

NOTICE OF MEETING

<i>Meeting</i>	HFRA Hampshire Firefighters' Pension Board	<i>Clerk to the Hampshire Fire and Rescue Authority</i> John Coughlan CBE
<i>Date and Time</i>	Tuesday, 8th January 2019 2.00 pm	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	Command Suite 1&2, 1st Floor, Fire and Police HQ, Leigh Road, 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 received.

2 **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 personal interests in any such matter that Members may wish to disclose.

3 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 8)

To confirm the minutes of the previous meeting.

4 DEPUTATIONS

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

5 CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6 LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT (Pages 9 - 50)

To receive a report providing an update on legislation and the LGA.

7 TERMS OF REFERENCE FOR THE FIREFIGHTERS' PENSION BOARD (Pages 51 - 60)

To receive a report regarding the Terms of Reference for the Firefighters' Pension Board.

8 FIRE PENSION BOARD STATUS REPORT (Pages 61 - 88)

To receive a report providing an update on the development of key items.

ABOUT THIS AGENDA:

This agenda is available on the Hampshire 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.

ABOUT THIS MEETING

The press and public are welcome to attend the public sessions of the meeting. If you have any particular requirements, for example if you require wheelchair access, please contact members.services@hants.gov.uk for assistance.

Agenda Item 3

AT A MEETING of the HFRA Hampshire Firefighters' Pension Board held at the Fire and Police Headquarters, Eastleigh on Friday, 19th October, 2018

Chairman:

* Stew Adamson

- * Malcolm Eastwood
Richard North
- * Councillor Roger Price
- * Alex Rhodes
- * Tom Simms

*Present

38. **APOLOGIES FOR ABSENCE**

Apologies were received from Richard North.

39. **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 entered 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.

There were no declarations of interest received for the meeting.

40. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

Under matters arising: under minute 37, it was confirmed that whilst Hampshire Pension Services had taken over the pension administration for West Sussex County Council and fire pensions, West Sussex Fire and Rescue Service had their own local Fire Pensions Board.

Under minute 37, employer contributions to the Authority was discussed and it was explained that the Authority collected contributions with a net pay to Government. Members noted that further details around the operation of the cash flow would be provided to a future meeting.

41. **DEPUTATIONS**

There were no deputations on this occasion.

42. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman announced his desire to review the structure of the Firefighters' Pension Board to ensure clarity without duplication. Members of the Board discussed areas such as annual reports, standing agenda items and the terms of reference for the Board as well as frequency of meetings.

It was heard that standing agenda items such as communications, legislation and breaches would be included in the regular Fire Pension Board Status report in the future. It was heard that Alex Rhodes would lead on any issues around The Pensions Regulator, as well as continuing to lead on training issues.

Furthermore, annual reports would include a calendar of events timeline, disputes resolution and review of risks. An explanation of conflict of interest and a review of the terms of reference of the Board was seen to be beneficial, and this would be brought to a future meeting. A renewed focus on data was highlighted, and this would be covered in the regular pension administration update report. The frequency of Board meetings was also raised and it was proposed to hold these four times a year.

43. **SCHEME ADVISORY BOARD**

The Pension Board received a verbal update on the Firefighters' Pensions (England) Scheme Advisory Board (SAB) (Item 6 on the agenda) from the Chair of the Board, Malcolm Eastwood. The current issue of scheme valuations for Local Government Pension Schemes was outlined and it was explained that a reduction in the discount rate would result in significant increases in employer contributions while the outcome of the cost cap floor being breached was expected to lead to improvements in member benefits.

It was noted that the SAB had its own cost management process and its own actuarial adviser. It was heard that there was pressure from the Home Office to have the issue resolved by the next meeting of the SAB, and that scheme changes had to be implemented by April 2019.

It was explained that the increase in employer costs hadn't been expected and the contribution rate had been set too high. Malcolm also highlighted that the SAB were exploring possibilities for pensions tax training next year, which would be designed for practitioners.

44. **COMMUNICATIONS**

The Pension Board received a verbal update on Communications (Item 7 on the agenda), and Members of the Board noted the regular pension updates on the HFRS website and effective signposting which had assisted in pension queries.

It was also explained that further information about communications would be addressed in the Fire Pension Board Status report, Item 11 on the agenda.

45. DATA ISSUES

In relation to Item 8 on the agenda, the Chairman confirmed that this would be addressed in the Fire Pension Board Status report, Item 11 on the agenda.

46. LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT

The Pension Board received a report providing an update on legislation and the Local Government Association (Item 9 in the Minute Book).

Officers took Members of the Board through the report highlighting and explaining key issues including annual allowance statements, and the position around divorce and a pension sharing order was explained. Paragraphs 16 and 17 of the report set out the background to the two pensions rule and indexation, and it was explained that the 2018 amendment legislation had provided clarity to this issue. It was noted that four cases had been identified by Hampshire Pension Services that the legislation would apply to.

47. PENSION ADMINISTRATION UPDATE REPORT

Members of the Board received an update on pension administration (Item 10 in the Minute Book), which updated the Board on administrative performance for the first six months of 2018/19.

Officers took Members of the Board through the report and highlighted Pensions Services' administration performance against service standards as set out in section 6. Attention was drawn to the 100% target reached for performance which addressed concerns that standards could decline with the increase in pensions administrative work.

The breakdown of membership of the Hampshire Fire schemes was also highlighted and details around the different schemes were explained to the Board. The Board were also informed, in relation to GMP reconciliation, that approximately 50 queries had been raised and a response from HMRC was expected later in the year.

Issues around data quality were also raised in relation to common data and conditional data. It was noted that common data items which had contributed to a score of 91.35% being achieved had now been corrected and as a result, it was anticipated that a score of 100% would be reported to the Pensions Regulator in November. For conditional data, it was heard that a 90% score would be reported to the Pensions Regulator, and details relating to this were highlighted from section 13 of the report.

Members queried about the position of tracing individuals in relation to the Annual Benefits Statements (ABS) and it was clarified that this wasn't a breach

as contact had been attempted and an ABS issued. It was confirmed that it was an individual's responsibility to inform of changes to contact details.

RESOLVED:

That the HFRA Firefighters' Pension Board note the information contained in the report.

48. **FIRE PENSION BOARD STATUS REPORT**

Members of the Board received a report from the Chief Finance Officer (Item 11 in the Minute Book) regarding ongoing issues.

The report was introduced and Officers led Board Members through the report highlighting the development of key issues. The position in relation to opt outs was highlighted as set out in paragraphs 3-5 of the report. It was noted that following both a postal and email survey, the response rate of 20% did make it difficult to draw conclusions, but the main reason for not contributing was due to personal reasons.

In relation to The Pension Regulator (TPR) Annual Scheme Returns, it was heard that the deadline for submission of conditional data was 6 November 2018. The requirements of the TPR were set out, and it was noted that the TPR had adopted a firm approach to assess the current position of scheme data.

The position in relation to Injury Pensions and Department for Work and Pensions (DWP) benefits was explained, and it was heard that it was a retired individual's responsibility to inform Hampshire Pension Services of relevant additional benefits if receiving an injury pension award. It was proposed that a letter be sent to those members reminding them of their responsibility to inform of changes, as set out in appendix C to the report. The Board were supportive of the letter but felt it could be firmer. It was explained that any subsequent letters because of non-response would adopt a firmer stance. Officers would examine whether individual benefits would be amalgamated into Universal Credit.

In relation to communications and web pages, it was heard that the introduction of 'hot topics' had helped with an increase in the number of hits to the employer pension web pages, and reports produced showed that communications were reaching some as there were peaks at those times. The number of hits also compared favourably to the Police and HCC employer pension web pages. Members of the Board wished to record their thanks to officers for their work in creating and developing the web pages. The Chairman also extended his thanks to the Employer Pension Manager for her recent pension presentations to various Fire Station watches, which had received positive feedback. The Board also discussed whether there would be merit in including a link on the web pages to a video of a pre-retirement presentation and officers would look into the possibility of this. Attention was also drawn to appendix D of the report which set out a proposed draft of a survey which is proposed to be issued to all active members to obtain feedback about the information available on the web pages. It was noted that the survey would be issued by email and would also be shared with the Fire Brigades Union. The Board were content with the survey.

RESOLVED:

- i) That the HFRA Firefighters' Pension Board endorse the injury pension and DWP benefits assessment letter as set out in paragraphs 11-15 and Appendix C of the report.
- ii) That the HFRA Firefighters' Pension Board endorse the employer pension web pages survey as set out in paragraphs 24-27 and Appendix D of the report.

Chairman,

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **8 January 2019**

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

Report of Chief Finance Officer

SUMMARY

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

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been two bulletins issued since the last Fire Pension Board. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 13-14 can be found in APPENDICES A & B. There is a lot of information contained within these bulletins; the key items are set out below.

CHANGES TO SCAPE DISCOUNT RATE (BULLETIN 13)

4. In the budget on 29 October 2018, a change to the SCAPE discount rate was announced, reducing it from 2.8% to 2.4% pa above CPI. In view of this a corresponding change has been made to the discount rate used for calculating cash equivalent transfer values (CETVs) payable by public service pension schemes. The letter from the Home Office can be found in APPENDIX C.
5. The Government Actuary Department (GAD) are in the process of reviewing these factors and they will issue them as soon as this work has been completed; this work is expected to be completed by March 2019.
6. Pension calculations that are affected by these changes are:-
 - Commutation factors used in the 1992 Fire Pension scheme
 - Cash Equivalent Transfer Values (CETVs) including those for divorce purposes (all schemes)

- Transfers In (non-club i.e. not a public sector scheme) (all schemes)
7. On 31 October 2018, GAD released new lump sum commutation factors for the 1992 Fire Pension Scheme; these factors come into force from this date and will affect all retirements taking place on or after 31 October 2018.
 8. On 26 November 2018, GAD released new CETV factors for all Fire Schemes, meaning that calculations that had been on hold can now be processed.
 9. On 3 December 2018, GAD released new early retirement reduction factors for the 2006 and 2015 Schemes and new age addition factors for those that retire after Normal Pension Age from the 2015 Scheme.

ILL HEALTH AND INJURY DETERMINATIONS AND ROLE OF IQMP (BULLETIN (13))

10. LGA have reminded FRAs that they are the ultimate decision maker and that they should not blindly accept the advice of the Independent Qualified Medical Practitioner (IQMP) without going through the report. They should read it to make sure it makes sense, ask clarification questions if something is missing, or the IQMP does not appear to have considered the right questions as per the requirements of the regulations.
11. The Pension Board should note that any report from the IQMP is passed back to HR, and then to the HR business partner to liaise with appropriate person. This enables the necessary employer authorisation decision in accordance with HFRA's governance arrangement to be made.
12. Any decision for immediate payment of benefits is then passed to Hampshire Pension Services to process the benefits as instructed by HR.

CONTRACTING OUT RECONCILIATION UPDATE (BULLETIN 13)

13. The Pension Board will be pleased to note that any overpayment or underpayments in respect of Guaranteed Minimum Pensions (GMPs) were corrected for pensioners in 2015. There have been no unauthorised payments and the correct action has been taken for each case.
14. The Pensions Administration Standards Association (PASA) have issued some guidance on GMP stalemate cases which can be found in APPENDIX D.

FPS BENCHMARKING EXERCISE (BULLETIN 13 & 14)

15. AON have now issued their administrator survey for HFRA to the Employer Pension Manager and their Employer survey for HFRA to the Scheme Manager. Both of these surveys need consultation with various teams to

enable completion by 31 December 2018. There is an update from AON in APPENDIX E.

SCHEME ADVISORY BOARD LEVY (BULLETIN 14)

16. The LGA emailed all FRAs on 31 October with details of the 2018/19 levy. The levy has been set at £7.69 per active firefighter. The letter from the LGA to FRAs can be found in APPENDIX F.

PENSIONABLE PAY UPDATE (BULLETIN 14)

17. The Pensions Ombudsman has now published a determination ([PO-14863](#)) on pensionable pay in respect of Welsh Fire Authorities. Whilst this does not directly affect English FRA's or HFRA, the Board may wish to note its contents.
18. The PO found that a Training Allowance paid should be paid as pensionable. The Board will recall that the 10% Training Allowance was made pensionable with effect from 1 April 2017 for substantive roles in HFRA where training is intrinsic to the job.
19. The PO also found that USAR payments should be pensionable. Up to 31 August 2018, members of USAR that had a WDS role, were paid for their USAR work by way of a 20% pensionable allowance on their WDS role. With effect from 1 September 2018, this 20% allowance has ceased and their USAR work is now under a separate RDS contract, where they can elect to remain a member of the pension scheme or not in this role.
20. The PO determination reiterates how complex the issue of pensionable pay is within the Fire Pension Schemes and the LGA will be asking the SAB legal adviser, Jane Marshall from Weightmans, to consider giving guidance on what this means for all FRAs. In the meantime and with this judgement in mind, it is recommended that legal advice is sought before any decisions regarding pensionable pay are made by HFRA.

MEMBER DISCLOSURE (BULLETIN 14)

21. The LGA have reminded schemes that they must inform members of any material change to basic scheme information within three months. The 2018 amendment legislation came into force on 8 October 2018 and therefore schemes have until 8 January to notify members.
22. The amendments were covered in the Legislation and LGA update report provided at the October 2018 Board meeting.
23. The Board will be pleased to note that an article was published in routine notice issued on 3 October, along with a news item on the home page of the fire portal.

RECOMMENDATION

24. The Board are asked to note the contents of this report.

APPENDICES ATTACHED

25. APPENDIX A - FPS Bulletin 13 – October 2018
26. APPENDIX B - FPS Bulletin 14 – November 2018
27. APPENDIX C – Letter from the Home Office
28. APPENDIX D – PASA guidance on GMP stalemate cases
29. APPENDIX E – AON Benchmarking survey update
30. APPENDIX F – SAB levy letter

Contact:

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FPS Bulletin 13 – October 2018

Welcome to the thirteenth (unlucky for some) issue of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, don't forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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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 contact [Claire Hey](#).

South East regional FPOG	2 November 2018
Cost-effectiveness committee	12 November 2018
South West regional FPOG	15 November 2018
LGA Leadership Essentials Fire & Rescue (Elected members)	28-29 November 2018
Eastern regional FPOG	29 November 2018
SAB	5 December 2018
Firefighter Pensions Technical Community	12 February 2019
North East regional FPOG	19 February 2019
LGA Leadership Essentials Fire & Rescue (Elected members)	26-27 February 2019
LGA annual fire conference and exhibition	12-13 March 2019

FPS

FPS 2016 valuation - update

On 11 October 2018 the Home Office commissioned the Scheme Advisory Board (SAB) for advice under [Section 7 of the 2013 Act](#) and [regulation 4E](#) of the Firefighters' Pension Scheme (England) Regulations 2014, thereby initiating formal consultation, with a view to reaching agreement, under [regulation 150A](#) of the 2014 Regulations.

