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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

NOTICE OF MEETING

<i>Meeting</i>	HIWFRA Firefighters' Pension Board	<i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority</i> CFO Neil Odin
<i>Date and Time</i>	Wednesday 5th July, 2023 2.00 pm	<i>Fire & Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i>
<i>Place</i>	Meeting Room Z, Fire and Police HQ, Eastleigh	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

The Openness of Local Government Bodies Regulations are in force, giving a legal right to members of the public to record (film, photograph and audio-record) and report on proceedings at meetings of the Authority, and its committees and/or its sub-committees. The Authority has a protocol on filming, photographing and audio-recording, and reporting at public meetings of the Authority which is available on our website. At the start of the meeting the Chairman will make an announcement that the meeting may be recorded and reported. Anyone who remains at the meeting after the Chairman's announcement will be deemed to have consented to the broadcast of their image and anything they say.

Agenda

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2 **ELECTION OF CHAIRMAN**

To elect a Chairman of the Pension Board in accordance with the Terms of Reference of the Pension Board, until the first meeting of the Board following the 2024 HIWFRA AGM.

3 **ELECTION OF VICE-CHAIRMAN**

To elect a Vice-Chairman of the Pension Board in accordance with the Terms of Reference of the Pension Board, until the first meeting of the Board following the 2024 HIWFRA AGM.

4 DECLARATIONS OF INTEREST

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

5 MINUTES OF PREVIOUS MEETING (Pages 5 - 10)

To confirm the minutes of the previous meeting.

6 DEPUTATIONS

Pursuant to Standing Order 19, to receive any deputations to this meeting.

7 CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

8 SCHEME ADVISORY BOARD

To receive a verbal update on the Scheme Advisory Board.

9 HAMPSHIRE PENSION SERVICES ANNUAL ADMINISTRATION REPORT (Pages 11 - 46)

To receive the Annual Administration Report.

10 LEGISLATION AND LOCAL GOVERNMENT (LGA) UPDATE REPORT (Pages 47 - 86)

To receive a report providing an update on legislation and the Local Government Association.

11 FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW (Pages 87 - 124)

To receive an update on the development of key issues and to review the Risk Register.

12 EXCLUSION OF PRESS AND PUBLIC

To resolve that the public be excluded from the meeting during the following items of business, as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during these items there would be disclosure to them of exempt information within Paragraphs 3 and 7 of Part 1 of Schedule 12A to the Local Government Act 1972, and further that in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information, for the reasons set out in the reports.

13 HAMPSHIRE PENSION SERVICES ANNUAL ADMINISTRATION REPORT - EXEMPT APPENDIX (Pages 125 - 126)

The exempt appendix to Item 9 on the agenda.

ABOUT THIS AGENDA:

This agenda is available through the Hampshire & Isle of Wight Fire and Rescue Service website (www.hantsfire.gov.uk) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

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Public Document Pack Agenda Item 5

AT A MEETING of the HIWFRA Firefighters' Pension Board held at Fire and Police Headquarters, Eastleigh on 17th April 2023 at 10.00

*Present

Chairman:* Stew Adamson
Vice Chairman: Richard Scarth

* Councillor Roger Price	* Councillor Roger Price
* Mark Hilton	* Ross Singleton
* Richard North	Dan Tasker

63. APOLOGIES FOR ABSENCE

Apologies were received from Dan Tasker and Richard Scarth.

64. DECLARATIONS OF INTEREST

Members were mindful of their duty to disclose at the meeting any Disclosable Pecuniary Interest they had in any matter on the agenda for the meeting, where that interest was not already in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

No declarations were made.

65. MINUTES OF PREVIOUS MEETING

The minutes of the meeting of 31 January 2023 were reviewed and agreed.

66. DEPUTATIONS

There were no deputations.

67. CHAIRMAN'S ANNOUNCEMENTS

The Chairman recorded his thanks to Cllr Mellor, the Chairman of the Standards and Governance Committee, who had attended the training session in January.

68. SCHEME ADVISORY BOARD

Cllr Price confirmed that all items were covered in the legislation and local government update later in the agenda.

69. **FIRE PENSION BOARD ANNUAL REPORT (2022/23)**

The Board received the annual report of the Chief Financial Officer from the Pensions Board to the Standards and Governance Committee, summarising the work of the Board for the 2022/23 financial year in the exercise of its functions. (Item 7 in the minute book).

The Board were content with the report.

Resolved

The annual report was approved for submission to the HIWFRA Standards and Governance Committee by the HIWFRA Firefighters' Pension Board.

70. **LEGISLATION AND LOCAL GOVERNMENT (LGA) UPDATE REPORT**

The Board received an update on legislation and the Local Government Association (LGA). (Item 8 in the minute book).

The officer presented the report to the Board and drew Members' attention to the following:

- Paragraph 9, the LGA have published a new webpage for members relating to the 2015 remedy, and provided a broad timeline to help manage expectations.
- The 'Matthews second option exercise pre-work for FRA's' fact sheet, which has been drafted by the Employer Pension Manager and reported in Appendix C to the report.
- Paragraph 13, - on 6 February 2023, the Rectification of Unlawful Discrimination Regulations were laid. These regulations set out changes to how the pension tax rules will apply to pension scheme administrators and members of pension schemes as a result of the 2015 McCloud remedy.
- Paragraphs 15 -17, HM Treasury have issued a written statement confirming the Public Service Pension Indexation and Revaluation for 2023. This confirmed that for pensions that are in payment, they will be increased from 10 April 2023 by 10.1% except for those which have not been in payment for a full year which will receive a pro-rata increase. The statement also confirmed that for active members in the 2015 FPS, their CARE pensions will be revalued by 7% on 1 April 2023.

In answer to a question from a Board Member, it was confirmed that any recently retired members of the pension scheme who believe they are entitled to back pay after the recent pay rise which wasn't automatically paid, should contact the IBC.

Board members were reminded that:

- The National Police Chief's Council (NPCC) and the Local Government Association will be holding a joint data conference on 17 May in London and were invited to attend.

- The annual Fire Pensions conference will take place on 19 and 20 September 2023 in London.

The Board's attention was drawn to the following:

- Paragraph 25 of the report, on 10 March 2023, the High Court ruled that HM Treasury's (HMT) decision to include the McCloud remedy in the cost cap mechanism was not unlawful. The judge ruled in favour of HMT on all grounds. The judge also refused permission to appeal, but the FBU and other parties are able to apply for permission to appeal directly to the Court of Appeal.
- Paragraph 26, the Government published a consultation on changing the methodology for setting the SCAPE (Superannuation Contributions Adjusted for Past Experience) discount rate in June 2021. The Service is waiting for the related change to the employer contribution rates, which are expected from April 2024. The Board heard that the Government have committed to provide funding for the increase in these rates and officers are waiting to hear what form the grants will take.

Resolved

The content of the report was noted by the HIWFRA Firefighters' Pension Board.

71. **FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW**

The Board received a status report and an update on the Risk Register (Item 9 in the minute book). The Employer Pension Manager (EPM) introduced the report and explained that the Service is intending to run some Annual Allowance and Lifetime Allowance sessions for its staff. These sessions will be run by an external company called Pen-Gage who have a wealth of experience in these particular areas and are scheduled to take place in May 2023.

Sessions are in the process of being arranged for On Call members on the Isle of Wight to help resolve some issues that have stemmed from communication prior to the Combined Fire Authority.

Use of the Member Portal is increasing with active members, although there is more work to do. The Board discussed the fact that deferred members are difficult to reach and ways to raise their awareness.

The officer explained that two new risks had been added to the Risk Register:

- Failure to adequately resource the pension administration team for the upcoming McCloud and Matthews remedy implementation. (Risk number 7).
- Changes to the Shared Services partnership mean that HIWFRA is withdrawing from some strategic services, including HR. There is a risk

that changes could negatively impact on the employer pension management shared function which sits within HR. (Risk number 8).

The Board agreed that:

- the score to risk number 8 should be 12 and not 9 as stated in the register as the mitigations were not yet in place.
- The introduction of the Pensions Dashboard should be added to risk number 7, due to the workload required.

The Employer Pension Manager reported that she had issued a pay data request spreadsheet detailing the pay data that will be required for each member to the Payroll teams at HIWFRS and the Isle of Wight Council. The deadline for this is 30 September 2023.

She has also developed a communications spreadsheet in order to keep up to date with changes of addresses of deferred members to ensure that best endeavours are made to ensure these people receive details of their options. The Board discussed ways in which to spread the word to this cohort of pension members.

The EPM referred to the response that she was developing to a Home Office consultation on the retrospective McCloud remedy which closes on 23 May 2023. (Appendix C). The Board were asked for their views.

A Board member queried paragraph 55 (regarding opted out service) with reference to timescales and the ability to repay , and it was agreed that the EPM will redraft this paragraph and circulate to Board members for approval along with any other amendments.

Resolved

The content of the report was noted by the HIWFRA Firefighters' Pension Board.

The risk register as set out in paragraphs 13-18 and Appendix A was approved by the HIWFRA Firefighters' Pension Board.

72. PENSIONS COMMUNICATION PLAN

Sean Harrison introduced the report, explaining that the communications plan helped ensure the Service was communicating as best it could and the reporting of this to the Board meant that it could be monitored and reviewed.

Resolved

The HIWFRA Firefighters' Pension Board received the Communications Plan in Appendix A and approved the addition of a standing agenda item, entitled Communications, to its future meetings.

Chairman, HIWFRA Firefighters'
Pension Board

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Administration report

2022/2023



**Hampshire
& Isle of Wight**
FIRE & RESCUE SERVICE

Working in partnership with



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1. Summary

- 1.1. The purpose of this report is to update the Hampshire & IOW Fire Pension Board with the 2022/23 position of scheme membership; performance against service level agreements and to provide other important and current information about the administration of the Hampshire & IOW Fire pension schemes.

2. Background

- 2.1. Hampshire Pension Services (HPS) administer the Fire pension schemes on behalf of the Chief Fire Officer, under the Joint Working agreement between Hampshire County Council, Hampshire and IOW Fire & Rescue Authority (HIWFRA) and the Chief Constable of Hampshire and IOW Constabulary.
- 2.2. Responsibility for the fire schemes sits with the HIWFRA as the scheme manager. HPS therefore administer the schemes in accordance with the statutory regulations and any instructions from the FRA on discretionary matters. The FRA are part of the shared services arrangements, so all salary and service information required for pension calculations is provided to HPS by the IBC.
- 2.3. HPS also administer the Local Government Pension Scheme for the Hampshire Pension Fund, West Sussex Pension Fund, London Borough of Hillingdon and City of Westminster as well as the West Sussex firefighter schemes and the police pension schemes on behalf of Hampshire and IOW Police.

3. Membership

- 3.1. The table below details the number of members against status for each of the Firefighters' pension schemes as of 31 March 2023. Active members affected by the McCloud remedy were moved into the 2015 scheme on 1 April 2022 and will move back into their legacy scheme on 1 October 2023.

Scheme	Active	Deferred	Pensioner	Total
2015 Scheme	1,296	761	10	2,097
2006 Modified Scheme	0	43	118	161
2006 Scheme	0	428	83	511
1992 Scheme	0	78	1,142	1,220
Grand Total	1,296	1,310	1,383	3,989

4. Administration performance

- 4.1. Pensions Services' performance against agreed service level agreements (SLA) for key processes are monitored monthly. The SLA is 15 working days for all processes apart from the calculation of deferred benefits which is 30 working days.

4.2. The tables below show performance for the four quarters of 2022/23.

Q1 April – June 2022

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	21 – 30 days		
Active Retirement	3	4	5	0	0	12	100.00%
Deferred Retirement	0	1	0	0	0	1	100.00%
Estimates	4	11	12	0	0	27	100.00%
Deferred Benefits	9	9	11	16	0	45	100.00%
Transfers In & Out	1	0	1	0	0	2	100.00%
Divorce	0	0	0	0	0	0	100.00%
Refunds	0	0	0	0	0	0	100.00%
Rejoiners	0	0	0	0	0	0	100.00%
Interfunds	0	0	0	0	0	0	100.00%
Death Benefits	1	0	0	0	0	1	100.00%
Grand Total	18	25	29	16	0	88	100.00%

Q2 July - September 2022

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	21 – 30 days		
Active Retirement	3	0	4	0	0	7	100.00%
Deferred Retirement	0	0	0	0	0	0	100.00%
Estimates	4	3	3	0	0	10	100.00%
Deferred Benefits	4	6	6	17	4	37	100.00%
Transfers In & Out	1	1	1	0	0	3	100.00%
Divorce	0	0	0	0	0	0	100.00%
Refunds	0	0	0	0	0	0	100.00%
Rejoiners	0	0	0	0	0	0	100.00%
Interfunds	0	0	0	0	0	0	100.00%
Death Benefits	11	0	1	0	0	12	100.00%
Grand Total	23	10	15	17	4	69	100.00%

Q3 October - December 2022

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	21 – 30 days		
Active Retirement	2	2	0	0	0	4	100.00%
Deferred Retirement	0	1	2	0	0	3	100.00%
Estimates	0	10	7	0	0	17	100.00%
Deferred Benefits	1	5	12	3	1	22	100.00%
Transfers In & Out	1	1	1	0	0	3	100.00%
Divorce	2	3	2	0	0	7	100.00%
Refunds	0	0	0	0	0	0	100.00%
Rejoinders	0	0	0	0	0	0	100.00%
Interfunds	0	0	0	0	0	0	100.00%
Death Benefits	3	0	0	0	0	3	100.00%
Grand Total	9	22	24	3	1	59	100.00%

Q4 January - March 2023

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	21 – 30 days		
Active Retirement	1	0	1	0	0	2	100.00%
Deferred Retirement	0	0	0	0	0	0	100.00%
Estimates	1	9	12	0	0	22	100.00%
Deferred Benefits	3	6	22	7	0	38	100.00%
Transfers In & Out	1	2	1	0	0	4	100.00%
Divorce	0	0	0	0	0	0	100.00%
Refunds	0	0	0	0	0	0	100.00%
Rejoinders	0	0	0	0	0	0	100.00%
Interfunds	0	0	0	0	0	0	100.00%
Death Benefits	4	1	0	0	0	5	100.00%
Grand Total	10	18	36	7	0	71	100.00%

4.3. The table below shows the summary of work completed in 2022/23. The average days show that work is being completed within the published service standards.

Hampshire and Isle of Wight Fire

Area of work	Service Standard	Number of cases	% cases completed against service standard				Average days to complete
			Q1 - 22/23	Q2 - 22/23	Q3 - 22/23	Q4 - 22/23	
Active Retirement	15 days	25	100	100	100	100	9
Deferred Retirement	15 days	4	100	100	100	100	10
Estimates	15 days	76	100	100	100	100	10
Deferred Benefits	15 days	142	100	100	100	100	13
Transfers In & Out	30 days	12	100	100	100	100	7
Divorce	15 days	7	100	100	100	100	7
Death Benefits	15 days	21	100	100	100	100	3
Total cases processed		287					

- 4.4. The annual pension increase was applied to all Fire deferred and pensioner records, with the first increased payment made on 1 April 2023.
- 4.5. The government responded to the July 2021 consultation on the methodology used to set the SCAPE discount rate and concluded that the existing approach best meets its objectives. Based on the long term GDP growth figures published by the Office for Budget Responsibility in July 2022 the rate was reduced from CPI + 2.4% to CPI + 1.7%, effective from 30 March 2023.
- 4.6. The SCAPE discount rate is used to set employer contribution rates in the unfunded public service schemes and actuarial factors across all public service pension schemes. Any calculations which use actuarial factors based on the SCAPE discount rate, including divorce quotes, were suspended from 30 March until 26 May when the new factors were issued. However no HIWFRA firefighters pension scheme members were affected.
- 4.7. The SCAPE discount rate is also used to set retirement lump sum commutation factors in FPS 1992 and following a review, GAD issued new factors on 3 April 2023. These have the effect of increasing factors at all ages, increasing benefits paid to members, and were updated in the pension system on 14 April.

5. 2022 Annual benefit statements

- 5.1. All active and all deferred annual benefit statements were produced by the statutory deadline of 31 August and were published on the Member Portal.
- 5.2. Pension savings statements were sent by the statutory deadline of 6 October to the 22 firefighters who had exceeded the annual allowance in 2021/22. 9 of these had a tax charge and 5 scheme pays requests have been received back so far in relation to these charges.

6. Member Portal (online access to pension accounts)

- 6.1. The table below shows the number of members who have registered for their online Member Portal account by 30 April 2023, together with the number who have opted out of

electronic communications and therefore the number of members who have neither registered nor opted out.

Status	Registered on Portal		Opted out		No contact	
	Number	% of total membership	Number	% of total membership	Number	% of total membership
Active	688	53.25%	0	0.00%	604	46.75%
Deferred	499	37.69%	2	0.15%	823	62.16%
Pensioner	801	57.75%	307	22.13%	279	20.12%
TOTAL	1,988	49.66%	309	7.72%	1,706	42.62%

6.2. The table below shows portal usage by registered users by quarter for 2022/23.

The breakdown by membership status shows the number of unique records in each status accessed by users in the period. This means the first time a member logs on in the period, their record (or records if they have more than one) will show as having been accessed. Any subsequent log ins by the same user in the same period will not increase the number of records accessed.

Total Portal activity shows the total number of logins (including multiple logins by the same user in the period).

Membership status	Q1 April – June 22	Q2 July - Sept 22	Q3 Oct – Dec 22	Q4 Jan – Mar 23
Active	112	331	99	113
Deferred	109	226	84	110
Pensioner	262	199	162	332
Total records accessed	483	756	345	555
Total Portal activity	743	973	503	956

7. Customer Service Excellence (CSE)

7.1. In January 2023 HPS completed a year two re-assessment of our Customer Service Excellence (CSE) accreditation.

7.2. HPS were awarded full compliance for all 57 of the CSE criteria, and in the following six areas were awarded a 'compliance plus'.

- There is corporate commitment to putting the customer at the heart of service delivery and leaders in our organisation actively support this and advocate for customers.
- We can demonstrate how customer facing staff insights, and experiences are incorporated into internal processes, policy development and service planning.
- We make our services easily accessible to all customers through provision of a range of alternative channels.
- We monitor and meet our standards, meet departmental and performance targets, and we tell our customers about our performance.
- We have developed and learned from best practice identified within and outside our organisation, and we publish our examples externally where appropriate.
- We empower and encourage all employees to actively promote and participate in the customer focussed culture of our organisation.

