

Media Release

30th May 2022

Public Sector Pensions Legacy – The greedy elephant at the Treasury.

(Latest statistics released by PPPA).

On 5th May 2022 the Public Sector Pensions Authority responded to a Freedom of Information request.

Three questions were asked but no direct or transparent answers were given, simply reference to hyperlinks.

Following detailed consideration of information disclosed in such hyperlinks, the answers to the three questions are revealed as follows:-

Question 1

How many persons are currently in receipt of any type of IOM Government Public Sector Pensions Scheme payment?

Pensioner membership as of 31st March 2022 = 7,826 (see PSPA Operations Report April 2022).

In 2006, the number of pensioners in receipt of any Public Sector Pension payment was 6,096.

There has therefore been an increase in Public Sector pensioner membership by 1730 in the last 15 years.

Question 2

What was the total overall sum of such Public Sector Pension payments in the last financial year?

The answer is £113.6 million, in the year ending 31st March 2022.

Question 3

What was such total overall sum in 2016?

The answer is £91.1 million.

Pension Shortfall

For the financial year ending 31st March 2022 the excess of Public Sector Pension expenditure (£113.6 million payments) over income (£75.7 million contributions) was **£37.8 million**.

Since 2015, there has been a cumulative excess expenditure over income of a staggering **£272 million**, which has been drawn from other sources/general revenue over the last 7 years.

Of course, it is accepted that the recipients are legally entitled to such pension payments.

However, the glaring ethical issue is the continued inequity of taxes paid by those **not** employed by government to in effect be partly subsidising the occupational pensions of Public Sector workers?

The shameful failure of successive Manx administrations to properly deal with the Public Sector Pension legacy means continual unfairness and over £30 million per annum being diverted away and haemorrhaging from other worthy and justifiable public spending/projects. How many of the Island's crumbling roads could be repaired or dilapidated school buildings replaced using £30 million per year?

The obvious suspicion being that the lack of candour and ongoing failure to satisfactorily address this black hole in public finances is due to the vested interests of a self-serving political class.

Whilst new entrants to Public Sector Occupational Pension Schemes may now be making appropriate monthly pension contributions from their salary, many already retired Civil Servants did not make sufficient contributions to properly and sustainably fund their pensions.

The recent spate of hasty retirements by a number of Departmental CEO's will no doubt only aggravate this running sore.

(Note – Public Sector Occupational Pensions are, of course, an entirely separate issue to the universal State Retirement Pension).