The SAB is well placed to engage in this consultation. The Board's [cost effectiveness committee](#), constructed from stakeholders across the sector and supported by the Board's independent actuarial advisor, is due to meet in early November to discuss options for rectifying the breach to the cost cap floor.

The consultation will run until 5 December 2018. If agreement cannot be reached at the end of the consultation, there will be a period of three months during which the Home Office will continue to engage with the SAB to attempt to agree a consensus position. If a consensus position is not reached within that three month period, the default position of an increase to the 2015 accrual rate will be applied.

GAD have advised that the indicative accrual rate will be 1/51.2 and based on this, the indicative employer contribution rate would be 30.2% (which includes the costs of ill-health retirements). HM Treasury have indicated that there will be additional funding available in the first year to cover most of the increase in the employer's cost; after this the additional cost will be considered alongside other funding pressures as part of the comprehensive spending review. However, the final employer contribution and accrual rate will not be known until the end of the formal consultation period between the SAB and the Home Office.

Board consultations and responses will be published [here](#) once they are available, and monthly updates will be provided in the bulletins.

Review of scheme factors

As readers will be aware, the change to the SCAPE discount rate means that certain GAD factors have to be reviewed. The Home Office have provided a letter detailing the changes which can be viewed at [Appendix 1](#).

New commutation factors are expected imminently and will be published on www.fpsregs.org as soon as they are available, with an email notification sent to all FPS stakeholders.



As was the case in 2016, transfer calculations will need to be put on hold until new actuarial factors are issued. All factors once available will be published on the [GAD Guidance](#) section of the website.

[FPS benchmarking exercise - update](#)

As detailed in [FPS Bulletin 12 – September 2018](#), a benchmarking review of administration service and costs within the FPS is being undertaken by Aon to address one of the SAB's key objectives in ensuring the cost-effectiveness and efficiency of the schemes.

The Bluelight team has been working closely with Aon and external stakeholders to finalise the survey questions for employers, administrators, and members. The employer and administrator surveys will be issued in Excel format to allow them to be saved during and after completion if input from various departments is needed. Subject to approval of the SAB's [administration and benchmarking committee](#), these surveys will be available during November.

The member survey will be web-based and follow at a later date. We hope to promote this using our network of contacts at FRAs.

Further updates on the progress of the project will be provided in the bulletins and we intend to set up a dedicated page on the FPS regulations and guidance website to hold notes of all meetings and any other related documentation. Please watch this space and take the opportunity to complete the surveys once they are ready for completion.

[ABS survey – deadline extended](#)

We were pleased to launch the [2018 ABS survey](#) in last month's edition of the bulletin.

Thank you to those that have already completed the survey; we have received replies from a good proportion of Authorities. The deadline for responses has been extended to **14 November 2018** to allow for any final submissions to be made.

The survey should be completed by FRAs, administrators, those involved with Local Pension Boards, and any other stakeholders with an interest in the ABS process. We welcome multiple replies from FRAs to enable us to build up a comprehensive picture of the current landscape.

[Ill-Health and Injury Determinations and role of IQMP](#)

We have recently been made aware of a pensions ombudsman adjudicator case, where the adjudicator found the FRA to have 'acted blindly' on their acceptance of an IQMP report. The adjudicator has instructed the Authority to appoint a new IQMP and reconsider the case.

While the rules determine that the opinion of the independent qualified medical practitioner is binding on the Fire Authority, they firstly determine that the Fire Authority is the ultimate decision maker. Therefore the Authority need to ensure processes are in place to question whether the decision has been made properly and the IQMP is in receipt of all the appropriate medical evidence. This is also consistent with employment law, under which it would be unreasonable/unfair to act on a flawed medical report.

Case law further supports the argument that the decision maker must not act blindly in accepting a medical opinion, and should ensure the IQMP reaches their opinion in a proper manner.

- [Court judgment](#) for the police scheme that the Police Authority is the ultimate decision maker not the Selected Medical Practitioner (SMP)
- [PO-9253](#) (para 32) demonstrates that decision makers have a responsibility when seeking and taking medical advice and should not just rely on it at face value.

In order to ensure that Fire Authorities have not ‘acted blindly’, they should ensure they do not simply accept the advice of the IQMP without going through the report, reading it to make sure it makes sense and then asking clarification questions if something is missing or the IQMP does not appear to have considered the right questions as per the requirements of the regulations.

This is not to say that the FRA should go against the IQMP decision, but rather they should satisfy themselves that they have asked pertinent questions and obtained all relevant medical evidence with a view to having a better understanding of the medical evidence and ensuring that the medical evidence addresses the requirements of the regulations.

Local Pension Boards should ensure that scheme managers have the appropriate processes in place.

Relevant Scheme Rules

1992 Scheme	H1
2006 Scheme	Part 8, rule 2
2015 Scheme	Part 12, chapter 1
Compensation Scheme	Part 6, rule 1, paragraph 2

October query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in October.

Other News and Updates

Budget 2018

On 29 October the [Budget 2018](#) was laid before the House of Commons by the Chancellor of the Exchequer, Philip Hammond, setting out the government’s plans for the economy and public finances.

Announcements relating to public service pensions schemes confirmed as expected the reduction of the SCAPE discount rate to 2.4% plus CPI, indicating an increased cost to employers of providing pensions in the long-term. The government further acknowledged that the provisional valuation results of all public service schemes indicate that an improvement to member benefits is needed from 2019-20.

While there were no major announcements in relation to pensions tax, it has been confirmed that Lifetime Allowance for 2019-20 will increase in line with CPI, to £1,055,000.

The government pledged support for pension savers by committing £5m extra funding for the Pension Dashboard, which will allow individuals to see all of their pension pots, including State Pension, in one place. The Budget report confirms that DWP will consult on the project later in the year.

TPR – Governance and Administration survey 2018

As always, the end of the year seems to be a popular time for gathering data, and TPR are shortly due to send out their annual Governance and Administration survey. The survey is really important to the Regulator as it helps them understand the issues that schemes are facing, in a way that is not possible within their day to day engagement activities. Last year, FPS achieved almost a 100% response rate across the UK, demonstrating the fantastic progress that has been made within the governance and administration of the schemes, and we would like your assistance in achieving a full return this year.

Our colleagues at TPR have confirmed that there have been some changes to the survey for 2018. While the survey continues to ask questions about the presence of key governance features, this year it will also be probing how well they operate. In particular, the Regulator will be looking at how well pension boards are working in practice. A new section on cyber-risks has also been introduced, which should allow parallels to be drawn between public service schemes and organisations in the private sector.

As in previous years, the survey is being run for TPR by OMB market research throughout November. We expect that initial contact emails will be sent to scheme managers, pension board chairs and scheme contacts during week commencing 29 October. This will allow schemes a little time to update any out of date details before the survey is sent. If you haven't already, please update any relevant details through the TPR Scheme Return which is currently out for completion.

The survey itself is due to be sent out to scheme managers in the week of 5 November. While the survey is web based, it can be printed off for discussion, and the closing date is the end of November. TPR expect to receive results early in February 2019 and will aim to publish these shortly thereafter.

A summary of last year's results can be found [here](#).

TPO update

Our colleagues at the Pensions Ombudsman (TPO) have provided an interesting and informative update on their FPS casework: currently 11 cases have been accepted for investigation by TPO, and eight are being investigated by the early resolution team.

The outstanding cases include three cases about protected pension ages. These are being delayed by a similar [determination](#) in the Police Pension Scheme which is subject to appeal.

Two other cases relate to individuals who missed the deadline to elect to become special members of the FPS 2006.

The options exercise for eligible individuals joining the Modified Scheme was set out in the 'special section' regulations of the 2006 Scheme. This sets out that the exercise closed on 30 September 2015 and, as such, no elections could be accepted after this date. The rules are definitive about this particular point and there is no intention for them to be amended. An update on this matter was provided in [FPS Bulletin 3 – November/ December 2017](#).

It was the responsibility of each FRA to ensure that they completed the options exercise by the closing date; informing all affected individuals of their entitlement to join and providing them with the opportunity to make an election to join, therefore neither the LGA, Home Office or the SAB intend to comment on what the position should be on rectifying the situation where an Authority have not used reasonable endeavours to satisfy their responsibilities.

The second awaited TPO determination on pensionable pay was published earlier this month under reference [PO-14863](#). This will allow the SAB to progress guidance with the Board's legal adviser. Any guidance issued will be a general set of principles that are based on case law and scheme rules; it will still be the responsibility of each Authority to determine locally which elements of pay are pensionable.

We would remind Authorities of the position taken by the Home Office that it is not for the regulations to determine whether pay for different duty systems is pensionable; the regulations and case law set out the criteria and it is for each FRA to consider whether their duty systems fit this criteria and make the judgment as to whether pay is pensionable. If having considered all the information available to them, they feel they are unable to make a decision, then they should consider taking legal advice.

The following [presentation](#) given by the SAB's legal adviser at the AGM in September gives an update on case law, general principles, and the practical implications to consider.



The LGA Pensions team has been collaborating on a new suite of pages to promote our work across public service schemes, including the Local Government Pension Scheme (LGPS) and Teachers Pension Scheme, as well as the FPS. Information about the Police Pension Scheme will be added at a later date.

Many of the pages are publicly accessible and have been redesigned to be as user friendly and engaging as possible.

The pages can be accessed from the following central link <https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-pensions>. If you have any feedback about the website or would like to find out more information about any of the schemes within our remit at the LGA, please email bluelight.pensions@local.gov.uk in the first instance.

HMRC

[HMRC newsletters/bulletins](#)

HMRC have published pension schemes newsletter 104 containing important updates and guidance on pension schemes. The following issues are covered:-

[Pension schemes newsletter 104 – 31 October 2018](#): Autumn Budget 2018 | Pension flexibility statistics | Registration statistics | Manage and Register Pension Schemes service | Reporting of non-taxable death benefits | Relief at source | Non-statutory clearances | Applications to register a pension scheme | Transfers between registered pension schemes | Reporting overseas transfer charges | Master trusts | Operating PAYE on pension payments |

Contracting-out reconciliation update

Thank you for your ongoing work with HMRC to reconcile the Guaranteed Minimum Pension (GMP) data that you hold on your scheme members that have reached State Pension Age since 2009.

FRA's should now have concluded or be in the final stages of reconciling their GMP data. HMRC has now confirmed a deadline of 31 October 2018 for submitting data after which there will be no further opportunity to raise queries direct with HMRC. If this presents any difficulty for your FRA you should raise this with your HMRC contact as a matter of urgency.

We understand that considerable progress has been made over the last few months, but that there may be a large amount of data still to submit. As FRA's may be aware, we made a request for information in [FPS Bulletin 9 – June 2018](#) for details on the progress made on the GMP reconciliation in order to inform HMT conversations with HMRC on completion of the reconciliation and deadlines. Unfortunately we only received a disappointing 16 responses from FRA's out of the 50 FRA's including NIFRS, Scotland and Wales.

The Pensions Administration Standards Association (PASA) has this month issued guidance on resolving stalemate cases with HMRC. The guidance is available at [Appendix 2](#).

Please note that the Home Office has now agreed that any confirmed overpayments identified as part of the HMRC reconciliation process should be written off with no attempt to recover the overpayment from the individual scheme members. FRA's are advised to correct these pension payments going forward as soon as is reasonably possible to avoid any possible unauthorised payment tax charges. To ensure that such tax charges are avoided we recommended that FRA's have a robust process in place to correct any affected pensions immediately once they have been identified. It is worth bearing in mind that any additional tax charges incurred cannot be paid from a FRA's pension account and will have to be paid from operational accounts. Please note it is the responsibility of each FRA to inform each affected scheme member accordingly.

The Home Office has also agreed that any confirmed pension underpayments that have been identified as part of the GMP reconciliation process should be corrected going forward as soon as is reasonably possible. FRA's should reimburse affected members for any past underpayments in their GMP entitlement. While it is not expected that interest will be included with any reimbursed pension, should a FRA decide to include interest this will need to be paid from operational accounts. Again, it is the responsibility of each FRA to inform each affected scheme member accordingly.

ACTION: Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure the correct action is taken for your FRA.

The following bulletin, containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in October.

[Countdown bulletin 37](#)

Updates include:

- financial reconciliation
- import amendment to phase 7 rerun plan
- HMRC banking details
- data quality
- contribution adjustment action as a result of scheme reconciliation

Please see below an addendum to Countdown Bulletin 37, recently received from HMRC:

Subject: Urgent Amendment to Count Down Bulletin 37 Contribution Adjustment

In the October Count Down Bulletin 37 we included an article titled ‘Contributions Adjustment Action As A Result of Scheme Reconciliation’. This advised PSAs on the action needed to adjust Contributions from A to D and vice versa.

*As part of the information required in the Trustees Approval letter we incorrectly said that a list of members that the adjustment applies to should be included, this was incorrect all that is required is the **number** of members the adjustment applies to, this number must match the file and the exact file name must be shown.*

Apologies for any confusion this has caused.

Reporting non-taxable death benefits

HMRC have confirmed that the Real Time Information (RTI) online service has been updated to prevent P6 coding notices being incorrectly issued to beneficiaries in receipt of pension lump sum death benefits that are entirely non-taxable, with apologies for the time taken to resolve this.

Reporting of non-taxable pension lump sum death benefit payments can now resume through RTI. For 2018 to 2019 you can find guidance on how to report these payments in part 2.2.7 of the [2018 to 2019: Employer further guide to PAYE and National Insurance contributions](#).

While HMRC appreciate that it may take time for you to amend your processes to report these payments again, but want to encourage you to start reporting these as soon as you’re able to.

Training

Pensions tax support – update

Thank you to those authorities that have completed the pensions tax support pro-forma that was included as an appendix to [FPS Bulletin 12 – September 2018](#). We will consider the responses in our procurement of any additional training and support, and updates will be provided via future bulletins.

We are happy to accept further responses using the [pro-forma](#), which can be completed and returned to bluelight.pensions@local.gov.uk.

