

Metropolitan Police Pension Board

Minutes of the Board's Meeting

Details

Date: 4th December 2019 (14.00)

Place: Empress Building, London (9th Floor)

Present

Role

From

Pension Board Members

Ian Pollitt (IPo)	Chair	Independent
Mark Pomroy (MP)	Employer Representative	Human Resources
Paul Oliffe (PO)	Employer Representative	Finance
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
Kevin Courtney	Pensions Adviser	NPCC
Paul Mudd (PM)	Secretarial	XPS Administration

Apologies

Catherine Roper (CR)	Employer Representative	Operational Policing/Professionalism
Laurence Taylor (LT)	Member Representative	CPOSA

Minute

Action

Introduction and apologies for absence

2019-75	IPo opened the meeting and confirmed as quorate, KH and PO joined by conference call.	IPo
2019-76	Apologies had been received and noted from CR and LT.	All
2019-77	Conflicts of Interest and Confidentiality No conflicts were raised and there were no declarations of interest.	IPo

Minute		Action
Minutes of Previous Meeting		
2019-78	IPo asked Members to confirm that they had received, read and agreed with the content of the minutes from the previous meeting (4 th September 2019). These were then confirmed as a true record.	All
Pension Board Action List		
2019-79	(AL1) – Biographies confirmed as having been received for all Board Members. PM to collate and send to KA for inclusion on the MPA Website.	CR
2019-80	(AL2) – ESA – At the previous meeting of the Board, KA had informed members that letters had been sent to all officers in receipt of an injury pension, asking for confirmation of whether they were in receipt of Employment Support Allowance, as this is now considered to be a relevant benefit and should be deducted from any injury award. A reminder letter was sent on 15 th November to anyone who hadn't responded to the original mailing, a further letter will be sent in due course should there be no response received in good time. The next stage of this project is for the Scheme Administrators to calculate any over or underpayments and communicate any amendments required to benefits to the members. PO questioned whether there were any controls for those who may not respond adequately to the letter. KA explained that the NFI operates every 2 years, where pensions are reconciled with benefits paid by the DWP and this would ultimately capture any irregularities. DR commented that there had been very few enquiries from his members, although one area of concern raised was over the layout of the letter which KA shared with the Board. The issue was in relation to the positioning of the signature box on the letter which members felt was misleading, and by signing the letter would give the administrator permission to consult with DWP regarding the type, or level of benefits being received. This had not been the intention and KA accepted that the letter could have been set up a little differently. DR asked whether communications such as this could be shared with NARPO prior to being sent so they could alert where they felt confusion may arise. KA said he would ask that this is done in the future.	KA
2019-81	(AL3) – Valuation – Confirmed that although the Home Office had sent a draft 2020 valuation template to administrators for comment, on behalf of the Government Actuary Department, the current pause is expected to continue due to McCloud.	IPo / KA
2019-82	(AL5) – High Court Ruling – (see Update from the Chair)	IPo / KA

2019-83	Pension Board Action List (continued)	KA
	<p>(AL7) Certificate of Entitlement – At the previous meeting, KA confirmed that letters had been sent to scheme members in receipt of a dependent pension (adult Survivor).</p> <p>In total, 4587 letters had been sent and of those, 4,094 have now responded, confirming their ongoing entitlement to payment of their police dependent pension benefits.</p> <p>Of those responses, it would appear that there are around 20 individuals who have cohabited or remarried and should have had their spouse’s pension stopped.</p> <p>The 493 people who had not responded to the original mailing were sent a reminder in November setting out their obligation, noting a failure to respond would lead to a suspension notice on the pension being served. It was noted that in previous years, this notice led to 100% of recipients responding within three months.</p> <p>DR confirmed that there had been no enquiries from his membership about these letters, other than a very small number of individuals who were receiving a pension following the death on duty, of their husband or wife and were therefore entitled to retain the pension for life, this has been acknowledged and will taken on board for future exercises.</p>	
2019-84	<p>(AL8) – GMP Reconciliation – KA confirmed that this item is progressing and that the administrator is effectively at Stage 3 of the project, which is to amend and rectify benefits in payment. Further information is expected from HMRC with regards to their final position towards the end of the new year.</p> <p>Due to the complexity of the GMP Reconciliation exercise, this has not been widely communicated to the members at the moment. There needs to be a thorough and consistent approach – preferably endorsed by HMRC and others such as the Home Office so that this is dealt with consistently.</p>	KA
2019-85	<p>(AL9) Data Quality Scores – KA confirmed that Common Data scores had been included in this year’s Pension Regulator Scheme Return (due 31/8/2019). Conditional data scoring is being worked on which will see the quality or existence of the scheme specific data scored and validated too. The criteria for scoring date will be agreed in a couple of weeks, with scoring ready in a couple of months. Where the scoring has revealed a deficiency in the data quality, a data improvement exercise will be formulated and put in place. It was noted that the inclusion of the common data on this year’s Scheme Return was an improvement on last year’s return.</p>	KA

Pension Board Action List (continued)**2019-86****KA**

(AL10) PSS / ABS – KA explained the progress that has been made with this requirement and that a demonstration of the bespoke web-portal would be available to the Pension Board next year, prior to full roll-out. There was a lot of work still to complete to bring the web offering to the fore, but it was hoped that on-line Annual Benefit Statements and Pensions Savings Statements would be available by their respective disclosure deadlines for 2020. It is however not anticipated that carry forward would be available on the web next year but work will progress for this to be achieved at a future date.

