

Metropolitan Police Pension Board

Minutes of the Board's Meeting

Details

Date: 4th September 2019 (14.00)

Place: Empress Building, London (9th Floor)

Present

Role

From

Pension Board Members

Ian Pollitt (IPo)	Chair	Independent
Catherine Roper (CR)	Employer Representative	Operational Policing/Professionalism
Mark Pomroy (MP)	Employer Representative	Human Resources
Rahima Ali (RA)	Employer Representative	MOPAC
Don Ratcliffe (DR)	Member Representative	NARPO
Kate Halpin (KH)	Member Representative	Superintendents' Association
Paul Deller (PDe)	Member Representative	Police Federation

In Attendance

Ken Anthony (KA)	Pensions SME	Metropolitan Police
Mairi Spilby (MS)	Guest Speaker	Pensions Ombudsman
Paul Mudd (PM)	Secretarial	XPS Administration

Apologies

Paul Oliffe (PO)	Employer Representative	Finance
Laurence Taylor (LT)	Member Representative	CPOSA

Minute

Action

Introduction and apologies for absence

2019-49	IPo opened the meeting and confirmed as quorate, followed by a short round the table introduction of names and brief role. CR was welcomed to her first Pension Board meeting. DR joined by conference call.	IPo
2019-50	KA confirmed that DAC Laurence Taylor had been approached in consideration of the vacant Member Representative position left by SB who has retired. LT will replace SB on the Pension Board as part of his portfolio, however he has submitted his apologies in advance of this meeting due to prior commitments having already been made.	KA

Minute		Action
	Conflicts of Interest and Confidentiality	
2019-51	No conflicts were raised and there were no declarations of interest. IPo explained that there was a conflicts policy which detailed how conflicts are managed.	IPo
	Minutes of Previous Meeting	
2019-52	IPo asked Members to confirm that they had received, read and agreed with the content of the minutes from the previous meeting (8 th May 2019). These were then confirmed as a true record.	All
	Pension Board Action List	
2019-53	(AL1) – Biographies confirmed as having been received for all Board Members other than CR, who stated that this would be sent without delay. CR to send her Biography to PM.	CR
2019-54	(AL2) – ESA – At the last meeting of the Board, KA confirmed that this project had been commissioned by the MPS and that work was due to start prior to this meeting. KA confirmed that letters had been sent by the Pensions Administrator to injury award recipients. This letter was to explain that Employment Support Allowance is now deductible from Police Injury Award payments, with effect from February 2017 and that they should notify the administrator if they were in receipt of ESA. Scheme members are required to inform the MPS regarding any relevant benefits they receive in respect of a qualifying injury.	KA
2019-55	(AL3) – Valuation – (See item 9 – Current Issues)	IPo / KA
2019-56	(AL5) – High Court Ruling – (see 10 - Update from the Chair)	IPo / KA
2019-57	<p>(AL7) Certificate of Entitlement – As had been expected, KA confirmed that letters had been sent to scheme members in receipt of a dependent pension (adult Survivor).</p> <p>In total, 4588 letters had been sent and of those, 3,377 have already responded, confirming their ongoing entitlement to payment of their police dependent pension benefits.</p> <p>5 people had passed away and 4 people confirmed that their circumstances had changed and that they are no longer entitled to receive this benefit</p> <p>A reminders will be sent to those 1,200 members who have not yet responded and pensions will be suspended if there is no response to the reminder.</p> <p>DR confirmed that there had been no issues encountered with these letters for his members. It had been noted in previous meetings that this is a sensitive issue which must be dealt with sensitively.</p>	KA

Minute

Pension Board Action List (continued)

Action

- | | | |
|----------------|--|-----------|
| 2019-58 | <p>(AL8) – GMP Reconciliation – KA confirmed that this item is progressing, with Equiniti working through the data available to them. HMRC is expected to send information to the MPS (along with other Pension Schemes), to allow movement to the next stage which will allow the accurate calculation of benefits, including any under or overpayments of pension benefits. The Board once again noted the expectation that any overpayments would not be recovered from pensioners, however, where benefits had been overpaid, pensions will need to be reduced to the correct levels to ensure that overpayments cease.</p> | KA |
| 2019-59 | <p>(AL9) Data Quality Scores – This remains an ongoing item with the Administrator. KA has advised Equiniti that there must be progress in advance of the Pension Regulator’s Scheme Return which is due to be submitted shortly after the 6th October 2019.</p> <p>Equiniti have advised that they have a tool which will allow them to report on data quality scores in time for this year’s return and it was expected to report progress on this item at the next meeting.</p> <p>http://www.thepensionsregulator.gov.uk/measuring-data</p> | KA |
| 2019-60 | <p>(AL10) PSS / ABS – It had been confirmed at the last meeting that Pension Savings Statements would be sent to members’ home addresses. KA informed the Board that Annual Benefit Statements had been sent out by the statutory deadline of the 31st August and that Pension Savings Statements would be sent by their deadline also. The statutory deadline for the production of a Pension Savings Statement is the 6th October. Equiniti are intending to prepare and send Pensions Savings Statements out in September</p> | KA |
| 2019-61 | <p>(AL11) Carry forward on Pension Savings Statement – It had been confirmed at previous meetings that Equiniti would not be providing Carry Forward figures on the statements this year, however this is still desired by all parties, as it was felt this would help Officers to understand their position and calculate any potential tax charges.</p> <p>KA reiterated that if a scheme pays debit was quoted on member statement, it would continue be calculated on a basis of retirement at age 60, albeit, the value would need to be recalculated at the relevant age the scheme member actually retires.</p> <p>The Board was interested to know how many Pensions Savings Statements will be issued this year and how many scheme pays elections were made – It was agreed to request this information from Equiniti.</p> | KA |
| 2019-62 | | KA |

Minute**Action****Knowledge and Understanding****2019-63**

IPo provided a verbal overview of the training requirements for Board members, given that there were members attending for the first time.

