

# **Northern Ireland Civil Service Pension Board**

## **Annual Report**

**1 April 2016 to 31 March 2017**

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Department of  
**Finance**

An Roinn

**Airgeadais**

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## **Chairperson Statement**

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Welcome to the Northern Ireland Civil Service Pension Board (NICSPB) Annual Report for 2016/17.

The Pension Board is a statutory requirement from April 2015 under the Public Service Pensions Act (Northern Ireland) 2014. The Board met for the first time in June 2015 and has subsequently met seven times.

This has been another successful year for the Pension Board, with supporting arrangements in place to allow the Board to operate effectively. This includes agreeing processes, establishing relationships, and agreeing an annual work plan. The main discussions have centred on issues relating to the implementation of the new IT system, the issuing of Annual Benefit Statements to alpha members, retrospective In Service revaluation for alpha members at 1 April 2016 and the actuarial valuation of the scheme as at 31 March 2016.

I would like to express my thanks to all those who helped to ensure the success of this second year, including members of the Pension Board, Civil Service Pensions in the Department of Finance, in terms of administering the scheme, and to Policy, Legislation and Communication Branch for providing secretariat support to the Board.

I look forward to continuing the work of the Board into 2017/18.

**Mr Sean McKeever**  
**Independent Chairperson**  
**Northern Ireland Civil Service Pension Board**

**7 September 2017**

## **Introduction**

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The Public Service Pensions Act (Northern Ireland) 2014 requires the establishment of a Pension Board from 1 April 2015 with the responsibility for “assisting the scheme manager” to secure compliance with the Northern Ireland Civil Service (NICS) pension schemes, any other legislation relating to the governance and administration of this scheme and any other statutory pension scheme connected to it; and the Pensions Regulator’s Codes of Practice for Public Sector Schemes (see below). Much of the Pension Board’s work during this second year has focussed on developing appropriate agendas, agreeing an Annual Work Plan for Pension Board, reporting/management information, implementation of IT system, Annual Benefit Statements for alpha members, Retrospective In Service revaluation for alpha members at 1 April 2016 and the Actuarial valuation of the Scheme at 31 March 2016.

In accordance with the agreed Terms of Reference for the Pension Board, the Board will report annually on its work, providing assurance as required and ensuring the effective administration of the scheme. The Board **does not** have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

This annual report provides a summary of its work during its second year.

## **The Pensions Regulator**

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The Pensions Regulator is the UK regulator of work-based pension schemes. The Regulator’s principal aim is to prevent problems from developing by working with Pension Schemes, such as the NICS Pension Schemes, by providing guidance on the Pension Board’s responsibilities.

The Regulator’s statutory objectives are set out in legislation and include promoting and improving understanding of the good administration of work-based pensions to protect member benefits.

The Pensions Regulator website contains a section on those involved in the governance and administration of public service pension schemes. Further details are available at: <http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>

## **Background – Northern Ireland Civil Service Pension Schemes**

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The NICS Pension Schemes provide pensions to employees who have worked in the NICS. It has two schemes – Principal Civil Service Pension Scheme (Northern Ireland) (with 1972, 2002 and 2007 sections) and the alpha Pension Scheme. The NICS Pension Schemes have approximately **29,426** current members, **9,253** deferred members and **29,835** pensioner members and dependents receiving benefits.

The Principal Civil Service Pension Scheme (Northern Ireland) (PCSPS(NI)) is an unfunded, defined-benefit, final salary occupational pension scheme, with the exception of the 2007 section which is a ‘career average’ scheme. The PCSPS(NI) is now closed to new entrants unless they have some form of protection from previous public sector employment and only remains available to those in the protected or transitional protected groups for members currently in service. The Scheme draws its statutory authority from the Superannuation (Northern Ireland) Order 1972.

The alpha Pension Scheme is an unfunded, defined benefits, career average revalued earnings (CARE) occupational pension scheme and was introduced with effect from 1 April 2015, as the main pension scheme for the Northern Ireland Civil Service. The majority of new entrants are automatically enrolled into the alpha scheme on joining and as at 31 March 2017, 21243 current members had moved to this scheme. The legislation made to introduce the new alpha scheme was titled ‘The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014’.

Members pay between 3.8% and 8.05% of pay, depending on their earnings. Employers pay between 20.8% and 26.3%, depending on annual full-time pensionable salary. The equivalent rate for Prison Officers with reserved rights is

26%.