8. Payments to overseas pensioners

8.1. Overseas payments for fire pensioners with non UK bank accounts are currently made via Citibank. Pensioners pay Citibank £2.74 per transaction for using this service which is taken from their pension as part of the Citibank exchange into foreign currency. No fee is paid by the scheme for the service. Citibank has provided this service for all the schemes administered by HPS since the withdrawal of the TAPs system in 2009.

8.2. When HPS took on the administration for the London Borough of Hillingdon and the City of Westminster pension funds, the existing provider for overseas payments, Western Union (now called Convera), continued to provide this service for these pensioners.

8.3. This means that HPS have been able to compare the two providers over the last year and this has shown that Convera's service is more up to date and efficient for both the administrators and the users of the payment system. Convera do not make a per transaction charge but instead take a percentage through the exchange rate and have confirmed that no pensioner will pay more than the equivalent £2.74 under their service. In addition, Citibank use e-fax software which is not secure, and HCC IT are withdrawing the licence for it from September 2023.

8.4. It was agreed therefore to change the overseas payments supplier for all pensioners administered by HPS to Convera. Approval for this change to Convera for the 21 FPS pensioners currently with Citibank was given by Catherine Edgecombe in April 2023. Pensioners will be contacted in June to inform them of the change and give them the option of continuing with this service or opting out. The first payment will be made through Convera on 1 September 2023.

9. TPR data scores

- 9.1. The Pension Regulator (TPR) requires schemes to complete an annual return providing details of the contributing employers and governance arrangements. Since 2018, TPR has required schemes to report on the presence and accuracy of common data (information about the individual and basic retirement information) and conditional data (required to calculate specific scheme benefits) as part of the annual return.
- 9.2. The score is based on a pass/fail approach for each member against all data items. This means that if an individual has a single piece of data missing then the individual will count as a fail (even if all other data is present and accurate).
- 9.3. The common and conditional data scores for the Firefighter Pension Schemes are shown below with the previous years in brackets for comparison.

Scheme				
Data type	1992	2006	2006 modified	2015
Common	99% (98%)	96% (95%)	98% (97%)	99% (98%)
Conditional	96% (95%)	99% (98%)	98% (93%)	97% (96%)

10. Complaints and data protection

- 10.1. One formal complaint was received from a scheme member during the year. This related to the member receiving an estimate which was lower than ones he had run on the Portal and had received previously from HPS. The earlier estimates had been based on full time service whereas when the final leaver form was provided, it was confirmed that the member had some part time service.
- 10.2. There were no data protection breaches in relation to fire scheme members during 2022/23.

11. Audit

- 11.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for Hampshire Pension Services (HPS). All internal audits sample records across the schemes administered by HPS.
- 11.2. The position of our 2022/23 pension audits are as follows:

Audit Area	Timing
Pension Transfers: To provide assurance over the processes and controls to support the accuracy and timeliness of transfers in and out of the schemes managed by HPS.	Completed – ‘substantial’ rating confirmed.
Member Deaths: To provide assurance that systems and processes ensure that any payments related to deceased members are calculated correctly and	Completed – ‘substantial’ rating confirmed.

paid promptly to the correct recipient, with the risk of overpayments minimised.

UPM - Cyber Security:

(This has been identified as a new audit review area)

To provide assurance over the Cyber Security arrangements for the UPM application

Completed – ‘reasonable’ rating confirmed.

Pensions Payroll and Benefit Calculations:

Annual review to provide assurance that systems and controls ensure that:-

Completed – ‘substantial’ rating confirmed.

- Lump sum and on-going pension payments are calculated correctly, are valid and paid to the correct recipients;
- All changes to on-going pensions are accurate and timely;
- Pension payroll runs are accurate, complete, timely and secure with all appropriate deductions made and paid over to the relevant bodies.

12. Cyber Security

12.1. A short update on cyber security is contained in a confidential appendix to this report.

13. McCloud

13.1. All firefighters were moved into the CARE scheme on 1 April 2022 and there are no longer any active members in the legacy schemes in the administration system. Any firefighters who retire before the retrospective remedy legislation is in place will receive benefits based on current legislation i.e., legacy scheme benefits up to the date of transition into the 2015 scheme, and CARE benefits from the 2015 scheme. These firefighters will then be contacted after 1 October 2023 with their choice for retrospective remedy.

13.2. Work is continuing on the project in order to be in a position to provide members with remedy calculations from 1 October 2023. A document which outlines the overall approach to the McCloud project for both Police and Fire is attached as Appendix 1 to this report for the Board’s information.

13.3. Civica are holding a monthly project board, attended by representatives from the Home Office and NPCC as well as individual administrator representatives, to monitor progress against the key milestones. Software has been delivered according to the timetable and the first of these to identify the numbers in different cohorts affected by remedy is now live in UPM. The testing for the second delivery is due to be completed and results provided to Civica by 16 June.

13.4. The IBC provided the required service and financial data ready to load into UPM. This will be done by 1 October 2023.

- 13.5. We have completed our analysis of the McCloud Remedy cohorts and share below the numbers of members that fall into each cohort, that will need to be contacted regarding Immediate Choice and Deferred Choice. The order of the cohorts below is the order that we will be communicating with them, but a specific timeline is to be agreed.

Cohort – Immediate Choice	Number of Members
Ill-Health retirements (Immediate Choice Group 1)	10
Death Beneficiaries (Immediate Choice Group 2)	10
Active Members (Deferred Choice Group 3)	633
Deferred Members (Deferred Choice Group 4)	329
Unprotected and Tapered Protection Pensioners (Immediate Choice Group 5)	82
Protected 2006 Scheme Pensioners (Immediate Choice Group 6)	15
Protected 1992 Scheme Pensioners (Immediate Choice Group 7)	133
Total	1,212

- 13.6. The numbers above do not take in to account the work required to address those members who will fall under ‘contingent decisions’ e.g., firefighters who previously opted out; or elected to purchase additional service or pension; or received honoraria payments.

14. Pensions Dashboard Programme

- 14.1. The Pensions Dashboard Program (PDP) is a national government initiative which all UK pension schemes are required to participate in. The aim of the PDP is to create a single website for people to be able to access all their pensions information from all their pension schemes, including the state pension in one place. A document setting out the approach to Dashboard connection is attached as Appendix 2 to this report.
- 14.2. Civica have been appointed as the ISP provider for Hampshire Pension Services. However following the government announcement in March 2023 of an overall delay to the PDP, Civica are currently waiting for the revised detail of when they will be asked to connect to the dashboard.

- 14.3. The Parliamentary Under Secretary of State for Department for Work and Pensions issued an updated [Written statements - Written questions, answers and statements - UK Parliament](#) on 8 June setting out further details of the delay. Details are set out below:
- Legislation will be updated to set an overall connection deadline for all schemes, which will be 31st October 2026.
 - The individual connection deadlines for schemes will be set out in guidance, and will be before the final deadline of 31st October 2026. DWP is planning to collaborate with the industry this year before publishing this guidance.
- 14.4. The date that dashboards will go live to the public (Dashboards Available Point) has not been announced yet, but the minister today said that this could be earlier than 31st October 2026. This indicates that Public Sector Schemes will have an earlier staging date than 31st October 2026.
- 14.5. HPS is still working on the basis that public sector schemes will be required to connect in September 2024.



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Pensions Dashboard Report



**Hampshire
& Isle of Wight**
FIRE & RESCUE SERVICE

Working in partnership with



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Hampshire
& Isle of Wight
FIRE & RESCUE SERVICE



West Sussex
Fire & Rescue Service

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1. Summary

- 1.1. The purpose of this document is to set out our understanding and engagement with the Pensions Dashboard Programme (PDP) for the Hampshire and IOW Fire & Rescue Authority (HIWFRA) as the scheme manager for the firefighter's pension schemes in Hampshire and the Isle of Wight.
- 1.2. This is designed to be a working document and will be updated in more detail, as the PDP progresses.

2. Background

- 2.1. The PDP is a national initiative which will require engagement from all pension schemes (public and private), including the State Pension.
- 2.2. Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place, thereby supporting better planning for retirement and growing financial wellbeing. Dashboards will provide clear and simple information about an individual's multiple pension savings, including their State Pension. They will also help them to reconnect with any lost pension pots.
- 2.3. The link below is to a short video which provides a good overview of what Pension Dashboards do and how they will operate.

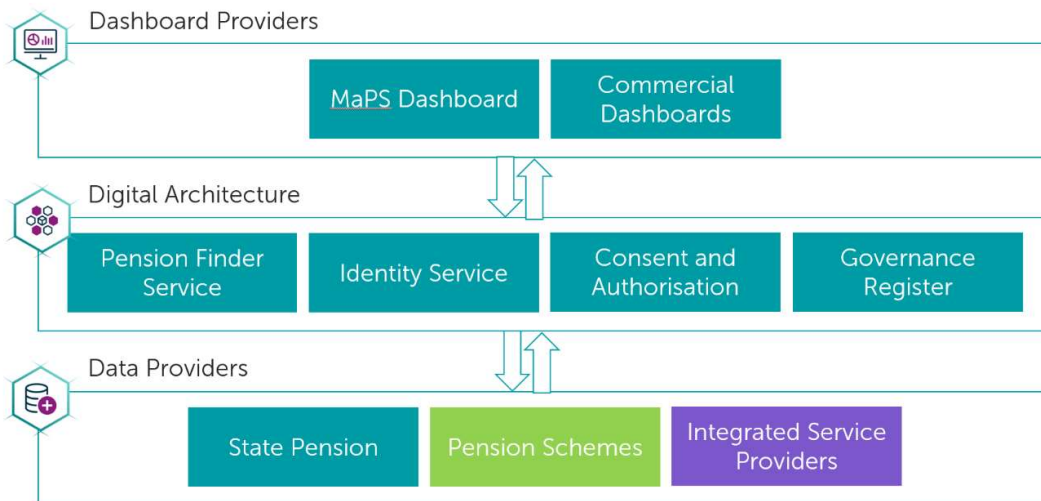
<https://www.pensionsdashboardsprogramme.org.uk/2020/10/28/introduction-pensions-dashboards-ecosystem/>

- 2.4. The PDP provides regular updates on the national programme and progress; their latest update for April 2023 can be accessed via the link below:

<https://www.pensionsdashboardsprogramme.org.uk/pur/>

- 2.5. At present, only active and deferred member benefits are in scope; pensioners and members with preserved/unclaimed refunds will not be included in the data set being provided to the pensions dashboard.
- 2.6. The legislation sets out significant roles for The Pensions Regulator (TPR) who will regulate the compliance of public-sector pension providers and schemes in providing data to individuals via their chosen dashboard – they will have powers to issue penalty notices to schemes and third parties.

2.7. The pensions dashboard ecosystem is the overarching system which includes the dashboard providers, data providers and digital architecture.

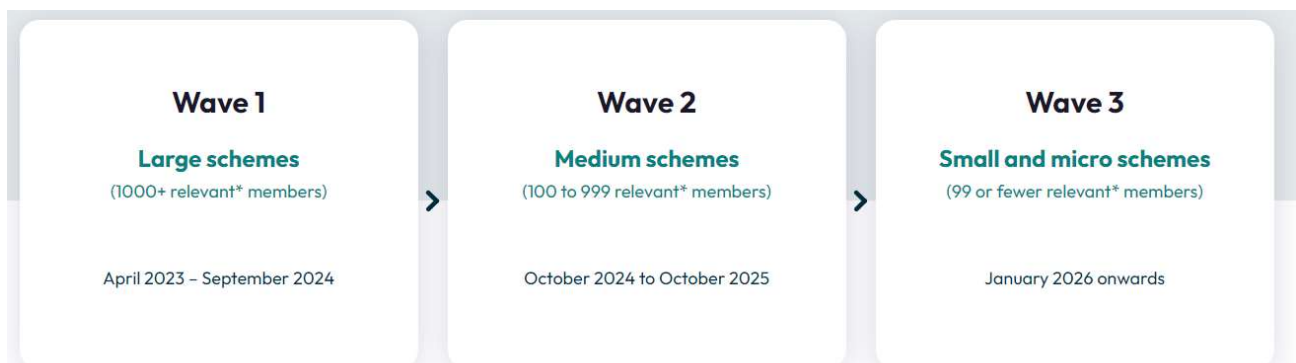


2.8. A **dashboard provider** is an organisation that provides a pensions dashboard. In the beginning the public dashboard will be provided by the Money and Pensions service (MaPS) but will eventually include commercial providers.

2.9. A **data provider** is a pension scheme, or integrated service provider that provides data to the dashboard. This is the layer of the ecosystem that covers the responsibilities of HIWFRA and Hampshire Pension Services.

2.10. The **digital architecture** comprises the elements that make the dashboard work, such as the pension finder service, the identity service and governance register – all of which are the responsibility of the PDP.

2.11. Each pension scheme has its own staging date, and public sector schemes including the Firefighters’ pension scheme must onboard (either directly or using an ISP) by 30 September 2024, as part of the ‘Large Schemes’ group.



2.12. Pension benefit information must be made available via the pension dashboard by 1 April 2025 and cover both benefit options, to reflect McCloud remedy.

2.13. However, neither of the dates above are when the pensions dashboard will be available to the public. This date hasn't been confirmed yet, but we have received confirmation that the 'dashboard available point' (DAP) will be communicated 6 months in advance to allow schemes to prepare.

3. Roles and Responsibilities

3.1. HIWFRA has overall responsibility for compliance with the Pensions Dashboards regulations, as the scheme manager for the firefighter's pension schemes in Hampshire and the Isle of Wight. The mechanism to prove compliance is still to be confirmed by the PDP.

3.2. Hampshire Pension Services (HPS) will provide the necessary resource to;

- Support a successful implementation and onboarding;
- Improve and maintain data quality;
- Handle queries from members being signposted to HPS by the pensions dashboard.

3.3. We have chosen to use an integrated service provider (ISP) and they are responsible for;

- Connecting to the ecosystem;
- Providing both 'View' and 'Find' information to the Pensions Dashboard;
- Managing member matching, and reporting 'partial matches' back to HPS;
- Providing governance and monitoring tools.

3.4. The link below sets out the detailed 'standards' that all pension schemes, administrators and ISP's must comply with;

www.pensionsdashboardsprogramme.org.uk/standards/

4. Integrated Service Provider (ISP)

4.1. We have decided to proceed with Civica as our chosen ISP. This decision was based on;

- The preference to expand our existing relationship with Civica and avoid an additional third party contract.

- Civica’s substantial knowledge of our administration software (UPM) – therefore no requirement to ensure another party (ISP) has a full and detailed understanding of the database and infrastructure.
 - Civica’s ability to automate the bulk data upload; and individual processes which will be ‘triggered’ by members accessing the pensions dashboard.
 - Confirmation that Civica can meet the 24/7 requirements of the pensions dashboard, without any performance impact on our administration software, the member portal and employer hub.
 - Integration with our existing Member Portal – supporting ‘partial matches’.
 - Cost comparison to another established ISP resulted in Civica being significantly more competitive on price.
 - If another ISP was appointed, a ‘connector’ is still required from UPM (via Civica) to the ISP which carries additional set up and maintenance cost.
- 4.2. Civica have full engagement with the PDP and have demonstrated that they can meet all of the requirements of an ISP, as set out in the pension dashboards ‘code of connection’ – www.pensionsdashboardsprogramme.org.uk/standards/code-of-connection/
- 4.3. A regular technical working group is held to include all of Civica’s client base, and HPS have attended all meetings.

5. Data Readiness

‘Find’ Data

- 5.1. Members will be ‘matched’ with their benefits on the pensions dashboard, by entering their personal details, specifically Name, DOB and National Insurance number (NINO) – this is known as ‘Find’ Data.
- 5.2. If one or more of the ‘Find’ data items do not match with our records then a ‘partial match’ is reported to the member, and they will be asked to contact HPS. We will agree the combination of ‘Find’ data items which will be accepted as a full match initially, but if we believe that this is generating unnecessary partial matches or queries, then we will be able to adjust what we accept as a full match going forward.
- 5.3. ‘Find’ Data for active members will be in as good a position as the employer’s records – the Name, DOB and NINO will have been confirmed by the employer on their annual return, and anything that doesn’t correspond with our records is queried with them at the time.

- 5.4. 'Find' data for deferred members – specifically those who left the scheme some time ago – may not be as accurate, particularly if the member has changed their name since leaving.

'View' Data

- 5.5. Once a member has been 'matched' the pension benefit information we hold will be shared with them – this includes the name of the scheme; type of scheme; current value of benefits; and estimated value of benefits at the scheme's normal retirement age.
- 5.6. The pension benefit information is known as 'View' Data for the purpose of the PDP.
- 5.7. We are confident in our ability to satisfy the 'View' data requirements based on the high rate of production for both active and deferred benefit statements – these calculations will be populating the 'View' data fields for upload to the pensions dashboard.

Data Cleansing

- 5.8. We have access to a data cleansing tool – DART – which we use to calculate the Pensions Regulator data scores and we will continue to work on improving both the 'common' and 'conditional' data scores; but it is important to highlight that these scores are not an indication of our ability to comply with the pensions dashboard regulations.
- 5.9. We are also discussing with Intellica – who we have worked with previously and are data partners of Civica – whether there are any other tools available to specifically review the 'Find' and 'View' data held in our system. Any investigation that Intellica carry out will incur an additional cost, so it is important for us to understand whether their support will put us in a substantially better data quality position, before we engage their services.

6. Implementation and Annual Maintenance Fee

- 6.1. Civica have confirmed the implementation and annual maintenance cost for their ISP software. The total cost has been calculated based on the number of Active and Deferred members across all of the pension schemes we administer.

ISP Implementation Fee (one off)	£14,850
ISP Annual Maintenance	£97,562

- 6.2. The HPS resource that will be required to support implementation and respond to member queries and 'partial matches' is currently estimated to be an additional 2 FTE staff costing approximately £70,000 annually, to support all of the pension schemes that HPS administer. We intend to employ this resource in advance of our staging date, to ensure the individuals

can support implementation and are trained and competent to deal with queries straight away. We will discuss this further with HIWFRA as to the precise timing of this recruitment.