IPo

All members were confirmed as having undertaken the Public Service Toolkit training. CR was attending her first meeting) and was congratulated on having already completed the training. <http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

Presentation by the Pensions Ombudsman**2019-64**

The Board received a very thorough and informative presentation by MS representing the Pensions Ombudsman.

MS / ALL

MS is the Stakeholder Manager and is well placed to inform the Board regarding trends and frequencies of complaints in respect of Public Sector Pension Schemes.

The Board heard about the widened scope of the Pensions Ombudsman's office and the recent inclusion of TPAS, the Pensions Advisory Service, within their remit. MS spoke of the top 10 complaint topics, as well as providing a commentary on some of the high profile cases affecting Public Sector Pension Schemes.

2019-65

The Pensions Ombudsman is actively recruiting volunteers and would welcome a conversation with anyone who is potentially interested in working with the Pension Ombudsman's office in this capacity.

ALL

The input from MS was well received and IPo thanked MS for her well delivered and interesting contribution to the meeting.

Minute	Report by Senior Pensions Contract Manager	Action
2019-66	<p>Much of what was due to be discussed within this item had already been covered during the action list items.</p>	KA
2019-67	<p><u>Auto Enrolment</u></p> <p>The date for the MPS re-enrolment exercise was the 1st May 2019.</p> <p>On this date 2162 people (who had been opted out for in excess of 12 months), were opted back into their respective scheme. 1575 opted straight back out. The initial increase in scheme membership equates to a little over a quarter of all those who had been opted back in as part of the Auto Enrolment exercise. Each member who wishes to remain in the scheme must complete a medical questionnaire and where appropriate, a medical examination. There were 215 officers who were yet to return their questionnaires and if they fail to do so, they will have their contribution reduced by 2.5%. As a consequence of this, these members would not be covered to receive an ill health pension should they need to leave the Force due to ill health. E-mails and letters will be sent to these individuals explaining the importance of completing the questionnaire for the ill health component of the scheme to be available to them.</p> <p>Current levels of scheme participation were approx. 93% It was anticipated that providing those officers who were auto enrolled remained within the scheme, that participation levels would rise to approx. 95%. This would be a positive step as there is concern about the rate of opt outs both within the MPS and the Police Pension Schemes nationally</p>	KA
2019-68	<p><u>IDRP</u></p> <p>There had been one IDRP case which had progressed to stage two in the latest quarter, which was noted by the Board.</p>	KA
2019-69	<p><u>Scheme Statistics</u></p> <p>KA reported that Equiniti was back on track with all the major KPIs which are reported to the Board as a matter of course. This followed a decline in certain scores following their office relocation.</p> <p>PD and KH queried whether the numbers provided to the MPS could be relied upon as they cited queries from their respective membership groups where cases were not completed in required timescales. Correspondence had already been sent to KA about an individual query and he invited Board Members to get in touch if there were any outstanding items from their members.</p>	KA

Minute

Action

Communications

2019-70

A number of communication topics had already been covered under previous items, such as annual benefit statements, pension savings statements and auto enrolment.

KA confirmed that Tax awareness sessions had been arranged to take place for members who had received a Pension Savings Statement. An external company had been appointed to provide this service to members on behalf of the MPS.

KA

Risk Register

2019-71

IPO informed the Board that the Chair and Pensions Manager had discussed the current Risks and considered them to be a reasonable assessment of the MPS pensions environment. Board Members were invited to comment on the Risk Register and confirmed they were content with the current description of Risks

IPO

The Board was required to formulate a score for two new risks which were added to the register following the previous meeting of the Board. These were:

- Cyber Risk, and
- McCloud Judgement

IPO discussed the risks and made observations and recommendations as follows:

Cyber Risk - (9) - It was felt that a score of Impact – 3, and Probability – 3 was sufficient for the purposes of an initial score. Equiniti had provided an update on their systems security processes however, this had only been received immediately prior to the meeting and there had been insufficient time to properly consider/scrutinise if the security measures were reasonable. This Risk to be reviewed again in more detail at the next meeting.

McCloud Judgement - (20) – The impact of this judgement on scheme members, police forces and scheme administrators is likely to be significant. With a reported potential annual cost (nationally) of circa £4bn. It was agreed to set an Impact – 5 score. As there is still no detail available regarding potential remedies for the affected members, the Board agreed to a Probability – 4 score, giving this risk the highest score on the Risk Register.

The Board agreed with these scores and that the existing risk scores did not require amending.

All

Current Issues – Update from the Chair

2019-72

Valuation & McCloud Legal Challenge

IPO

Minute		Action
	<p data-bbox="367 174 1260 280">IPo spoke of the pausing of the valuation due to the potential impact that the McCloud ruling may have, other than the increase to Employer rates of 31%, that became effective from 1/4/2019.</p> <p data-bbox="367 291 1260 324">Current Issues – Update from the Chair (continued)</p> <p data-bbox="367 336 1260 481">There is still no definitive method of remedy for any Officers affected by the ruling in the case of McCloud and Sergeant. Pension schemes and administrators await further announcements following hearings later in the year.</p> <p data-bbox="367 492 1260 526">Any Other Business</p>	
2019-73	<p data-bbox="367 548 1260 616">With no further business, IPo thanked Members for their input and closed the meeting.</p> <p data-bbox="367 649 1260 683">Date of Next meeting</p>	IPo
2019-74	<p data-bbox="367 694 1260 743">4th December 2019 - 9th floor (N) ESB</p>	All