## **Purpose and function of the Northern Ireland Civil Service Pension Board**

The purpose of the NICSPB is to carry out, within the constraints of the Scheme Manager, the roles and responsibilities that a Trustee Board would fulfil for a private sector occupational pension scheme.

The Pension Board's overriding aim is to ensure that all members<sup>1</sup> of the NICS pension schemes receive on time their correct benefits under the scheme rules/regulations. The Pension Board will at all times work to protect the reputation of the scheme for effective administration and for proper use of scheme funds in accordance with such good practice guidance that may be issued by the Pensions Regulator.

The Pension Board is responsible for **assisting** the Scheme Manager to secure compliance with –

- a) The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014, otherwise known as 'alpha' Pension Scheme regulations;
- b) any other legislation relating to the governance and administration of the 'alpha' Pension Scheme regulations and any statutory pension scheme that is connected with it;
- c) requirements imposed by the Pensions Regulator in relation to the 'alpha' Pension Scheme or any statutory pension scheme that is connected with it; and
- d) the performance of the scheme manager's functions under the 'alpha' Pension Scheme.

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<sup>1</sup> All members' means active, deferred and pensioner members of the Northern Ireland Civil Service pension schemes arrangements.

The Pension Board does not have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

## **Northern Ireland Civil Service Pension Board – Membership**

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The constitution of the NICSPB is set out in the Act and The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014. The Pension Board is made up of one-third employee representatives, one third employer representatives and one third to cover Chairperson and non-executive representatives as follows:

**Independent Chairperson** – whilst not a “Public Appointment”, the selection and appointment process closely adhered to the principles and practices of Departmental Guidance on Public Appointments.

**Employer representatives** – three employer representatives nominated from across the NICS Departments by employers; for example Department of Finance.

**Employee representatives** – three employee representatives nominated from Trade Union Side to ensure an all-inclusive broad representation of scheme membership – including active, deferred, pensioner members and Senior Civil Service.

**Non-voting representatives** – two non-voting representatives from the Department of Finance and Department of Education to provide pension policy advice and financial advice to Board members.

A full list of Board members can be found at **Annex A**.

Civil Service Pensions, within the Department of Finance provide secretariat support for the Board. Duties of the Secretariat include:

- arranging and managing the meetings of the NICSPB;

- preparing or commissioning papers for the NICSPB to consider;
- collating administration performance statistics; and
- drafting papers/reports on behalf of the NICSPB.

## **Northern Ireland Civil Service Pension Board Terms of Reference**

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The Board agreed terms of Reference for the Pension Board. A copy can be found at **Annex B**.

## **2016/17 Work Areas**

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Following its establishment in the spring of 2015, the Pension Board met on a quarterly basis from June 2015 on the following dates:

- Tuesday 2 June 2015;
- Tuesday 6 October 2015;
- Friday 29 January 2016;
- Wednesday 6 April 2016;
- Wednesday 29 June 2016;
- Tuesday 4 October 2016 and
- Tuesday 17 January 2017.

In summary, during this period, the Pension Board has considered the following:

- Regular overview of Divisional Balanced Scorecard and risk controls used within Civil Service Pensions;
- Performance against Divisional targets;
- Cost Cap/Scheme Costs;
- Report on the 2016 review of the Public Service Pensions Act (Northern Ireland) 2014;
- Legislative requirement to issue Annual Benefit Statements to alpha members;
- Retrospective In Service Revaluation for alpha members at 1 April 2016;
- Compliance of the Pension Board against both the legal requirements and the

Pensions Regulator's **Code 14** on scheme governance;

- Actuarial Valuation of the Scheme at 31 March 2016;
- Annual Work Plan for Pension Board;
- Update on the implementation of the new IT system for administering Civil Service pensions; and
- Recent legislative updates to pension scheme arrangements taken through the Northern Ireland Assembly during the course of the year.

The period covered by this report has been used to review the governance arrangements which underpin the work of the Pension Board, including establishing / updating the following documentation:

- Terms of Reference for the Board to incorporate future proofing;
- Compliance Document – assessment of the Pension Boards' compliance against both the legal requirements and the Pensions Regulator's **Code 14** on scheme governance;
- Conflict of Interest Questionnaires;
- Training needs analysis; and
- Annual Work Plan for Pensions Board.