Legislation

SI	Reference Title
2018/1102	The Occupational Pension Schemes (Cross-border Activities) (Amendment) Regulations 2018
2018/1103	The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [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](#)

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FPS Bulletin 14 – November 2018

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

If you are looking for information on a certain topic, don't forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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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 contact [Claire Hey](#).

SAB	5 December 2018
LPB effectiveness committee	23 January 2019
Administration & benchmarking committee	7 February 2019
Firefighter Pensions Technical Community	12 February 2019
North East regional FPOG	19 February 2019
LGA Leadership Essentials Fire & Rescue (Elected members)	26-27 February 2019
LGA annual fire conference and exhibition	12-13 March 2019
SAB	14 March 2019
SAB	13 June 2019
Firefighters' Pensions AGM	24-25 September 2019 (provisional)
SAB	10 October 2019
SAB	12 December 2019

FPS

[FPS 2016 valuation – update](#)

Following the initiation of formal consultation between the Home Office and the Scheme Advisory Board (SAB) under [regulation 150A](#) on 11 October 2018, the Board and its [cost-effectiveness committee](#) have met to discuss options for rectifying the breach to the cost cap floor. The draft results of the 2016 valuation show that the employer cost cap set at 16.8%¹ has fallen to 11.6%.

¹ [150A(1) <http://www.legislation.gov.uk/uksi/2015/465/regulation/5/made>]

The cost committee comprises representatives from FRAs working within finance and HR, the technical group chair representing administrators, and representatives from local pension boards. The Board itself is made up of both scheme employer and scheme member representatives (including all trade union bodies operating as representatives of their wider membership), and is supported by First Actuarial offering independent actuarial advice. The SAB have to provide their response to the Home Office for consideration on 5 December.

The Home Office then have ten days to provide an alternative option if the SAB's proposed option is not accepted. If agreement cannot be reached following this, there will be a period of three months during which the Home Office will continue to engage with the SAB to attempt to agree a consensus position.

If a consensus position is not reached within that three month period, the default mechanism is to amend the accrual rate for FPS 2015. GAD have advised that the default accrual rate would be 1/51.2 in order to fully rectify the breach.

Board consultations and responses will be published [here](#) once they are available, and monthly updates will be provided in the bulletins.

FPS benchmarking exercise – update

Following an extended period of stakeholder engagement, we were pleased to issue the final versions of the administrator and employer (scheme manager) surveys by email on 23 November, for completion with a deadline of 31 December.

The surveys were sent by email to our main contacts at administrators and FRAs. If you were expecting to receive a copy and have not, please contact claire.hey@local.gov.uk.

Aon have been commissioned to undertake the review by the Scheme Advisory Board (SAB), to help them establish a measure of the cost and effectiveness of administration and management within the schemes. An update from Aon can be viewed at [Appendix 1](#).

More information about the project can be found [here](#) and further updates will be provided in the bulletin each month.

Scheme Advisory Board levy

On 31 October we emailed all Fire Authorities with details of the 2018/2019 levy, requesting a valid purchase order for the invoice by 30 November 2018. For English Fire Authorities this was set as £7.69 per firefighter defrayed to scheme managers as per the terms of the 2014 regulations. The letter is available at [Appendix 2](#).

Many thanks to all those who have responded with a valid purchase order. To date we have received **24** responses out of an expected 49, so will be writing to those yet to provide a valid purchase order during the next month.

Pensionable pay update

As we reported in [FPS bulletin 13 – October 2018](#), TPO have now published decision [PO-14863](#) on pensionable pay in respect of the Welsh Firefighter schemes that will be of interest to English Fire Authorities. We will be asking the SAB legal adviser to consider giving guidance on what this means for all Fire Authorities

The case considers a number of different pensionable pay elements across the pension schemes which can be summarised below:

Pensionable Element	Scheme	TPO decision - Relevant paragraphs	TPO judgment
Training Allowance	1992	45-49	Pensionable
Day Crewing	2007* & 2015	50-69	Not pensionable
Self-Rostered Crewing	2007* & 2015	70-71	Not pensionable
USAR	2007* & 2015	72-78	Pensionable

*2006 Scheme in England

Please note the issues in pensionable pay cases are finely balanced and often depend on the exact detail and nature of the payments. You should read the judgment with this in mind and obtain legal advice before making any pensionable pay decisions for your Fire Authority. It is possible that TPO decision will be appealed.

SI 2018/997 member disclosure

Under regulation 8 part 1 of Schedule 2 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, schemes must inform members of any material change to basic scheme information within three months.

Authorities will be aware of the recent changes to the FPS following the introduction of The Police and Firefighters' Pension (Amendment) Regulations 2018 which were made on 13 September 2018 and came into force on 8 October 2018 ([SI 2018/997](#)).

To assist FRAs in communicating these changes to scheme members, Shropshire Pension Fund on behalf of the Fire Communications Working Group (FCWG) have produced a [leaflet](#) containing sample text which can be copied and used as required. **Please ensure that this information is provided to members by 8 January 2019.**

A favour to ask...

As you will be aware published Pension Ombudsman (TPO) [decisions](#) are available on our [website](#) ordered by scheme. However, informal adjudicator decisions are not published by TPO. We would like to ask whether schemes would be prepared to share informal adjudicator decisions so that we can publish anonymised case studies, similar to the 'Ill-Health and Injury Determinations and role of IQMP' case study given in [FPS bulletin 13 - October 2018](#).

Within the bulletin, we commented on a recent case where an FRA had been found to be 'acting blindly' in the case of accepting an IQMP opinion, and provided some examples of case-law where this had been determined. This is further confirmed by the following TPO determinations: [PO-13645](#), [PO-19182](#) and [PO-19842](#). In all these cases it is the decision making process itself which has been found to be flawed, not the actual medical decision. Appeals on medical issues should be directed to Health Management Ltd (HML).

November query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in November.

Website resource update – ill health

While the FCWG continue to undertake a review of ill health and injury award certificates and guidance, we have collated all existing resources into a new page in the member-restricted area of www.fpsregs.org. If you require a log-in for the site, please contact bluelight.pensions@local.gov.uk.

The [ill health and injury page](#) contains contains guidance and training materials along with forms for each scheme that were prepared in 2015 and circulated as drafts for authorities to use if they wished. Note, however, that these forms have not been endorsed by the LGA or the Home Office. Authorities should satisfy themselves that the certificates meet all of their requirements and do not leave the opinion open to challenge.

Other News and Updates

TPR scheme return 2018

We have been made aware that some FRAs may not yet have completed their annual scheme return to TPR. While we are aware that some delay may have been caused by the new requirement to provide common and scheme specific data scores, we would like to remind scheme managers that submission of the return is mandatory and any schemes that have not yet submitted will now have been moved to the first stage of enforcement – chasers and reminders.

In 2017 a £1,000 fine was issued against the London Borough of Barnet scheme manager for failing to submit its 2016 scheme return:

- TPR issued a scheme return notice to the scheme manager on 9 July 2016, requesting the scheme return be submitted by 12 August.
- The return was not received and further communications from TPR not replied to.
- The matter was referred to TPR's Determinations Panel on 24 February 2017.
- The penalty notice was issued to the scheme manager on 13 April and paid on 9 June.

The £1,000 fine took into account both the size of scheme (23,000 members) and governance and administration being a priority for TPR.

Find out more about the scheme return process [here](#).

TPR Governance and Administration survey 2018

On behalf of Malcolm Eastwood, chair of the Scheme Advisory Board, we would encourage any FRA who has not yet completed or submitted the TPR governance and administration survey to do so as soon as possible. The survey has been sent by email to each FRA's registered Scheme Manager contact with a closing date of 30 November 2018.

If you are experiencing any difficulty in locating the survey, please contact bluelight.pensions@local.gov.uk for clarification of the email address it has been sent to. We can arrange for the link to be resent if necessary.

TPR have reported that completed responses have been received from 17 Fire schemes up to 23 November, with 15 schemes yet to open the survey.

Updated TPR resources

TPR, in conjunction with the FCA, have launched a new ScamSmart TV advertising campaign to raise awareness of pension fraud and the most common tactics used by scammers.

As part of the ScamSmart campaign a [new customer leaflet](#) and other communication materials have been introduced. The new leaflet replaces the scorpion leaflet with immediate effect and, as before, should be included with transfer packs and is suitable to accompany annual benefit statements.

TPR have also recently issued [updated guidance on Annual Benefit Statements](#). The new guidance includes some examples of good and bad practice from the 2017 ABS run on a no-names basis and should be of interest and use to scheme managers and pension boards. Some of the points made have application beyond their specific reference to ABS too, reflecting more general issues within scheme operations.

These and other resources can be found on TPR's [new website](#) which was launched on 12 November to give more than three million yearly visitors a clearer and simpler experience. The new site is a key part of TPR's redesigned branding which highlights how the organisation is changing its approach to become clearer, quicker and tougher.

Authorities may wish to check their communications to make sure that any links to the old TPR website still work, or update where necessary.

High Court ruling on GMP equalisation

On 26 October 2018, Mr Justice Morgan handed down [judgment](#) in Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC, HBOS PLC, Angela Sharp, Judith Cain, Susan Dixon, Secretary of State for Work and Pensions and HMT. The High Court has held that schemes must equalise the discriminatory effects of GMPs and that this can be achieved using several methods.

We are aware that concern has been raised as to the impact to Public Service Pension Schemes. HMT have confirmed that this judgement "*does not impact on the current method used to achieve equalisation and indexation in public service pension schemes*". For more information concerning the current method of equalisation of Public Service Pension Schemes, please consult the outcome to the Government consultation [on indexation and equalisation of GMP in public service pension schemes](#) published on 22 January 2018.

Civil partnerships to be extended to opposite sex couples

At the Conservative Party Conference, Prime Minister Theresa May announced that heterosexual couples will be able to enter into civil partnerships. The move follows a [decision](#) of the Supreme Court [UKSC 2017/0060] on 27 June 2018 that the existing law around civil partnerships was incompatible with the European Convention on Human Rights as it only permitted civil partnerships between same-sex couples.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 105 containing important updates and guidance on pension schemes. The following issues are covered:-

[Pension schemes newsletter 105 – 23 November 2018](#): Double taxation – bulk requests for certificates of residence| Relief at source pension schemes newsletter| Overseas transfer charge - draft regulations| Manage and Register Pension Schemes service newsletter | Reporting of non-taxable death benefits | Joint article from HMRC and The Pensions Regulator |

Contracting-out reconciliation update

As you will be aware the deadline for automated queries with HMRC was 31 October 2018, with the deadline for the full exercise to be completed by the end of the year. HMT are meeting with public sector schemes to understand what if any further steps need to be taken to bring this exercise to a successful conclusion, and have asked us to provide some information with regards to the Firefighters' Pension Scheme.

Please can administrators provide us with a return for each FRA, setting out the number of cases reconciled and the number outstanding. It would also be helpful if you could include an estimate of how long you would expect is needed to reconcile the outstanding cases a) with further HMRC support and b) without such help. Reflecting past experience, can schemes also advise how many cases it might not be possible to reconcile under either scenario. If schemes are unable to provide this information, we would welcome an assessment of why it is not possible.

The following bulletins, containing important guidance and information about the end of contracting-out and the scheme reconciliation process, were published by HMRC in November.

[Countdown bulletin 38](#)

Updates include:

- Scheme Reconciliation Service (SRS) stalemate queries
- phase 7 automated rerun plan
- scheme financial reconciliation
- contribution adjustment action
- requests for SRS data
- scheme cessation

Of particular interest is the article on stalemate queries. The article sets out three scenarios and confirms that HMRC will accept stalemate queries (based on their three scenarios) up to 31 December 2018. Thereafter, various processes may be followed depending upon the outcome.

[Countdown bulletin 39](#)

Updates include:

- Scheme Financial Reconciliation
- scheme cessation
- scheme reconciliation service
- Contributions Equivalent Premiums notified by automated responses

In [FPS bulletin 13 - October 2018](#) we included an addendum to [Countdown Bulletin 37](#) from HMRC regarding contribution adjustment. HMRC have subsequently provided further clarification on this issue:

Important Note

The recent updates around 'A to D' and 'D to A' cases were only to clarify what is required in terms in Trustee Approval. There is no change to the circumstances in which these cases should be submitted i.e. a scheme must be confident that their records are correct and indicate that one of their employers has deducted the wrong rate of contributions. HMRC will therefore have to have provided employer details and contribution category letters according to their records for schemes to confirm this. Schemes also need to carefully consider the impact on the individual and the employer when requesting contribution adjustment.

Here is a further update

The clerical deadline of 31st October for A-D D-A cases still stands, however, the business will give the schemes up to 4 weeks after submission of those cases to obtain that trustee approval.

If no trustee approval is received within that timeframe, the cases will at that point be rejected.

In respect of multi SCONs then we'll accept these on one letter as long as the letter is specific with file names and numbers.

On submission the files should be clearly noted by the PSAs as "contribution adjustment cases"

Events

A view from Torquay

This month saw the popular pensions managers conference for LGPS in Torquay, so what can Fire learn from LGPS?



As you might expect the focus was on many of the same areas affecting Firefighter Pensions: increasing scheme complexity and the challenges facing administrators; what to expect from this year's TPR survey and their focus for next year; measuring and cleansing Data; an engaging session on how TPO are modernising the way they work followed by a topical look at ill-health processes from Eversheds Sutherland; the importance of member communications and ways to engage members in their pensions, and of course a topic facing all public sector schemes, the outcome of the 2016 valuations.

The Bluelight team came away with copious notes and plenty of ideas for next year's seminars and conferences so watch this space!

Legislation

SI	Reference Title
2018/1217	The State Pension Revaluation for Transitional Pensions Order 2018
2018/1218	The Occupational Pensions (Revaluation) Order 2018
2018/1219	The State Pension Debits and Credits (Revaluation) Order 2018

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [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](#)

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31 October 2018

Dear All

A change to the SCAPE discount rate was formalised in the Budget on 29 October 2018. It has reduced from 2.8% pa above CPI to 2.4% pa above CPI from that date.

HM Treasury's CETVs guidance

A corresponding change has been made to the discount rate used for calculating cash equivalent transfer values (CETVs) payable by the public service pension schemes. The effect of this is that the determination of CETVs, including for divorce purposes, must use the revised rate with immediate effect i.e. 29 October 2018.

On this basis, we are now advising administrators that following the issue of revised HM Treasury's CETV guidance **the following calculations should be suspended until new factors are made available:**

- > Cash Equivalent Transfer Values;
- > Divorce Cash Equivalents; and
- > Transfers In (non-Club).