Data security is very much at the centre of this web project and Equiniti are working with SSCL to ensure this is as robust as possible. Discussions will progress with the MPS with regards to content and personalisation. It is anticipated that the online access would be available to Active, Deferred and Pensioner members of the scheme.

KH expressed some concerns following feedback from members who had received fines from HMRC in the past due to non-payment of tax. This was due to members submitting scheme pays elections that were not received by the administrator. A mechanism has been put in place this year for the administrator to acknowledge any elections for scheme pays which appears to be working well.

There had been 339 pension savings statements issued for 2018 / 2019, compared to 550 in the previous year, the rationale behind this was explained by IPo, that with inflation being in excess of the national increases to police officer salaries, that less people would be expected to breach this year than last.

KA informed the Board that the MPS had appointed Police Club Financial to run some pensions tax seminars following a mini tender exercise. All officers who had received a pension savings statement had been invited and 165 people had confirmed they would like to attend. Of those, it was estimated that approximately 120 officers had attended a seminar. As the Superintendents' Association had commissioned this company in previous years, it may have been that officers who had already attended sessions in previous years fell away from the numbers who attended this year. KH confirmed that she was happy with the efforts being made by the MPS with regards to pension tax as it affected her members.

It was noted that at the date of the meeting, 16 scheme pays elections had been received by the administrator. More information will be made available at the next Board meeting, by which time, the on-line self-assessment window, will have closed (31/1/2020).

2019-87

(AL11) Carry forward on Pension Savings Statement – See above.

KA

Minute		Action
2019-88	<p data-bbox="406 231 795 273">Knowledge and Understanding</p> <p data-bbox="406 294 1218 462">It was noted that all Board members were up to date with their online training and that this hadn't been updated by the Pensions Regulator for some time. IPo will continue to encourage organisations to participate at Board meetings to give overviews of their respective remit, such as the Pensions Regulator.</p> <p data-bbox="406 472 1104 546">http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx</p>	IPo
2019-89	<p data-bbox="406 609 958 651">Report by Senior Pensions Contract Manager</p> <p data-bbox="406 672 617 714"><u>Auto Enrolment</u></p> <p data-bbox="406 724 1218 861">At the last meeting of the Board, KA had provided numbers in relation to the auto enrolment exercise. These had been reasonably positive, with 554 officers remaining within the scheme, which was about 25% of those who were opted back in.</p> <p data-bbox="406 871 1218 1039">An issue with PSOP meant that the current rate of opt out's was not available, however, with the 554 added to the underlying active officer numbers it is expected that the percentage of officers who were enrolled within the police pension scheme will be at, or exceeding 94% which was welcome news.</p>	KA
2019-90	<p data-bbox="406 1050 487 1092"><u>IDRP</u></p> <p data-bbox="406 1102 1218 1365">There had been one IDRP case which had arisen due to a scheme member misunderstanding the difference between reckonable service (service apportioned to take into account part time working), and qualifying service (service at its calendar length). This had impacted the service total which would be taken into account at the scheme member's 30 year date which had not been appreciated in advance. The position has been explained but KA expects this could progress to the next stage.</p>	KA
2019-91	<p data-bbox="406 1375 649 1417"><u>Scheme Statistics</u></p> <p data-bbox="406 1428 1218 1690">KA explained that the performance of the administrator had continued to be good in terms of the KPIs. There was one element that was not at 100% - Estimates, and this had been due to some staff leaving, with their replacements not being vetted as quickly as would have been ordinarily expected. Vetting backlog was being experienced across the country due to the recruitment drive and the resources required to get new Officers into employment. What is normally a two month process was taking a lot longer.</p> <p data-bbox="406 1701 1218 1795">IPo asked the member representatives whether they had any cause for concern, or any comments on the statistics but there were none. PD cited McCloud as a concern generally.</p>	KA

