

# JOINT COMMITTEE ON SUPERANNUATION

## QUARTERLY MEETING

15 February 2011 at 11.00  
Grosvenor House, Basing View, Basingstoke

### Minutes

#### **Official Side (OS)**

Karen Cadman – Chair  
Julia Wood  
Peter Spain  
Mike Watkins  
Rachel Christian  
Sandie Woods (minutes)

#### **Trade Union Side (TUS)**

Alan Maloney  
Chris Haswell  
Neil Walsh  
Rob O'Neill  
John Allison  
Jim Dawson

(Apologies were received from Naomi Cooke)

#### **1. Minutes of last meeting, 27 September 2010**

1.1 The minutes were agreed.

#### **2. Matters arising from 27 September 2010**

2.1 (Item 3.1 CES/CER Estimate). OS confirmed that Phase 19 (issued in April 2009) corrected this problem. TUS had previously asked for confirmation that a trawl of members' records had been carried out to ensure that there were no other cases. OS had confirmed that they had spoken to MyCSP who were confident that the original case was regrettable human error and that a check of all potential records would not be cost effective. TUS agreed.

2.2 (Item 5.3 Partial retirement contributions refunds). OS apologised for not answering original query. This will be dealt with separately from the meeting.

2.3 (Item 9.1 Benefit statements). TUS asked if there was any further update on information given to employers in EPN262. TUS have had a number of members complaining that their benefit statements are incorrect, or the issuing centre attaching a caveat to the accuracy of the statement. A further issue was raised that partial retirees and pre-fresh start members apparently do not receive annual statements. OS will write to MyCSP to confirm the situation. **Action: OS.**

### 3. Tax relief

3.1 TUS asked if OS foresaw any problems with implementation. OS said that they had been in contact with HMRC around the issue of taxation on Ill Health Benefits. OS confirmed that MyCSP were working up an implementation plan for the proposed changes, this should include communication to employers.

3.2 OS went on to say that it is important for scheme members to recognise that tax matters are their responsibility. The Scheme is however required to provide Annual Allowance statements to members, on request; and to provide them with information about earlier years (to enable them to do carry-back calculations). However, they would write to members to draw it to their attention.

3.3 OS confirmed that Annual Allowance Statements will be produced by the scheme with no cost to the member. OS would ask MyCSP to share a draft of the statement with TUS. **Action: OS.**

3.4 Details of the “scheme pays” option – for giving members who incur a significant Annual Allowance charge the option to settle it by deduction from their pension benefits – are still awaited from HMT.

### 4. CELTEC

4.1 TUS asked for an update on CELTEC. OS said that they were no further forward, and had written back to their legal advisers for further advice.

### 5. RPI/CPI

5.1 TUS asked how much the scheme will save due to the change from RPI to CPI. OS said that cost saving calculations had been undertaken..

5.2 OS said that all calculators had been updated. The new factors had not been published as they were integral to the calculators. TUS asked whether CILON calculator had been updated. OS will check this. **Action: OS.**

5.3 TUS queried the legal validity of the change and mentioned that all **nuvos** literature referred to it being RPI linked. OS said that the legal advice they had been given is that the changes are legally sound and justified.

5.4 TUS asked what was happening with those members who had evidence that they had purchased added years/added pension on an RPI basis. OS stated that these cases would be dealt with on an individual basis, and that any claims would go straight to IDR stage 2.

5.5 TUS said that they would look at the complaints that they had received and if necessary direct them to OS. **Action: TUS.**

5.6 TUS wanted to know if there would be any consultation over the accrual rate used for **nuvos** as this had been agreed on an RPI basis with the unions. OS said that it was a fundamental design principle in **nuvos** that the uprating was done on the same basis whether individuals were in service, had deferred benefits or were in receipt of pension. Future changes will be considered in the context of the outcome of the actuarial review and the final recommendations of Lord Hutton's review of public service pension provision.

## **6. Actuarial review**

6.1 TUS confirmed that they had received the letter from OS regarding the proposed change to the rules of the 2008 Section. They confirmed that they would respond shortly. But there was considerable unhappiness about the delay in the valuation especially as they had expected to be soon involved with discussions around issues which might emerge.