## **Training**

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In order to operate successfully, members of the Pension Board have access to training on issues related to scheme matters.

All Board members undertook training in the following areas during the first year of the Pension Board.

- Governance;
- Overview of the NICS Pension Schemes;
- Overview of role and responsibilities of the NICS Pension and Scheme Advisory Boards;
- Overview on Annual Allowance and Lifetime Allowance;
- Overview of Public Service Scheme section of the Pensions Regulator website;

- E-learning 'Public Service Toolkit' as developed by the Pensions Regulator; to help members to understand the governance and administration requirements in the public service code of practice.

During this year previous training was consolidated and Members received overviews on specific areas of training which they requested. Members are responsible for assessing their own training needs and maintaining an accurate record of training undertaken.

## **Performance against Divisional Targets 2016/17**

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The Pension Board received quarterly updates from the Scheme Manager on Civil Service Pension's Divisional performance during the financial year. Areas of interest to Board members included:

- Payroll;
- Processing of pension awards to members; and
- Complaints about service provision and scheme entitlements.

The Board recognises and commends Civil Service Pensions for the achievement of their targets throughout the year. Civil Service Pensions met or exceeded performance targets in all the areas. A summary of performance for the year to 31 March 2017 is provided at **Annex C**. The Pension Board will continue to monitor performance against Divisional targets during 2017/18.

## **Complaints about Service - IDR/Pension Ombudsman Cases**

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Civil Service Pensions in the Department of Finance handles two distinctive sets of complaints. The first covers complaints or disputes about pensions and scheme entitlement and is governed by The Occupational Pensions Schemes (internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations (Northern Ireland) 2008 and cover any disagreement under the NICS Pension Schemes. The complaints procedure has two stages which are time-bound for application and response. The first stage is dealt with by the line manager and the second stage by the Head of Policy, Legislation and Communications Branch.

In 2016/17, Civil Service Pensions dealt with 42 stage one cases and 28 stage two cases. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented. If the complainant remains dissatisfied with the outcome, and after the two stages have been exhausted, they have still the right of appeal via The Pensions Advisory Service (TPAS) and The Pensions Ombudsman's Office. In 2016/17, Civil Service Pensions have had 3 TPAS cases and 19 Pensions Ombudsman cases.

The second type of complaint covers complainants and comments about the standard of service provided and based on the findings of these cases, Civil Service Pensions uses the information to continue to improve the standard of service going forward. This is also a two stage process with the first stage dealt with by the line manager of the person dealing with the case or the Head of Branch and the second stage by the Head of the Division. In 2016/17, Civil Service Pensions dealt with 9 cases at stage one and 2 cases at stage two. Each case is reviewed on an individual basis and as appropriate, revised staff instructions and/or management checks are implemented.

Leaflets for both Civil Service Pensions complaints procedures can be found on the Civil Service Pensions website at: <https://www.finance-ni.gov.uk/topics/working-northern-ireland-civil-service/civil-service-pensions-ni>

## **Implementation of IT System**

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Civil Service Pensions are continuing to implement a pension administration and payroll system, including an accounting package. The payroll element went live in April 2015 and the development and implementation of pension administration functionality has been ongoing. Due to the complexity of the number of pension arrangements and variations under the NICS Pension Schemes delays have been encountered. The current date for full implementation is November 2017. Civil Service Pensions have continued to deliver to their targets, despite these delays.

## **Annual Benefit Statements**

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The Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 include a provision that the scheme manager must provide benefit statements to each active member of the alpha scheme in accordance with section 14 of the Public Service Pensions Act (Northern Ireland) 2014 and the Departmental directions made under that section. Section 14 provides that benefit statements are to be issued within 17 months of the regulations establishing the scheme coming into operation, which in the case of the alpha Pension Scheme was by 31 August 2016.

Regrettably, for various reasons, including the introduction of the new Civil Service Pensions IT system and work on a number of Voluntary Exit Schemes, it was not possible to provide members with an Annual Benefit Statement covering the period 1 April 2015 to 31 March 2016.

The concerns of not issuing Annual Benefit Statements for 2015/16 and the requirement for the timely provision of Annual Benefit Statements for 2016/17 were discussed in detail by Civil Service Pensions with both the Pensions Regulator and the Northern Ireland Civil Service Pension Board. Civil Service Pensions made a recommendation on how they will proceed with the 2016/17 statements to the Northern Ireland Civil Service Pension Board at an ad-hoc meeting on 23 May 2017.