The Government Actuary's Department (GAD) has started work on reviewing these factors and we will issue them as soon as this work has been completed.

Cash Equivalent Transfers Out

Where possible, **CETV out cases should not be quoted between 29 October 2018, the date the HM Treasury CETV guidance changed, and the date when new factors are provided.** If quotes are provided administrators should explain that factors are due to change, and requests to proceed with a CETV within the guarantee period and after 29 October 2018 should have factors more beneficial to the member applied. Therefore, if quotes are provided administrators may need to revisit once new factors are available.

Divorce Cash Equivalents

The advice on Cash Equivalent Transfers Out also applies. In addition, HM Treasury has advised that administrators **should identify those divorce cases quoted on the old factors where the final determination has yet to be made, and to provide a revised quotation on the new factors when provided.** This will mitigate the risk of challenge due to a failure to notify the court of a change in valuation.

Cash Equivalent Transfers In (non-club)

Where possible, administrators **should not provide Transfer In (non-club) quotes between 29 October 2018 and provision of revised factors**. If quotes are provided administrators should explain that factors are due to change, and quotes received within the guarantee period and after 29 October 2018 should have factors more beneficial to member applied. Therefore, if quotes are provided administrators may need to revisit once new factors are available.

1992 Scheme commutation factors

Administrators should also note that GAD are due to complete their revision of the commutation factors for the 1992 Scheme shortly at which stage they will be issued to administrators. These are expected to be more beneficial to retiring members and will take effect from the date of issue.

Other Scheme factors

The change in the discount rate will very likely impact on other Scheme factors, such as factors for scheme pays, and are therefore subject to change. GAD has also started work to review these factors as well. Any changes to these other scheme factors will apply from the date that revised factors have been completed by GAD and the current factors will apply until such date that revised factors are issued.

In the meantime, administrators should **ensure that they are advising members that the Scheme factors are subject to change** (for example when members are obtaining benefit quotations for exercising options).

Yours sincerely

Anthony Mooney
Firefighters' Pensions Team



PASA GUIDANCE

GMP Stalemate Cases

October 2018

Acknowledgments

PASA is grateful to the authors of the Guidance:

Geraldine Brassett (Author) Chair of the PASA Industry Policy Committee

Capita Employee Solutions (Co-author) Corporate PASA member

ITM Limited (Co-author) PASA Experts for GMP Reconciliation and Data Management

PASA is also grateful to the organisations shown below, who generously gave time to review the Guidance and provided technical input.

Lynsey Ellis Willis Towers Watson

Lane Clark & Peacock LLP

1. Introduction

It is likely that, on completion of any GMP reconciliation exercise, there will always be some queries remaining which could not be resolved under the standard GMP reconciliation process and have reached a “stalemate” in terms of trying to resolve them with HMRC. Often trustees and administrators assess what other schemes are doing in these cases so PASA thought it would be helpful to prepare some guidance setting out details of the types of queries that can arise in stalemate situations and suggesting some options for resolving these. PASA does not intend that the options specified are recommendations or that the list is exhaustive. Every scheme is different and so different solutions may be needed but this guidance is designed to facilitate the discussion between the trustees and the administrator to help in bringing any remaining GMP reconciliation queries to a conclusion and so putting both parties in a position where this exercise can effectively be closed down.

Possible options

In all these cases there are three possible options as follows:

- Accept that HMRC are correct which may mean accepting a liability or that the figures held by the administrator need to be corrected
- If the trustees are confident the GMP figure they hold is correct they can choose to effectively ‘do nothing’
- Undertake further investigative work

The right solution will depend on a number of factors including:

- Past precedents
- Confidence in data quality
- Extent of investigations already undertaken
- Impact on members
- Impact on liabilities
- Cost effectiveness of undertaking further work

Timing

At present many schemes that were previously contracted out on a defined benefit basis are undergoing a GMP reconciliation exercise. This has been prompted by the abolition of contracting out in April 2016. The final date for schemes to submit queries to HMRC for clerical review is 31st October 2018 and HMRC have undertaken to respond to all queries raised by 31st March 2019. HMRC will accept further “automated” queries for three batches of automated reviews (any cases requiring clerical reviews submitted to these batches will not be reviewed). The cut-off date for these final three automated batches is 21st December 2018. There is a possibility that some queries may resolve themselves through being addressed under another trustees’ exercise (disputed transfers out are an example of this).

Types of stalemate cases

Set out below are examples of some of the types of cases that may fall into the 'stalemate' scenario. This list is not intended to be exhaustive but covers the type of cases that occurs most frequently. PASA would be happy to add further examples and suggested solutions so please do let us know if there are any that it would be useful to add.

Geraldine Brassett
Chair of the Industry Policy Committee

October 2018

2. Membership reconciliation

The first types of stalemate case relate to the reconciliation of the scheme membership. These can be split into the following two broad categories:

- Members on HMRC records but not on scheme records
- Members on scheme records but not on HMRC records

2.1. Members on HMRC records but not on scheme records

Background	Options for resolution	Status	Number of queries
No liability members – Scheme believes member has received a refund			
<p>There may be members who, according to the administration records, have received a refund of contributions. However, HMRC have no record of the refund which may be due to HMRC not having received a Contributions Equivalent Premium (“CEP”).</p>	<p>CEP < £17: Legally there is no requirement to pay the CEP if it is less than £17. Notify HMRC and accept the scheme record.</p> <p>CEP is greater than £17 but relatively small: Consider paying the CEP with no further investigation.</p> <p>CEP is substantial: For larger amounts it may be worth carrying out investigative work to determine whether or not a CEP does indeed need to be paid.</p> <p>Accept scheme record: Where it is not possible to query cases with HMRC then the trustees may decide to accept the administration record and therefore accept the risk that the member could contact the scheme in future regarding their refunded benefits and/or state scheme benefits.</p>		
No liability members – Scheme believes member has transferred out			
<p>These are cases where the administration system indicates that the members have transferred out of the scheme, extinguishing the GMP liability.</p> <p>However, the records do not show where the benefits were transferred to and a subsequent check of any paper files does not similarly provide this information.</p> <p>HMRC will not accept the transfer out status without a qualifying SCON or ASCN.</p>	<p>Contact member: Although theoretically it may be possible to resolve these cases by contacting the member to obtain evidence of where their benefits were transferred to, in practice this approach is rarely successful.</p> <p>Accept scheme record: Accept scheme record but reconsider in the event that the member who supposedly transferred-out ever comes forward claiming membership of the scheme.</p>		

Background	Options for resolution	Status	Number of queries
Members with no record on administration system			
<p>There may be members where HMRC hold a GMP but the scheme does not even have a record for that member.</p> <p>In this category we are focussing on members who have contracted-out periods of service that exceed the maximum time limit for a Contributions Equivalent Premium (“CEP”) to be permitted. The trustees may wish to consider separately any members where a CEP could be paid.</p>	<p>Contact member: Although theoretically it may be possible to resolve these cases by first tracing and then writing to these members to identify where their GMP liability is held, in practice this approach is rarely successful. It may be appropriate to consider a de minimis level under which the cost of the above approach is deemed disproportionate.</p> <p>Accept scheme record: Accept scheme record but reconsider in the event that the member who supposedly has a GMP liability ever comes forward claiming membership of the scheme.</p>		

2.2. Members on scheme records but not on HMRC records

Background	Options for resolution	Status	Number of queries
HMRC records indicate GMP liability lies with a different scheme			
<p>There may be instances where HMRC records indicate that although the member has a GMP for the relevant period of contracted out service that GMP liability lies with a different scheme.</p>	<p>'Wait and See': Some of these cases may resolve themselves as part of the industry-wide reconciliation activity currently in progress and when final SRS cuts are issued in March.</p> <p>Contact other scheme: If a review of scheme records is inconclusive, consider writing to the other scheme to establish whether they hold the liability. This option is rarely pursued given the cost implications and limited likelihood of a helpful outcome.</p> <p>Accept the administration record: If after a review of scheme records, it is still believed that the GMP lies with the scheme, accept the administration records.</p>		
HMRC believe there is no GMP liability			
<p>HMRC may have advised they have no GMP liability on their records for the members. This may be because:</p> <ul style="list-style-type: none"> Members may have died and HMRC have advised that their spouse does not qualify for WGMP. This could be due to the spouse being young or never claiming bereavement allowance. Members were never contracted out. This could be because members were working overseas, were contracted-in, were paying women's reduced rate national insurance contributions, or had a partial transfer transferring out GMP benefits only. 	<p>Accept the administration record:</p> <p>Whilst there is an option to accept that there is no GMP and amend member benefits accordingly, there is no evidence to suggest that the administration records are incorrect. For such cases the Trustees may decide to accept the current position and make no changes to the administration record.</p>		

Background	Options for resolution	Status	Number of queries
Spouses pension in payment but no record of original member			
<p>A common type of stalemate case is where there are spouses who have a pension currently in payment but where the administrator is unable to locate a record for the original deceased member.</p> <p>This lack of historic information on administration records causes an issue and potentially the only way of resolving this is to write to the spouse directly to confirm their partner's NINO.</p>	<p>Contact spouse: Consider writing to the affected spouses and ask them to complete a form regarding the original members' basic details. Once this is received the administrator can use the gathered information to correspond with HMRC on the applicable cases. Before undertaking such an exercise schemes should assess the likelihood of success, particularly for cases where the deceased member passed away more than a decade ago.</p> <p>Accept scheme records: If records for the original members cannot be traced or it is not practical to do so, consider accepting the scheme records</p>		
Member with records held in Isle of Man			
<p>HMRC may advise that the GMP liability for a specified member is held in the Isle of Man. HMRC will therefore not hold data for the specified member.</p>	<p>Contact HMRC Isle of Man - In order to resolve this, the administrator will need to write to HMRC Isle of Man.</p> <p>Accept scheme records: Where it is not possible to contact HMRC Isle of Man then the alternative outcome for trustees may be to accept the current position as there is no data available to contradict it. For such an approach no change to the administration record would be required.</p>		
National Insurance Number held on Scheme Records does not match HMRC Records			
<p>HMRC may return some cases stating that the National Insurance number held on the scheme records is incorrect and as such they cannot trace this member.</p>	<p>Contact member: Consider writing to these members to confirm their National Insurance Number and date of birth. Without this information it will not be possible to complete the GMP reconciliation for these members. Incorrect National Insurance number would normally only be held for preserved members. Normal practice is to write to the last address held on file. Should this prove to be inaccurate, it may be necessary to perform a trace to locate the members' current address. Before undertaking such an exercise, the Trustees should assess the cost to the scheme, the likelihood of success (which may be low) and the benefit this will bring.</p> <p>Accept scheme records: If records for the original members cannot be traced or it is not practical to do so, consider accepting the scheme records</p>		

3. Reconciliation of GMP amounts

The other type of stalemate cases relate to the reconciliation of GMP amounts. It is assumed that schemes have already adopted a specified tolerance whereby differences below a specified amount are not pursued further.

Possible reasons for the discrepancy are detailed below along with options for resolution:

Background	Options for resolution	Status	Number of queries
Transfer-in documented on HMRC records but not scheme records			
<p>HMRC believe the scheme has received a transfer-in but a review of the administration records shows no trace of the transfer in.</p>	<p>The following actions should have already been undertaken or rejected:</p> <ul style="list-style-type: none"> • Query with HMRC - Request details of transferring employer, transferred-in contracted-out service period, transferring scheme's SCON. • Query with the employer – is it an internal transfer or bulk transfer that the employer recognises. • Query with the transferring scheme – if you have details of the supposed transferring scheme, it may be possible to query the transfer with the administrator. In practice, this option is generally not considered practical to pursue. <p>The likelihood of success in contacting another scheme or employer should be assessed before any such action is taken.</p> <p>Accept the Administration Record: If it is not possible to determine the transferring scheme then the scheme records can be accepted as is with no change to the administration record being required.</p>		
Transfer-in on scheme records but not HMRC records			
<p>Administration records clearly show a transfer in but HMRC have no record / were not notified.</p>	<p>Query with HMRC: If the scheme has clear evidence of a transfer-in, provide HMRC with details of the transfer including the SCON for the transferring-scheme. The scheme records can then be accepted.</p> <p>Accept the Administration Record: If it is not possible to query the case with HMRC then the scheme records can be accepted as is with no change to the administration record being required.</p>		

Background	Options for resolution	Status	Number of queries
Revaluation rates differ on scheme records and HMRC records			
<p>HMRC or the scheme may have recorded an incorrect rate of revaluation.</p>	<p>Notify HMRC of correct revaluation rate – this may impact on the member’s state pension.</p> <p>Pay any outstanding premium due - if the scheme revalued the GMPs at Limited Rate Revaluation, when the member left contracted-out employment was the Limited Rate Revaluation Premium paid? If not, HMRC may have recorded the revaluation rate as Section 148. Payment of the premium should resolve the issue.</p> <p>The scheme records can then be accepted.</p> <p>Accept the Administration Record: If it is not possible to request that HMRC adjust the revaluation basis, and the revaluation basis recorded on the Administration record is correct, then the scheme records can be accepted as is with no change to the administration record being required.</p>		
Other cases			
<p>These would normally cover cases where the member files have been reviewed for evidence and, where possible, the GMP has been recalculated using the Contracted Out Earnings on file. In some circumstances, however, despite undergoing all possible checks the outcome is that it is still not possible to reconcile the GMP held by the scheme with that held by HMRC so a decision needs to be taken as to which figure to accept.</p>	<p>Accept HMRC: If there is a lack of evidence to support the scheme position, and the difference in GMP amounts is small, there is an argument to accept HMRC’s figures. This also provides the benefit of consistency with state pension figures.</p> <p>Accept the Administration Record: If there is evidence to support scheme records and no reason to doubt them, there may well be a good argument to accept the scheme records.</p>		



THE PENSIONS ADMINISTRATION STANDARDS ASSOCIATION

Get in touch:

info@pasa-uk.com

www.pasa-uk.com

FPS Administration and Benchmarking Exercise Update

Administrator and Employer (Scheme Manager) Survey released

We are delighted to announce that the Administrator and Employer Surveys are finalised and have been released ready for completion. Thank you to everyone who contributed and provided feedback during the consultation period; we have incorporated as much of your feedback as possible.

We have listened to your concerns that you may not be able to complete the entire survey in one session which has prompted the surveys being reconfigured to be completed in excel format. This allows you to partially complete sections, saving as you go along. You should have received an email from Claire Hey on November 23 inviting you to complete the survey. Please get in touch with Claire (Claire.Hey@local.gov.uk) if you have not received this email.