- 6.3. As of 30 September 2022, the HIWFRA had 2,551 active and deferred members.
- 6.4. Based on these membership numbers, HIWFRA's share of the ISP implementation fee is £153.52 which will be payable by March 2023.
- 6.5. The indicative ISP annual maintenance fee – payable from September 2024 – is £1,100 and will be increased by the Retail Price Index (RPI) each September.
- 6.6. The cost of the 2 FTE will be split across all schemes we support based on scheme membership, and the indicative cost for the HIWFRA, per annum would be £800. This would increase in line with staff pay awards.
- 6.7. However, the impact of the pensions dashboards being made available to users, is currently unknown and our resource may need to be adjusted as the project progresses and once the impact of the pensions dashboard being made public, is understood.

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McCloud remedy for the Police and Fire schemes

Project overview

Working in partnership with



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Approach to the McCloud remedy project for Police and Fire

1. Introduction

The purpose of this document is to set out the overall approach for the McCloud remedy project for the police and firefighter pension schemes and to highlight the external dependencies which will impact the overall delivery of the project.

2. Overall aim

To allow all members within scope of the remedy the choice of receiving legacy or reformed scheme benefits for the remedy period and to resolve the financial implications of those decisions in terms of contributions, interest and tax position.

To deliver this aim, the following things need to be in place:

- Regulations and guidance
- Service and financial data for those in scope on each individual UPM record
- New calculations in UPM which allow the calculation (newly retiring members) and recalculation (deferred and pensioner members) of benefits to show the choice comparison
- New calculations which allow the creation of compliant Remedial Service Statements
- The completion of exercises to allow members the choice of legacy or reformed scheme benefits and reinstatement for those who had opted out as a way of protecting their legacy benefits.

3. Key deliverables

The table below sets out the key deliverables for this project and the anticipated timescales.

Deliverable	Responsible	Target date
Regulations and guidance	Home Office	(Draft) February 2023
Service and service break data for the remedy period	Scheme managers	June 2022
Financial data for the remedy period (CPD/APB/contributions and final salary/CARE pay)	Scheme managers	June 2022
Identification of the different cohorts	Scheme manager/HPS	March 2023
Upload of financial and service data onto UPM records	HPS	September 2023
Implementation of new calculations	Civica/HPS	May – December 2023
Remedial Service Statement issued	HPS	October 2023 – April 2025

4. Project approach and governance

The McCloud remedy project is being carried out by an internal team with a project manager overseeing the work. There is a monthly project meeting led by the project manager to track progress against the project plan and there are fortnightly meetings within HPS to discuss tasks in more detail. These project meetings are in addition to the task focussed meetings taking place within the team and with the fire and police authorities as required.

In addition, Civica have set up a project board and technical group with representatives from all their police and fire clients, as well as from the LGA and NPCC to ensure that the software deliverables are compliant and delivered to sites on time and budget. HPS are represented on both groups.

HPS also attend the LGA Fire coffee mornings and the NPCC Police Pensions updates.

A McCloud update will be included with each monthly partnership report with the partner meetings providing an opportunity to discuss anything in more detail. Partners are sharing the cost of the McCloud project team and the new software based on their share of police and fire members administered by HPS.

5. Risk register

The project manager is maintaining the risk register for the McCloud project. The key risks are around the availability of data and software as well as the regulations required to implement the remedy. A summary of the risks is shown in the table below.

Category	Description	Number of related risks on register	Mitigation	Risk rating
Data	Scheme managers may not hold or provide accurate data by the deadlines and the data may not match to that already held of UPM.	4	Early and sustained engagement with employers and communication and escalation with Partners. Documented approach to delayed or missing data.	Medium
Regulations	Regulations are not available on time for Civica or administrators to meet the required timetable for implementation of the remedy	10	Limited – reliance on national groups putting pressure on Home Office to publish regulations and guidance and respond to consultations	High
Resources	Insufficient resource or availability of automated calculations may prevent remedy data being uploaded in time or calculations being carried out	7	Costs of project team and software shared across partners so all can benefit from economies of scale. McCloud is a key risk on the Fund's risk register so will have the profile and support of the relevant local Board. Civica are providing a robust project plan and governance around their deliverables.	High
Communication	Communications are not issued on time to members or are so complex that they cannot be understood. Staff are unable to cope with the queries from members	7	Communications will be drawn from national groups where possible. Workstream as part of internal project group to ensure that appropriate communications are issued at the right times.	High

6. Data

The purpose of the data collection and upload exercise is to get information onto records which will allow the comparison between legacy and reformed scheme benefits.

Data has been provided on spreadsheets in an agreed format. The financial collection template was complicated by the mix of relevant dates which for Fire CPD is July to June but for most other financial data is April to March. This data will be manipulated by HPS to get it in the right format for upload into UPM.

The data will be loaded onto individual records using Civica's bulk data importer (BDI). The BDI validates the data and provides administrators with the opportunity to resolve warnings and errors. Data which cannot be matched to a record or which otherwise errors will not be uploaded to a record without manual intervention. The delivery of the BDI has been delayed due to the issue with the agreed LGA template which did not account for the CPD year (but instead put everything to April – March). The BDI loader is now expected towards the beginning of March 2023.

All data needs to be on individual records by October 2023.

7. Software

Significant changes to the software are required to enable the administration of the McCloud remedy for the police and fire schemes. Civica have produced a proposal for the timing of the software releases which is shown in Appendix 1. Some elements on the proposal have a high risk of additional work being required once legislation is delivered – the risk occurs because in order to deliver the calculations out to clients on time for statutory dates to be met, work is having to start before legislation is in place. This could mean a solution is developed which does not meet the legislative requirements. Civica would not normally start development without a clear legislative input but the timescales on McCloud have necessitated this alternative approach.

8. Timetable

Once the regulations come into force on 1 October 2023, all newly retiring officers and firefighters affected by remedy will be given their deferred choice underpin (DC) information to allow them to choose legacy or reformed scheme benefits for the remedy period.

From this date, the immediate choice (IC) work will also start for pensioners and representatives to allow these cohorts to elect for the new or legacy scheme. Once elections are received back, HPS will adjust where necessary the tax, contributions and benefits for members.

An extract of the LGA Fire Coffee morning slides from 5 January 2023 is shown in Appendix 2 which is relevant to both the Fire and Police pension schemes. This sets out the DC and IC options and proposed timetabling within the statutory period of October 2023 to April 2025.

9. Parallel/connected projects

Contingent decisions

Members who opted out during the remedy period because of the scheme changes will be given the option to opt back in. Once these members have been given this option by their police or fire authority, HPS will have to provide them with an RSS within 18 months of their election.

The option will be given automatically to anyone who opted out within two pay periods of joining the 2015 scheme or for all other opt outs from 1 April 2012, this will be an evidence-based decision taken by the relevant authority.

It is also likely that members who might have made different decisions about purchasing additional benefits and transfers in and out will be given the option to change that decision.

Transfers

Revised CETV calculations must be provided on the alternative benefit for members who transferred out during the remedy period. Where these result in higher benefits, an RSS must be sent within 18 months to the receiving scheme.

Matthews (Firefighters only)

The Matthews exercise is expected to run concurrently with the McCloud remedy and provision of RSS from 1 October 2023. Some individuals will need to make elections under both Matthews and McCloud. Those with an IC option will need to make their Matthews election first to ensure they have the correct roll back position.

Appendix 1 – UPM delivery timetable

Proposed Drop plan for Civica deliverables

Deliverable	Date
Eligibility <ul style="list-style-type: none"> - Review of members in Scope for McCloud Remedy – Y - Additional Folder Extra Element for Immediate Detriment Cases - Report to ensure consistency of “Protection Status” Folder Extra 	24/02
Reports <ul style="list-style-type: none"> - Report for numbers of members in each protection status by folder status - Report for numbers of members in each cohort of the RSS remedy timetable - Report of numbers of members with multiple status histories where active. - Report for numbers of members with divorce debit earmarking order brought into payment after 01/04/2015 - Report for numbers of members with divorce debit (PSO) per status then split of during the remedy period - Report for numbers of members with Transfer in's during the remedy period - Report for numbers of members who Transferred out where DOL is after 01/04/2015 - Report for numbers of members who have additional contracts during the remedy period, split out by status and type of contracts - Report for numbers of members who have scheme pays split by status and split based on pre/post 01/04/2015 debit 	24/02
Data Part 1 <ul style="list-style-type: none"> - Update Scheme History - Recreation & Revaluation of CARE Pension data from earnings - Legacy/Reformed Divorce Debit - Update ABP/CPD data from collection file (FIRE) - Update Additional Service (Police) - Re-calculation of PIA/AA for members who do not have: <ul style="list-style-type: none"> -Transfers In -Divorce Debits -Additional Contributions -Scheme Pays Debits - Process maps, Documentation and Release notes 	05/05
Calcs Part 1 <ul style="list-style-type: none"> - Deferred Benefit - Deferred Benefit into Payment - Death in service (two calcs) - Normal Retirement (two calc) - Ill Health Retirement (two calc) - Death on Deferred (this is police and fire one calc) 	30/06 (without Transfer out) 05/05 (DB ONLY)

<ul style="list-style-type: none"> - Care Annual Revaluation - Transfer Out - CETV and Club Transfers 	
Data Part 2 <ul style="list-style-type: none"> - Transfer In - APC's - Excess Service - Pension Contributions at 01/10/2023 - Members with Scheme Pays - Pension Credit members - Recreation of CARE for members with APC's/TV in's - PIA/AA for members with events - Calcs part 1 revisited with data part 2 - Calcs part 1 with new contributions calc when DCU made 	25/08 (with Transfer out)
Calcs Part 2 <ul style="list-style-type: none"> - Bulk re-calculation of deferred benefits (with DCU options) - Bulk re-calculation of retirement benefits (with IC options) Pensioner members - Updated Pensions Increase for McCloud Elements - Updated Annual CARE Reval for McCloud Elements - Updated Active Annual Benefit Statements with RSS - RSS statement for Tv out members - Updated Deferred Benefit Statements with RSS 	23/10
Calcs Part 3 <ul style="list-style-type: none"> - Updated valuation data extracts for 2024 Scheme Valuation - Updated Stand Alone Annual Allowance Calculation 	15/12
Member online <ul style="list-style-type: none"> - View DCU/IC options electronically - Make ICU elections online - Integration with the Civica workflow processing 	15/12



DC cohort timetabling

October 2023 to October 2024

- Active unprotected and taper protected members
- Deferred unprotected and taper protected members

April 2024 to July 2024

- Contingent decision (opt out)

September 2024 to March 2025

- Protected active and deferred members



IC cohort timetabling

October 2023 to March 2024 (Priority)

- Ill-health retirements (including re-assessments)
- Death in service beneficiaries

October 2023 to May 2024

- Ill-health retirement beneficiaries
- Unprotected and taper protected beneficiaries

October 2023 to November 2024 (Largest cohort)

- Unprotected and taper protected pensioners

January 2024 to July 2024

- Contingent decision (opt out)

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IC cohort timetabling contd.

May 2024 to January 2025

- Protected FPS 2006 pensioners*
- *N.B: May be more likely to elect for new scheme

August 2024 to March 2025

- Protected beneficiaries (FPS 1992* and FPS 2006)
- *N.B: FPS 2015 may provide better family benefits

October 2024 to March 2025 (less likely to elect for new scheme)

- Protected FPS 1992 pensioners

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **5 JULY 2023**

Title: **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION
(LGA) UPDATE REPORT**

Report of Chief Financial Officer

SUMMARY

1. This report, together with attachments, provides the framework for this agenda item.

FPS BULLETINS

2. LGA issue a bulletin at the end of each month, they are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website. The bulletins contain a lot of information, and the key items are highlighted in this report.
3. There have been two bulletins issued since the last Fire Pension Board reports were written. Bulletins 68 and 69 can be found in APPENDICES A – B.

COMMUTATION FACTORS (BULLETIN 68)

4. Following the changes to the SCAPE discount rate in March 2023, the Government Actuary's Department published revised commutation factors for the 1992 Scheme which take effect from 3 April 2023. For information, I've provided a small table of the commutation factors for age 50, 55 and 60.

1992 Commutation factors			
Effective Date	Age 50	Age 55	Age 60
20/05/2014	21.9	20.3	18.2
18/03/2016	22.5	20.8	18.6
31/10/2018	24.0	21.9	19.4
03/04/2023	26.2	23.6	20.6

LIFE TIME ALLOWANCE FACTSHEET (BULLETIN 68)

5. The LGA have updated the Life Time Allowance (LTA) factsheet following the changes in the Spring budget. Although the LTA has been removed, the maximum amount of tax free lump sum that a member can have is still restricted, but any taxable excess is now taxed at the members marginal rate rather than 55%. The factsheet provides a couple of useful worked examples.

PROTECTED PENSION AGE WORDING (BULLETIN 68)

6. The Communications Working Group agreed some wording which both FRAs and administrators can use to notify members about conditions attached to a Protected Pension Age (PPA).
7. A member who has 1992 membership and retires before age 55 (other than on the ground of ill health) has a PPA. The PPA can be lost upon re-employment if certain conditions are not met which then means that the member will become liable for additional tax charges.
8. Hampshire Pension Services have incorporated this wording into their letters.

HMRC RETAINED FIREFIGHTER BULLETIN (BULLETIN 68)

9. HMRC wrote to all FRAs asking for detailed information relating to National Insurance refunds for individuals of the first options exercise to join the 2006 Modified Fire Pension Scheme that took place in 2014.
10. It was not clear what information HMRC required and the Employer Pension Manager and the LGA met with the HMRC team in March 2023 to clarify the information request. As a result of that call, HMRC agreed to publish a bulletin clarifying the details they required. With a deadline to submit the information by 31 July 2023. The data for HIWFRA was submitted back to HMRC at the end of May 2023.

SAB GUIDANCE NOTE ON PENSIONABLE PAY REMEDIES (BULLETIN 69)

11. The legal adviser to the SAB, Weightmans, have written a useful note on pensionable pay remedies. The note provides steps to consider and an implementation plan along with noting unresolved errors and is a useful tool for FRAs where they need to retrospectively adjust pensionable pay.

COST CONTROL MECHANISM (BULLETIN 69)

12. On 15 May 2023, HM Treasury published a written statement and a policy paper with further detail on the cost control mechanism and the reformed scheme only design.
13. The publications confirm only the reformed scheme design will be included in the cost control mechanism. Any cost increases associated with final salary benefits and the impact of the McCloud remedy underpin will be excluded.
14. The Board may recall that in March the High Court ruled in favour of HM Treasury in that the cost control mechanism was not unlawful. We have now heard that the unions have been granted permission to appeal this decision from the Court of Appeal, so we now wait to see if that appeal goes ahead and what the outcome may be.

CONSULTATION ON TAX REGULATIONS (BULLETIN 69)

15. On 23 May 2023, HMRC published a consultation on The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No 2) Regulations 2023. This is the second set of Tax regulations in relation to the McCloud remedy. The consultation closed on 19 June 2023.
16. The Employer Pension Manager attended a round table discussion from HMRC which went through the technical aspects of the draft legislation. There are two main areas which have now been clarified, the first is that the in scope and out of scope tax year have been fixed. The second is that HMRC will have a new way for members to report at a later date, any tax charges occurring in the remedy years.

RECOMMENDATION

17. That the content of the report be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

18. APPENDIX A – [FPS Bulletin 68](#) (April 2023)
19. APPENDIX B – [FPS Bulletin 69](#) (May 2023)

Contact: Claire Neale, HR Strategic Adviser (Specialist) – Employer Pension Manager, Claire.neale@hants.gov.uk, 0370 779 2790



FPS Bulletin 68 – April 2023

Welcome to issue 68 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin, suggested items for future issues, or a job you would like to advertise, please email bluelightpensions@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters’ Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email bluelightpensions@local.gov.uk.

Table 1: Calendar of events

Event	Date
Police and Fire Data Conference	17 May 2023
FPS coffee morning	6 June 2023
SAB	8 June 2023

FPS Technical Working Group	20 June 2023
FPS Communications Working Group	19 July 2023
SAB	14 September 2023
Fire Pensions Annual Conference	19 and 20 September 2023
SAB	14 December 2023

Actions arising

[Consultation on the Firefighters' Pension Scheme \(Remediable Service\) Regulations](#)

[2023](#): All interested parties are encouraged to respond to the consultation by the deadline of 23 May 2023.

[Consultation on Retained Firefighters' Pensions: Proposed changes to the](#)

[Firefighters' Pension Scheme \(England\) 2006](#): All interested parties are encouraged to respond to the consultation by the deadline of 9 June 2023.

[SCAPE Discount Rate Methodology Consultation Response](#): The CETV technical note was suspended on 30 March 2023. All CETV's, Pensioner cash equivalents and non-club transfers-in should be suspended until the revised technical note is published.

[Fire England – Commutation on retirement factors and guidance updated](#): The new factors are effective from 3 April 2023. Please ensure that you are using the revised factors for any retirements after this date.

[Secondary Contracts](#) – FRAs may wish to review their contracts to ensure that a secondary contract has been awarded correctly.

[A Matthews poster](#) has been published under the [Second options exercise – Resources](#) on the Special members of FPS 2006 page: FRA's will need to personalise the poster and publicise the second options exercise at their fire authority and fire stations.

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[Bluelight Inbox Technical Queries](#) - As covered in [Bulletin 58 – June 2022](#), please can we remind you to complete the [query form](#) for all technical queries that are sent to the Bluelight inbox.

[Generic text for estimate/retirement letters](#): FRAs to consider including within their estimates and/or retirement letters to members.

[Request for contact details](#): FRAs and administrators are reminded to include a request to members to keep them updated of any change of contact details in correspondence which is issued to them.

[Annual Allowance – Impact of the backdated pay award](#): FRA's and administrators to consider the factsheet when determining their calculations for Annual Allowance where a backdated pay award has occurred.

FPS

[Consultation on the Firefighters' Pension Schemes \(Remediable Service\) Regulations 2023](#)

As a reminder in [FPS Bulletin 67 – March 2023](#) we informed you that the above consultation had been launched.

The LGA will respond to the consultation and share our response before the consultation closes on 23 May 2023.

ACTION: All interested parties are encouraged to respond to the consultation by 23 May 2023.

[Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme \(England\) 2006](#)

On 31 March 2023, the Home Office published [a consultation on the proposed changes to the Firefighters' Pension Scheme \(England\) 2006 in relation to retained Firefighters'](#). These regulations concentrate on providing further remedy to those individuals who were employed as retained firefighters between 7 April 2000 and 5 April 2006 inclusive providing access to the modified section of the Firefighters'

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Pension Scheme 2006 (referred to as ‘the modified scheme’).

The LGA will respond to the consultation and share our response before the consultation closes on 9 June 2023.

