

What's another £37 million between friends?



"Stop! That cash is supposed to be for the grandchildren".

In our news article dated 30th May 2022, we raised serious concerns about the huge amounts of money repeatedly drawn down from general reserves to pay for public sector occupational pensions (separate from the state retirement pension).

The Isle of Man *Public Sector Pensions Authority*, in its Operations Report dated May 2023, revealed that the shortfall last year was a whopping **£37 million** (see link below).

The amount of occupational pension contributions paid *in* by public sector workers last year was £83.2 million.

The amount of occupational pensions paid *out* to retired public sector workers in 2022 was £120.2 million.

The deficit of £37 million was obtained from other sources including general revenue.

When this £37 million is added to the overspend of £272 million for the period 2015 to 2022, the cumulative overspend in the last 8 years amounts to a colossal **£309 million**.

The fundamental questions are whether it is sustainable or fair for general treasury reserves to be used in this way. In other words, should non-public sector workers be subsidising the occupational pensions of public sector workers on the Island?

<https://www.gov.im/media/1379721/pspa-operations-report-q4-22-23.pdf>

<https://www.ik.im/wp-content/uploads/2022/06/30.05.22-Public-Sector-Occupational-Pensions-an-unresolved-Financial-Scandal.pdf>