Recap

We are excited to be working with the Firefighters' Pension Scheme community in carrying out this inaugural exercise. The primary purpose of the review is to provide answers to the following:

- How effective is the management and administration of the scheme?
- What are the costs of running the scheme?

We are keen to discover any emerging themes and patterns from the analysis and to identify any areas where things could be done more efficiently.

It is therefore very important for the SAB to receive and understand the answers to these questions.

We need your help

We appreciate you have received several requests for surveys from various bodies recently but the success of this exercise hinges on the responses we receive so the SAB, the LGA and ourselves all strongly encourage you to complete this survey.

We urge everyone to be as honest and open with their responses – all data received will be treated in the strictest of confidence. This is a golden opportunity for your voice to be heard and for you to shape how future disclosures will be collected.

Next steps

Please complete your survey and encourage your administrator / scheme manager to complete theirs by 31 December 2018 by returning them to Nicky Russell (Nicky.Russell@aon.com). However, it is important that you do not pass your survey to your administrator / scheme manager to complete as they will have their own to complete.

We are in the process of finalising the member survey which will soon be available to complete online. We expect this to be live within the next few weeks.

If you have any questions about these surveys, please don't hesitate to get in touch.

Contact Information

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Benefits Consultant

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About Aon

[Aon plc](#) (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

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BY E-MAIL

31 October 2018

Dear Chief Fire Officer,

Firefighters' Pensions – Scheme Advisory Board levy

I am writing to advise of the scheme advisory board levy due for the 2018/2019 year.

Under the terms of the 2014 regulations [4H(2)] this levy will be defrayed to scheme managers at the following rate.

2018/2019 year £7.69 per active firefighter

This levy of £7.69 is calculated based on a total SAB budget @ £363,772 / 33934 = £7.69 per active firefighter

As advised in my letter of September last year, the 2018/2019 return will be collected on the numbers of active firefighters disclosed with the 2017/2018 return. The total return for the 2017/2018 year confirmed there were 33,934 active firefighters.

In previous years the board levy also included an additional £2 levy for the adviser post. However, in order to simplify the budget and be clearer on costs, this post has been brought in under the statutory levy.

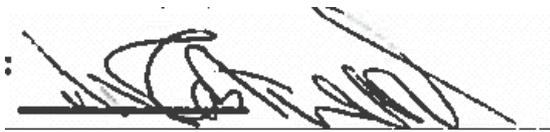
It is recognised that the proposed levy is an increase from the previous levy, however in setting the budget the objective was to look for cost savings to Fire Authorities and an improved service to members by reducing duplication and undertaking guidance and communications centrally. It is the opinion of the SAB that the budget for 2018/2019 as agreed by the minister will allow the SAB to provide increased centralised support. Feedback from Fire Authorities, is that the support from the SAB has been highly successful and has directly contributed to the increased efficiencies in running the pension scheme, and is highly appreciated by Fire Authorities.

Please complete the attached form, including a valid purchase order number by 30 November 2018 in order to issue the invoice to your authority. Please ensure the PO is made out to the 'Improvement and Development Agency'.

The 2019/2020 year will be collected on the numbers of firefighters disclosed with the 2018/2019 return.

If you have any questions, please contact the Scheme Advisory Board Secretariat on bluelight.pensions@local.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Malcolm Eastwood', written over a horizontal line. The signature is stylized and cursive.

Malcolm Eastwood, CBE, CStJ, QFSM, FIFireE.
Chairman, English Firefighters' Pension Scheme Advisory Board

Scheme Advisory Board Statutory Levy 2018/2019

Name	
Job Title	
Fire and Rescue Authority	
Address	
Email address	
Telephone number	
Number of employees eligible to join one of the Firefighters' Pension Schemes as at 1st April 2018	
Purchase Order number, payable to the Improvement and Development Agency*	

Return to

Liz Cole, LGA, email Liz.Cole@local.gov.uk

*In 2011 the Local Government Association and its associated companies integrated operations so that they in effect now operate as one organisation under one management structure, but for financial and legal purposes, we still need to transact through the legal company names. The budget for this work sits in the Improvement & Development Agency company and as such all purchase orders/invoices/contracts/agreements need to be addressed accordingly.

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Decision

Date **8 January 2019**

Title **TERMS OF REFERENCE FOR THE FIREFIGHTERS' PENSION BOARD**

Report of The Clerk

EXECUTIVE SUMMARY

1. This report asks Members of the Board to review the current Terms of Reference of the Firefighters' Pension Board (attached at appendix 1), and recommend any amendments to the Standards and Governance Committee.

BACKGROUND

2. The Terms of Reference (ToR) for the Firefighters' Pension Board, together with the Code of Conduct were agreed by Hampshire Fire and Rescue Authority on 20 February 2015 at the same time as the Board was formally constituted. The responsibility of "Scheme Management" to Standards and Governance (S&G) Committee was approved by the Authority at its Annual General meeting on 9 June 2016. Responsibility for "Scheme Management" previously resided with the former Finance and General Purposes (F&GP) Committee.

RECOMMENDATION

3. That the Board review the current Terms of Reference for the Firefighters' Pension Board and recommend any amendments to the Standards and Governance Committee.

Contact:

Jackie Taylor, Democratic Services Officer, jackie.taylor@hants.gov.uk,
01962 847479

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Terms of Reference for the Pension Board of the Hampshire Firefighter's Pension Scheme

1. Introduction

- 1.1. Hampshire Fire and Rescue Authority (HFRA) has established a Pension Board in accordance with the requirements of the Public Service Pension Act 2013.

2. Role and Powers of the Hampshire Firefighter's Pension Board

- 2.1. The role of the Board is to:

- Assist HFRA as the administering authority of the Hampshire Firefighter's Pension Scheme (HFFPS):
 - to secure compliance with the Firefighter's Pension Scheme (FFPS) Regulations and any other legislation relating to the governance and administration of the FFPS.
 - to secure compliance with requirements imposed in relation to the FFPS by the Pensions Regulator.
- To ensure the effective and efficient governance and administration of the HFFPS by the Authority.
- To consider how discretionary and other pension related issues are being addressed from an operational viewpoint.
- To present an annual report to the Authority on the exercise of its functions.

- 2.2. The Board shall have the power to do anything which is calculated to facilitate or is conducive or incidental to the discharge of any of its functions.

3. Members of the Hampshire Firefighter's Pension Board

- 3.1. The Board shall initially consist of 6 members and be constituted as follows:

- 3 employer representatives;
- 3 scheme member representatives;

- 3.2. The Chairman of the Board will be elected by the Board, from amongst its number at the first meeting of the Board following the Annual General Meeting of the HFRA in each year.
- 3.3. With regard to 3.4, the Vice Chairman of the Board will be elected by the Board from amongst its number at the first meeting of the Board following the Annual General Meeting of the HFRA in each year.
- 3.4. If the Chairman is a scheme representative then the Vice Chairman will be an employer representative and vice versa.

- 3.5. The employer representatives will be appointed by the HFRA at its Annual General Meeting.
- 3.6. Scheme member representatives will be appointed by the Authority in accordance with the recruitment policy agreed by the relevant Committee with responsibility for Scheme Management. They must be active, deferred or pensioner members of the FFPS.
- 3.7. The term of office of the Chairman and Vice Chairman will be one year, but either can be re-elected by the Board up to a maximum of four years.
- 3.8. Each employer representative and scheme member representative so appointed shall serve for a fixed four year period which can be extended for a further period of four years.
- 3.9. Employer representatives and scheme member representatives will remain as members of the Board during their appointed term of office unless they become incapable of acting, cease to represent their constituency, resign by giving written notice to the Chairman of the HFRA or are removed from the Board pursuant to Paragraph 4 of the Board's Code of Conduct.
- 3.10. Employer representatives and scheme member representatives may also be removed from office during their term of appointment by a majority decision of a quorate meeting of the HFFPS Board if they do not comply with the requirements of paragraph 3.9. The removal of any Board member also requires the agreement of the HFRA.
- 3.11. The Chairman and employer representatives will be appointed by the HFRA at the Annual General Meeting and may be replaced at any time during the year by the HFRA.
- 3.12. Any vacancies arising for the scheme member representatives will be recruited in line with the recruitment policy approved by the relevant Committee with responsibility for Scheme Management and will be formally appointed by HFRA at any time during the year.
- 3.13. Each Board member should endeavour to attend all Board meetings during the year and is required to attend at least half of the meetings held in each year.

4. Quorum

- 4.1. Half of the members of the Board will represent a quorum for Board Meetings.
- 4.2. In the absence of both the Chairman and the Vice-Chairman the members of the Board shall appoint a Chairman for that meeting who shall while presiding have any power or duty of the Chairman in relation to the conduct of the meeting.

5. Advisers to the Board

- 5.1. The Board will be supported in its role and responsibilities by officers of the HFRA and it will consult with such officers to help better perform its duties. In the event that specialist professional advice is not available from the officers of the HFRA then the Board may ask the Director of Professional Services to seek independent professional advice through the appointment of advisers on their behalf, subject to financial and legal considerations.

6. Knowledge and Skills

- 6.1. A member of the Board must be conversant with:
- The legislation and associated guidance of the FFPS.
 - Any document recording policy about the administration of the FFPS which is for the time being adopted by the HFRA.
- 6.2. A member of the Board must have knowledge and understanding of:
- The law relating to pensions, and
 - Any other matters which are prescribed in regulations.
- 6.3. A member of the Board representing employers or scheme members must have the relevant experience and capacity to represent employer and scheme members respectively on the Board.
- 6.4. Notwithstanding the requirements set out above, it is anticipated that training will be given to Board Members to help them fulfil their role and to keep them updated on changes in the FFPS.

7. Board Meetings

- 7.1. Meetings of the Board will be conducted in accordance with the Standing Orders of the HFRA and for all purpose including but not limited to notice of meetings, publication of agendas and reports, recording and publication of minutes of meetings and consideration of urgent items meetings of the Board shall be treated as if they were a meeting of a Committee of the HFRA.
- 7.2. There will be a minimum of two Board meetings a year and the Chairman of the Board, with the consent of the Board may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone or video conferencing and e-mails.

8. Voting

- 8.1. Each member of the Board will have an individual vote and items will be decided by a simple majority of members attending the meeting but it is expected the Board will as far as possible reach a consensus. The Chairman shall determine when consensus has been reached.

- 8.2. Where consensus is not achieved, this should be recorded by the Chairman who shall then have a casting vote.
- 8.3. In support of its core functions, the Board may make a request for information from the Scheme Manager, with regard to any aspect of the scheme manager's function. Any such request should be reasonable complied with in both scope and timing.
- 8.4. In support of its core functions the Board may make recommendations to the Scheme Manager which should be considered and a response made to the Board on the outcome within a reasonable period of time.

9. Standards of Conduct

- 9.1. The role of Board members requires the highest standards of conduct and therefore the 'seven principles of public life' apply to all Board members, these are:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

- 9.2. The Code of Conduct for Board Members set out in Annex A shall apply to all members of the Board. Members of the Board who are also a member of other authorities also remain bound by the Member's Code of Conduct of their own authority.

10. Publication of Pension Board Information

- 10.1. Up to date information will be posted on the Authority's website showing:
 - The names and information of the Board members.
 - How the scheme members are represented on the Board.
 - The responsibilities of the Board as a whole.
 - The full terms of reference and policies of the Board and how they operate.
 - The Board appointment process.
 - Who each individual Board member represents.
 - Any specific roles and responsibilities of individual Board members.

11. Accountability

- 11.1. The Board will be collectively and individually accountable to the relevant Committee with responsibility for Scheme Management and the Authority.

12. Reporting Breaches

12.1. Any potential or actual Breach that comes to the attention of the Board shall be dealt with in accordance with the Protocol for Reporting Breaches agreed from time to time between the Board and the Authority.

13. Expense Reimbursement

13.1. No basic allowance is payable to Board members although employer and scheme member representatives shall be entitled to claim Travelling Allowances on the terms set out in the then current Member's Allowance scheme, or HFRS employees scheme as appropriate.

14. Definitions

14.1. The undernoted terms shall have the following meaning when used in this document:

<i>Breach</i>	Means non-compliance with a duty relevant to the administration of the FFPS which is likely to be of material significance to the Pensions Regulator in the exercise of any of its functions
<i>'Hampshire Firefighter's Pension Board', 'Fire Pension Board', 'Pension Board' or 'Board'</i>	Means the Pension Board of Hampshire Fire and Rescue Authority for the Hampshire Firefighter's Pension Scheme as required under the Public Service Pensions Act 2013.
<i>'HFFPS', 'FFPS' or Regulations</i>	The Firefighter's Pension Scheme as constituted by the Firefighter's pension scheme 1992, as amended, the Firefighter's Pension Scheme 2006, as amended and the Firefighter's Pension Scheme Regulations 2014 as amended.
<i>'Scheme'</i>	Means the Firefighter's Pension Scheme as defined under 'HFFPS' above.
<i>'Scheme Member'</i>	Means active, deferred or pensioner members of the Firefighter's Pension Scheme

15. Interpretation

15.1. Any uncertainty or ambiguity or interpretation required relating to any matters contained in this document shall be resolved by reference to the Authority's Monitoring Officer.

Code of Conduct for Members of the Hampshire Firefighter's Pension Board Members

1. Introduction

This Code of Conduct for the Hampshire Firefighter's Pension Board has been adopted by the HFRA pursuant to its statutory duty to appoint a Pension Board for the HFFPS.

This Code applies to members of the Hampshire Firefighter's Pension Board when acting in their capacity as members of the Board. For the avoidance of doubt, members of the Board who are also members of other authorities also remain bound by the Member's Code of Conduct of their own authority.

This Code is based on and is consistent with the principles of;

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty and
- Leadership

2. Obligations of Members of the Board

As a Member of Hampshire Firefighter's Pension Board, your conduct will address the principles of the Code of Conduct by:

- a. Not allowing other pressures, including the financial interests of yourself or others connected to you, to deter you from pursuing the interests of the HFFPS, or the good governance of the HFFPS in a proper manner.
- b. Exercising independent judgement and not compromising your position by placing yourself under obligations to outside individuals or organisations who might seek to influence the way you perform your duties.
- c. Listening to the interests of all parties, including relevant advice from statutory and other professional officers of the HFRA (or those acting on their behalf), taking all relevant information into consideration, remaining objective and making decisions on merit.