The recommendation made was that Civil Service Pensions will not issue 2015/16 member Annual Benefit Statements but will issue members with timely 2016/17 Annual Benefit Statements as at 31 March 2017, which will be more up to date and include in service revaluation for the 15/16 year, where appropriate. Civil Service Pensions intend to commence the issue of Annual Benefit Statements from August 2017 for the majority of members who are alpha scheme members. The Pension Board fully endorsed this recommendation.

Although the legislation only requires Annual Benefit Statements to be issued to alpha members, it is Civil Service Pensions' intention to deliver 2016/17 statements to all current members of the NICS pension schemes, including members of the classic, classic plus, premium and nuvos arrangements of the Principal Civil Service

Pension Scheme (Northern Ireland) following the completion of the issuing of alpha benefit statements. This exercise will commence in the autumn and it is anticipated to be complete by March 2018.

## **In Service Revaluation for alpha members at 1 April 2016**

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The Public Service Pensions Act (Northern Ireland) 2014 “the Act” set out requirements to introduce new and reformed pension schemes for public service employees from 1 April 2015. As a result, the Public Service (Civil Servants and Others) Pensions Regulations (Northern Ireland) 2014 introduced the new civil service ‘alpha’ Pension Scheme with effect from 1 April 2015 and the majority of Northern Ireland Civil Servants moved to the new scheme on this date.

The policy intent of In Service Revaluation for alpha members at 1 April 2016 is that the revaluation of the active member’s pension account opening balances should be by reference to the change in prices or earnings announced in the previous scheme year. Revaluation is defined in the civil service scheme regulations as ‘Index Adjustment’ and refers to the change in prices in *that* scheme year. The policy intent was the change in prices should be in relation to the previous year.

The In-service revaluation of benefits accrued in the 2015/16 and 2016/17 has not been applied in the ‘alpha’ scheme due to an outstanding technical amendment which is required to the scheme rules. The DoF has now agreed in principle that Civil Service Pensions can apply the in-service revaluation policy as intended and as already implemented by most other public service schemes.

Civil Service Pensions has also secured agreement with all Civil Service Trades Unions through discussions at the Pensions Forum that it can proceed with the retrospection application of in-service revaluation of -0.1% to 2016/17 scheme year alpha opening balances. Civil Service Trade Unions also agreed that Civil Service Pensions may proceed to make the scheme amendment subject to the negative resolution procedure as the amendment does not have a significantly adverse effect on members. Civil Service Trade Unions also acknowledged that with ongoing

political uncertainty, the amendment regulation will be delayed so may not be made well into the 2017/18 scheme year. Civil Service Trade Unions agreed the implementation of the policy as intended in order for Civil Service Pensions to commence the end of year processes for alpha and the issuing of Annual Benefit Statements.

## **Actuarial Scheme Valuation at 31 March 2016**

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The Public Service Pensions Act (Northern Ireland) 2014 sets out requirements for the reform of public service pension scheme arrangements in Northern Ireland from 1 April 2015. The reforms carried in the Act are based on the recommendations of the Independent Public Service Pensions Commission to make public service schemes sustainable in the long term and more equitable for both public service staff and the taxpayer.

A key recommendation of the Commission was the establishment of a common approach for public service pension scheme valuation and cost control processes. The intention is to aid transparency, effective oversight and analysis of public service schemes, and to help ensure a fair balance of risk between scheme members and the taxpayer is maintained across the schemes for the future.

Civil Service Pensions are working with the Government Actuary Department (GAD) on the provision of data and dealing with queries. It is expected that the final 2016 Actuarial Scheme Valuation Report will be provided by March 2018.

## **Resource Accounts 2015/16**

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Superannuation and Other Allowances Resource Accounts are prepared annually and present the financial results for the relevant financial year. The Resource Accounts are laid before the Northern Ireland Assembly by the Department of Finance under section 10(4) of the Government Resources and Accounts Act (Northern Ireland) 2001.

Whilst it is not within the remit of the Board to approve the scheme accounts, the Board will duly note their contents on an annual basis.

The DoF Superannuation and Other Allowances Resource Accounts for the year ended 31 March 2016 is available online at: <https://www.finance-ni.gov.uk/publications/dfp-resource-accounts>.