ACTION: All interested parties are encouraged to respond to the consultation by 9 June 2023.

Fire England – Commutation on retirement factors and guidance update

On 3 April 2023, following the announcement of the revised SCAPE rate, the Government Actuary’s Department (GAD) published [revised commutation on retirement from FPS 1992 factors and guidance](#).

The factors are effective from 3 April 2023.

ACTION: Please ensure that you are using the correct factors for any retirements following 3 April 2023 (inclusive).

Secondary Contracts – Injury and death benefits

We have received several enquiries with regards to secondary contracts and eligibility under the Firefighters’ Compensation Scheme.

The position has not changed since the introduction of the compensation scheme in 2006 and was communicated to FRAs when we were considering implications of [COVID-19 resilience cover](#).

In order to determine the pensionable consequences of the secondary contracts, with particular reference to the compensation scheme, FRAs should consider the [Secondary Contract – Injury and Death benefits factsheet](#).

ACTION: FRAs may wish to review their contracts to ensure that a secondary contract has been awarded correctly.

Matthews Poster

At the Matthews Technical Working Group and [Firefighters Communications Working Group](#) we discussed the request for a poster to assist FRAs with engaging

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with retained/on call firefighters ahead of the Matthews second options exercise.

The poster has been published under the [Second options exercise – Resources](#) on the special members of FPS 2006 page.

ACTION: FRAs will need to personalise the poster and publicise the Matthews second options exercise at their fire authority and fire stations.

Annual Benefit Statements 2023

As annual benefit statements (ABS) in 2023 will be based on current scheme regulations up to 31 March 2023, it is recommended that the same approach is adopted as in 2022. [FPS Bulletin 57 – May 2022](#) provides more information.

The standard ABS template, annexes, notes and factsheet have been updated with the new scheme year and published on the [FPS Regulations and Guidance website](#).

FPS 1992 Commentary

Eunice Heaney has very kindly provided updated FPS 1992 Commentary content and a new page [FPS 1992 Commentary](#) has been added to the restricted Member Area on the Firefighters Regulations and Guidance website.

Ill Health process guide

An [ill health process guide](#) has been published to help FRAs navigate the ill health process, and understand their role, as employer and the content of the ill health certificates.

The process guide has been published under resources on the [ill health and injury](#) pages on the restricted Member Area of the Firefighters Regulations and Guidance website.

LTA Factsheet

The [LTA factsheet for members](#) has been updated to reflect the spring budget announcements, as covered in [FPS Bulletin 67 – March 2023](#). The factsheet can be found in the [Guides and sample documents section](#) of the Firefighters Regulations and Guidance website.

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Annual Allowance – impact of backdated pay award

A [factsheet](#) has been produced to assist FRAs and administrators regarding the impact of the back dated pay award on the Annual Allowance calculations.

ACTION: FRAs and administrators to consider the factsheet when determining their calculations for Annual Allowance where a backdated pay award has occurred.

Generic text for estimate/retirement letters

The Fire Communications Working Group has agreed template wording below for FRAs to include within their estimate/retirement letters to cover re-employment:

If you have membership in the 1992 Firefighters' Pension Scheme and you are retiring under the age of 55 and not on Ill Health, you will have a Protected Pension Age (PPA) which enables you to draw your benefits before age 55.

For employees who have a PPA and are re-employed with a Fire and Rescue Service or a Sponsoring Employer¹ in any role in any capacity, between the ages of 50 and 54 inclusive, they may be subject to additional tax charges, unless certain conditions are applied.

This will also apply if an employee remains in employment as a retained/on call firefighter beyond retirement from a wholetime role.

To satisfy the conditions to retain your PPA and to avoid the additional tax charges, you must leave all employments with the Fire and Rescue Service or Sponsoring Employer on the same date and have at least one calendar month break before you are re-employed; your pension must also be subject to abatement.

[Further information relating to XXX's retirement policy is available from your employer.]

Failure to notify the Pensions Team of any re-employment may result in your pension being overpaid and you will be required to repay any overpaid pension.

¹ Local Authority when an FRA is part of the Local Authority

ACTION: FRAs to consider including within their estimate and/or retirement letters.

Industrial Action template letter

A template letter has been produced to cover pension contribution repayment requests from members should there be any instances of industrial action in future years. The template letter has been published in the [Guides and sample documents section](#) of the Firefighters regulations and guidance website.

Request for contact details

FRAs are requested to remind members, in correspondence, which is sent out, to keep their administrators updated of any change in address or contact details.

ACTION: FRAs to include a request in correspondence to all members.

HMRC retained firefighter bulletin

We are aware that HMRC have recently sent out emails to Fire Authorities in England, Wales and Northern Ireland asking for further information in relation to National Insurance refunds for retrospective entry into the pension scheme. Each Fire Authority scheme has received information bespoke to them. HMRC have provided further clarity around the information they have requested which can be located in the [first options exercise resource area](#) of the Regulations and Guidance website.

Technical query log

The [current log of queries and responses](#) can be accessed by practitioners in the member-restricted area of the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log is updated monthly in line with the bulletin release dates.

There have been no queries added this month.

As covered in [Bulletin 58 – June 2022](#), please can we remind you to complete the [query form](#) for all technical queries that are sent to the Bluelight inbox.

ACTION: FRAs and administrators are requested to use the [Bluelight inbox](#) for email correspondence with the Bluelight team. FRAs and administrators to complete query

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form when submitting a technical query.

FPS England SAB updates

SAB representation at Matthews Technical Working Group

In [FPS Bulletin 61-September 2022](#), we advised that a Matthews Technical Working Group had been set up to assist with the technical aspects of the implementation of the Matthews second options exercise. This group has met on a regular basis from that point with representation from the Home Office, the Government Actuary's Department, fire authorities and administrators. From April 2023, representation will include SAB members.

SAB website

You can use the links below to find out about the latest updates on the work of the SAB and its committees on the [SAB website](#):

- [SAB membership](#)
- [SAB meeting and agenda papers](#)
- [Committee meetings and agenda papers](#)

Other News and Updates

SCAPE Discount Rate Methodology Consultation Response

In [Bulletin 67- March 2023](#) we informed you that the SCAPE discount rate had changed.

Administrators will recognise that when the SCAPE rate changes, CETV calculations are suspended until the factors can be amended in line with the new SCAPE rate.

On 11 April 2023 we confirmed that the CETV technical note had been suspended.

ACTION: All CETV's, Pensioner cash equivalents and non-club transfers-in should be suspended until the revised technical note is published.

[The Pension Regulator \(TPR\) dashboard webinar](#)

TPR held a webinar on dashboards on 30 March 2023. The webinar covered data preparation duties and the steps schemes need to take to ensure their data is accurate, complete, up-to-date and digitally accessible. You can watch a [recording of the webinar](#) on their website.

[The Pensions Regulator Corporate plan 2023/24](#)

On 21 April 2023, TPR published [its Corporate Plan for 2023/24](#).

The plan outlines TPR's key priorities for the year. These include:

- working with the Financial Conduct Authority and DWP to develop a value for money framework
- launching the new defined benefit funding code
- laying foundations for a significant increase in addressing quality outcomes in defined contribution schemes
- increasing its attention on tackling scammers
- supporting schemes to prepare for dashboards.

The document also includes TPR's plans beyond March 2024.

See the [press release for more information](#).

[Voluntary NI contributions deadline extended](#)

In [a written ministerial statement](#) published on 7 March 2023, the Government announced that it was extending the deadline to pay voluntary National Insurance (NI) contributions from 5 April 2023 to 31 July 2023. This applies for tax years 2006/07 to 2016/17. This came after HMRC and DWP had experienced a recent surge in customer contact.

Paying voluntary NI contributions enables individuals to fill gaps in their NI record to boost their State Pension.

For more information, see [the policy paper](#) the Government published on 24 March 2023.

McCloud remedy consultation – Welsh firefighters’

The Welsh Government has published [a consultation setting out the proposed McCloud remedy](#) for the Welsh Firefighters Pension Scheme, The consultation closes on 23 June 2023.

HMRC

Lifetime allowance guidance newsletter – March 2023

On 27 March 2023, HMRC published [Lifetime allowance guidance newsletter – March 2023](#). It contained articles on:

- pension commencement lump sum and lifetime allowance protections
- taxable lump sums and employer PAYE payroll reporting
- the public service pensions remedy
- the lifetime allowance working group

HMRC issues newsletter 149

On 26 April 2023, HMRC published [newsletter 149](#). The newsletter contains articles on:

- the annual allowance calculator – currently members cannot use it for tax year 2023/24
- Pension Scheme Returns
- reminding schemes to use the Managing Pension Schemes service to submit any new Accounting for Tax returns for any quarter beginning on or after 1 April 2020
- an update on submitting Event Reports.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing regularly with the next session being held in June 2023. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA

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Bluelight team.

We are pleased to include the presentations from recent sessions below:

[11 April 2023 – Home Office Matthews consultation](#)

If you do not already receive the meeting invitations and would like to join us, please email bluelightpensions@local.gov.uk. Please note that attendance at the coffee mornings is generally restricted to FPS practitioners and managers.

Fire and Police pensions data conference – 17 May 2023

As detailed in [FPS Bulletin 67 – March 2023](#) we are holding a data conference jointly with the National Police Chiefs Council (NFCC).

The event is now fully booked; however you can email events@local.gov.uk to put your name on the waiting list, or to request dial in details.

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khuf Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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While every attempt is made to ensure the accuracy of the bulletin, it would be

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helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing bluelightpensions@local.gov.uk.



FPS Bulletin 69 – May 2023

Welcome to issue 69 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin, suggested items for future issues, or a job you would like to advertise, please email bluelightpensions@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters’ Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email bluelightpensions@local.gov.uk.

Table 1: Calendar of events

Event	Date
FPS coffee morning	6 June 2023
SAB	8 June 2023
Northeast Fire Officers' Group	14 June 2023
FPS Technical Working Group	20 June 2023
Midlands Fire Officers' Group	22 June 2023
Eastern Fire Officers' Group	28 June 2023
FPS Communications Working Group	19 July 2023
SAB	14 September 2023
SAB	14 December 2023

Actions arising

[Consultation on the Firefighters' Pension Schemes \(Remediable Service\)](#)

[Regulations 2023](#): FRAs and administrators should familiarise themselves with the response, ahead of the Home Office's response to the consultation.

[The Pension Regulator data requirements – 2023 scheme return](#): FRAs and administrators to review the data scoring guidance for 2023 ahead of the scheme return.

[Ill health re-assessment IQMP template referral letters available](#): FRAs should send these and the relevant accompanying documentation to the IQMP using the relevant IQMP template referral letter.

[Government Actuaries Department \(GAD\) - updated factors](#): FRAs and Administrators to ensure that they are using the correct factors.

[Data Conference Slides](#): FRAs to view the slides and consider data more strategically now and in the future.

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[Age Discrimination remedy – data sharing](#): Administrators to share pensionable data for members who are subject to age discrimination remedy and have had an inter-brigade transfer during the remedy period with the current FRA’s administrator on request.

To review your privacy notice and add some additional wording, where relevant. Any amendments should be approved as per your internal processes.

[Automatic enrolment – Call for evidence](#): FRAs to be aware of this call for evidence.

[The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No. 2\) Regulations 2023](#): Interested parties to review the consultation and establish whether you wish to respond to the consultation by 19 June 2023.

Also, consider whether you wish to be part of the round table sessions.

[SAB response to the Consultation on the Firefighters’ Pension Schemes \(Remediable Service\) Regulations 2023](#): FRAs and administrators should familiarise themselves with the response, ahead of the Home Office’s response to the consultation.

[SAB Guidance Note on Pensionable Pay Remedies](#): FRAs to refer to the pensionable pay note when dealing with cases where elements of pay need retrospectively adjusting.

[HMRC Remedy Newsletter](#): Administrators and FRAs to consider whether you wish to volunteer to assist HMRC.

FPS

Consultation on the Firefighters' Pension Schemes (Remediable Service) Regulations 2023

In [FPS Bulletin 67 – March 2023](#) we informed you that the above consultation had been launched. The LGA has responded to the consultation and our response is available on the [Consultations section](#) of the Firefighters' Pension Schemes Regulations and Guidance website.

ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of the Home Office's response to the consultation.

The Pension Regulator (TPR) data requirements – 2023 scheme return

In [FPS Bulletin 25 – October 2019](#) the LGA provided fire authorities with informal data scoring guidance in order to complete The Pension Regulator's scheme return.

[The Data Scoring Guidance](#) has now been updated for the 2023 return to take account of age discrimination remedy and immediate detriment.

The guidance is available under Data Scoring on the [Guides and Sample documents](#) section the Firefighters' Pension Schemes Regulations and Guidance website.

ACTION: FRAs and administrators should ensure that they are aware of what is included when considering the data scores for the 2023 scheme return.

Ill health re-assessment IQMP template referral letters available

In [FPS Bulletin 63 – November 2022](#), we published an [ill-health reassessment factsheet](#) to help FRAs determine which individuals require a reassessment of their ill-health determination as a result of remedy implementation.

IQMP template referral letters for scenarios one and two, seven, and nine as referred to in the [ill-health reassessment factsheet](#) have now been added to the [Retrospective remedy webpage](#).

ACTION for FRAs: Once affected members of the pension scheme have returned the appropriate member consent letter, FRAs should send these and the relevant

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accompanying documentation to the IQMP using the relevant IQMP template referral letter.

Government Actuaries Department (GAD) – updated factors

In [FPS Bulletin 68 – April 2023](#) we confirmed that the CETV technical note had been suspended, and therefore all CETVs, Pensioner cash equivalents and non-club transfers-in should be suspended.

On 25 May 2023, Home Office confirmed that the following factors had been updated:

- CETVs (x-201 to x-215),
- Pensioner cash equivalents (x-301 to x-312),
- Pension credits (x-313 to x-317),
- Pension debits (x-318 to x-328)

The following should be noted:

- The updated factors have removed Guaranteed Minimum Pension (GMP) factors for all active members (where they had not already been removed) and for pensioner members aged under 69. GMP factors should no longer be needed for these members.
- The updated factors set all National Insurance Modification (NI Mod) factors to zero. For most members, NI Mod no longer has a material impact on benefits.

These factors should be implemented from 29 March 2023.

The updated factors should be used in conjunction with the relevant existing guidance notes in force for the Firefighters' Pension Schemes.

The factors are published on the relevant [GAD guidance pages](#) of the Firefighters Pension Scheme regulations and guidance website.

ACTION: FRAs and administrators to ensure that they are using the revised factors from 29 March 2023.

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Age Discrimination remedy - Data Sharing

As a reminder, in [FPS Bulletin 59 – July 2022](#), we covered that following a detailed discussion at the Fire Technical Working Group (FTWG) on Monday 25 July 2022 it was decided that, to remove any GDPR issues, the information should be shared with the current administrator instead of the current FRA. This is because the administrator has a legitimate reason for needing the data.

Administrators and FRAs may also want to consider adding some additional wording to their privacy notices to cover this.

Example text is as follows:

“From time to time, we will share your personal data with third parties, including our contractors, advisors, government bodies, and dispute resolution and law enforcement agencies. We do this in order to comply with our obligations under law, and to help us provide services and carry out our duties, rights and discretions in relation to the Firefighters’ Pension Scheme(s).

Occasionally, we may request/provide some of your data from/to a previous pension administrator for the purposes of enabling us to understand your pension rights from the scheme.”

ACTION: Administrators to share pensionable data for members who are subject to age discrimination remedy and have had an inter-brigade transfer during the remedy period with the current FRA’s administrator on request.

To review your privacy notice and add some additional wording, where relevant. Any amendments should be approved as per your internal processes.

Technical query log

The [current log of queries and responses](#) can be accessed by practitioners in the member-restricted area of the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log is updated monthly in line with the bulletin release dates.

Queries have been answered this month in the following categories:

- Ill Health retirement – Payable under the Scottish Compensation Regulations page 93
- Cross Border transfers page 144

FPS England SAB updates

SAB response to the Consultation on the Firefighters' Pension Schemes (Remediable Service) Regulations 2023

In [FPS Bulletin 67 – March 2023](#) we informed you that the above consultation had been launched.

The Scheme Advisory Board has responded to the consultation and the response is available on the [Consultations section](#) of the Firefighters' Pensions SAB (England) website.

ACTION: FRAs and administrators to familiarise themselves with the response, for information ahead of the Home Office's response to the consultation.

SAB Guidance Note on Pensionable Pay Remedies

The legal adviser to the SAB, Weightmans, have written a [useful note on pensionable pay remedies](#). There are a number of [pensionable pay resources](#) available relating to the various landmark High Court decisions and Pension Ombudsman determinations about firefighters' pay, and what elements are pensionable under the Firefighters' Pension Scheme. The note provides an implementation plan for remedying cases in which pay has not been treated as pensionable but should have been under the scheme rules. It also highlights some issues that remain unresolved.

ACTION: FRAs to refer to the pensionable pay note when dealing with cases where elements of pay need retrospectively adjusting.

SAB collaboration session on Matthews remedy

In [FPS Bulletin 61 – September 2022](#), we confirmed that the SAB, the LGA, and the Home Office were working together in the form of collaboration sessions on Matthews to discuss Matthews legislation and policy, the interaction between Matthews and McCloud and the proposed timeline for implementation. The first session took place during September 2022 and an additional session took place on 25 May 2023. Additionally, the Matthews Technical Working Group has met regularly since that time and now has SAB representation within the group.

SAB website

You can use the links below to find out about the latest updates on the work of the SAB and its committees on the [SAB website](#):

- [SAB membership](#)
- [SAB meeting and agenda papers](#)
- [Committee meetings and agenda papers](#)

The next SAB meeting is on 8 June 2023.

Other News and Updates

The Scottish Firefighters' Pension Schemes' Consultation on implementing the 2015 Remedy

On 16 May 2023, the Scottish Public Pensions Agency (SPPA) published [Firefighters' Pension Scheme Consultation on the implementing the 2015 remedy](#). These regulations concentrate on the retrospective elements of the 2015 Remedy that are required to fully deliver the remedy.

The consultation closes on 23 July 2023.

The Police Pension Schemes' Consultation response to Retrospective remedy

The National Police Chiefs Council (NPCC) has responded to the consultation and their response is available on the [age discrimination – useful information](#) page on the restricted member area of the Firefighters' Pension Schemes Regulations and

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Guidance website.