Minute		Action
	Report by Senior Pensions Contract Manager (continued)	
2019-91	It was noted that the Pensions Regulator Scheme Return and the Administration and Governance Survey had been completed and submitted during the last quarter.	KA
2019-92	<p>Communications</p> <p>A number of communication topics had already been covered under previous items, such as the Tax seminars, Website roll-out, annual benefit statements, pension savings statements and auto enrolment.</p> <p>IPo had asked whether there was anything more that could be done to encourage officers to remain within the police pension scheme.</p> <p>KA informed the Board that an member from his team had attended a session given by Met Friendly to the new recruits. The feedback received had been that this session was good and impartial. IPo has previously seen this presentation and KA undertook to attend a session in the future.</p> <p>It was confirmed that material had been added to the new recruits pack regarding pensions so everything was now in one place.</p>	KA
	Risk Register	
2019-93	<p>IPo informed the Board that he and KA had discussed the current Risks and considered them to be a reasonable assessment of the MPS pension's environment. The Board concurred with this view.</p> <p>At the last meeting of the Board, it had not been possible to consider some relevant information received immediately before the meeting in relation to Risk 14 – Cyber Attack. KA stated that he is happy in principal regarding the measures that Equiniti has in place covering aspects such as their assurance statement, ISO9001 accreditation, and penetration testing. PD asked why Equiniti was not able to provide secure e-mails from the helpdesk and KA said he would raise this with them.</p>	IPo / KA
2019-94	<p>Kevin Courtney, NPCC Advisor, joined the meeting via conference call – 15.20</p> <hr/> <p>Update from NPCC Pensions Advisor on the McCloud Judgement</p> <p>IPo welcomed KC to the meeting and thanked him for taking the time to join – following a brief introduction to those present,</p>	KC

2019-94

Update from NPCC Pensions Advisor on the McCloud Judgement (continued)

KC

KC was asked to give his view on the latest developments concerning the legal challenges to public pensions.

KC explained that the 28th October tribunal hearing was effectively the Police equivalent of McCloud and provided an interim declaration which said that all claimants (those who have logged an appeal), and who were active members of the 1987 or 2006 Police Pension Scheme at 31/3/2012 should be placed back into their old scheme. A final declaration is expected in February time. KC explained that the Staff Associations have now been invited to partake in remedy discussions.

As the legal process continues, new claims are stayed whilst the compensation elements for injury to feelings, and associated damages are being considered.

Nationally, there are 13,800 claimants, compared to 60,000 non claimants. For the MPS these numbers are 4,100 and 19,600 respectively.

KC explained that there had been a national conference call set up on 2nd December (KA and MP confirmed their attendance), with the purpose of updating Forces on work to date and next steps.

A legal case management and project structure has been set up at Force level and the expectation was that a parallel structure would be required to deal with operational issues.

KC suggested that overwhelmingly, a common approach was required by Forces and this would cover items such as: Backdated tax issues, where scheme pays / tax debits have been paid, contribution rate rectification – where people are paying into one scheme but benefits are paid from another, members who have opted out – in the belief that the new scheme isn't as good as the previous schemes and how should benefit statements look (short and longer term).. There are also issues and uncertainties surrounding the valuation and who is going to pay for this remedy work to be completed, plus the increase to the pension's bill and compensation.

KC said that he expected the costs to be borne through the Valuation and that the work must be dealt with as a managed project due to the size and complexity.

It was confirmed that legislation is required for this to progress, albeit, the interim declaration from the 28th does carry sufficient weight for changes to be made. It is expected that officers will continue to be tapered on the date that they expected they would be, up until direction is received advising to cease.

Minute		Action
2019-94	<p>Update from NPCC Pensions Advisor on the McCloud Judgement (continued)</p> <p>It is anticipated that following electoral purdah, a statement will be released by the Home Office setting out the current position.</p> <p>Regulations are expected to be available in June or July following a 3 month consultation.</p> <p>KC closed with an explanation of the different communications streams that are being utilised by the NPCC to get the right message out to all stakeholders including legal, administrative (project leads), Pension Board and Chief Officer communications / meetings.</p> <p>IPo thanked KC for his input which was appreciated by the members of the Board.</p>	KC
2019-95	<p>Current Issues – Update from the Chair</p> <p>IPo spoke about his attendance at the Public Sector Tax Working Group and explained the government had moved position in respect of Senior Clinicians to allow them to be free to work whilst not getting penalised for pension’s tax. IPo said that the government seemed open to discussing this matter across the wider public sector, and that representatives from the Working Group will try to arrange a meeting with ministers following the election.</p>	IPo
2019-96	<p>Any Other Business</p> <p>Membership Matrix – The membership matrix of Board participants showed that MP’s term was due to expire on the 23rd January 2020. IPo asked MP whether he wished to continue his role on the Board and MP confirmed he did. This was unanimously accepted by the Board and IPo thanked MP for his willingness to continue.</p>	IPo
2019-97	<p>With no further business, IPo thanked all Members for their input and closed the meeting.</p>	IPo
2019-98	<p>Date of Next meeting</p> <p>4th March 2020 - 9th floor (N) ESB</p> <p>3rd June 2020 – Venue TBC</p> <p>2nd September 2020 – Venue TBC</p> <p>2nd December 2020 – Venue TBC</p>	All