## **Looking ahead 2017/18**

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The Pension Board will meet on a quarterly basis from April 2017. The Board has agreed a Work Plan for the year 2017/18 including the following areas:

- Conflict of Interest and Register of Interest Policy Review;
- Pension Increase and Scheme indexation for 2016;
- Implementation of the new IT system;
- Issuing of Annual Benefit Statements;
- Actuarial Scheme Valuation at 31 March 2016;
- Report of the Managers;
- Audit Plan;
- IDR/Pension Ombudsman cases update; and
- Assessment of Communications.

The Board will continue to assess compliance against both the legal requirements and the Pensions Regulator's **Code 14** on scheme governance.

## **Contact details**

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If you would like more information on the Pension Board or have any queries on the content of this report please contact: [NICSPBoard@finance-ni.gov.uk](mailto:NICSPBoard@finance-ni.gov.uk).

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## **Northern Ireland Civil Service Pension Board – Membership**

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### **Independent Chair:**

Sean McKeever

### **Northern Ireland Civil Service Employer Representative:**

<u>Name:</u>	<u>Employing Department:</u>
Jayne Forster	Department of Finance
John Crosby	Department of Finance
Michael Cowan	Department of Finance

### **Northern Ireland Civil Service Employee Representative:**

<u>Name:</u>	<u>Representative Organisation:</u>
Bumper Graham	Northern Ireland Public Service Alliance (NIPSA)
Michael McKeown	Northern Ireland Public Service Alliance (NIPSA)
Philip Cummings	FDA

### **Non-Voting Representatives:**

<u>Name:</u>	<u>Representative Organisation:</u>
Margaret Coyle	Department of Finance
Gary Fair	Department of Education

### **Previous Board members:**

<u>Name:</u>	<u>Representative Organisation:</u>	<u>Membership Type:</u>
Colm Doran	Department of Finance	Employer representative
Harry Baird	FDA	Employee representative
Jeff McGuinness	Department of Finance	Non-voting representative

### **Others:**

<u>Name:</u>	<u>Role:</u>
Grace Nesbitt	Director of Staff Welfare, Occupational Health and Pensions Division
Colette Heaney	Civil Service Pensions Scheme Manager



# Northern Ireland Civil Service Pension Board

## Terms of Reference

### 1. INTRODUCTION:

1.1. The paper sets out the Terms of Reference for the Northern Ireland Civil Service Pension Board (NICSPB) which will come into effect from 1 April 2015, in accordance with Article 4 of the Public Service Pensions Act (Northern Ireland) 2014. The Scheme Manager is responsible for managing, administering and reviewing the Board's terms of reference. Any changes arising from such reviews would be subject to consultation with member and employer representatives.

### 2. SCOPE OF THE NICSPB:

2.1. The purpose of the NICSPB is to carry out, within the constraints of the Scheme Manager, the roles and responsibilities that a Trustee Board would fulfil for a private sector occupational pension scheme.

2.2. The NICSPB's overriding aim is to ensure that all members<sup>2</sup> of the Northern Ireland Civil Service pension arrangements receive on time their correct benefits under the scheme rules. The NICSPB will wish to ensure, as far as is possible, good outcomes for all members of the Northern Ireland Civil Service pension arrangements in matters such as receiving excellent service.

2.3. The NICSPB will at all times work to protect the reputation of the scheme for effective administration and for proper use of scheme funds in accordance with such good practice guidance that may be issued by the Pensions Regulator.

2.4. The NICSPB does not have responsibility for providing advice on the desirability of changes to the scheme and on matters of policy.

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<sup>2</sup> All members' means active, deferred and pensioner members of the Northern Ireland Civil Service pension schemes arrangements.