Public Service Pensions – cost control mechanism and reformed scheme only design

On 15 May 2023, HM Treasury (HMT) published a [written ministerial statement](#) and [further detail](#), on the cost control mechanism and reformed scheme only design.

The publications confirm only the reformed scheme design will be included in the cost control mechanism. Any cost increases associated with final salary benefits and the impact of the underpin, will be excluded.

Automatic enrolment - call for evidence

On 15 May 2023, the Department for Work and Pensions (DWP) [published a call for evidence](#) on the alternative quality requirement used by defined benefit schemes for automatic enrolment (AE). The call for evidence closes on 19 June 2023.

The existing requirements allow for simpler alternative tests to be used so the scheme can demonstrate it is of sufficient quality to be used by employers to fulfil their AE duty. The call for evidence aims to conclude whether the government's policy in this area continues to be achieved.

ACTION for FRAs: FRAs to be aware of this call for evidence.

Consent and authorisation wording for dashboards

The Pensions Dashboards Programme (PDP) commissioned Ipsos to undertake [research to help develop consents and authorisation wording](#) for dashboards.

A research group covering a range of ages, income levels and pension types was asked to provide feedback on draft versions of consent and authorisation wording that would appear on dashboards. The wording explained what the Money and Pensions Service would and would not do with users' data and asked for consent for these uses. The feedback was positive and will be used to further shape the wording.

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Pensions Dashboards Latest news

In May 2023, PDP [published their Progress update report on dashboards](#). There are articles on:

- The Department for Work & Pensions (DWP's) written ministerial statement on pensions dashboards connection times confirming that there will be an update before Parliament's summer recess
- Programme reset following the written ministerial statement – reset got underway on 20 March and more information will be available before parliamentary recess starting in July
- Consent comprehension research - a research into users' understanding of how their data will be used during the dashboards journey
- Preparing for dashboards – connection, data, matching, awareness and understanding legal and regulatory obligations
- Updates from DWP, the Financial Conduct Authority and the Pensions Regulator
- Useful resources
- Subscribing to PDP's newsletter

Pensions Dashboards (Prohibition of Indemnification) Act 2023

On 2 May 2023, the [Pensions Dashboards \(Prohibition of Indemnification\) Act 2023](#) received Royal Assent.

The Act will prohibit trustees and managers of occupational and personal pension schemes from being reimbursed out of scheme assets for any penalties imposed on them under [the dashboard regulations](#).

The Act applies to the United Kingdom and comes into force on a date determined by the Department for Work and Pensions (or, in the case of Northern Ireland, the Department for Communities).

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[‘Where to go for help with your pension complaint’ factsheet](#)

On 27 April 2023, The Pensions Ombudsman (TPO) published a factsheet titled [‘Where to go for help with your pension complaint’](#).

The factsheet assists members when deciding whether to refer their complaint to TPO or the Financial Ombudsman Service.

[Capita cyber security incident](#)

On 12 May 2023, [the Pensions Regulator \(TPR\) updated its website](#) with a page covering the Capita cyber security incident. This follows a security breach where it is now known that some data has been exfiltrated from Capita’s servers.

TPR encourages all administrators who use Capita’s services to check whether their pension scheme data could be affected.

[Club transfers – extending the 12-month time limit](#)

On 26 April 2023, the cabinet office clarified a club transfer may take place outside the 12-month time limit, in exceptional circumstances and providing both the sending and receiving schemes agree. Colin Hennem (Pensions Technical Manager) confirmed:

“[the Club Memorandum](#) requires a transfer to be calculated on Club terms if the member confirms in writing that they wish the transfer to proceed within 12 months of joining the new Club scheme. The Club Memorandum is silent on what should happen if that confirmation is sent outside the 12-month time limit. However, it has long been our policy that the two schemes involved may agree to a Club transfer outside the 12-month time limit (i.e. a belated Club transfer) if there are exceptional circumstances that prevented the member from sending the confirmation within the 12 month time limit - e.g. if there were delays in providing the necessary quotes that were outside the member's control. In the past, when the additional cost of the more generous Club transfer terms was met by the receiving scheme, our view was that it was only necessary for the receiving scheme to agree to a belated Club transfer. However, under the 'inner' Club arrangements, the additional cost of the more generous terms is spread more evenly between the two schemes. Therefore, I think

it is appropriate that a belated Club transfer can only proceed if both the sending and receiving schemes agree to this. The Cabinet Office (as Secretary to the Club) has no authority to compel the schemes in question to agree to a belated Club transfer.”

ACTION: Administrators to incorporate this into their club transfer process

NHS Pension Scheme consultation: changes to contribution thresholds

On 3 May 2023, the Department of Health and Social Care launched a consultation on uplifting the member contribution thresholds in the NHS Pension Scheme 2015 (England and Wales) for 2023/24. The consultation closed on 17 May 2023.

You can access the consultation documents on [the relevant page of gov.uk](#).

HMRC

The Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) (No. 2) Regulations 2023

On 23 May 2023, HMRC published a consultation on [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) \(No.2\) Regulations 2023](#) which set out changes to how pensions tax rules will apply as a result of the public service pensions remedy.

The draft regulations supplement [The Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023](#) ('first set of regulations'), which came into force on 6 April 2023.

As part of the consultation, HMRC will be holding several round tables. This will provide an opportunity to raise any technical points on the draft regulations. If you would like to be involved, email policypensions@hmrc.gov.uk, putting 'Public service pensions remedy tax regulations round tables' in the subject line.

The LGA will respond to the consultation before the consultation closes on 19 June 2023.

ACTION: Interested parties to review the consultation and establish whether you

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wish to respond to the consultation by 19 June 2023.

Also, consider whether you wish to be part of the round table sessions.

Proposed Public Service Pension Schemes – Rectification of Unlawful Discrimination – Tax Administration Regulations Summary

HMRC have published a summary paper which provides a short introduction to the consultation reference above.

This has been published on the [age discrimination – retrospective remedy](#) pages of the Firefighters’ Pension scheme regulations and guidance website.

Remedy newsletter – May 2023

On 23 May 2023, HMRC published [Remedy newsletter May 2023](#). The newsletter provides information on the following topics:

- Draft regulations: summarises the draft rectification regulations mentioned in the article above.
- HMRC processes: HMRC is currently developing processes it will need to support the McCloud remedy. As part of this, they will provide a single point of contact for each public service organisation.
- Guidance: HMRC is currently drafting McCloud remedy guidance, which they hope to publish in Autumn 2023. In advance of this, they would like to test some of the guidance with users to make sure it is covering what is needed. If you would like to volunteer, email publicservicepensionsremedy@hmrc.gov.uk and put ‘Guidance testing’ in the subject line.

ACTION: Consider whether you wish to volunteer to assist HMRC

Events

Fire and Police Data Conference

We were pleased to welcome 140 delegates (60 in person to Smith Square and 80 virtually) on 17 May 2023, to hear a host of industry experts take part in panel

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sessions to reflect on why data is so important for the Firefighters' and Police Pension Schemes.



Our hosts for the day were Phil Wells, Assistant Chief Officer, Bedfordshire Police and Gavin Chambers, Assistant Chief Officer, Bedfordshire Fire.

The day was split into four interactive panel sessions and a workshop. The sessions were:

- Successful Project Implementation.
- Engaging members after dashboards.
- Cost of the Scheme.
- Owning the narrative to make strategic decisions.

The audience first heard from Clair Alcock, Head of Police Pensions, NPCC, who spoke about successful project implementation on the imminent McCloud exercise.



Jo Darbyshire, Managing Director, LPPA, then held our first panel of the day. Her panellists were Taylor Brightwell-Smith, Pensions Consultant, GAD, Leanne Ferreira, Project Specialist, XPS and Helen Scargill, Client Relationship Manager, West Yorkshire Pension Fund. The panel were asked questions to share their knowledge, experience, and concerns over the McCloud Data exercise.



Delegates both in person and virtually took part in a workshop to discuss: How FRAs were ensuring the quality of data to be provided to their administrators? How had their experience been so far, including any unexpected challenges and how had they overcome them? What their lessons learnt so far had been?

We then welcomed Andrew Lowe, Co-Chair of PASA Dashboard Committee, ITM, who gave a presentation on engaging members after dashboards, before joining our second panel, chaired by Chris Connelly, Chief Strategy Officer, Heywoods Pension

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Technologies, and the other panellists Graeme Hall, Operations Manager, XPS, and Paul Turpin, Pensions Advisor, Police Federation.



The afternoon session was opened by James Allen, First Actuarial and Robert Fornear, GAD, who gave an insightful overview of the valuation process, including calculations, assumptions, and outcomes. Not the easiest of sessions for them following lunch, but I think it would be fair to say that they kept us all engaged and provided a very useful session.



The final session of the day was delivered by John Simmonds, Principle, CEM Benchmarking. John provided a useful session on benchmarking before joining our final panel of the day, chaired by Jo Donnelly, Head of Pensions, LGA, and other panellists Jennifer Atthey, Senior Manager, Isio, Alison Murray, Partner, Aon and Jo Darbyshire, Managing Director LPPA. Jo was able to share LPPA's experience of using CEM Benchmarking's services, and what they use the outcomes for. Alison and Jennifer were able to share the barriers that they had both experienced when

Legislation

Acts

[Pensions Dashboards \(Prohibition of Indemnification\) Act 2023](#)

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPS member site](#)
- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **5 JULY 2023**

Title: **FIREFIGHTERS PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW**

Report of Chief Financial Officer

SUMMARY

1. This report provides an update on the development of key items.
2. This report, together with attachments, provides the framework for this meeting agenda.

COMMUNICATION

3. Since the last meeting, the Employer Pension Manager has provided a presentation for the pre-retirement course on 3 July 2023.
4. HIWFRA ran two Annual Allowance and Lifetime Allowance sessions for its staff. These sessions were run by an external company called Pen-Gage who have a wealth of experience in these particular areas.
5. The sessions took place on 16 May and 24 May, lasted for around two hours and were attended by 36 out of the 54 people that had booked onto the courses. Overall delegates found the session to be useful and informative.

MEETINGS

6. The Employer Pension Manager continues to attend the fortnightly coffee mornings hosted by the LGA team. She has also attended the recent SE Fire Pensions Officer Group, as well as meetings of the Fire Technical Group and the Fire Communications Working Group.

7. The Employer Pension Manager also attended the Data Conference on 17 May hosted by LGA and NPCC. The day was split into four interactive panel sessions and a workshop. The sessions were:
- (a) Successful project management
 - (b) Engaging members after dashboards
 - (c) Cost of the scheme
 - (d) Owning the narrative to make strategic decisions

MEMBER PORTAL

8. The membership of those registered on the portal continues to rise slowly, with just over 50% of the total membership now registered. The numbers of those registered as at 31 May 2023 are shown in the table below:

31 May 2023								
HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE								
HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
	Number	% of active membership	Number	% of deferred membership	Number	% of pensioner membership	Number	% of total membership
Registered	698	53.73%	500	37.82%	810	58.11%	2,008	50.01%
Not registered	601	46.27%	822	62.18%	584	41.89%	2,007	49.99%
Total	1,299	100.00%	1,322	100.00%	1,394	100.00%	4,015	100.00%

RISK REVIEW

9. There are a number of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.

RISK REGISTER

10. At the last Board meeting, the Board requested that Pensions Dashboards be added to Risk 7 and that the mitigation of risk 8, which is concerned with changes to the shared partnership, was amended as it was felt that this risk cannot currently be mitigated due to the uncertainty of the future arrangement.
11. The board are asked to review the Risk Register, specifically the amendment of risks of 7 and 8, and to suggest any changes that are required. The Risk Register can be found in APPENDIX A.

MATTHEWS / O'BRIEN CASE

12. The IBC Pensions Admin Team and the loW payroll team have been given a deadline of 30 September 2023 to provide the necessary pay data for each scheme year of employment for each member that we have identified as being in scope for Matthews.
13. The IBC Pensions Admin team have confirmed that they have almost completed the 665 Hampshire cases with the data that they have available. The loW have the remaining 235 cases and they have confirmed that they have not yet been able to start this work and are expecting to provide an update at the end of June.
14. Warm up communications were sent to identified in scope members in May. Communications have also been placed in Routine Notice and in the Drill Night Download to advise staff that letters have been sent out and that they should get in touch if they have not received a letter and believe that they are in scope. We have also arranged for posters to be displayed in stations.
15. A dedicated Hantsfire email inbox has been set up which can be used by members to send back their updated contact form or to raise a query.
16. The Employer Pension Manager attended New Milton Fire Station with ex-Chief Fire Officer Malcolm Eastwood on 25th April. The purpose was to speak to the watch on their drill night about the Matthews remedy, but as it turned out, we needed to talk more generally about pensions before we were able to discuss Matthews, as there seemed to be a great deal of uncertainty and confusion about some of the more rudimentary elements of the pension scheme.
17. The Chief Finance Officer and the Employer Pension Manager met with the On Call Support Officers on 5th June as this group will be a useful way of ensuring that we reach as many affected members as possible, although they will require pensions support and materials to do this.
18. We have also arranged to visit loW on 6 July and to hold a couple of sessions to talk through general pensions issues, build confidence and to make them aware of the Matthews remedy.
19. The Employer Pension Manager attended the Matthews Technical Working Group meetings on the 11th and 25th April and on 25th May.
20. At the Fire Coffee morning on 6 June, there was a presentation from the Government Actuary Department to show the likely input fields that will be needed for the calculator tool. This tool is more advanced than from the 2014 options exercise, this is partly due to lessons learned from that exercise, requests from FRAs and administrators and also because it is

more complex for some members, particularly those that are already in receipt of a pension or elected for a conversion of benefits during the first options exercise.

21. The tool which is still in development, will enable a bulk input of data, which essentially will be the pay, along with any options taken from the first options exercise. It will calculate the service that can be purchased and show the amount of contributions, less tax relief, plus interest that will be due.
22. FRAs have also requested that the tool outputs the calculation of benefits that the member will receive as a result of the service purchase. This element is currently not planned to be funded by the Home Office and therefore the SAB have agreed that the cost of approx. £50,000 can be taken from their budget and then shared between FRAs.
23. As it is for FRAs to calculate the pension benefits and not the administrator, and because we want members to make informed decisions about any purchase, it would seem sensible that this additional functionality is developed.
24. Some analysis has now been completed for the numbers of cases for Matthews that will also interact with the McCloud remedy. The numbers below give an indication of the complexity that this remedy will face and that it will be very important for HIWFRA to liaise with the Hampshire Pension Services team to ensure that the right options are sent to the member at the right time.

As at 1 October 2023					
		Cohort 1	Cohort 2	Cohort 3	TOTAL
	Total number in cohort	10	579	308	897
Actives	Total number of Special Firefighters (SF)	0	79	76	155
	Total SF members that interact with McCloud	0	79	76	155
	SF members with Deferred Choice (DC) for McCloud	0	79	76	155
	SF members with DC that have pension record for this employment	0	71	72	143
	SF members with DC that do not have pension record for this employment	0	8	4	12
Deferreds	Total number of Special Deferred (SD)	3	92	135	230
	Total SD members that interact with McCloud	0	34	59	93
	SD members with Deferred Choice (DC) for McCloud	0	34	57	91
	SD members with DC that have pension record for this employment	0	23	42	65
	SD members with DC that do not have pension record for this employment	0	11	15	26
Pensioners	Total number of Special Pensioner (SP)	7	394	96	497
	Total SP members that interact with McCloud	0	93	45	138
	SP members with Immediate Choice (IC) for McCloud	0	93	45	138
	SP members with IC that have pension record for this employment	0	72	31	103
	SP members with IC that do not have pension record for this employment	0	21	14	35
Deceased	Total number of Deceased members	0	14	1	15
	Total Deceased members that interact with McCloud	0	3	0	3
	Deceased members with Immediate Choice (IC) for McCloud	0	3	0	3
	Deceased members with IC that have pension record for this employment	0	3	0	3
	Deceased members with IC that do not have pension record for this employment	0	0	0	0

25. The consultation for the second options exercise was published on 31 March 2023 and closed on 9 June 2023. The final response that was sent is included in APPENDIX B

McCLOUD / SARGEANT REMEDY

26. The Employer Pension Manager is continuing to attend both the monthly Cross Whitehall Project Management Group for all Public Sector schemes and the fortnightly Home Office Technical Working Group meetings with the LGA, NPCC, pension administrators from Police and Fire sector and also software suppliers.
27. As part of the work for the Home Office Technical Working Group, the Employer Pension Manager was asked to write a paper for the group about the Contingent Decisions and specifically about opted out service. There are a number of questions and concerns about this area that arose as a result of the McCloud retrospective consultation and draft legislation.
28. The paper set out what we know, what was proposed in the consultation, what potential issues there are and what other potential questions need to be answered. The paper was initially discussed by the stakeholder group at their meeting on 13 June.
29. This just highlights one area of concern, but hopefully the board can take some comfort from the fact that such items are being discussed by this group of key stakeholders to attempt to provide as much clarity to the sector as possible, and also to safeguard as far as possible that we have a national way forward ensuring consistency for all members and FRAs.
30. The Home Office published their consultation on the retrospective McCloud remedy along with draft legislation on 28 February 2023, the consultation closed on 23 May 2023. The final version of the response that was submitted on behalf of HIWFRA can be found in APPENDIX C
31. HMRC published the second part to their consultation on the tax rectification regulations on 22 May 2023 this closed on 19 June 2023. HMRC had previously confirmed that where a member has an increased or new tax charge occurring in the remedy period, that this would only apply to the last 4 tax years.
32. These regulations confirm that the in scope and out of scope tax years for tax charges will be fixed, with the in scope years being 2019-20 to 2022-23, regardless of when a member actually received their remedy.
33. They also confirm that where a charge arises members will be able to report this at a later date via a new special format, which is yet to be determined by HMRC. This is particularly relevant for the 2022/23 tax year as administrators have an additional 12 months to provide the Pensions Savings Statements and therefore members would not have the relevant

information to report any charges by the self assessment deadline of 31 January 2024.