6.2 TUS mentioned that they had not officially been told that the Scheme valuation had been put on hold. OS confirmed that they had written to the Secretary of the CCSU and would send a copy to TUS. **Action: OS.**

6.3 OS confirmed that the valuation would be on hold until at least the end of the discount rate consultation period.

## **7. CSCS – Continuity of service**

7.1 TUS asked for clarification on continuity of service as they felt that some of the guidance was unclear.

7.2 OS confirmed that staff when staff move between Schedule 1 employers there is continuity in reckonable service.

7.3 OS further confirmed that authorised career breaks do not create a break in qualifying service.

7.4 OS said that the new CSCS guidance is due to be issued by 18 February, and that they would check that references to continuity of service is clear.

7.5 OS agreed to follow up with MyCSP why the new CSCS rules are not yet on the website. **Action: OS.**

## **8. CSCS – Age discrimination**

8.1 TUS thanked OS for the updated information on outstanding union sponsored cases.

8.2 TUS said that they had a particular case regarding tapering and that they would write to OS separately about this. **Action: TUS.**

## **9. Hutton Commission**

9.1 OS said that the final Hutton report is due to be published before the budget.

9.2 OS said that following representations from the TUC, the Chancellor had agreed to put back to June the date by which schemes needed to finalise details of the contribution increases announced in the Spending Review. A series of high-level meetings between Ministers (Minister for the Cabinet Office and the Chief Secretary) and the TUC (covering all public service unions) are now planned, with the first meeting scheduled for 17 February.

## **10. Ill health (Capita Health Solutions)**

10.1 TUS have been receiving an increasing number of complaints in respect of Capita Health Solutions (CHS) and asked OS if CHS were meeting the requirements of the SLA.

10.2 OS said that they were aware of a change in the management structure within CHS and were also aware of the increased dissatisfaction of employers.

10.3 OS said that would be requesting an update from MyCSP on the standard of service. **Action: OS.**

## **11. Taxation of benefits (Ill health)**

11.1 TUS referred to a specific case which has now gone to stage 2 of HMRC's dispute process. OS asked that a press release appearing on one of the websites be removed as it could be misleading. TUS said that the release would remain on the website until the case has been resolved.

## **12. Any other business**

12.1 TUS expressed concern over the disbandment of the Civil Service Appeal Board. They asked how cases involving inefficiency compensation and forfeiture would be handled. OS said that they would seek advice from the Deputy Director of Employee Relations within the Cabinet Office, but TUS would also write to him. **Action: OS/TUS.**

12.2 For clarity, OS confirmed that all queries regarding policy should be referred to the Deputy Director of Civil Service Reward, those regarding operational issues with MyCSP be directed to the Head of the Scheme Management Executive.

## **13. Date of next meeting**

13.1 Wednesday 4 May at 13:00 at FDA headquarters, Leake Street, London.

Action Log – JCS 15 February 2011

Paragraph	Action	Status
2.3	OS to write to MyCSP regarding incorrect benefit statements and partial retirees and pre-fresh start members apparently not receiving statements.	Open (KC to MyCSP 21/02/11)
3.3	OS to ask MyCSP to share a draft of the Annual Allowance Statement with TUS.	Open (KC to MyCSP 21/02/11)
5.2	OS to check whether or not the CILON calculator has been updated with new actuarial factors.	Open
5.5	<b>TUS</b> to look at the RPI/CPI complaints they have received, and if necessary direct them to OS.	Open
6.2	OS to forward the official notification in respect of the delay to the Scheme valuation to TUS.	Closed (23/02/11)
7.5	OS to follow up with MyCSP why the new CSCS rules are not yet on the website.	Closed (now on website)
8.2	<b>TUS</b> to write to OS regarding a particular tapering case.	Open
10.3	OS to request an update from MyCSP on the standard of service.	Open (KC to MyCSP 21/02/11)
12.1	OS to seek advice from the Deputy Director of Employee Relations (Cabinet Office) regarding	Open