- d. Being accountable for your decisions and co-operating when scrutinised internally and externally.
- e. Contributing to making the Board's decision-making processes as open and transparent as possible.
- f. Restricting access to information when the wider public interest, the Board's Terms of Reference or the law requires it.
- g. Valuing your colleagues and Officers of the HFRA and engaging with them in an appropriate manner.
- h. Always treating all people with respect and propriety.

3. Conflicts of Interest

- a. No member of the Board may participate in any business of the Board if they have a financial or other interest which is likely to prejudice a person's exercise of functions as a member of the Board (this does not include a financial or other interest arising merely by virtue of membership of the Scheme or any connected Scheme) ('Conflict of Interest').
- b. All Board members must before becoming a member of the Board declare any potential Conflict of Interest to the Monitoring Officer of the HFRA.
- c. After appointment all Board members must within 14 days of becoming aware of any new potential Conflict of Interest declare that potential Conflict of Interest to the Monitoring Officer of the HFRA.
- d. A member of the Board must at any time provide the Monitoring Officer of the HFRA with such information as he or she requires for the purpose of establishing whether or not the Board member has a Conflict of Interest.
- e. A Board member should disclose any Conflict of Interest in any business of the Board either at the commencement of the meeting, the commencement of the consideration of the item or when the Conflict of Interest becomes apparent.
- f. If a Board member has a Conflict of Interest in any business of the Board then that Member may not participate in any discussion of, vote on or discharge any function in relation to the matter. In addition, the Board member should withdraw from the room where the meeting is being held.

4. Non-Compliance with the Code of Conduct

Any alleged non-compliance with this Code of Conduct shall be referred to the relevant Committee with responsibility for Scheme Management for consideration. In the event that the Committee find that a member of the Board has failed to comply with the provisions of this Code then the Committee may determine that the Member is to immediately cease to be a member of the Board or take such other action as the Committee regard as appropriate. This can include but is not limited to requiring the member to apologise or requiring the member to undertake such training as they feel is appropriate.



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **8 January 2019**

Title **FIRE PENSION BOARD STATUS REPORT**

Report of Chief Finance 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.

WORK PLAN

3. At the last Board meeting, the chairman presented a plan for future meetings. With this in mind, there are naturally some items which will fall into different parts of the year and can be reported on accordingly.
4. Each Pension Board Status Report will contain standing items and any additional items. Depending on the timing of meetings, this may alter when these items can be reported.
5. There will also be a legislation and LGA update report for each meeting. This will include all the FPS bulletins issued by the LGA, any other communications that they have issued along with any legislation updates.
6. The key headings for each report for each meeting are shown in APPENDIX A. The Board are asked for their views on this and whether there are other subject matters that they would like included.

TRAINING

7. Pension Board members will be required to complete an updated Training Needs Analysis form. An email will be sent out later in January with the form for completion. This will enable any training needs to be identified which can then be addressed.
8. Board members will remember discussing the online training modules with the TPR in the education portal at the last Board meeting. All Board Members

are expected to complete their online training with the TPR. This can be found at [TPR - Public Service toolkit programme](#).

9. The TPR pensions education portal has online training containing seven topics, each topic takes around 30 minutes to complete; the topics are:
 - Conflicts of interest
 - Managing risk and controls
 - Maintaining accurate member data
 - Maintaining member contributions
 - Providing information to members and others
 - Resolving internal disputes
 - Reporting breaches of law
10. Once all modules are complete, a certificate is available and this should be submitted for inclusion in the Board Member's training record.

STATUTORY REPORTING

11. The Board should note that since the last Pension Board meeting there have been no statutory reporting events. In future Pension Board Status Reports, this heading will only appear where there is something to report to Board.

INTERNAL DISPUTE RESOLUTION PROCEDURES (IDRP's) AND BREACHES

12. The Board will be pleased to note that there have been no IDRP's raised since the last meeting and there have been no breaches to be considered reporting to TPR. In future Pension Board Status Reports, this heading will only appear where there is something to report to Board.
13. The process for receipt of IDRP's has now been clearly defined. The process can be seen in APPENDIX B. This now means that there is one single route for any IDRP to go through.
14. Prior to the introduction of this process, there was no central log of IDRP's and it was very difficult to identify how many cases had occurred. The revised process now enables a central log of all IDRPs across all schemes and partners to be recorded. This will help to ensure that any common themes are being identified and addressed.
15. This process has now also specified the relevant Accountable Manager that will hear any IDRP raised. The list of Accountable Managers can be found in APPENDIX C.

COMMUNICATION

16. The Employer Pension Manager gave a presentation on the pre-retirement course on 14 November; the next one is on 27 February.
17. She has also given a pension presentation at Southsea Fire Station on 6 December. There are no further presentations scheduled. There has been a lot of positive feedback from these sessions.
18. Reports for the number of page views on the employer pension web pages are produced monthly. These show that the communications we are putting out are reaching some as there are peaks at those times.
19. The table below shows the page views expressed as a percentage of employees, for comparison, the Police and Local Government Pension Schemes (LGPS) pages have been included.

Employer pension scheme pages	Oct 2018	Nov 2018
HFRA - Fire Pension Scheme pages	10%	11%
HFRA – LGPS pages	13%	13%
Hampshire Constabulary – Police Pension pages	3%	2%
Hampshire Constabulary – LGPS pages	2%	2%
Hampshire County Council – LGPS pages	1%	1%

20. The Fire Employer pension web pages survey was launched in November but there has been a very poor response rate. The Board are asked to consider whether they would like the survey to be sent as a global email to all HFRS staff to try and encourage a higher response rate.
21. The Board will be pleased to note that the Employer Pension Manager has been appointed permanently to her position; therefore the support that is provided to the Pension Board, the Scheme Manager and members of the scheme will continue.

INJURY PENSIONS AND DWP BENEFITS

22. The Employer Pension Manager wrote to the 89 pensioners in receipt of an injury pension from HFRA on 7 November 2018. The letter asked each member to confirm whether they were in receipt of any relevant additional benefits from the DWP.
23. There has been a really high response rate with 62 replies. All replies have been acknowledged. Where there is a discrepancy in the amount that is already being deducted, or no deductions are being made, letters have been sent to DWP for clarification of the relevant amounts and dates. A summary of the numbers is shown below.

Number of letters sent	89
Number of replies received	62
Of the replies received	
Number not in receipt of DWP benefits	49
Number in receipt of DWP benefits	13
Of those in receipt of DWP benefits	
Number already have correct amount deducted from injury pension	8
Number that have been queried with the DWP	5

24. Where queries have been sent to the DWP, upon confirmation of the relevant amounts and dates, this may mean that a recalculation of the injury pension in payment will be required. This could result in an underpayment or overpayment depending on the replies received.
25. Any overpayments will be recovered and a mutually convenient repayment plan will be arranged. Any underpayments will be made as soon as possible.
26. Where no responses have been received (27 so far), the Employer Pension Manager will write to those members in January 2019 with a more firmly worded letter stating that the injury pension may be suspended if the relevant information is not provided.

TPR ANNUAL SCHEME RETURNS

27. The Employer Pension Manager completed the annual TPR Scheme Returns by the deadline of 6 November 2018. This survey requires information to be submitted about scheme membership numbers, details of the scheme manager, Fire Pension Board members, details of the administrator and other relevant contact details.
28. As at 31 March 2018, the scheme numbers reported to the TPR are as follows:

Member status	1992 Scheme	2006 Scheme	2015 Scheme	Total
Active	151	87	931	1,169
Deferred	85	460	270	815
Pensioner	954	100	3	1,057
Total	1,190	647	1,204	3,041

29. The Board may recall from the last meeting that TPR were also going to be asking about the measuring of common and conditional data. Data for all three schemes was last measured in October 2018 by Hampshire Pension

Services and they assessed the percentage of data to be present and accurate as follows:

Type of data	1992 Scheme	2006 Scheme	2015 Scheme
Common Data	97%	95%	99%
Scheme Specific (conditional) data	99%	98%	97%

30. Where the data is not 100%, Hampshire Pension Services will work on a plan to improve this data.
31. The scoring for the scheme specific (conditional) data has been compiled by Hampshire Pension Services from a variety of reports as there is no agreement of what data to measure as there is for common data.

SCAPE DISCOUNT RATE – EMPLOYER CONTRIBUTIONS

32. Changes to the SCAPE discount rate were formalised in the budget on 29 October, reducing the rate from 2.8% to 2.4%. This means that from April 2019 there will be an increase in employer pension contributions.
33. The Government has now confirmed that for 2019/20 they will be providing £98.5m of specific grant funding to support FRAs in England with the unexpected increase. HFRA will be receiving £2.9m to cover it's additional costs.
34. The letter from the Government confirming the position can be found in APPENDIX D.

SURVEYS

35. The Employer Pension Manager completed the annual TPR Administration survey for the 2015 Fire Pension Scheme by the deadline of 30 November 2018. To be able to complete this accurately, the Employer Pension Manager consulted with the Scheme Manager, The Pension Board chair and vice-chair, Hampshire Pension Services and other representatives.
36. The survey and the answers provided can be found in APPENDIX E.
37. The Board will recall from the last meeting that AON were going to be issuing a survey to Scheme Administrators and Scheme Employers to ascertain various information so that a benchmarking exercise can be completed.
38. The Employer Pension Manager was sent the administration survey and the Scheme Manager was sent the employer survey; both were completed and submitted by the deadline of 31 December 2018.

FORECASTING WORKSHOP

39. The Employer Pension Manager was asked by the LGA to participate in a forecasting workshop along with representatives from a few other FRA's. Hampshire has a very robust and accurate way of forecasting and it is hoped that best practice can be shared to improve the forecasting nationally.
40. The first workshop was held at LGA offices on 13 December. The Employer Pension Manager attended from a Pension Administrator point of view along with a member of the Hampshire finance team who is instrumental in providing the forecasting information to the Home Office.

RECOMMENDATION

41. The Board are asked to endorse the work plan of items as set out in paragraphs 3-6 and APPENDIX A.
42. The Board are asked to endorse the approach of sending the Employer Web survey via email as set out in paragraph 20.

APPENDICES ATTACHED

43. APPENDIX A – Calendar of work plan items
44. APPENDIX B – IDRPs received process
45. APPENDIX C – IDRPs Accountable Officers
46. APPENDIX D – Letter from Government about funding
47. APPENDIX E – TPR Admin survey

Contact:

Claire Neale, Employer Pension Manager, claire.neale@hants.gov.uk,
01962 845481

APPENDIX A

Fire Pension Board calendar report of items for 2019/20

April 2019	July 2019	October 2019	January 2020
STANDING ITEMS	STANDING ITEMS	STANDING ITEMS	STANDING ITEMS
Statutory items: <ul style="list-style-type: none"> • HMRC Event reporting 2017/18 • Q3 2018/19 AFT returns to HMRC 	Statutory items: <ul style="list-style-type: none"> • Q4 2018/19 AFT returns to HMRC 	Statutory items: <ul style="list-style-type: none"> • Q1 2019/20 AFT returns to HMRC • Annual Benefit Statements • Pension Saving Statements 	Statutory items: <ul style="list-style-type: none"> • Q2 2019/20 AFT returns to HMRC • Annual TPR Scheme Return
IDRP & Breaches	IDRP & Breaches	IDRP & Breaches	IDRP & Breaches
Communication <ul style="list-style-type: none"> • Presentations • Employer pension web pages • Member portal access • Employer group • Pension hot topics 	Communication <ul style="list-style-type: none"> • Presentations • Employer pension web pages • Member portal access • Employer group • Pension hot topics 	Communication <ul style="list-style-type: none"> • Presentations • Employer pension web pages • Member portal access • Employer group • Pension hot topics 	Communication <ul style="list-style-type: none"> • Presentations • Employer pension web pages • Member portal access • Employer group • Pension hot topics
ADDITIONAL ITEMS	ADDITIONAL ITEMS	ADDITIONAL ITEMS	ADDITIONAL ITEMS
Training / LNA update		Annual LGA Fire Conference	TPR Administration survey
Member portal			Calendar of items for next year
SEPARATE REPORTS	SEPARATE REPORTS	SEPARATE REPORTS	SEPARATE REPORTS
Legislation & LGA update			
	Annual Board Report	Annual Pensions Administration report	
	Annual review of risk register		

APPENDIX B

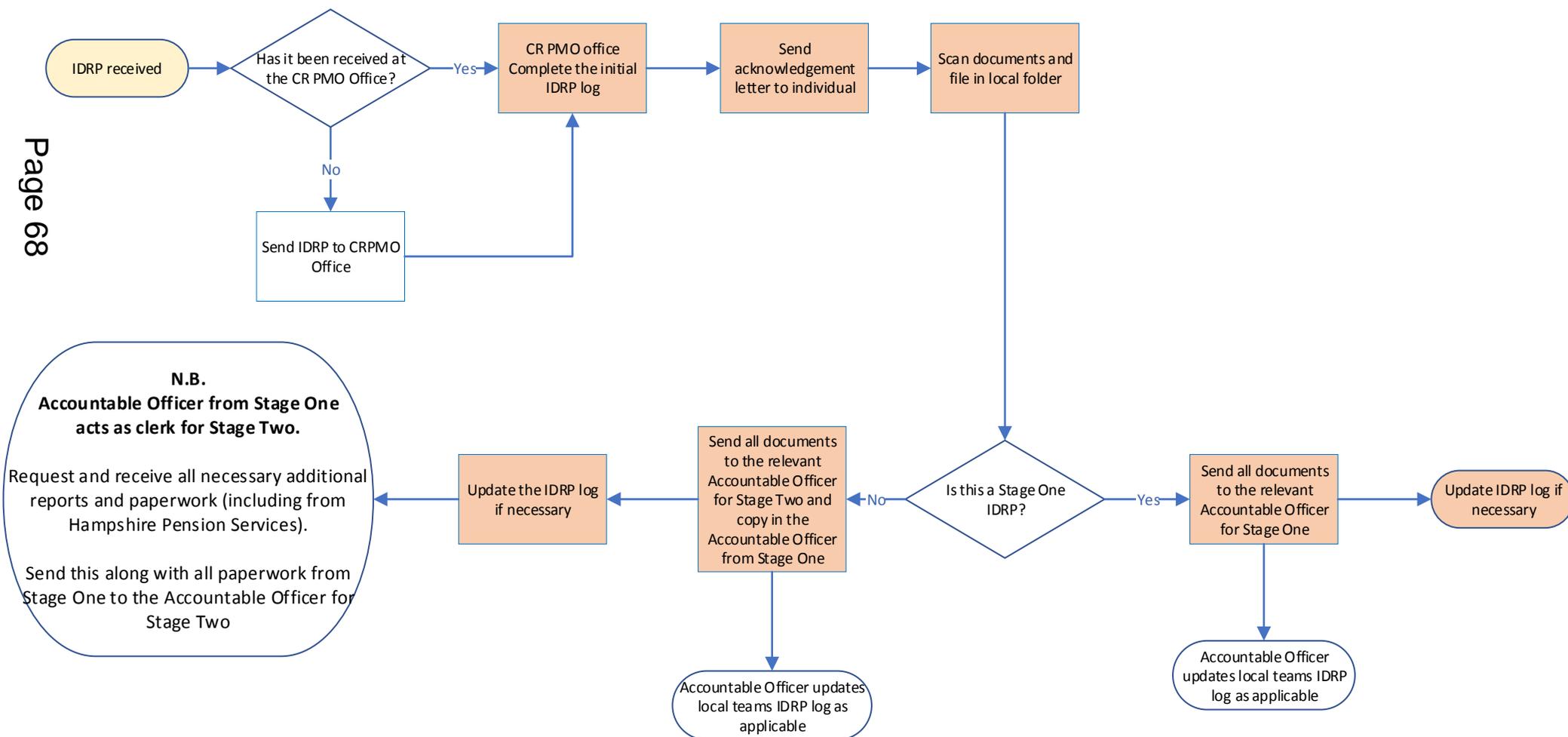
Process for when an IDRP is received

CR PMO = Corporate Resources Programme Management Office
CorporateResources.ProgrammeOffice@hants.gov.uk

