

**STATEMENT TO BE MADE BY THE
MINISTER FOR TREASURY AND RESOURCES
ON TUESDAY 28TH FEBRUARY 2023**

**Complaint by Mr. Newman against Treasury and Exchequer Department regarding
the valuation and calculation of pension entitlement**

I am making this statement to the Assembly to address the Complaints Boards findings relating to a complaint made by Mr. Newman against the Treasury and to confirm that there has been a positive resolution to this case.

The Complaints Board have given considerable time and effort in hearing Mr. Newman's complaint regarding the calculation of pension entitlements from the Public Employees Pension Fund (PEPF) and I thank them for considering the complaint.

The complaint and Complaint Board initial findings pre-dated my term as Minister. Following the publication of the second findings report in August 2022 I needed to take the time to review the previous findings and understand the case before seeking a resolution.

The Public Employees Pension Fund (PEPF) Committee of Management are the decision-making body for the payment of pensions from the Fund and this created an additional complexity in that I do not have the powers to require the Committee of Management to implement the findings of the Complaints Board. I have been working with the Chair of the Committee to reach an appropriate outcome. I have also met the working group of Committee members involved in reviewing the case. Whilst it has taken longer than expected to get to a resolution, I felt it important to wait until a positive resolution had been achieved before making this statement.

On 20th January 2023, the Complaints Panel took evidence from Mr. Newman's line manager which was the first time he had the opportunity to give evidence.

On 6th February 2023 the Public Employees Pension Fund (PEPF) Committee of Management upheld Mr. Newman's complaint. In light of Mr. Galvin's public statement to the Panel, the conclusions of the Panel, and the unique circumstances at that time, it was important to focus on what was just for Mr. Newman. The Committee's upholding of the complaint enables the Administrator to make payment to Mr. Newman.

It is acknowledged that the complaint originated from unique circumstances in 2018 surrounding the completion of the actuarial valuation that impacted on transfer values, which had impacts for some members, the smooth running of the scheme and the Committee of Management and Administrator. However, it cannot be concluded that current scheme administration is in any way inadequate from the unique circumstances that occurred almost 5 years ago.

Since 2018, pension administration processes have been reviewed and tightened. All requests for transfer value quotations must now be submitted by an Eform, and this

requirement has been in place for a number of years. No verbal requests for quotations are accepted which had been the case in the past. The Committee of Management have also reviewed and amended the process for implementation of transfer factors following an actuarial valuation. Close working between the Administrator, Scheme Actuary and the Committee has improved the process for the timely implementation of transfer factor changes.

In 2022, the Committee of Management commissioned an independent review of the PEPT's pension administration by a specialist UK pension administration consultancy, Muse Advisory. The review highlighted that the pension administration team are diligent, capable, knowledgeable and genuinely care about giving the best to the members of the scheme.

The scheme administration was compared against industry leading practice. The report recommended the agreement of a shared vision between the Committee and the Administrator and this has subsequently been agreed. The report also highlighted that system, data and process efficiencies could be achieved by upgrading the pension administration system to the latest version. The Committee have agreed a budget so that work can commence on a system upgrade in 2023.

I am requesting Muse Advisory to undertake a follow-up independent review of pension administration to provide assurance on the progress of implementing recommendations.

I have noted concerns raised by the Complaints Board regarding the independent oversight of the internal appeal process. I have discussed with the Chair of the Committee the current internal complaints procedure for the public service pension schemes. I have received reassurances from the Chair of the Committee of Management that the internal complaints process will be amended to include a requirement for an independent expert to be employed to review a complaint and make a recommendation prior to the Committee's decision at the final stage.

I believe that members of both public and private sector pension schemes in Jersey should have an independent stage of appeal for pension complaints. The Government have also issued a legislative consultation for proposals that would introduce a Pension Ombudsman framework for pension-related complaints with the Financial Services Ombudsman being able to make directions for an award to be paid to a complainant.

I can confirm that this case has been resolved, pension administrative processes tightened and improvements to the pension complaints processes are being progressed.