### **3. ROLES AND RESPONSIBILITIES OF THE NICSPB:**

- 3.1.** The NICSPB will ensure the effective administration of the scheme by scrutiny of the level and quality of service provided for the membership and employers by the administrator, other service providers and the Government Actuary's Department.
- 3.2.** The NICSPB is responsible for ensuring that an effective audit strategy is in place for the scheme and monitoring audit delivery plans.
- 3.3.** The NICSPB is responsible for ensuring that an effective risk management strategy is in place for the scheme and monitoring risk management delivery plans.
- 3.4.** The NICSPB will provide assurance to the Accounting Officer (Permanent Secretary), members and employers about the effective financial management including contribution collection, financial forecasting, debt management; that beneficiaries receive the benefits to which they are entitled under the rules of the scheme and production of annual scheme accounts.
- 3.5.** The NICSPB will benchmark in line with regulatory requirements (e.g. The Pensions Regulator.)
- 3.6.** The NICSPB will oversee the development of processes and systems to incorporate any statutory requirements.
- 3.7.** The NICSPB will ensure compliance to data management requirements.
- 3.8.** The NICSPB will respond to any requests/directions made by the Pensions Regulator.
- 3.9.** The NICSPB will develop the approach for reporting breaches of the law to the Pensions Regulator when they have reasonable cause to believe that:
  - a legal duty which is relevant to the administration of the scheme has not been, or is not being, complied with; and
  - the failure to comply is likely to be of material significance to the regulator in the exercise of any of its functions.

### **4. COMPOSITION:**

- 4.1.** The NICSPB will be set up in compliance with the Public Service Pensions Act (Northern Ireland) 2014.
- 4.2.** The Scheme Manager will appoint the Independent Chairperson of the NICSPB.
- 4.3.** The NICSPB will consist of the following:

- One independent Chairperson person (voting member);
  - Three scheme member representatives (voting members) nominated from member representative bodies;
  - Three employer representatives (voting members) nominated from employer representative bodies;
  - Two non-executive DoF members (non-voting members) to bring experience of best practice; independent advice; challenge; pensions' technical expertise; and experience of operational delivery; and
  - NICSPB Secretariat to manage meetings.
- 4.4. The two non-executive DoF members will include one from the policy area that manages the scheme (Civil Service Pensions) and one with a Finance background.
- 4.5. Members of the NICSPB will represent the interests of all of the scheme's beneficiaries, the participating employers and the Accounting Officer and not simply the interests of the organisation that nominated them.
- 4.6. Appendix A gives the terms and conditions that apply to NICSPB members.

## 5. MEETINGS:

- 5.1. Frequency: The NICSPB will meet quarterly and at such other times as the Chairperson/member decides is necessary. Wherever possible at least 7 days' notice will be given of any non-scheduled meeting.
- 5.2. Format: Meetings can be conducted in person, over the telephone or via a tele-conference/video-link, as decided by the Chairperson. If the Chairperson is not present within fifteen minutes of the time appointed for holding the meeting the members present may choose one of their number to be Chairperson of the meeting. In these cases the nominated Chairperson will not have a casting vote.
- 5.3. Quorum: Five members of the NICSPB will represent a quorum for meetings. The Board members in attendance must include at least two employer representatives and two member representatives.
- 5.4. Attendance: The NICSPB can decide to ask its professional advisers, representatives from third party suppliers and any other person to attend its meetings as it sees fit. The Policy and Operations Managers for Civil Service Pensions will attend Board meetings as observers and to introduce papers and discussions, as necessary.
- 5.5. Decisions: All NICSPB Board members with voting powers will have a single vote and items arising at any meeting will be decided by a majority of members present and eligible to vote. In the case of an equality of votes the Chairperson will have a casting vote. The NICSPB may agree on a decision outside of a

meeting if the majority of voting members confirm their agreement either in writing or by electronic mail. Any such decision will be as valid and effective as if it had been passed by a meeting of the NICSPB.

- 5.6. Papers: The NICSPB Secretariat must circulate all papers at least one week in advance of any meeting (unless a shorter period is agreed by the Chairperson).
- 5.7. Minutes: Draft minutes are to be forwarded to the Chairperson for agreement within five working days and thereafter circulated to NICSPB members.

## **6. COMMITTEES AND SUB-GROUPS:**

- 6.1. The NICSPB may establish such committees and sub-groups as it sees fit. The NICSPB will decide whether the sub groups/committees need to have separate Terms of Reference.
- 6.2. The NICSPB will agree, and can amend, each sub group/committee's Terms of Reference.
- 6.3. The NICSPB will appoint and remove members of the committees/sub groups. The NICSPB may, as it sees fit co-opt persons who are not members of the NICSPB to serve on its sub- groups/committees. Such persons need not be representatives of members, employers or the Department.
- 6.4. The NICSPB Chairperson will appoint a NICSPB member as the Chairperson of each sub-group.
- 6.5. The quorum for Committees and Sub-Groups will be agreed at the time.