N.B.
If IDRP is from a Police Officer then in all cases, this will be sent to the Police Finance Compliance shared mailbox
PoliceFinanceCompliance@hants.gov.uk
This will follow the single Stage IDRP process

Process to be completed within 5 working days of receipt of IDRP

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IDRP Accountable Officers

The Accountable Officers are as follows: -

IDRP against Hampshire Pension Fund

(For all employers across all pension schemes that Hampshire Pension Fund administer¹)

IDRP Stage	Accountable Officer
Stage One	Rob Carr – Head of Finance
Stage Two	David Kelly – Head of Legal Services

Employer Accountable Officer**IDRP against the employer Hampshire County Council**

IDRP Stage	Accountable Officer
Stage One	Andy Bailey – Head of HR Operations
Stage Two	David Kelly – Head of Legal Services

IDRP against the employer Hampshire Fire & Rescue Authority

IDRP Stage	Role	Accountable Officer
Stage One	Civilian staff	Andy Bailey – Head of HR Operations
Stage Two	Civilian staff	David Kelly – Head of Legal Services

IDRP Stage	Role	Accountable Officer
Stage One	Firefighter	Andy Bailey – Head of HR Operations
Stage Two	Firefighter	Rob Carr – Head of Finance

IDRP against the employer Hampshire Constabulary

IDRP Stage	Role	Accountable Officer
Stage One	Civilian staff	Gemma Gair – Senior HR Business Partner
Stage Two	Civilian staff	David Kelly – Head of Legal Services

IDRP Stage	Role	Accountable Officer
Single Stage	Police Officer	Richard Croucher – Chief Finance Officer

¹ IDRPs from a Police Officer will in all cases will go to the Police Finance Compliance shared mailbox regardless of whether the IDRP is against the Hampshire Pension Fund or Hampshire Constabulary



Home Office

Rt Hon Nick Hurd MP
Minister for London
Minister of State for Policing and the Fire
Service

2 Marsham Street
London SW1P 4DF

www.gov.uk/home-office

Rt Hon Yvette Cooper MP
House of Commons
London
SW1A 0AA

13 December 2018

I am writing to you in your capacity as Chair of the Home Affairs Select Committee.

On 6 September, HM Treasury announced that provisional results of the valuations of the public service pension schemes indicated that employer pension contributions would have to increase from April 2019. This is because of changes to the discount rate, which is used to assess the current cost of future payments from the schemes, to reflect the Office for Budget Responsibility's long-term growth forecasts.

At the Budget, the Government announced that it would allocate funding from the Reserve to pay part of the costs of increases in public sector pensions contributions. In 2019/20, we will provide £98.5m of specific grant funding to support the fire and rescue authorities in England with unexpected increases in pensions contributions. Decisions about additional pension costs in later years will be taken forward as part of the Spending Review.

We have consulted with the sector and will distribute the grant funding based on an average of employer pension contributions over the three-year period

2017/18 to 2019/20. The allocations of additional funding for each fire and rescue authority are set out in the Annex of this letter.

I am arranging for copies of this letter and the attached information to be placed in the libraries of both Houses.

A handwritten signature in blue ink that reads "Nick Hurd". The signature is written in a cursive style with a large initial 'N' and 'H'.

Rt Hon Nick Hurd MP
Minister of State for Policing
and the Fire Service

Annex

FRA	Additional pension funding in 19/20
Avon Combined Fire and Rescue Authority	£ 2,062,197
Bedfordshire Combined Fire Authority	£ 1,478,363
Buckinghamshire Combined Fire Authority	£ 1,035,443
Cambridgeshire Combined Fire Authority	£ 1,144,019
Cheshire Combined Fire Authority	£ 1,803,145
Cleveland Combined Fire Authority	£ 1,207,206
Cornwall Fire	£ 1,139,246
Cumbria Fire	£ 1,075,643
Derbyshire Combined Fire Authority	£ 1,606,017
Devon and Somerset Combined Fire Authority	£ 3,345,234
Dorset and Wiltshire Combined Fire Authority	£ 2,316,471
Durham Combined Fire Authority	£ 1,337,110
East Sussex Combined Fire Authority	£ 1,486,637
Essex Police, Fire and Crime Commissioner Fire and Rescue Authority	£ 3,013,185
Gloucestershire Fire	£ 936,297
Greater Manchester Combined Authority	£ 4,802,708
Hampshire Combined Fire and Rescue Authority	£ 2,950,168
Hereford & Worcester Combined Fire Authority	£ 1,343,895
Hertfordshire Fire	£ 1,882,272
Humberside Combined Fire Authority	£ 2,178,716
Isle of Wight Fire	£ 281,574
Isles of Scilly Fire	£ 14,203
Kent Combined Fire Authority	£ 3,030,217
Lancashire Combined Fire Authority	£ 2,654,636
Leicestershire Combined Fire Authority	£ 1,538,139
Lincolnshire Fire	£ 1,231,413
London Fire & CD Authority	£ 18,621,160
Merseyside Fire & CD Authority	£ 2,592,088
Norfolk Fire	£ 1,395,809
North Yorkshire Police, Fire and Crime Commissioner Fire and Rescue Authority	£ 1,465,746
Northamptonshire Commissioner Fire and Rescue Authority	£ 1,016,520
Northumberland Fire	£ 656,645
Nottinghamshire Fire & Rescue Service	£ 2,004,993
Oxfordshire Fire	£ 1,166,638
Royal Berkshire Fire Authority	£ 1,424,937
Shropshire Combined Fire Authority	£ 943,601

South Yorkshire Fire & CD Authority	£	2,361,412
Staffordshire Commissioner Fire and Rescue Authority	£	1,462,870
Suffolk Fire	£	1,149,832
Surrey Fire	£	2,130,322
Tyne and Wear Fire and Rescue Authority	£	2,221,589
Warwickshire Fire	£	985,853
West Midlands Fire Authority	£	4,894,956
West Sussex Fire	£	1,477,540
West Yorkshire Fire & CD Authority	£	3,672,177
	£	98,538,841

The Pensions Regulator

Public Service Governance and Administration Survey 2018

This document is intended to be used as a guide to help you gather the information required for the survey. Please note, however, that we need you to complete the questionnaire through the [online survey link](#) contained in your invitation email.

Thank you for taking the time to complete this survey. Please answer the questions in relation to the scheme referenced in your invitation email. Where the scheme is locally administered, we mean the sub-scheme or fund administered by the local scheme manager.

Your responses will be kept anonymous unless you consent otherwise at the end of the survey. Linking your scheme name to your answers will help inform The Pension Regulator's (TPR's) engagement with you in the future.

This survey should be completed by the scheme manager or by another party on behalf of the scheme manager. They should work with the pension board chair to complete it, and other parties (e.g. the administrator) where appropriate.

There is a space at the end of the survey to add comments about your answers where you feel this would be useful.

SECTION A – GOVERNANCE

The first set of questions is about how your pension board works in practice.

A1. EVERYONE TO ANSWER

Does your scheme have a documented policy to manage the pension board members' conflicts of interest?

Please select one answer only

1. Yes
2. No
3. Don't know

A2. EVERYONE TO ANSWER

Does your scheme maintain a register of pension board members' interests?

Please select one answer only

1. Yes
2. No
3. Don't know

A3. EVERYONE TO ANSWER

Focusing on the scheme's pension board meetings in the last 12 months, please tell us the following:

Please write in the number for each of a-c below

- | | |
|--|------------|
| a) Number of board meetings that were <u>scheduled</u> to take place (in the last 12 months) |4..... |
| b) Number of board meetings that actually <u>took place</u> (in the last 12 months) |4..... |
| c) Number of board meetings that were attended by the scheme manager or their representative (in the last 12 months) |4..... |

A4. EVERYONE TO ANSWER

Do the scheme manager and pension board have sufficient time and resources to run the scheme properly?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A5. EVERYONE TO ANSWER

Do the scheme manager and pension board have access to all the knowledge, understanding and skills necessary to properly run the scheme?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

A6. EVERYONE TO ANSWER

How often does the scheme manager or pension board carry out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme?

Please select one answer only

- 1. At least monthly
- 2. At least quarterly
- 3. At least every six months
- 4. At least annually
- 5. Less frequently
- 6. Never
- 7. Don't know

A7. EVERYONE TO ANSWER

Focusing on the composition of your pension board, please tell us the following:

Please write in the number for each of a-d below

- a) Number of current board members6.....
- b) Number of vacant positions on the board0.....
- c) Number of members that have left the board in the last 12 months0.....
- d) Number of members that have been appointed to the board in the last 12 months0.....

SECTION B – MANAGING RISKS

The next set of questions is about managing risks.

B1. EVERYONE TO ANSWER

Does your scheme have documented procedures for assessing and managing risk?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

B2. EVERYONE TO ANSWER

Does your scheme have a risk register?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

B3. EVERYONE TO ANSWER

In the last 12 months, how often have you reviewed the scheme's exposure to new and existing risks?

Please select one answer only

- 1. At least every month
- 2. At least every quarter
- 3. At least every six months
- 4. Less than every six months
- 5. Have not reviewed in the last 12 months
- 6. Don't know

B4. EVERYONE TO ANSWER

To what do the top three governance and administration risks on your register relate? If you do not have a risk register, please tell us to what the top three governance and administration risks facing your scheme relate.

Please select up to three options below

- 1. Funding or investment
- 2. Record-keeping (i.e. the receipt and management of correct data)
- 3. Guaranteed Minimum Pension (GMP) reconciliation
- 4. Securing compliance with changes in scheme regulations
- 5. Production of annual benefit statements
- 6. Receiving contributions from the employer(s)
- 7. Lack of resources/time
- 8. Recruitment and retention of staff or knowledge
- 9. Lack of knowledge, effectiveness or leadership among key personnel
- 10. Poor communications between key personnel (board, scheme manager, administrator, etc.)
- 11. Failure of internal controls
- 12. Systems failures (IT, payroll, administration systems, etc.)
- 13. Cyber risk (i.e. the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its IT systems and processes)
- 14. Administrator issues (expense, performance, etc.)
- 15. Other (please specify):
- 16. Don't know

SECTION C – ADMINISTRATION AND RECORD-KEEPING PROCESSES

The next set of questions is about administration and record-keeping.

C1. EVERYONE TO ANSWER

Which of the following best describes the scheme’s administration services?

Please select one answer only

- 1. Delivered in house
- 2. Outsourced to another public body (e.g. a county council)
- 3. Outsourced to a commercial third party
- 4. Other
- 5. Don’t know

C2. EVERYONE TO ANSWER

When did the scheme last review who should provide its administration services?

Please select one answer only

- 1. In the last 12 months
- 2. Between 13 and 24 months ago
- 3. Between 25 and 36 months ago
- 4. More than 36 months ago
- 5. Never
- 6. Don’t know

C3. EVERYONE TO ANSWER

Which of the following do you use to monitor and manage the performance of your administrators (whether in-house or outsourced)?

Please select all the options that apply

- 1. Performance metrics are set out in contracts or service level agreements
- 2. Administrators provide independent assurance reports
- 3. Independent auditors review the performance of administrators
- 4. Administrators deliver regular reports to the scheme manager and/or pension board on the service provided
- 5. Administrators attend regular meetings with the scheme manager and/or pension board
- 6. Penalties are applied where contractual terms or service standards are not met
- 7. None of these
- 8. Don’t know

C4. EVERYONE TO ANSWER

In the last 12 months, how many pension board meetings had administration as a dedicated item on the agenda?

Please write in the number below

.....1.....

C5. EVERYONE TO ANSWER

Do you have processes in place to monitor scheme records for all membership types on an ongoing basis to ensure they are accurate and complete?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C6. EVERYONE TO ANSWER

Does the scheme have an agreed process in place with the employer(s) to receive, check and review data?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C7. EVERYONE TO ANSWER

Is your scheme single employer or multi-employer?

Please select one answer only

- 1. Single employer scheme (i.e. used by just one employer)
- 2. Multi-employer scheme (i.e. used by several different employers)

C8. ANSWER IF SINGLE EMPLOYER SCHEME (C7=1)

Does your participating employer...

Please select one answer per row

	Yes	No	Don't know
a) Always provide you with timely data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Always provide accurate and complete data?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Submit data to you monthly?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Submit data to you electronically?	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>

C9. ANSWER IF MULTI-EMPLOYER SCHEME (C7=2)

What proportion of your scheme's employers...

Please write in the percentage (from 0% to 100%) for each of a-d below. If you do not know exactly, please give an approximate percentage.

- a) Always provide you with timely data?
- b) Always provide accurate and complete data?
- c) Submit data to you monthly?
- d) Submit data to you electronically?

C10. EVERYONE TO ANSWER

Does the scheme have a process in place for monitoring the payment of contributions?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C11. EVERYONE TO ANSWER

Does the scheme have a process in place for resolving contribution payment issues?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C12. ANSWER IF MULTI-EMPLOYER SCHEME (C7=2)

Does the scheme have a defined escalation process in place for dealing with employers who do not provide timely or accurate data?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don't know

C13. ANSWER IF MULTI-EMPLOYER SCHEME AND HAVE AN ESCALATION PROCESS (C12=1)

What actions are included in your process for dealing with employers who do not provide timely or accurate data?