34. Some progress has been made on the timetabling of providing remedy options to members. This is still only a tentative plan at present and has only just been discussed by the McCloud project team, so is still subject to change.
35. A plan has been drawn up, which now shows an accurate representation of the number of cases that need to have remedy and the potential likely steps that will be involved in dealing with each case. A more accurate plan cannot be drawn up at this stage as we are not yet clear on exactly what the software will do and whether there will be a need for any manual intervention and if so to what degree.
36. The table below shows the total number of cases that Hampshire Pension Services will have to deal across their Police and Fire clients. The total includes Hampshire and Isle of Wight Constabulary, Hampshire and Isle of Wight Fire and Rescue Authority and West Sussex Fire and Rescue Authority and of that total, the number that relates specifically to Hampshire and Isle of Wight Fire and Rescue Authority is shown. The table also shows the proposed deadline to issue the Remediable Service Statement (RSS).
37. There will be additional cases to deal with on top of these numbers and will include members that that have transferred to another public service pension scheme and contingent decision successful claims. Each of these cases will also require the production of an RSS by the statutory deadline of 1 April 2025.

Group	Immediate Choice or Deferred Choice member	Type	Total number of Police and Fire cases to be dealt with by HPS	Number of total cases for HIWFRA only	Proposed deadline for issue of RSS
1	Immediate Choice	Ill Health Retirements	175	12	31/03/2024
2	Immediate Choice	Beneficiaries	25	10	31/03/2024
3	Deferred Choice	Actives	2,404	633	31/08/2024
4	Deferred Choice	Deferreds	712	329	31/08/2024
5	Immediate Choice	Unprotected and Tapered Pensioners	213	82	30/11/2024
6	Immediate Choice	Protected 2006 Pensioners	33	15	31/01/2025
7	Immediate Choice	Protected 1987 Police and 1992 Fire Pensioners	769	133	31/03/2025
			4,331	1,214	
Other cases to be resolved					
		Immediate Detriment cases	15	9	31/03/2025
		Pension Credit Members	41	7	31/03/2025
		Opted Out Service	Contingent Decisions		31/03/2025
		Added Years	Contingent Decisions		31/03/2025
		Transfer Out	Contingent Decisions		31/03/2025

38. There are number of steps which have been drawn up for each category, but they are in essence:
- (a) Final identification of cases
 - (b) Check all service, service break and financial data is present
 - (c) Confirm that contribution adjustment record with interest is present
 - (d) Where applicable confirm that the Ill health reassessment certificate is present
 - (e) Where applicable confirm all relevant beneficiary details
 - (f) Complete any rollback to legacy scheme actions
 - (g) Calculate Annual Allowance for the remedy years and 2022/23 where applicable
 - (h) Produce the relevant RSS
 - (i) Process member elections
 - (j) Pass any cases where no election received to Scheme Manager
 - (k) Confirm any adjustments to Pensions Payroll
 - (l) Make any final payment due or arrange collection of any outstanding monies
39. The deadline dates proposed in the table above and the steps needed to provide members with their choice for remedy are subject to change but at this stage, provides a good indication of the volume of work required.

PROJECT RESOURCE AND SOFTWARE COSTS

40. The cost of the McCloud project team which has been in place for some time are shown in the table below.

Year	Total resourcing costs for Police and Fire Schemes	HIWFRA share of costs
2021/22	£ 63,053.93	£ 22,068.88
2022/23	£ 85,488.55	£ 29,920.99
2023/24	£ 121,015.10	£ 41,953.49 (estimated costs)
	£ 269,557.58	£ 93,943.36

41. In addition to the resourcing costs of the project team there are also additional Pension Administration software costs for 2022/23 these were £69,476, but there is now an additional charge of £22,995 bringing the total software costs for HIWFRA for McCloud to £92,471.

42. The additional charge of £22,995 has occurred due to the lateness of the final remedy requirements being available, and Civica needing more resources to develop the software within the same timeframes. They have also assured Hampshire Pension Services that these are fixed costs and that they have reduced their day rate significantly to help keep costs down.
43. The additional costs of the McCloud work are currently covered by a grant held in the Revenue Grants Unapplied Reserve.

RECOMMENDATION

44. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
45. That the risk register as set out in paragraphs 9-11 and Appendix A be approved by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

46. APPENDIX A – Risk Register
47. APPENDIX B – Response to Matthews consultation
48. APPENDIX C – Response to McCloud consultation

Contact: Claire Neale, HR Strategic Adviser (Specialist) – Employer Pension Manager, Claire.neale@hants.gov.uk, 0370 779 2790

		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1	2	3	4	5
	Unlikely	2	4	6	8	10
	Possible	3	6	9	12	15
	Likely	4	8	12	16	20
	Almost certain	5	10	15	20	25

Risk Register for Fire Pensions

Risk number	Date identified	Risk area	Risk description	Likelihood	Impact	Risk score	Control measure / mitigation	Likelihood after mitigation	Impact after mitigation	Risk score after mitigation	Risk owner
1	12/05/2017	Operations	Failure to administer the pension scheme in a proper and effective manner	2	3	6	a) Liaison with employer b) End of Year c) Employer hub (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Chief Finance Officer for HIWFRA or Standard's & Governance Committee or Director of Operations as appropriate g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services: - a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a "doer" and a separate "checker" e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HIWFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Group d) Fire Technical Group e) Fire Communication Working Group f) Fire Pension Board g) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Communications are developed in a timely manner b) Project is managed effectively with robust plans, reporting and escalation c) Key involvement from the Employer Pension Manager with the Cross Whitehall Project Management Group and the Home Office Technical Working Group as well as the Fire Technical Group and the Fire Communications Working Group to ensure all information is received d) Work across departments to be co-ordinated from the McCloud Remedy Working Group	2	4	8	Scheme Manager
6	25/03/2022	Matthews	Failure to obtain all relevant information from IoW Council or to successfully implement the Matthews remedy for HIWFRA to all affected members within the timescales prescribed.	3	3	9	a) Liaison with IoW Council, IBC Pensions Admin Team and Hampshire Pension Services b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with the Matthews Technical Working Group as well as the Fire Technical Group and the Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group	2	2	4	Scheme Manager
7	31/01/2023	Staffing	Failure to adequately resource the pension administration team for the upcoming McCloud and Matthews remedy implementations as well as Pensions Dashboards	3	3	9	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Job adverts revised to attract more staff to work in Hampshire Pension Services c) Training programmes put in place for staff to aid retention and to build skills, experience and knowledge	2	2	4	Pension Administrator
8	21/03/2023	Changes to Shared Services	Changes to the Shared Services partnership mean that HIWFRA is withdrawing from some strategic services, including HR. There is a risk that changes could negatively impact on the employer pension management shared function which sits within HR.	3	4	12	This risk is not mitigated due to the uncertainty of future arrangements, some mitigation may be found by:- a) Liaison with HIOWC and HCC to have input to help determine the structure of the HR teams and what pension expertise is required b) Continue to make a case for access to specialist services c) Maintain good relationships with Hampshire Pension Services who are unaffected by the changes to the Shared Services Partnership	3	4	12	Scheme Manager

BEFORE MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1				
	Unlikely	2		Risk 1	Risk 3	
	Possible	3		Risk 2, 6 & 7	Risk 4 & 8	
	Likely	4			Risk 5	
	Almost certain	5				

AFTER MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1		Risk 1	Risk 3 & 4	
	Unlikely	2		Risk 2	Risk 5	
	Possible	3			Risk 8	
	Likely	4				
	Almost certain	5				

Retained Firefighters' Pensions:
Proposed Changes to The Firefighters' Pension Scheme (England) 2006
Matthews / Second Options Exercise consultation 2023

Introduction

1. Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) welcomes the opportunity to respond to the Government consultation on the proposed changes to the Firefighters' Pension Scheme (England) 2006 for retained firefighter pensions and this response has been approved by the Hampshire and Isle of Wight Firefighter's Pension Board and the Scheme Manager.
2. We have provided a response in two parts, with the first part being some additional comments on the consultation document and draft regulations that are not covered in the consultation questions. The second part is our response to the consultation questions.

Additional comments

Timeline

3. We appreciate that the Home Office has provided an indicative timeline, but we have some concerns about some of the suggested timeframes. We agree that FRAs should contact those in scope within 3 months, but we are of the opinion that members would only need 2 months rather than 6 months to provide an expression of interest. There will be no commitment at this stage, but simply the member saying that they want more information so we do not believe that they would need 6 months to do this.
4. We would like to see the period allocated to FRAs to provide a statement of service and costs, increased from 3 months to 7 months. We believe that this is necessary as the FRA needs time to prepare the individual statements that will be sent to members. Some FRAs may also not have been able to obtain the relevant pay data prior to 1 October 2023 and will therefore need to utilise this time to collect the data as well as send information to the member.

Reasonable Endeavours

5. We note that both the consultation document and the draft regulations state that the FRA must use reasonable endeavours to notify members that may be entitled to join the scheme and purchase service. But we also note that there is no further clarification on exactly what reasonable endeavours means.
6. We would like to see some additional guidance from the Home Office on the steps and actions that they would expect an FRA to take. Even where an FRA holds an address for a member, this could be 20 years out of date, therefore many FRAs are likely to need to

engage some kind of tracing agency to contact these members. If the Home Office agrees that this is using reasonable endeavours, then the Home Office must acknowledge that this will be an additional cost to FRAs and we would like to see some commitment to additional funding for this exercise.

Compensation deduction

7. We know and appreciate the difficulties that members from the first options exercise experienced with obtaining tax relief on their backdated pension contributions from HMRC. Therefore, we do agree with the position that a compensation deduction should be made from contributions due for the mandatory special period.
8. We note that in paragraph 5.26 the consultation document confirms that the assumed marginal tax rate will be 20% and that this is reflected in the draft regulations. However, we are concerned about members that will require a higher rate of tax relief.
9. The consultation document in paragraph 5.27 states that the member will need to provide robust evidence to support a higher marginal rate, and the draft regulations 6D(4)(a) state:

(a) 'Where a member establishes, with such supporting evidence as the authority may reasonably require, that the rate of tax relief which would have applied to him in the compensation scenario is greater than 20% that rate must be applied for the purposes of calculating the compensation deduction, or'

This appears to leave it entirely open to each authority to determine what evidence they will or will not accept and does not appear to reflect the consultation document which states that robust evidence will be required. This is left open to interpretation and could potentially lead to inconsistent decisions being made not only locally, but also nationally.

10. We would also ask that the Home Office considers the use of the word '*him*' in this regulation, we understand that gender use language is in keeping with the rest of the 2006 Fire Pension Scheme regulations, but where possible we would like to see gender neutral language used in any amendments and this is the only mention of a gender specific term in these draft regulations. We would suggest that '*him*' is replaced with '*the member*'.
11. We also note that 6D(5) of the draft regulations state that

'(5) in order to be entitled to the compensation deduction, the special member must provide a statement to the authority that the special member will not claim tax relief in respect of the mandatory special period contributions.'

Whilst we understand that a statement is important to ensure that the member does not receive tax relief twice, but it has not been made clear who will be providing the wording for any such statement, are scheme managers expected to create their own

version? It also does not explain what the authority is expected to do with this statement, nor does it explain what would actually stop the member approaching HMRC directly, unless this is intended to be some sort of legal statement.

Pre July 2000 service

12. We agree with the proposal set out in the consultation that for service pre July 2000 that the member is able to pay this over a 20 year period if they choose periodical contributions. But we also think that 20 years is a long commitment for a member to make and for the FRA to maintain the payments and to account for them on a monthly basis.
13. We understand that members have the option of paying by an upfront lump sum, but not all members will be able to afford this; and that where a member retires before the end of any periodical payments that the balance can be deducted from the lump sum.
14. We would like to know if the Home Office has considered that some members may prefer to pay the entire amount by periodical payments over the same term? We would suggest that offering a member to pay for the pre July 2000 service as one of three options, a lump sum, over a 10 year period or over a 20 year period may provide the member with better choices, especially for those that do not have a lot of membership pre July 2000.
15. In addition we would like some clarification about whether the member can make different choices for their pre and post July 2000 service, for example, it is not clear if a member could choose to pay for one part by lump sum and another part by periodical payments? Or if they choose lump sum then that applies to both parts and the same for periodical payments, albeit there are different payment terms for each part.
16. We understand that the member can choose a later start date for the mandatory special service period than the date their employment started. We would like to see this restricted to either the start date of their employment or the 1 April each year. This is because the pay data that will be collected, other than for the first and last year of employment, will be for each scheme year (1 April to 31 March). It will therefore make it much easier for FRAs to amend any calculation and to provide revised figures without the need to have to go back through payroll data.

Conversion decisions made during the 2014 Options exercise

17. Paragraphs 5.48 to 5.52 of the consultation document provides the Home Office policy intention for members who elected to join the scheme during the 2014 Options exercise and made a conversion decision about their membership. Where these members have pre 1 July 2000 membership it is confirmed that they will be able to revisit that decision.

18. What is concerning at this stage is that paragraph 5.52 states that the Home Office is still considering the detail of this policy and that there are no draft regulations for this.
19. There are some points of clarification that we would like to see. We are unclear why this policy only applies to those that have pre 1 July 2000 service and we would like to understand why those with only post July 2000 membership are excluded from this policy.
20. We assume that for a member to revisit their conversion election, they would have to elect to purchase some or all of their service pre 1 July 2000 and that the revisitation of the conversion decision cannot be made without that election.
21. Where a member elected not to convert previously, but now wishes to, we would like confirmation that conversion will be based on interest at the time and the repayment will be by lump sum or by periodical payments over a 10 year period. In other words, it will cost the same now as it would have done at the time, or would the interest be greater now as more time has passed? If it will now cost more, this could put the member in an unfavourable position when considering how poor the communication of the 2014 options exercise was.
22. There will also be some members who elected to convert their membership and pay by periodical contributions, but those contributions were ceased before the due date and the member did not pay the balance by lump sum. For these cases, as the conversion was not considered complete until all the payments had been made, these members effectively are in the same position as those that elected not to convert.
23. The issue of a member being able to undo an election to convert their membership is certainly more complex, but in the interests of equality and fairness we agree that this needs to be offered. We think that it is unlikely that any members would amend their decision, but it is certainly a possibility.
24. For any members that wish to undo their conversion election from the 2014 Options exercise there are several questions that we would like answered as the policy intention does not appear to go into detail. The overarching question is about the process of how this would be achieved if members are to be given the opportunity to undo their conversion election to either a) keep their benefits as separate pension arrangements or to b) choose a different conversion election.
25. There are questions around the contributions that have been paid so far and how these would be paid back to the member as compensation. Including also, where a member was or is an active member and has some membership within the McCloud remedy period, when rollback occurs this will be to their respective legacy scheme, which will now potentially be a different scheme.
26. How will the undoing of a conversion decision, be dealt with where there are also contribution adjustments for the McCloud remedy? How will members who have not yet completed their payment by periodical instalments have their contributions treated?

Where the member may be entitled to a compensation payment equivalent to the contributions they have paid, will this be adjusted for tax relief and interest and if so at what rates? And how should those that have already received tax relief from HMRC be treated? And how would an FRA know if the member has already received tax relief?

27. For members that have completed their payments, there is the administrative complication to separate out the records and the need to potentially rebuild them, which may require obtaining revised or amended payroll data. Although this complication should not prevent a member from making a different decision, the administration challenges should not be underestimated.
28. There are also a large group of members who will have made a conversion decision and now have pension benefits in payment. Unpicking these records will be more complex due to the assessment of the amount of under or over payments that have occurred, not to mention issues with PAYE tax on those pension benefits. How would these be corrected when the payments could go back several years? Will there be interest that will need to be applied to any amounts due and if so, how will this be calculated?
29. Fundamentally, how would a member know that undoing their conversion election would be the right thing to do? They can only make that decision if they are properly informed about the different sets of benefits that could be achieved from any amendment. How does the Home Office intend for this to be communicated to members?
30. Providing any of these options to members would be extremely complex and it is unlikely that either FRAs or administrators will have the resources to calculate the many permutations that a member could make. Perhaps instead, if the Home Office is intent on providing these options to members, then any cases where the member indicates that they may wish to undo their previous conversion election, these should be referred to the Scheme Actuary for them to carry out the necessary calculations. We would consider that these scenarios are as complex, if not more so, as the recalculation of the retrospective ill health cases.

Retrospective ill health awards

31. We note that the consultation document and the draft regulations state that where a member will require a recalculation of their retrospective ill health award that these cases will need to be referred to the Scheme Actuary as they will be complex recalculations.
32. However, neither document provides any detail about the process of referral of such cases or confirming what information will need to be provided, exactly where the information will be sent and how it will be sent to GAD. There is also no information about the timescales that GAD will need to carry out the necessary recalculations. This last part is especially important as communications will need to be provided to the member.

Guaranteed Minimum Pensions (GMP)

33. Paragraphs 6.2 to 6.6 of the consultation document covers the policy intention about GMPs and that it is not possible to unwind GMPs for members who elect to buy service which falls in the period 6 April 1978 to 5 April 1997.
34. We note that the Home Office proposes to leave the Contracted Out status of the modified scheme unchanged at 1 July 2000 and that members can make a claim if they have suffered financial detriment as a result of not being Contracted Out and that claims will be considered on a case by case basis.
35. We are unsure how a member would even know if they have suffered this financial detriment. It is also unclear what information or evidence the member would need to provide to support any such claim.
36. The Home Office has also not provided any insight into how these cases will be assessed or who will be responsible for their consideration. Nor have they indicated what that means in terms of any financial compensation should the claim be successful.

Tax

37. Paragraphs 6.7 to 6.10 of the consultation document covers the policy about Tax and specifically the Annual Allowance tax charges. We note that members that pay for their contributions by lump sum means that the full pension entitlement is accrued in one tax year, which may mean that the member exceeds their Annual Allowance and becomes subject to a tax charge. Where this occurs, members can make a claim if they suffer a financial detriment, these cases will be considered on a case by case basis.
38. Where a member suffers a financial detriment, they will be able to make a claim, but it is unclear what information or evidence the member would need to provide to support any such claim. It is also unclear about how HMRC would view any such tax charge and whether penalties may apply for late notification by the member via self assessment.
39. The Home Office has also not provided any insight into how these cases will be assessed or who will be responsible for their consideration. Nor have they indicated what that means in terms of any financial compensation should the claim be successful.

Consultation questions:

Question 1: Are the categories of individuals that have been identified as being eligible to join the modified scheme as part of the 2023 Options exercise appropriate?

Yes

40. Members will fall into one of three categories depending on their dates of employment. This will provide members the opportunity to buy all of their uninterrupted service.

Question 2: Do the categories of individuals that have been identified as being eligible to join the modified scheme as part of the 2023 Options exercise include everyone who ought to be included?

Yes

41. There are no other members that ought to be included with the 2023 Options exercise and this provides an opportunity for those that were not given the option to join during the first options exercise to also be included.