## **7. AUTHORITIES AND RESTRICTIONS:**

- 7.1. The NICSPB will have authority delegated by the Scheme Manager to direct the relevant service providers to address issues which it identifies. Also, where necessary, to agree the budget for that additional work to be undertaken before the issues are resolved. This authority will also be subject to the existing contractual agreements and requirements relating to public sector procurement.
- 7.2. The NICSPB may consider and propose amendments to the commercial agreements in place with the various service providers (see Appendix B).
- 7.3. The Department will consult and take into consideration the views of the NICSPB on matters that will materially affect the cost and/or the range and quality of services provided by the administration. The Department will remain responsible for all contractual agreements and any proposed changes, and for the commissioning of any additional work by third parties.

## **8. MONITORING FINANCE AND SCHEME ACCOUNTING:**

- 8.1. The NICSPB will assist the scheme's Accounting Officer by monitoring the performance of Civil Service Pensions as it applies to the Northern Ireland Civil Service pension arrangements in ensuring that the scheme receives all monies properly and safeguards the regularity and propriety of income and expenditure in relation to the schemes.
- 8.2. The NICSPB will oversee and monitor the Northern Ireland Civil Service Pension Scheme budget forecasting, estimating and modelling.
- 8.3. The NICSPB will monitor audit delivery plans:
  - Expenditure: The NICSPB will provide assurances on the accuracy and completeness of expenditure records;
  - Contributions: The NICSPB will provide assurances on the accuracy and completeness of contributions received; and
  - Debt Management: The NICSPB will provide assurances on the efficacy of debt management.

## **9. AUDIT AND ASSURANCE:**

- 9.1. The NICSPB will monitor audit delivery plans.

## **10. REPORTING:**

- 10.1. The Chairperson of the NICSPB will report at least annually, for information purposes, on the activities of the NICSPB to the Department and to the Accounting Officer, or as otherwise agreed.

## **11. POWERS:**

- 11.1. The NICSPB may exercise discretionary powers delegated by the Scheme Manager in the scheme regulations or manual.

## **12. MONITORING EMPLOYERS:**

- 12.1. The NICSPB will be responsible for overseeing and constructively engaging with employers who participate in the NICS pension's arrangements with regard to the correct provision of data, for active members (and where required, pensioner or deferred members), and contributions to the NICS Pensions Scheme.

## **13. CHANGES TO NICSPB TERMS OF REFERENCE:**

- 13.1. The NICSPB may recommend to the Accounting Officer for the Department of Finance and Personnel any changes to these Terms of Reference and accompanying appendices.

## **14. OTHER**

**14.1.** The NICSPB may consider any other items specifically referred to it and to take decisions specifically delegated to it by the Scheme Manager from time to time.

## **15. REMUNERATION AND EXPENSES**

**15.1.** Members of the NICSPB nominated by NICS employers who are currently employed by an organisation covered by the Northern Ireland Civil Service Pension arrangements would normally be expected to claim any expenses from their employer.

**15.2.** Similarly, members of the NICSPB nominated by TUS would normally be expected to claim any expenses from their nominating union.

**15.3.** The independent Chairperson, appointed by the Scheme Manager, will be paid expenses and may be paid fees, depending on the circumstances and what was agreed on appointment.

## **16. SECRETARIAL SUPPORT**

**16.1.** Civil Service Pensions within the Department of Finance and Personnel will provide secretariat support for the group. Duties of the Secretariat include:

- arranging and managing the meetings of the NICSPB;
- preparing or commissioning papers for the NICSPB to consider;
- collating administration performance statistics; and
- drafting papers/reports on behalf of the NICSPB.

**16.2.** Prior to actuarial valuation of the Northern Ireland Civil Service Pension Schemes, the NICSPB will meet with the Scheme Actuary to consider the approach to be taken in setting assumptions.

## **TERMS AND CONDITIONS OF NICSPB MEMBERSHIP**

1. With the exception of the DoF representatives and the Northern Ireland Civil Service Pension Scheme representative, appointments to the NICSPB are personal. There can be no alternate representation for any member of the NICSPB.
2. Each member will be required to attend all scheduled NICSPB meetings and details of attendance at meetings will be published in the Annual Review. Where ad hoc meetings are called, all NICSPB members should make best efforts to attend.