Please select all the options that apply

- 1. Chase by telephone
- 2. Chase in writing
- 3. Escalate to senior staff
- 4. Manual correction
- 5. Impose penalty
- 6. Remove from scheme
- 7. Assess for breach of law
- 8. Other (please specify):
- 9. Don't know

SECTION D – CYBER SECURITY

The next set of questions is about your scheme's cyber security.

D1. EVERYONE TO ANSWER

Which, if any, of the following controls does your scheme have in place to protect your data and assets from 'cyber risk'?

By 'cyber risk' we mean the risk of loss, disruption or damage to a scheme or its members as a result of the failure of its information technology systems and processes.

Please select all the options that apply

1. Roles and responsibilities in respect of cyber resilience are clearly defined and documented
2. Cyber risk is on the risk register and regularly reviewed
3. Assessment of the vulnerability to a cyber incident of the key functions, systems, assets and parties involved in the running of the scheme
4. Assessment of the likelihood of different types of breaches occurring in the scheme
5. Access to specialist skills and expertise to understand and manage the risk
6. System controls (e.g. firewalls, anti-virus and anti-malware products and regular updates of software)
7. Controls restricting access to systems and data
8. Critical systems and data are regularly backed up
9. Policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working
10. Policies on data access, protection, use and transmission which are in line with data protection legislation and guidance
11. An incident response plan to deal with any incidents which occur
12. The scheme manager has assured themselves of third party providers' controls (including administrators)
13. The scheme manager receives regular updates on cyber risks, incidents and controls
14. The pension board receives regular updates on cyber risks, incidents and controls
15. None of these
16. Don't know

D2. EVERYONE TO ANSWER

Have any of the following happened to your scheme, including at any outsourced administration provider, in the last 12 months?

Please select all the options that apply

1. Computers becoming infected with ransomware
2. Computers becoming infected with other viruses, spyware or malware
3. Attacks that try to take down your website or online services
4. Hacking or attempted hacking of online bank accounts
5. People impersonating your scheme in emails or online
6. Staff receiving fraudulent emails or being directed to fraudulent websites
7. Unauthorised use of computers, networks or servers by staff, even if accidental
8. Unauthorised use or hacking of computers, networks or servers by people outside your scheme
9. Any other types of cyber security breaches or attacks
10. None of these
11. Don't know

D3. ANSWER IF EXPERIENCED ANY CYBER SECURITY BREACHES IN THE LAST 12 MONTHS (D2=1-9)

Thinking of all the cyber security breaches or attacks experienced by your scheme in the last 12 months (including at any outsourced administration provider), which, if any, of the following happened as a result?

Please select all the options that apply

1. Software or systems were corrupted or damaged
2. Personal data (e.g. on members, beneficiaries or staff) was altered, destroyed or taken
3. Permanent loss of files (other than personal data)
4. Temporary loss of access to files or networks
5. Lost or stolen assets, trade secrets or intellectual property
6. Money was stolen
7. Your website or online services were taken down or made slower
8. Lost access to any third-party services you rely on
9. None of these
10. Don't know

SECTION E – DATA REVIEW

The next set of questions is about your scheme's approach to reviewing and improving its data.

E1. EVERYONE TO ANSWER

When did your scheme last complete a data review exercise?

Please select one answer only

1. Within the last 12 months
2. More than 12 months ago
3. Never completed one
4. Don't know

E2. ANSWER IF LAST COMPLETED A DATA REVIEW EXERCISE MORE THAN 12 MONTHS AGO OR NEVER COMPLETED ONE (E1=2 OR 3)

Is a data review exercise currently underway for your scheme but not yet completed?

Please select one answer only

1. Yes
2. No
3. Don't know

E3. ANSWER IF SCHEME HAS EVER COMPLETED A DATA REVIEW EXERCISE (E1=1 OR 2)

Did your scheme's most recently completed data review exercise look at any of the following?

Please select all the options that apply

1. Common data (e.g. member's name, DOB, NI number and address)
2. Scheme-specific data (previously called conditional data)
3. Member existence checks
4. None of these
5. Don't know

E4. ANSWER IF DATA REVIEW COVERED COMMON DATA (E3=1)

Did your scheme’s most recently completed data review exercise identify any issues or problems with the common data?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don’t know

E5. ANSWER IF DATA REVIEW IDENTIFIED ANY ISSUES WITH COMMON DATA (E4=1)

Has any action been taken to address the issues identified with the common data?

Please choose one answer that most closely describes the action your scheme has taken to date

- 1. An improvement plan is in development
- 2. An improvement plan is in place but rectification work is not yet complete
- 3. An improvement plan has been put in place and rectification work has been completed
- 4. Rectification work has been undertaken without an improvement plan
- 5. No improvement plan has been developed and no work has been undertaken
- 6. Don’t know

E6. ANSWER IF DATA REVIEW COVERED SCHEME-SPECIFIC DATA (E3=2)

Did your scheme’s most recently completed data review exercise identify any issues or problems with the scheme-specific data?

Please select one answer only

- 1. Yes
- 2. No
- 3. Don’t know

E7. ANSWER IF DATA REVIEW IDENTIFIED ANY ISSUES WITH SCHEME-SPECIFIC DATA (E6=1)

Has any action been taken to address the issues identified with the scheme-specific data?

Please choose one answer that most closely describes the action your scheme has taken to date

- 1. An improvement plan is in development
- 2. An improvement plan is in place but rectification work is not yet complete
- 3. An improvement plan has been put in place and rectification work has been completed
- 4. Rectification work has been undertaken without an improvement plan
- 5. No improvement plan has been developed and no work has been undertaken
- 6. Don’t know

SECTION F – ANNUAL BENEFIT STATEMENTS

The next set of questions is about members’ annual benefit statements.

F1. EVERYONE TO ANSWER

In 2018, what proportion of active members received their annual benefit statements by the statutory deadline?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

.....99.99..... %

F2. ANSWER IF DEADLINE WAS MISSED FOR ANY MEMBERS (F1=0-99%)

Was the missed deadline for issuing active member statements reported to TPR?

Please select one answer only

- 1. Yes - and Breach of Law report made
- 2. Yes - but decided not to make a Breach of Law report
- 3. **No - not reported**
- 4. Don't know

F3. ANSWER IF MISSED DEADLINE WAS NOT REPORTED TO TPR (F2=3)

What was the main reason for not reporting the breach?

Please select one answer only

- 1. Not material - few statements affected
- 2. **Not material - very short delay**
- 3. Other reason (please specify):
- 4. Don't know

F4. EVERYONE TO ANSWER

What proportion of all the annual benefit statements the scheme sent out in 2018 contained all the data required by regulations?

Please write in the percentage below. If you do not know exactly, please give an approximate percentage.

.....100..... %

SECTION G – RESOLVING ISSUES

The next set of questions is about resolving issues or complaints the scheme has received.

G1. EVERYONE TO ANSWER

Does the scheme have a working definition of what constitutes a complaint?

Please select one answer only

- 1. **Yes**
- 2. No
- 3. Don't know

G2. EVERYONE TO ANSWER

In the last 12 months, how many complaints have you received from members or beneficiaries in relation to their benefits and/or the running of the scheme? And how many of these complaints have entered the Internal Dispute Resolution (IDR) process?

Please write in the number for each of a) and b) below. The number at b) should be equal to or lower than the number at a).

- a) **Total number of complaints received** **...0.....**
- b) **Number of these complaints that have entered the Internal Dispute Resolution (IDR) process** **...0.....**

G3. ANSWER IF ANY COMPLAINTS RECEIVED IN THE LAST 12 MONTHS (G2a>0)

To what did the top three types of complaint relate?

Please select up to three options below

1. Eligibility for ill health benefit
2. Slow or ineffective communication
3. Inaccuracies or disputes around pension value or definitions
4. Delays to benefit payments
5. Disputes or queries about the amount of benefit paid
6. Delay or refusal of pension transfer
7. Inaccurate data held and/or statement issued
8. Pension overpayment and recovery
9. Other (please specify):
10. Don't know

G4. EVERYONE TO ANSWER

Does the scheme carry out a satisfaction survey(s) among its members and beneficiaries?

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION H – REPORTING BREACHES

The next set of questions is about the scheme's approach to dealing with any breaches of the law.

H1. EVERYONE TO ANSWER

Does the scheme have procedures in place to allow the scheme manager, pension board members and others to identify breaches of the law?

Please select one answer only

1. Yes
2. No
3. Don't know

H2. EVERYONE TO ANSWER

In the last 12 months, have you identified any breaches of the law that are not related to annual benefit statements?

Please select one answer only

1. Yes
2. No
3. Don't know

H3. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)

What were the root causes of the breaches identified?

Please select all the options that apply

1. Systems or process failure
2. Failure to maintain records or rectify errors
3. Management of transactions (e.g. errors or delays in payments of benefits)
4. Failure of the employer(s) to provide timely, accurate or complete data
5. Late or non-payment of contributions by the employer(s)
6. Other employer-related issues (please specify):
7. Conflicts of interest
8. Lack of knowledge and understanding
9. Something else (please specify):
10. Don't know

H4. EVERYONE TO ANSWER

Are there procedures in place to assess breaches of the law, and report these to TPR if required?

Please select one answer only

1. Yes
2. No
3. Don't know

H5. ANSWER IF ANY BREACHES OF THE LAW NOT RELATED TO ANNUAL BENEFIT STATEMENTS HAVE BEEN IDENTIFIED IN THE LAST 12 MONTHS (H2=1)

In the last 12 months, have you reported any breaches to TPR as you thought they were materially significant? Please do not include any breaches that related to annual benefit statements.

Please select one answer only

1. Yes
2. No
3. Don't know

SECTION I – GOVERNANCE AND ADMINISTRATION

The next set of questions is about your progress in addressing governance and administration issues.

I1. EVERYONE TO ANSWER

To what would you attribute any improvements made to the scheme's governance and administration in the last 12 months?

Please select all the options that apply

1. Improved understanding of underlying legislation and standards expected by TPR
2. Improved engagement by TPR
3. Improved understanding of the risks facing the scheme
4. Resources increased or redeployed to address risks
5. Administrator action (please specify):
6. Scheme manager action (please specify):
7. Pension board action (please specify):
8. Other (please specify):
9. No improvements to governance/administration in the last 12 months
10. Don't know

I2. EVERYONE TO ANSWER

What are the main three barriers to improving the governance and administration of your scheme over the next 12 months?

Please select up to three options below

1. Lack of resources or time
2. Complexity of the scheme
3. The volume of changes that are required to comply with legislation
4. Recruitment, training and retention of staff and knowledge
5. Lack of knowledge, effectiveness or leadership among key personnel
6. Poor communications between key personnel (board, scheme manager, administrator, etc.)
7. Employer compliance
8. Issues with systems (IT, payroll, administration systems, etc.)
9. Other (please specify):
10. There are no barriers
11. Don't know

SECTION J – PERCEPTIONS OF TPR

The final set of questions is about your views of TPR.

J1. EVERYONE TO ANSWER

Thinking about your overall perception of TPR, to what extent do you agree or disagree with the following words as ways to describe TPR?

Please select one answer per row

	Strongly agree	Agree	Neither agree nor disagree	Disagree	Strongly disagree	Don't know
a) Tough	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
b) Efficient	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
c) Visible	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
d) Fair	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
e) Respected	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
f) Evidence-based	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
g) Decisive	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
h) Clear	<input type="radio"/>	<input type="radio"/>	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
i) Approachable	<input checked="" type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

J2. EVERYONE TO ANSWER

Thinking now about how TPR operates, how effective do you think it is at improving standards in scheme governance and administration in public service pension schemes?

Please select one answer only

1. Very effective
2. Fairly effective
3. Neither effective nor ineffective
4. Not very effective
5. Not at all effective
6. Don't know

SECTION K – ATTRIBUTION

Thank you for completing this survey. Your responses will help TPR understand how schemes are progressing and any issues they may face, which will inform further policy and product developments. Before you submit your answers, there are just a few more questions about your survey responses.

K1. EVERYONE TO ANSWER

Which of the following best describes your role within the pension scheme?

Please select one answer only

1. Scheme manager*
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other (please specify):

**In this survey 'scheme manager' refers to the definition within the Public Service Pensions Act, e.g. the Local Authority, Fire and Rescue Authority, Police Pensions Authority, Secretary of State/Minister or Ministerial department.*

K2. EVERYONE TO ANSWER

What other parties did you consult with to complete this survey?

Please select all the options that apply

1. Scheme manager
2. Representative of the scheme manager
3. Pension board chair
4. Pension board member
5. Administrator
6. Other
7. Did not consult with any other parties

K3. EVERYONE TO ANSWER

To inform TPR's engagement going forward, they would like to build an individual profile of your scheme by linking your scheme name to your survey answers. This will only be used for internal purposes by TPR and your scheme name would not be revealed in any published report.

Are you happy for your responses to be linked to your scheme name and supplied to TPR for this purpose?

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and supplied to TPR
2. No, I would like my responses to remain anonymous

K4. EVERYONE TO ANSWER

And would you be happy for the responses you have given to be linked to your scheme name and shared with the relevant scheme advisory board? This is to help inform the advisory boards of areas for improvement and to further their engagement with pension boards.

Please select one answer only

1. Yes, I am happy for my responses to be linked to my scheme name and shared with the relevant advisory board
2. No, I would like my responses to remain anonymous

K5. EVERYONE TO ANSWER

TPR may conduct some follow up research on this topic to improve their advice and engagement with schemes such as yours. Would you be willing for us to pass on your name, contact details and relevant survey responses to them so that they, or a different research agency on their behalf, could invite you to take part?

You may not be contacted and, if you are, there is no obligation to take part. Your contact details will be stored for a maximum duration of 12 months, before being securely destroyed.

Please select one answer only

- 1. Yes, I am happy to be contacted for follow-up research
- 2. No, I would prefer not to be contacted for follow-up research

K6. EVERYONE TO ANSWER

Please record your name below. This is just for quality control purposes and will not be passed on to TPR (unless you have agreed that they can contact you for follow-up research).

Please write in below

Claire Neale.....

K7. EVERYONE TO ANSWER

Finally, please use the space below if you have any other comments or would like to clarify/ explain any of the answers you have given.

Please write in below if applicable

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