cooke

1. Minutes of the meeting 22 February 2010

1.1 The minutes were agreed.

2 Matters arising from the meeting of 22 February 2010

2.1 (Item 3.1) The Trade Union Side (TUS) gave the Official Side (OS) details of the query about a CES/CER estimate. OS have asked MyCSP to investigate. OS will let the TUS know the outcome when MyCSP complete their investigations.

2.2 (item 3.2) OS side said they would formally respond to TUS about the wording used to describe eligibility for upper tier ill health retirement in various guidance notes. The OS confirmed that the policy definition of a being unable to undertake gainful employment is that the individual's functionality (i.e. their ability to carry out any work) should have been impaired by more than 90%. It appeared that various communication materials did not refer in exactly these terms to the definition to make it more readable. TUS would speak to the MyCSP Communications Team. OS said they would share with TUS numbers on the incidence of upper and lower tier ill health retirements.

2.3 (item 4.3) OS said Treasury Solicitor will be instructing Counsel to give an opinion about the CELTEC issues. This work now sat with SME who will update the TUS as this progresses.

2.4 (Item 5.1) CSCS was an agenda item.

2.5 (Item 6.5) OS said they had given TUS the partial retirement numbers. TUS asked for the terms of reference and timing of the OS review of partial retirement. OS said they would not be looking at process issues but their review would take in views from across all stakeholders. OS planned to begin work on the review after the summer. TUS said they would wish to be involved in the review.

2.6 (Item 8.1) OS confirmed that they had provided the TUS with confirmation about the treatment of the “members awaiting award” included in the scheme valuation.

2.7 (Items 11.1 and 11.2) OS confirmed that both the PI briefing and the multiplier tables had been sent to the TUS.

3. Role of the Scheme Management Board (SMB)

3.1 OS gave TUS organisation charts for both Scheme Management Executive and MyCSP with an explanation of their respective roles. TUS asked for clarification of how they should raise questions with SME. If there were worrying delivery trends then these issues should be raised with the SME contract management team. Pensions Technical Team would help where TUS need clarification of the rules.

3.2 OS agreed to send TUS details of the SMB membership. SMB did not have any power to veto or change policy which was the responsibility of the Cabinet Office. The next SMB meeting was planned for 10 June 2010. **Action: OS**

4. CSCS and ETs

4.1 Official side reported that both their and PCS' submissions had been sent to the Court on 24 May. The purpose of these submissions was to ask the Court for clarification of the judgment following PCS's request for Judicial Review (judgment handed down on 10 May). Once the Court had given its view then work could begin on the way forward. In the meantime employers had been directed to suspend any early exits except for those that had already been agreed.

4.2 The judgment does not impact on the PCSPS amendment scheme but may nevertheless have consequences for the PCSPS as well as the CSCS (because of the way the amendments were framed). TUS said they continued to have concerns about the pension arrangements for re-employed staff .

4.3 TUS and OS agreed to discuss the ETs outside of the meeting. Both sides needed clarity on the current cases and their status. **Action: OS and TUS**

5. Actuarial review

5.1 TUS said they had some concerns that an approach whereby HM Treasury set common assumptions across public service schemes could have consequences for the Civil Service scheme. OS said Hewitts had given the Governance Group an assurance that there was good methodology behind the common assumptions. There was a case for common assumptions if there was any scrutiny of the affordability of the Civil Service (and other public service) schemes.

5.2 TUS side was also concerned about the impact of high RPI relative to pay increases as this may make cost sharing even more difficult to communicate to staff. OS said where any change in cost came from outside the scheme then any Minister would have to take a view on this when they looked at cost sharing. OS said that the important issue here was a consistent approach across public service schemes.

5.3 OS said the valuation data would be with Hewitt by the end of May 2010. The Governance Group was due to meet to discuss the data and the issues flowing from it in the summer. The Review was due for completion by the end of the year and the results would be shared with the TUS as set out in the scheme rules.

6. Fair Deal Policy

6.1 TUS side said they had a number of issues with Fair Deal around the long term pay issues for staff moving to public sector schemes with higher contribution rates. OS said these issues were best raised with the employers on a case by case basis. As Fair Deal was HM Treasury policy any general issues should be taken up with them.

7. Payment of Pensions Overseas

7.1 OS had given a response to a question from a pensioner member living overseas. TUS had forwarded the response to the pensioner. They also gave the pensioner an assurance they would raise the efficiency of overseas payment with the OS. OS explained Capita's responsibility to appoint an overseas baking partner. OS said they would ensure that this issue would be included in the review of the Service Agreement with MyCSP.

8. Any other business

8.1 TUS asked if OS had any plans to review ill health retirement. TUS had learned that NICS planned such a review. OS said they had no plans for a review.

8.2 OS referred to the Coalition Government's plans to review public service pension. As yet there were no terms of reference or timetable. It appeared likely that this review would be undertaken externally taking the views of all interested parties. TUS asked to be kept involved.

8.3 TUS asked OS what they knew of the Conservative Manifesto undertaking to bring Civil Service redundancy compensation into line with practice in the private sector. OS said that a similar commitment features in the coalition programme. In their view any review would have to come after the questions flowing from the Judicial Review were resolved.

8.4 TUS asked if NAO had given them any more information about their review of public service pensions. OS said it was their understanding that NAO's review was backward looking. OS has met with NAO and provided some background information but has had no further involvement to date. TU asked OS to tell them who in NAO was working on the review. **Action: OS**

8.5 OS asked that papers for future agenda item be sent to OS in good time. This would allow the OS to look at the question and ask MyCSP to investigate in time to discuss the issues at the meeting.

9. Date of next meeting

9.1 Both sides agreed the date of the next meeting as 27 September at 11am.
Prospect offered to host the meeting.