

# THE LIBERALVANNIN PARTY

## Press Office



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### **Liberal Vannin Party slams “Spend-Now – Pay-Later” Pension Schemes**

The Liberal Vannin party welcomed the select committee report on the civil service pension schemes. The report exposes the extent of the greed and incompetence of the public sector in saddling the people of the Isle of Man with a gross liability of over £1,000 million to pay for public sector pensions alone. The net liability - £967 million - equals more than £19,000 for every person on the electoral roll – or equals nearly £100,000 of net liability for a household with a Mum, Dad and three children over sixteen! This means our children and grandchildren will inherit a substantial debt that they will be paying it off for many years to come.

Peter Karran, the party leader, remarked that he first brought this to the attention of Tynwald in 2002 but the government’s handling of the economy has made matters much worse. Even the Chief Minister is on record as stating that “This is an acute and grave problem” but he has failed to acknowledge that it has been his government that has created it.

The Liberal Vannin party called for immediate steps to be taken to reduce the net liability and said it should be subject to annual review - not every five years, as recommended in the report. A government that employs 24% of the economically active population and wants to match public sector pensions with those in the UK is living in financial cloud cuckoo land. Its policies will damage the competitiveness of the business sector - the bedrock upon which the whole economy rests.

The party is calling for greater accountability in the public sector. Disciplinary action should be taken against its own members if the incompetence outlined in the report is established. The report illuminates incompetence in many aspects of the Civil Service Commission: the commission relied on civil servants unqualified in pension matters; the head of personnel, Mrs Skillicorn, was ignorant of the commission’s role as scheme manager and; the assistant secretary to the commission demonstrated incompetence.

Liberal Vannin party said the Chief Secretary, the head of the civic service, and not the Council of Ministers (as recommended in the report) should be responsible for investigating what action should be taken against officers accused of incompetence in the report. CoMin should focus on determining policy and compare the costs of the public sector and the net financial liabilities of the government with those of competitor jurisdictions.

CoMin should justify why the costs and net financial liabilities are so high and assess the anticipated impact on the competitiveness of the Island.

The Liberal Vannin party applauded Tynwald for establishing the select committee to highlight the shambles that has developed, but said the report does not go far enough.

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Pensions are deferred salaries and liabilities must be fully accounted for in the year under review, as is the case in the private sector. The report fails to recognise this.

The growth in the number of public sector employees must be stopped, and their pension arrangements brought into line with those in the private sector.

Unless radical action is taken, it might not be possible to meet the liability in the future.

Liberal Vannin party urge people will use their votes in this election to support its candidates who are committed to sound economics and total transparency and accountability. Peter Karran claimed that **“It’s the only chance the Island has of breaking the “Spend- Now and Pay-Later” policies of the last government”**

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