

JOINT COMMITTEE ON SUPERANNUATION

QUARTERLY MEETING

Wednesday 4 May 2011 at 13:00
FDA Headquarters, Prospect House, 8 Leake Street, London

Minutes

Official Side (OS)

Karen Cadman – Chair
Julia Wood
Peter Spain
John Anderson
Sandie Woods (minutes)

Trade Union Side (TUS)

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

(Apologies were received from John Allison and Naomi Cooke)

1 Matters arising from 15 February 2011

- 1.1 (Item 2.2 Partial Retirement). TUS confirmed that they had received a response from OS.
- 1.2 (Item 2.3 / 3.3 / 10.3 Issues referred to MyCSP). TUS thanked OS for MyCSP's responses, but pointed out that it was not clear whether or not the issue with annual benefit statements in respect of pre-fresh start prison officers was included in the work to be carried out after update 19.4 has been completed (September 2011). OS said that it would ask MyCSP for clarification. **Action OS.**
- 1.3 (Item 6.2 Scheme valuation). See agenda item 10.
- 1.4 (Item 7.5 CSCS rules). The rules are now on the website.
- 1.5 (Item 8.2 Prospect and a tapering case). Following a Pension Ombudsman ruling in January 2011 regarding a tapering case and breach of age equality legislation, TUS asked:
 - a) Do the Cabinet Office intend to appeal. OS confirmed that there were no plans for appeal;
 - b) Whether or not there were any similar cases in the pipeline and if so would the Cabinet Office be settling these cases in line with the Ombudsman

determination? OS confirmed that there was one other Ombudsman case which they had instructed the employer to settle (avoiding the need for the Ombudsman to issue a determination);

- c) Does the Cabinet Office see the determination having any implications for the current scheme. OS said that they would respond in due course.

Action OS.

2 Age Discrimination

- 2.1 TUS thanked OS for sending an update of all outstanding union backed age discrimination cases.
- 2.2 TUS asked what the rationale was for tapering in respect of members who go part time in the latter part of their career. OS said that the tapering of the payments to part-timers close to pension age reflected the fact that their earnings foregone to pension age would all be at the individual's current (part-time) rate. The 6 months' compensation payment for those over pension age is, however, tapered by reference to the overall mix of part-time and full-time service. The policy intention for all staff is to avoid a cliff-edge in compensation terms at pension age.
- 2.3 On another issue, TUS asked if OS were confident that tapering of part-timers is not indirect sex discrimination due to the majority of part time workers being women. OS said that the policy intention was to treat part-time and full-time workers consistently and that they believed that the terms achieved this..

3 Hutton Review

- 3.1 TUS asked if the PCSPS was working to a timetable to implement Lord Hutton's recommendations. OS said that the Government is committed to making a decision regarding increased employee contributions by the end of June. The Government is also due to give a response to Lord Hutton's overall recommendations by the autumn.
- 3.2 OS confirmed that they would be contacting TUS soon to start discussions in respect of member contributions.

4 EPN 298 and EPN 299

- 4.1 OS apologised for the failure of process in notifying TUS of the issuing of these EPNs. OS had reminded MyCSP and SME of their responsibility to notify TUS of any EPNs.
- 4.2 OS explained that the Order to remove the caps in the Superannuation Act 2010 applies only in respect of new provisions. The Minister has been clear that this is a precautionary measure in the event that the December 2010 amendments are quashed following the judicial review being brought by PCS and POA. The effect of this is that compensation on inefficiency (which was

not changed by the December 2010 amendments) is caught by the caps in the Superannuation Act, (the 12 month cap applies as inefficiency is a reason for dismissal). This had been overlooked initially, but as soon as this was realised a hold was made on all payments pending the issue, to Pension Service Centres, of guidance as to how to apply the cap

4.3 TUS and OS agreed that a separate discussions would need to be held to discuss issues around inefficiency.

4.4 TUS said that the new CSCS guidance in respect of allowances and overtime is unclear.

OS said that the treatment for the purpose of calculating CSCS benefits depended on whether or not the payment was a regular contractual payment. OS agreed that they would work with MyCSP to produce clearer guidance.

Action OS.

5 EPN 298 – further guidance in respect of TUPE transfers

5.1 MyCSP have confirmed that the guidance should be ready by the end of May 2011.

6 Amendment Scheme

6.1 TUS asked if there was any news on future Amendment Schemes. OS said that there was nothing in the pipeline at the moment, though upcoming issues surrounding Scheme Pays could necessitate one in the future.

7 Taxation of compensation payments

7.1 TUS asked if it was possible for compensation payments to be made before the issue of P45's as this would avoid tax claim issues.

7.2 OS said that MyCSP were looking into the possibility, the current system is automated via Capita Hartshead.

7.3 OS also mentioned that there was a possibility of MyCSP doing the calculations and employers making the payment. OS stressed that this would be a very slow implementation.

8 Scheme Pays and Annual Allowance

8.1 TUS asked what arrangements the Cabinet Office are making to enable Scheme Pays to be offered where members incur a tax charge under the new regime.

- 8.2 OS said that PCSPS is one of several large public sector schemes who are taking part in a Government Actuary Department (GAD) facilitated working group to come up with a broadly consistent MOCOP scheme design to implement the 'Scheme Pays' mechanism. The working group is looking to use the pension sharing on divorce model which on the surface seems to fit the bill.
- 8.3 OS confirmed that MyCSP are still working on a draft Annual Allowance Statement, and that MyCSP would share this with the TUS.
- 8.4 TUS asked whether or not Annual Allowance statements would be issued to all members or just those affected. OS said that they would write to MyCSP for a written proposal for issuing Statements. **Action OS.**
- 8.5 TUS asked if there was going to be guidance issued regarding ill health payments and the annual allowance restrictions. OS said that HMRC have set the criteria which do not match PCSPS rules. OS confirmed that they were looking in how to apply HMRC criteria **Action OS.**

9 Auto enrolment

- 9.1 TUS asked what OS were doing regarding auto enrolment and ensuring that PCSPS is compliant. OS confirmed that nuvos is compliant, but partnership is not. OS will be making a decision on which scheme is to be used for auto enrolment, but that it was likely to be nuvos.
- 9.2 OS said that they would keep the TUS informed of developments. TUS said that Neil Walsh would be the best TUS member to deal with this. **Action OS.**

10 Scheme valuation

- 10.1 OS confirmed that all work on the scheme valuation was on hold until HM Treasury has lifted the suspension on valuations. OS confirmed that they would keep TUS informed of any developments. **Action OS.**

11 Any other business

- 11.1 TUS confirmed that they had been in correspondence with Cabinet Office regarding the route to take for Appeals (inefficiency payments and forfeiture).
- 11.2 OS asked TUS if there was any news on the replacement for the CCSU. TUS said that discussions are taking place and that they would report to OS in due course. **Action TUS.**

- 11.3 OS and TUS agreed that they would circulate a timetable for setting agenda items for future JCS meetings; this would enable OS to get sufficient background information so that items can be covered fully.
- 11.4 The JCS members thanked Alan Maloney and Julia Wood for their sterling efforts over the years and that they would both be missed.
- 11.5 Alan Maloney commented that he has enjoyed his time working with CSP (now SME and MyCSP), and that a lot has been achieved in the last 30 years.
- 11.6 TUS commented that Julia would be sorely missed and that they have appreciated her forthrightness over the years.
- 11.7 TUS will let OS know who the new Chair of TUS will be.
- 11.8 Date of next meeting – Wednesday 31 August, Cabinet Office, 22 Whitehall,, London.

Scheme Management Executive
May 2011