Question 3: Do the proposed amendments to the Firefighters' Pensions Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 1 can purchase any of their uninterrupted retained service in the modified scheme and place these members in the position they would have been had they been entitled to purchase their service at the time?

Yes

42. The definition of the extended limited period makes it clear that the period begins on the date on which the person was first employed as a retained firefighter and that it ends on the earliest of four dates depending on which is applicable.

Question 4: Do the proposed amendments to the Firefighter's Pension Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 2 can purchase any of their uninterrupted retained service in the modified scheme and place these members in the position they would have been had they been entitled to purchase their service at the time?

Yes

43. The definition of the extended limited period makes it clear that the period begins on the date on which the person was first employed as a retained firefighter and that it ends on the earliest of four dates depending on which is applicable.

44. The conditions for purchase of service during the extended limited period are covered in the draft regulation 5B(2), with regulation 5B(3) also confirming that where an FRA

notified the individual in the first options exercise that they are not eligible for the second options exercise to purchase their post 1 July 2000 service.

Question 5: Do the proposed amendments to the Firefighter’s Pension Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 3 can purchase any of their uninterrupted retained service in the modified scheme and place these members in the position they would have been had they been entitled to purchase their service at the time?

Yes

45. The definition of the extended limited period makes it clear that the period begins on the date on which the person was first employed as a retained firefighter and that it ends on the earliest of four dates depending on which is applicable.
46. The conditions for purchase of service during the extended limited period are covered in the draft regulation 5B(2), with regulation 5B(3) also confirming that where an FRA notified the individual in the first options exercise that they are not eligible for the second options exercise.

Question 6: Are there any changes to the proposals required for those individuals who are entitled to both the Matthews remedy and McCloud / Sargeant remedy simultaneously?

Yes

47. If the purchase was limited to 31 March 2015, this would make Matthews and McCloud much more complex for the member. The member would have to make a contingent decision claim for opted out service for the McCloud remedy period, there is no guarantee that a member would be able to make a successful contingent decision claim for this period as this would be a Scheme Manager decision.
48. They will need to make decisions about Matthews and McCloud separately and different conditions / timings will be applied to the re-payment of contributions. Any pre July 2000 membership will be paid for over 20 years, the period between 1 July 2000 and 31 March 2015 would be payable over 10 years and then under McCloud, the remedy period will be paid for separately.
49. In the consultation document paragraph 6.15 sets out four categories of members that may be affected by both remedies. A Group IV member is entitled to purchase all of their service up to when they joined the 2015 scheme. If therefore they only joined the 2015 scheme on 1 April 2022, they will be permitted to buy all service to that date. But a Group II member can only buy service up to 31 March 2015. This does not appear to be treating all members in the same way or providing the same options. This will be very confusing to administer and to explain to the members.
50. If the service was permitted to be purchased up to 31 March 2022, this would be much simpler for the member as all their service will be in the 2006 Modified Scheme, but

amendments may be required for the McCloud remedy period to ensure that the member is not worse off or better off than a member who is not subject to the Matthews remedy but does have opted out service in the McCloud remedy period. The timings for paying the contributions and interest applied would therefore need to match the McCloud remedy for the period 1 April 2015 to 31 March 2022.

51. It may well be less complex from a legislative point of view to end the Matthews remedy as at 31 March 2015, but complexity should not be a reason to not do something that is in the best interests of the member. We therefore believe that under the Matthews remedy, members should be permitted to purchase all service up to 31 March 2022 in the 2006 Modified Pension Scheme, or such an earlier date as set out in the definition of the extended limited period in the draft legislation 1(b).

Question 7: Do the proposed changes to the special death grant and additional death grant sufficiently address the scenario where the deceased member had pre-2000 service?

Yes

52. The policy and the draft regulations appear to make it clear depending on what service a member has as to what they are entitled to.

Question 8: Are there any additional points not covered in this consultation paper that need to be considered as part of the proposed changes to the Firefighters' Pension Scheme (England) Order 2006?

Yes

53. We know that as a special member of the 2006 Scheme, the pensionable service must not exceed 30 years. But the consultation does not appear to address the potential problem of a member who joined in the 2014 Options exercise and also elected to purchase the maximum amount of additional service, is still an active member and will now have the option to purchase their pre July 2000 service. Any members in this position may be at risk of exceeding the service cap, but they might not have been if they had not purchased the additional service.

54. The cost to purchase additional service is likely to have cost more than buying back their special service, and it is possible that if a member had known that there would be a further option to backdate membership, then they might not have purchased any or as much additional service. We would be interested to know how the Home Office intends to deal with any such members.

Question 9: The scheme will also provide an additional top up to the special death grant in respect of an individual's pre-7 April 2000 service. The special death grant will provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased member had prior to 7 April 2000. Do you agree with this policy?

Yes

55. It is fair and right that the survivors of the deceased member are paid a lump sum, which is based on their pensionable pay and years of service prior to 7 April 2000.
56. However, we note that the draft regulations state that only a spouse, civil partner or child can make an application and receive the payments, we believe that this should also be extended to include co-habiting partner.
57. We are also unclear why a deadline of 30 September 2024 has been set for applications and how survivors would therefore be able to make an application where a member dies between 1 October 2024 and 31 March 2025.

Question 10: Members who joined the modified scheme as part of the 2014 Options exercise and who have pre-July 2000 service but have subsequently died will receive an additional death grant in relation to such members' pre-July 2000 service. The additional death grant will provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased member had prior to 1 July 2000. Do you agree with this policy?

Yes

58. It is fair and right that the survivors of the deceased member are paid a lump sum, which is based on their pensionable pay and years of service prior to 1 July 2000.
59. However, we note that the draft regulations state that only a spouse, civil partner or child can make an application and receive the payments, we believe that this should also be extended to include co-habiting partner.
60. We are also unclear why a deadline of 30 September 2024 has been set for applications and how survivors would therefore be able to make an application where a member dies between 1 October 2024 and 31 March 2025.

Question 11: It is proposed that where there is an absence of pay data for pre-July 2000 membership. FRAs can assume that the retained firefighter earns 25% of the pay of a WT firefighter, and that they will be employed at the rank of a firefighter. Do you agree with this policy?

No

61. We agree that assumptions will be necessary as pay data will not be available for all the relevant years. We also agree that using a rank of firefighter for pay purposes where this is not known is sensible, but we do not agree with a blanket 25% of the reference pay of a wholetime firefighter to be used for service and contribution calculations.

62. We note that 5A(9) of the Firefighters Pension Scheme (England) (amendment) Order 2014 for the first options exercise and for post July 2000 service states:

(9) where an authority are not able to determine the period of the person's service during the limited period and the authority does not hold records of that person's pay for the that period, and the person cannot provide the authority with the necessary documents, the authority may estimate the person's pensionable pay for that period from the records which they hold and may in particular estimate this on the basis of the average of recent pay data for retained firefighters at the same station or stations as that at which the person was based for the relevant period.

We are concerned that FRAs will need to use two different assumptions for the different periods and we would like to understand how the Home Office has arrived at a blanket 25% for the pre July 2000 period; our experience shows that this is more likely to be around 33%.

63. We would there like to see the same assumptions used for both pre and post July 2000 service as we think that this will be easier for members to understand, easier for FRAs to calculate and overall is likely to incur less disputes from members.
64. Perhaps where the member has no evidence, and the FRA has no credible evidence about working patterns for some or all of the pre July 2000 period then an assumption of 25% would be reasonable.
65. In addition, we note that the Local Government Association only has pay scale information going back to 1977, we would therefore like clarification of what pay assumptions to use for pay periods that occur between 15 February 1971 and the 1977 pay awards. We would also like clarification about what pay assumptions we should use for periods prior to 15 February 1971, which was when decimalisation took effect.
66. Where an assumption of the grade of FF is to be used, we would like clarification over what pay step should be used, this is because all pay grades have more than one step, depending on years of service or competency, but it is unclear what an FRA should use where this information is not known or available.

Public Service Pensions: Firefighters Pension (Remediable Service) Regulations 2023

McCloud / Sargeant remedy: Phase two (retrospective) consultation

Introduction

1. Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) welcomes the opportunity to respond to the Firefighters Pension Scheme Retrospective Remedy consultation and this response has been approved by the Hampshire and Isle of Wight Firefighter's Pension Board and the Scheme Manager.

Consultation questions:

Question 1 In and out of scope:

Do the proposed amendments to the Scheme Regulations clearly define which members of the Firefighters' Pension Schemes meet the criteria to be eligible for remedy?

No

2. The draft Firefighter's Pensions (Remediable Service) Regulations 2023 are not amendment Scheme regulations, but regulations that stand alone in their own right and as such they do not define eligibility themselves and rely entirely on the Public Service Pension and Judicial Offices Act (PSPJOA) 2022 for the definition of eligibility.
3. We are concerned therefore that in years to come, that it will not be known how these regulations are linked to the Fire Pension Scheme regulations, as there does not appear to be anything to connect the Scheme regulations to these remedy regulations. We would therefore have expected for there to be some amendment to the 2015 Scheme to reference the principles of remedy.
4. We do however agree that the eligibility criteria for the retrospective remedy is set out in Section 1 of the PSPJOA 2022 – 'Meaning of remediable service', but the draft regulations themselves do not clearly define which members of the Firefighters' Pension Schemes meet the criteria to be eligible for remedy.
5. Part 1, 2(1) contains the interpretations used in the draft regulations and has the following interpretation:

"remediable service as a firefighter" means, in relation to a member, the member's remediable service in an employment or office that is pensionable service under a firefighters' pension scheme;

We think it may be helpful to include 'as defined in Section 1 of PSPJOA 2022' under this interpretation.

Question 2 Deferred Choice Underpin (DCU) timing of Remediable Service Statements (RSS):

Do the policy proposals about the timing of when a scheme member can request an RSS in anticipation of retirement strike the right balance between a suitable period to make a decision, proximity to retirement date and any administrative considerations?

No

6. We note that Regulation 8 of the draft legislation states that no benefits can be paid to the member unless a Deferred Choice election has been made. And that Regulation 12 of the draft legislation is concerned with when that Deferred Choice decision is to be made.
7. Regulation 12(3)(b) states that a Deferred Choice election can only be made within the 12 week period after receiving the RSS. And Regulation 12(2)(a) sets out that a member must inform the scheme manager of their intention to retire and claim benefits during the period 12 and 6 months before the benefits are intended to become payable and is therefore requesting an RSS.
8. These draft regulations would seem to suggest that a member has a limited and strict timeframe when they are able to request an RSS for their retirement, we do not believe that this is helpful to members. Members should only have a restriction on the earliest that they can request this prior to retirement. We believe that providing an RSS no earlier than 12 months prior to the intended retirement date is sensible, particularly given that there could well be changes in that timeframe such as pay increases.
9. Under the current draft legislation and the strict timeframes for requesting an RSS we would like clarification on how to treat members that are intending to retire within the first 6 months after 1 October 2023 as they will have already passed the required time limit, currently these members do not appear to have been adequately provided for.
10. As the draft regulations stand, it means that a member could request an RSS 12 months prior to their intended retirement, and if they do not make an election within the prescribed 12 week period, or they make an election but revoke this prior to retirement, then the member will have to be sent a new RSS at retirement to enable them to make their election. This will put undue pressure on the pension administration teams, especially during the 18 month remedy implementation period from 1 October 2023.
11. There would be a requirement for the pension administrators to record the date any election package was sent and to then record any subsequent election made within the 12 week timeframe and to hold this on file until such time as the member retires, or revokes their election. Whilst this may seem purely administrative, it is worth noting that pension administrators will need to build this into their processes.

12. It is not clear what information should be provided to members during the period which falls after they have made an election, but before they have retired, clarity is needed about whether any annual RSS is to be issued and if so, whether it should continue to show both sets of information, just the chosen package, and / or a statement confirming that an election has been made.
13. Regulation 3(2)(b)(ii) of Part 2 states that an RSS must be issued to a deferred member within three months of receipt of a written request by the member. We believe that this will cause an unnecessary increase of work for pension administrators and that they will be in a constant cycle of production of these RSS'.
14. As Regulation 4(1) of Part 15 of The Firefighters' Pension Scheme (England) Order 2006 and Regulation 183(1) of The Firefighters' Pension Scheme (England) Regulations 2014 requires the Scheme Manager to provide an annual benefit statement to deferred members, we believe that as part of this annual production, an RSS could easily be issued alongside the deferred annual benefit statement, just as it will be for active members. We would like to see the legislation amended to this effect.

Question 3 Ill-health Retirement:

Do you think the proposed arrangements for members that qualify for Ill Health Retirement during the remedy period (1 April 2015 – 31 March 2022) may cause any adverse impacts?

Yes

15. We have some concerns about the Ill Health Retirement (IHR) parts of the consultation and draft legislation.

Reassessment

16. On the topic of reassessment, paragraph 5.68 of the consultation states:

'Reassessment is only needed for IC IHR cases. This means a retrospective ill-health assessment will only be needed for cases where a member (who has remedy period service) has been ill-health retired or dismissed on capability grounds during the remedy period, be that from the legacy scheme or the 2015 reformed pension scheme depending on their circumstances.'

17. We note that this paragraph specifically mentions members who have been dismissed on capability grounds, these members will not have received an IHR pension and will only have an entitlement to a deferred pension.

18. Part 7, Chapter 2, Regulation 49(1)(a), (b) and (c) of the draft legislation states:

49 (1) This chapter applies in relation to an immediate choice member ("M") who during the period beginning on 1st April 2015 and ending on 31st March 2022, became entitled to –

- a) an ill health award under regulation B3(a) of the 1992 Order;*
- b) an ill health pension under rule 2 of part 3 of paragraph 1 of Schedule 1 to the 2006 Order;*
- c) an ill health pension under regulation 65 of the 2015 Regulations.*

19. This draft legislation seems therefore to only apply to members who are already in receipt of an IHR pension. It does not appear to apply to those that have been dismissed on capability grounds. We would ask therefore, that clarification is provided and if necessary, the legislation is amended to reflect this group of members.

IQMP reassessment

20. We do however have some concerns over the wording used in Part 7, Chapter 2, 51(3) of the draft legislation which is concerned with 'Deciding whether a 1992 IHR member is entitled to a lower tier or higher tier award.'

(3) The IQMP must -

- a) examine or interview M as the IQMP thinks appropriate,*
- b) decide the questions referred to the IQMP under paragraph (2), and*
- c) give the authority and M a written opinion containing a decision on those questions.*

21. It is noted that the IQMP is required to carry out a re-assessment of IHR entitlement by way of examination or interview of the member. This appears to leave no room for a paper assessment which we expect to be suitable for most cases where there is sufficient evidence on file to carry out any re-assessment. If the IQMP is required to examine or interview the member, then this will lead to increased costs for the Fire and Rescue Authority as additional resources and or expenses would be incurred.

22. It is our opinion that for most cases any reassessment could be carried out by the IQMP as a paper exercise, and we would therefore welcome that this addition is made to the legislation so that the IQMP can make their decision by the most appropriate method for each case.

5 year review

23. We also note that in Part 7, Chapter 2, 51(7) (b)(i) the draft legislation seems to imply that there should have been a 5 year review after the original ill health decision. The Fire Pension Schemes do not have this requirement and we would therefore welcome clarification on this matter.

Question 4 Added pension:

Do you think the policy proposals in relation to the scheme members with added pension puts all eligible members in the same position?

Yes

24. We note that you have decided to refund these contributions to the member by way of compensation rather than to utilise the Additional Pension Benefits (APB) as a way of adjustment for these cases. APBs apply in the all the Fire legacy schemes and is how it was determined that temporary promotions that were deemed pensionable would be treated from 1 July 2013 when the legislation was amended.

25. We believe that the APB is a missed opportunity to utilise a framework that is already in existence and is understood by pension administrators and members. We would ask you to consider again if it were possible to convert the additional benefits purchased by an actuarial adjustment.

Question 5 Transfers:

Do you think that the policy proposals that transfers that came into the 2015 reformed pension scheme will be held in the 2015 reformed pension scheme until the point of decision achieves the policy intention of preserving transfer rights?

Yes

26. Whilst we do agree that transfer rights are preserved by retaining them in the 2015 scheme until the point of decision, it is the application of what happens to them after the decision that we have concerns with.

27. The last bullet point in paragraph 5.44 of the consultation document states:

'If the current rules at the time would not allow all the transfer or loses part of the transfer value due to breaching the pensionable service cap in the legacy scheme and has no 2015 reformed pension scheme service, a member will be paid equivalent value in the legacy scheme benefits as an adjustment of contributions accordingly based on an actuarial calculation'

28. Yet in Part 6 of the draft regulations there does not appear to be anything about how the compensation will be achieved, in what form this will be or indeed at what point and what factors will be the calculation decision points. Whilst we appreciate that this area will need to be supported by GAD guidance, it would be helpful if the regulations referred to this and set out some general principles.

29. Regulation 30(2)(b)(ii) states:

Where the member does not have relevant reformed scheme service, the right to payment of an amount by way of compensation equal to the value of rights to reformed scheme benefits if the remaining portion of the remediable value had been transferred into that scheme.

30. We would therefore appreciate some clarity over the compensation element and how the equal value will be achieved.

31. We also note that you have decided not to utilise the Additional Pension Benefits as a way of adjustment for these cases. These apply in the all the fire legacy schemes and is how it was determined that temporary promotions that were deemed pensionable, would be treated from 1 July 2013 when the legislation was amended.

32. We believe that the Additional Pension Benefits is a missed opportunity to utilise a framework that is already in existence and is understood by pension administrators and members. If the “compensation” due to members that choose legacy schemes, is to be paid in the form of pension benefits, then we think that this could easily be achieved by an actuarial adjustment.

Question 6 Bereavement:

Do the proposed amendments to scheme regulation achieve the policy intention of ensuring that the resulting ‘member representative’ can make an immediate choice or deferred choice in relation to the remedy period service of a deceased member?

Yes

33. Within the Schedule for the eligible decision makers for deceased members, there is reference to M’s personal representative, yet this term does not appear to be included within the Interpretation of Paragraph 1. We would consider that for clarity and consistency that a definition of this term should be included, just as you have provided such a definition within the consultation document.

Question 7 Contingent decisions:

Do you think the proposals with regards to contingent decisions give members opportunities to revisit pension benefit decision taken during the remedy period?

