

## **Privileges and Procedures Committee: States Members' Pensions Sub-Committee**

*Meeting 2: 17 September 2021*

Members present: Connétable Richard Buchanan (Chair), Deputy Carina Alves, Garry Forbes (for Any other business) and Paul Matthams

Graham Chidlow, Head of Shared Service Centre, Treasury and Exchequer, attended ex officio.

Also in attendance: Charlotte Guillaume ACII, Director, and Scot Laing (Chartered FCSI), Director & MLRO, Perspective Private Wealth, Rossborough Financial Services Limited; and Mark Egan, Greffier of the States, and Vanessa Page, States Greffe Research and Project Officer.

Apologies: Wayne English

### **1. Minutes of the meeting of 15 January and matters arising**

The minutes of the inaugural meeting of the Sub-Committee on 15 January were read and approved.

The Sub-Committee noted that it had asked about receiving assurance from the trustees about the running of the scheme. Ms Guillaume said she planned to meet the trustees later in the month to review the investment report and if any concerns were raised they would be flagged up with the Sub-Committee immediately.

### **2. Investment report**

The Rossborough representatives tabled a Q2 investment report, which was noted.

Mr Matthams asked for clarity on how the 'safe age' strategy operates. Mr Laing said that the strategy is designed for members who intend to take 30% of their pension fund as a tax-free lump sum, but may wish to leave the balance of their pension fund invested with the intention of making withdrawals directly from their fund during their retirement. He gave a detailed explanation of the various options.

In answer to the Chair, Mr Laing said that the standard level of withdrawal from the fund was around 3 to 4 per cent.

Members asked about the 'watch list' of funds whose performance was struggling. Mr Laing explained that the investment committee meets monthly to monitor performance and there is considerable work in depth to understand the factors underlying poor performance before a fund is dropped. Nevertheless, Rossborough can move quickly to withdraw a fund if necessary. Members who invest in such funds are notified as they cannot continue to invest in a fund which has been withdrawn.

### **3. Launch of new SRI fund**

The Rossborough representatives said that they had brought together cautiously-managed socially responsible investment (SRI) and equity funds into a new SRI fund which was performing strongly and which had enjoyed healthy take-up. A [factsheet](#) was now available and would be issued to States Members. A briefing could be provided if Members requested it.

#### 4. Administration update

There were currently 24 Members in the scheme: one Member had recently died. One Member had recently reached his 75<sup>th</sup> birthday and could no longer make contributions. Rossborough had contacted him about his options. Mrs Page confirmed that there had been no adverse feedback from Members about the scheme.

Deputy Alves said it would be helpful for Members to have a briefing on how the online platform works. Ms Guillaume said she would liaise with Mrs Page about finding a suitable date for this. *(Action – Ms Guillaume)*

In terms of the election, the Greffier suggested that there could be a briefing for Members in March focused on Members' options in the event that they leave the States at the election. Rossborough representatives said that they would liaise individually with Members who may leave the scheme because the employer contribution had ceased, as they could still continue in the scheme. Bringing new Members into the scheme needed to be built into the induction process and he would pick this up with colleagues in the Greffe. *(Action – Greffier)*

#### 5. Service Level Agreement

The Sub-Committee noted the draft Service Level Agreement and it was agreed that it should be reviewed by the Law Officers' Department. *(Action – Greffier)*

#### 6. Any other business

It was noted that the Sub-Committee's terms of reference included an annual review of contribution rates and it was suggested that this should be an item for consideration at the next meeting. Ms Guillaume said she would provide the Greffe with contact information for comparator organisations so that the prevailing rates of employer contributions in the Island could be assessed. *(Action – Greffier, Ms Guillaume)*

The Chair noted that payroll would not be able to process one-off contributions to the scheme in accordance with the income tax law. Ms Guillaume said she would find out if such contributions could be paid directly to Rossborough. *(Action – Ms Guillaume)*

It was queried whether the Sub-Committee should review the terms and conditions of the scheme in the light of changes to tax legislation. The Rossborough representatives said that they would alert the Sub-Committee to any legislative changes affecting the scheme.

Mr Forbes asked about the level of investment in the 'Perspective Cautious Strategy', which had recently underperformed. Mr Laing said the fund was likely to come off the watch list soon as its performance is improving. Ms Guillaume's subsequent emails on this issue are appended to the minutes.

#### 7. Next meeting

It was agreed that the next meeting should take place in January or February. *(Action – Mrs Page)*