### **Appointment and Removal**

3. Chairperson: The Chairperson will be appointed by the Scheme Manager.
4. Member representatives: Member representative bodies will be invited to nominate up to three candidates in writing to be put forward into the selection process for members of the NICSPB, with the Scheme Manager approving final appointments.
5. Employer representatives: Employer bodies will be invited to nominate up to three candidates in writing to be put forward into the selection process for members of the NICSPB, with Scheme Manager approving final appointments.
6. Non –Executive DoF members: The Scheme Manager will invite and consider nominations, based the candidates' role within public sector pensions and finance.
7. Members resigning from the NICSPB should where possible provide a minimum of six months' notice in writing to the Chairperson.
8. Where a member resigns from the NICSPB it will be the member's representative body or employer bodies responsibility to nominate a suitable successor (agreed by both the Board Chairperson and scheme manager) to be in place within 6 months of the member's planned departure. The proposed successor will shadow the current member and will not hold any voting rights until they fully assume the role of Board member.
9. The Chairperson of the NICSPB will ask the Department to consider the removal of any member of the Board, if all the other voting members unanimously agree to this course of action.
10. The Chairperson will undertake performance management of each Board member annually, and can recommend to the Department the removal of a Board member or the non-renewal of their appointment.

## **Terms of Office**

11. The appointment of non-DoF Board members will be for a five-year term, and such members will not hold office for more than two terms.
12. The tenure of the non-executive DoF representative appointments will coincide with the time the individual holds the relevant DOF post.

## **Induction and Training**

13. NICSPB members will receive induction training to gain an up-to-date and working knowledge of the Northern Ireland Civil Service Pension arrangements.
14. Board Members must keep their knowledge up to date and maintain a written record of their relevant training and development during their appointment.
15. Board Members will be conversant with scheme documents and have appropriate knowledge and understanding of the scheme rules and the principles of Northern Ireland Civil Service Pension Scheme funding.

## Current List of Service Providers

Provider	Service Level Agreement/MOU
Occupational Health Service	MOU
Government Actuaries Department	SLA
IT Assist	SLA
Capita Employee Benefits Ltd	Contract
Scottish Widows' Fund and Life Assurance Society	Partnership Pension Scheme Provider
Standard Life Assurance Ltd	Partnership Pension Scheme Provider
TUC/Prudential	Legacy – Partnership Pension Scheme Provider (closed to new members)
Standard Life Assurance Ltd	Stakeholder pension provider
Scottish Widows' Fund and Life Assurance Society	Northern Ireland Civil Service Additional Voluntary Contribution Scheme Provider
Standard Life Assurance Ltd	Northern Ireland Civil Service Additional Voluntary Contribution Scheme Provider
Equitable Life	Legacy – Northern Ireland Civil Service Additional Voluntary Contribution Scheme Provider (closed to new members)



## Annex C

### CIVIL SERVICE PENSIONS YEAR TO DATE STATS (1 April 2016 – 31 March 2017)

TRANSACTION TYPE	CLEARANCE TARGET	NO OF CASES PROCESSED	YEAR TO DATE %	COMMENTS:
<b>Complaints about Service:</b>				
- Stage 1	within 10 w.days from date all necessary information available. (100%)*	9	100	Complaints relate to no revision on VES award and general service provided.
- Stage 2	within 10 w.days from date all necessary information available. (100%)*	2	100	Complaints received regarding general service provided when dealing with case.
<b>Internal Dispute Resolutions:</b>				
- Stage 1	within 4 months from date of receipt 100%	42	100	21 complaints iro Injury Award (Temporary / Permanent) & 21 iro other reasons, eg GMP overpayments, VES queries as well as Transfer and overpayment queries. 19 upheld original decision, 11 overturned and 5 successful and 7 remain open.
- Stage 2	within 4 months from date of receipt 100%	28	100	13 iro Injury Award (Temporary / Permanent), 15 other reason, GMP, Overpayments and Transfers. 23 Upheld original decision, 3 overturned, 1 outside time limit & 1 awaiting Treasury Office Decision.
TPAS	1 month	3	100	
Ombudsman	21 days	19	100	
<b>AWARDS:</b>				
Current Member awards (excluding ill-health awards)	within 6 w.days from date all necessary information available.(95%)	1188	99.8	

III- health awards	within 6 w.days from date all necessary information available.(95%)	109	100	
Death in Service	within 10 w.days from date all necessary information available.(100%)	49	100	
<b>PAYROLL:</b>				
Payroll Processing	Payroll run to agreed timetable both for BACS and cheque payments.	N/A		