Yes

34. There is a footnote (a) which is in respect of Part 3, Chapter 1, Regulation 4(1) which is incorrect as it quotes a Police legacy scheme not a Fire legacy scheme. The footnote states:

(a) See sections 5(7) (read with section 4) and 36 of the PSPJOA 2022 for the meaning of relevant opted-out service in relation to a Chapter 1 legacy scheme (such as the 1987 and 2006 schemes).

The part in brackets at the end should say *(such as the 1992 and 2006 schemes)*

Contingent decision process

35. The process for contingent decisions does not appear to be clear in either the consultation document of the draft legislation. There is no defined election period, and there does not appear to be any timescales for how long a scheme manager may take to decide about any such election. If the contingent decision claim is accepted, then there appears to be no timescales for the provision of an appropriate RSS in relation to the contingent decision. And then how long and what options apply to the member to make the contributions necessary for any contingent decision.
36. It would be helpful if, scheme managers were all working to the same prescribed timeframes and had the same process to follow, as this will help to ensure consistency both locally and nationally. We would welcome any additions to the legislation or at the least a confirmation of the policy intention.
37. We believe that there is sufficient information in the draft legislation and consultation document to outline the policy intention of what evidence would be acceptable for opted out service. However, the same cannot be said for the other contingent decisions. There does not appear to be the same level of detail about what evidence is required and relies heavily on scheme manager decisions, which without proper process, risks inconsistent decisions being made.
38. Each Fire and Rescue Authority has its own scheme manager with each able to make their own decisions. Additional guidance or legislation which sets out the criteria and parameters of which contingent decision claim cases can be accepted is required to ensure that there is consistent decision making both locally and nationally.
39. We understand that the member will need to invest time and money in any such claim and subsequent election. Therefore, we wonder whether simply allowing members to make a contingent decision claim based on self certification stating that they would have taken a different action if it were not for reform, may be administratively less complex, for all concerned.
40. There also appears to be no information about funding for these cases, which risks scheme managers making decisions based on cost alone. For example, there is no

information about employer contributions for opt outs and how these will be paid. Scheme managers will want assurance about funding for these costs or there will be significant risk for unfair and inconsistent decisions being made.

Opted Out Service election

41. We have some concerns about some of the draft regulations about the elections in relation to opted out service.
42. Regulation 5(3)(c) of Chapter 1 of Part 3 states:
- (3) Where a person other than M is the opted out service decision maker, an opted out service election may only be made after the scheme manager determines an application which is –*
- (a) Made by or behalf of M,*
- (b) in a form and manner determined by the scheme manager,*
- (c) received by the scheme manager during the period beginning on 1 October 2023 and ending on 30 September 2024*
43. We would like the Home Office to provide clarification of the relevance of paragraph (3)(a) where it states ‘Made by...’ if the paragraph is concerned with a person other than M being the decision maker.
44. Whilst we understand that members have 12 months to make an election once they have received their RSS with their re-instated service, we do not understand where someone other than the member is the decision maker, that they only have 12 months from the date of implementation of remedy to make a claim for opted out service re-instatement.
45. Regulation 5(5)(a) of Chapter 1 of Part 3 states:
- (5) The scheme manager must refuse an application where either of the following conditions are not met –*
- (a) The decision by virtue of which M’s service became opted- out service was communicated to the scheme manager on or after 12 March 2012;*
- (b) The decision by virtue of which M’s service became opted out service was made pursuant to a relevant breach of a non-discrimination rule(a)*

We would like clarity with regard to the word ‘either’ being used especially in relation to paragraph (5)(a) which states that an application must be refused if it is made on or after 12 March 2012. We do not agree with the wording of this paragraph as it appears to mean that the scheme manager would not approve any claim. We believe that there either there should be an end date for the period or at least a ‘subject to paragraph 6’ reference which clearly states the period where a scheme manager must not refuse an application.

46. During the remedy period, there have been two or three rounds of auto re-enrolment. We know that the member must meet the eligibility criteria to be able to make a successful application for opted out service. For Firefighter's they may have chosen to never be in the pension scheme, but where they were in service on or before 31 March 2012, they will be in scope if their employment could have been pensionable.
47. Where these individuals were auto re-enrolled into the 2015 scheme within the remedy period and subsequently opted out, we would like clarification from the Home Office about whether this makes them in scope for an opted out contingent decision claim, and if so, whether they would then be able to re-instate all of their service in that employment within the remedy period.
48. Regulation 5(6)(a) of Chapter 1 of Part 3 states

(6)(a) beginning on the day six months before M would have (but for the opt out decision) become a member of the reformed scheme, and...

We believe that further clarity around this point would be helpful as scheme managers may be left to interpret when someone became a member of the reformed scheme. Some may argue that they all became members of the reformed scheme on 1 April 2015 and that members were afforded varying amounts of transitional protections. Whilst others may argue that members only became a member of the reformed scheme upon their individual transition date.

49. Furthermore, as members will be required to pay any missing contributions for opted out service, we wonder whether simply permitting members to make a contingent decision claim for reinstatement of any opted out service within the remedy period, regardless of their transition date, may be a less discriminatory approach.
50. We also have questions about the date in Regulation 6(6)(b) of Chapter 1 of Part 3 which states:

(6) But the scheme manager must not refuse an application where the decision by virtue of which M's service became opted out service was communicated to the scheme manager during the period –
(a) beginning on the day six months before M would have (but for the opt out decision) become a member of the reformed scheme, and
(b) ending at the end of 28 February 2022

We believe that the end date in 6(b) should be 31 March 2022 and ask that the Home Office provides clarification of this.

Opted Out Service

51. Neither the consultation document nor the draft legislation appears to provide any timescales for when a member would be required to pay the contributions for the opted out period of membership. In the interest of clarity, it would be helpful if the timings and the method for the purchase of any re-instated service were outlined.
52. This outline is particularly important as any election made to re-instate the opted out service period is irrevocable as set out in Section 5(3)(c) of Chapter 1 of the PSPJOA 2022 so the member would need to know when and how they would be expected to pay the relevant amount so that they can make an informed decision.
53. We are concerned that a member may make a decision to elect for re-instatement of opted out service, which due to life events may mean that in the future they are no longer in a position to pay for the opted out service or may have only paid for some of it. We would like to see some clarity over these situations and how these cases should be dealt with. And whether for example, the member should be allowed to pay for and receive a pro-rata amount of benefits.
54. It would also be helpful to understand the details of how any re-instated opted out service might interact with any future Deferred Choice election, especially as the re-instated period may not be for the entire remedy period, and the member may already have some membership of the scheme.
55. If the intention is that the member would have the same options as a Deferred Choice member, that is to not make the necessary payments until their benefit crystallisation date, then information about the member, their opted out period, associated benefits and a contribution adjustment record would have to be maintained for an indefinite period of time.
56. Where the opted out service has been elected for, but the reinstatement contributions have not yet been paid to the scheme, we would like clarification about how the Home Office proposes that these records would be held where this “joins up” with other membership. For example, where a member has a deferred pension and then elects to reinstate their opted out service, will pension administrators be expected to amalgamate the records, potentially undoing a deferred record and either recalculating it or making the record active? There is nothing in the draft legislation about how to treat such service.
57. The consultation document and the draft legislation also are silent on how this elected for opted out service accrues each year or whether it accrues all in one lump, if the latter then how will this affect Annual Allowance. It would also be helpful to have clarification about how it is treated once an election is made, in other words does the member then become treated as an IC or DC member as appropriate. Details of the

timescales for the issuing / re-issuing of any IC-RSS or DC-RSS after any election for opted out service is made should also be provided.

Question 8:

Are there any other areas which you think should be addressed in these regulations in order to ensure that all eligible members receive a choice of pension benefits at their point of retirement, for the period for which the discrimination existed (1 April 2015 – 31 March 2022) on 1 October 2023?

No

Question 9:

Are there any additional points not covered in this consultation paper that need to be considered as part of the proposed amendments to scheme regulations?

Yes

Contributions

Payment of amounts to scheme manager

58. Regulation 63(5) of Chapter 4, Part 9 in the draft legislation which is concerned with 'Payment of amounts owed to the scheme manager.'

(5) P and the scheme manager may agree that the net liability is to be paid in part or in full by way of deductions from any benefits (including a lump sum benefit) to which P is entitled under a firefighters' pension scheme.

It could be argued that a firefighter does not have any entitlement to a lump sum benefit as the Fire Pension Schemes only provide an entitlement to an annual pension. The member must make an election to commute some of the pension to achieve a lump sum.

59. If a member chooses not to commute any part of the pension, then any net liability would have to be deducted from the annual pension. Where this occurs, it should be made clear that as the annual pension payment due is subject to PAYE income tax, then the deduction of the net liability would have to be deducted as a post-tax deduction.

60. It perhaps therefore may prove useful to set out the order of benefits which deductions for the net liability may take place. This may seem obvious, but we know from the first options exercise for the special members of the 2006 Fire Pension Scheme, that when deductions of arrears of pension contributions were deducted from the arrears of annual pension that were due, that not every case was treated correctly for income tax purposes and that some of those deductions occurred on the pre-tax amount.

61. Alternatively, and what may prove to be a better solution is to ensure that there is a legislative requirement for the net liability to be deducted from the lump sum and therefore the member would be required to commute the minimum amount necessary to pay off the net liability.
62. We are also concerned that this paragraph states that the Scheme Manager may agree to the net liability being deducted from any benefit. This does not provide clarity to the Scheme Manager or the member and could leave an individual Scheme Manager to make a different decision. We believe that it may be better to have paragraph 5 worded slightly differently, a suggestion is:
- '(5) Where any net liability has not previously been paid, P and the scheme manager may will agree that the net liability is to be paid ~~in part or in full~~ by way of deductions from any benefits (including a lump sum benefit) to which P is entitled under a firefighters' pension scheme.'*
63. Paragraph 6 of Regulation 63 of Chapter 4, Part 9 of the draft legislation already states that P and the scheme manager may vary any agreement in paragraph 5 so we believe that this in itself provides enough discretion where necessary.
64. We are rather concerned to note that in the consultation on remedying the age discrimination in Firefighters' Pensions in Wales, published by the Welsh Government on 31 March 2023, that they appear to be proposing a different option altogether for members to have their contributions adjusted.
65. The Welsh Government proposes to provide the same options that existed for the first options exercise for the special members of the 2006 Fire Pension Scheme. These options are that members will either be able to pay an upfront lump sum amount or by instalments, over a period not exceeding ten years.
66. This policy is very different to what is being offered to Firefighters in England, the difference could be deemed to be unfair and inconsistent considering that Firefighters are all members of the Fire Pension Scheme. We agree that the member should have the option to have any net liability deducted from their commutation lump sum, so we would not want to see a departure from this.
67. Whilst we do appreciate that each Government is free to make its own Policy and Regulations, we would like some clarity about what would happen to a Firefighter's contribution adjustment where they move between an English and Welsh Fire and Rescue Authority (FRA).

68. For example, a Firefighter with an English FRA, will have the assumption that they will be able to have the contribution adjustment deducted from their commutation lump sum at the point of retirement. But it will be helpful to understand how the members contribution adjustment would be treated, if before they retire, they move to a Welsh FRA.
69. There is also the reverse position, where a Firefighter with a Welsh FRA starts paying their contribution adjustment by instalments, but before the end of that term, they move to an English FRA. It would be helpful to clarify how these members would be treated, and whether that same arrangement would need to continue, or whether they would be able to have any balance deducted from their commutation lump sum at retirement.
70. We also note that there is no mention in the draft regulations or the consultation document about how contributions already paid by an Immediate Detriment member would now be adjusted for tax and interest. There are two distinct periods, that need clarification; the first is during the period the guidance was endorsed by the Home Office between 21 August 2020 and 28 November 2021; the second is after the guidance was withdrawn from 29 November 2021.
71. There is also the added complication that there was a Memorandum of Understanding (MoU) and an Immediate Detriment framework agreed between the LGA and the FBU which was signed on 8 October 2021, with many FRAs choosing to adopt this framework to either continue to or to start to process Immediate Detriment cases.
72. We would welcome clarification on how the Home Office proposes that we deal with any outstanding aspects of remedy for cases that have been processed either under the Immediate Detriment informal guidance of the Home Office or under the framework of the MoU.

Contributions adjustment record

73. Whilst we completely agree that there is a need for a contribution adjustment record to be created and held and this would need to be utilised by the pension administrator so that the information can be populated within the Remediable Service statement, but the legislation itself does not create the contribution adjustment record, nor does there appear to be any framework to enable this to be created and maintained.
74. As many contribution adjustment records will be in place for several years to come, it will be necessary for the detailed information about how the contribution adjustment has been calculated to be available, both for audit purposes and to provide evidence should any future claims or appeals be made to Fire and Rescue Authorities about the calculations. We would like to see legislation or least some policy intentions of how this is achieved and what framework will be in place to ensure that the correct information is

stored and used, and where applicable is transferred to any future pension administrator.

75. We also note that there does not appear to be any options provided for within the legislation to determine at what points the member may choose to settle their contribution adjustment record. We note that the member will have the option after the initial RSS and that for Deferred Choice members they will have this option at retirement, but some members may want to settle this amount before retirement to avoid more interest being accrued. We would like to see included in the legislation, the option to settle this account on an annual basis within 12 weeks of the issuing the RSS.

Tax relief and Interest

76. The process for the calculation of the adjustment of tax relief and the addition of interest on contributions is still unclear. It appears to be completely reliant on a calculator tool which is being developed by the Government Actuary Department. This tool is a critical part of being able to provide remedy and RSS' to members. It is also critical that information can be input, extracted and uploaded to the relevant pension software systems in a coherent useful way.
77. We are also unclear about how and when any future interest accrual will be calculated and whether this will need to be calculated within the software system. For the process to work it all needs to be linked up. Neither Pension Administrators nor Payroll will have the time or the capacity to calculate these amounts manually if the systems are not in place to automate this.
78. We would also like to see some clarity over what the process should be if after an RSS is issued the interest rates change before the election is made, this may be particularly relevant for the annual issue of RSS'. We would like confirmation that where an interest rate changes after the issue of an RSS but before an election is made that the amount is guaranteed for 12 weeks, just as a Cash Equivalent Transfer Value is guaranteed for three months.

The term "roll back"

79. In addition, we have some concerns with the policy intention within the consultation document in the section about contributions, paragraphs 5.53 and 5.54:

'5.53 Members can have any compensation due to them at the point of roll back or they can keep the adjustment on record, but this must be paid to a member or a member representative at the point of benefit crystallisation.'

'5.54 Members can pay any monies owed at the point of roll back or they can keep the adjustment record, but this must be paid by a member or a member representative at the point of benefit crystallisation and deducted from the pension benefits.'

The term roll back is not a legislative term and in fact roll back occurs when section 2(1) of the PSPJOA 2022 comes into force on 1 October 2023. But at roll back, members will not know what compensation they are due or what monies they may owe, this information will not be available to members until they receive their first RSS which will be by 1 April 2025. We would be grateful if the Home Office could clarify this position.

80. We cannot overstate how disappointing and significantly concerning it is that we are months away from remedy and that we do not have specific regulations for contribution adjustments. Instead, it appears that we are heavily reliant on the PSPJOA 2022 to allow for these adjustments only very broadly and at the discretion of each individual scheme manager. This position introduces critical risk on the delivery of remedy to members.

Abatement

81. The subject of abatement is covered in paragraphs 5.69 to 5.75 of the consultation and whilst we agree that this sets out the policy intention, we note that there is nothing in the draft legislation about this. Paragraph 5.73 states:

'5.73 Where a fire and rescue authority exercised their discretion not to apply abatement, they will need to retrospectively recalculate the amount that they are required to pay into their local pension fund account.'

82. Where this has been applied by a Fire and Rescue Authority and an amount has to be repaid it is unclear if this should also include interest as we note that in paragraph 5.74 which refers to any under or over payments incurred by the member will have interest applied. Paragraph 5.75 states:

'5.75 when presented with their choice, the member will need to consider how their decision will impact each aspect of the abatement calculation. Remediable Service statements (RSS) will detail how abatement rules would apply under both schemes.'

83. We are unclear where the instruction for the RSS' to detail how abatement rules would apply under both schemes sits and indeed what this should include. We would welcome clarification of this issue.

Immediate Choice elections

84. We are keen that all Immediate Choice members make a positive Section 6 election within the allotted 12 month period after receipt of their Immediate Choice RSS, but we do not believe that the draft Regulations go far enough in this respect. The process set out appears to be that an RSS is issued to these members, they have 12 months to make their election and if they do not make an election, then the Scheme Manager can choose the default position for them.

85. We believe that as Pension Administrators communicate with their pensioner members in a variety of ways, that it would be helpful if the legislation stated that *'reasonable*

endeavours' are used to gain a positive Section 6 election from these members, which may obviously mean contacting the member more than once in that 12 month period or/and in different ways. This principle has also been used in the latest draft legislation in respect of the Matthews remedy and the Second Options Exercise.

86. We believe that this will be a useful addition to the legislation as default elections that have to be determined by the Scheme Manager may well lead to cases being heard by the Pension Ombudsman, and we believe it would be helpful in preventing this.

Default Choice elections

87. Whilst we agree that any choice to be made is very much a personal choice to the member and that while legacy scheme benefits as a default choice may be right for some members, it may not be appropriate for others who fail to make a choice within the election period.
88. The key is going to be communication to members to ensure that we receive as many positive elections as possible to safeguard against the scheme manager having to make a decision. Having said that, it is almost inevitable that some Scheme Manager decisions will be required as it is very unlikely that there will be 100% of elections received.
89. We would therefore like to see more clarity and information around what information would need to be collated and what investigations should be carried out to enable that determination to be made. We would also like to understand what the process would look like as the draft regulations state that the Scheme Manager would consult with the scheme actuary.
90. This could end up being a very time-consuming, labour-intensive part of remedy and yet there are no timescales about when this would need to be rectified by as this 'process', whatever this looks like, can only start once the end of the election period has passed.

Question 10:

Do any of the proposed amendments unlawfully discriminate against a particular protected characteristic, fail to advance the equality of opportunity between those who share a protected characteristic and those who do not, or fail to foster good relations between people who share a protected characteristic and those who do not?

91. We are unable to answer this question as we note that no EIA has been supplied alongside the consultation to consider equalities.
92. There are some amendments that require objective justification, for example we would expect the EIA to confirm that the position of applying interest to contributions has been considered by the Home Office and is not discriminatory. We therefore look forward to viewing the EIA as soon as possible.

By virtue of paragraph(s) 3, 7 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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