

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>	Wednesday, 15th July, 2020 10.00 am	<i>The Castle, Winchester Hampshire SO23 8UJ</i>
<i>Place</i>	Virtual Microsoft Teams Meeting	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

BROADCAST NOTIFICATION

This meeting is being held remotely and will be recorded and broadcast live via the Hampshire Fire and Rescue Service website.

Agenda

1 APOLOGIES FOR ABSENCE

To receive any apologies for absence received.

2 ELECTION OF CHAIRMAN

To elect a Chairman of the Pension Board.

3 ELECTION OF VICE-CHAIRMAN

To elect a Vice-Chairman of the Pension Board.

4 DECLARATIONS OF INTEREST

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

5 MINUTES OF PREVIOUS MEETING (Pages 5 - 8)

To confirm the minutes of the previous meeting.

6 **DEPUTATIONS**

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

7 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

8 **SCHEME ADVISORY BOARD VERBAL UPDATE**

To receive a verbal update on the Scheme Advisory Board.

9 **FIRE PENSION BOARD ANNUAL REPORT (2019/20) (Pages 9 - 20)**

To receive the Fire Pension Board Annual Report for 2019/20.

10 **HAMPSHIRE FIRE PENSIONS ADMINISTRATION REPORT 2019/20 (Pages 21 - 28)**

To receive a report providing an update on Pensions Administration for 2019/20.

11 **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT (Pages 29 - 96)**

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

12 **FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW (Pages 97 - 108)**

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

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.

Agenda Item 5

AT A MEETING of the HFRA Hampshire Firefighters' Pension Board held at the Fire and Police Headquarters, Eastleigh on Friday, 7 February 2020

Chairman:

* Stew Adamson

- * Malcolm Eastwood
- * Richard North
- * Councillor Roger Price
- * Richard Scarth
- Dan Tasker

*Present

Also present with the agreement of the Chairman:

Ros Singleton, Chairman, Isle of Wight Fire Authority Fire Fighters Pension Board

Jo Thistlewood, Technical Finance Manager, Isle of Wight Council

84. APOLOGIES FOR ABSENCE

Apologies were received from Dan Tasker.

85. 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.

86. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting were reviewed and agreed.

87. DEPUTATIONS

There were no deputations on this occasion.

88. CHAIRMAN'S ANNOUNCEMENTS

The Chairman extended his and the Board's gratitude and well wishes to Malcolm Eastwood for his contribution to the Pension Board, and wished him all the best for the future. Malcolm thanked the Board for their encouragement and support towards him, and highlighted that the Scheme Advisory Board (SAB) were currently undertaking a recruitment exercise to recruit to the position of Chairman of the SAB. Jo Thistlewood who was observing from the Isle of Wight Council also extended her thanks for Malcolm's invaluable support over the years.

89. SCHEME ADVISORY BOARD - VERBAL UPDATE

The Board were updated on various issues from Malcolm Eastwood and Cllr Roger Price, members of the HFRA Firefighters' Pension Board and the Firefighters' Pension Scheme Advisory Board (SAB). Various issues were highlighted including communications, claims and the three SAB sub-committees. It was noted that the sub-committees were currently focusing on Remedy in relation to the pension scheme.

It was highlighted that the next few years would be both interesting and challenging for the SAB in areas such as pension contributions, the different pension schemes and claims and complexities around all of these. Members were also updated on issues relating to the pensions dashboard and the latest government response to this.

RESOLVED:

That the HFRA Firefighters' Pension Board noted the update on the Scheme Advisory Board.

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

The Board were provided with an update on Legislation and the Local Government Association (LGA) (Item 7 in the Minute Book). Members were informed how the report illustrated that officers were up to date with new legislation and issues arising from the LGA.

Officers drew the Board's attention to paragraph 18 of the report which detailed some key results in relation to Fire and Rescue workforce and pension statistics from April 2018 to March 2019, and the high costs associated with some of these were highlighted.

Members were content with the report and no questions were raised.

RESOLVED:

That the HFRA Firefighters' Pension Board noted the contents of the report

91. FIRE PENSION BOARD STATUS REPORT

The Board received a report of the Chief Financial Officer, providing the Board with an update on ongoing issues (Item 8 in the Minute Book).

The report was introduced, and the Board were updated on statutory reporting as set out in paragraphs 3-6 of the report. It was highlighted that the number of pension saving statements was increasing and there were now 18 issued in 2018/19, the support given to those who had taxable excesses was discussed.

Officers drew attention to paragraph 19 of the report, and in particular Appendix E which would appear to show that the conditional data score had worsened from year end 2018 to year end 2019. It was explained that previously there had been no definition of what conditional data was, but for year end 2019 there was now greater clarity.

In relation to missing address data on deferred records, it was explained that Hampshire Pension Services were intending to use a tracing company and Members views on this were asked. It was noted that the cost for the initial report would be £1 for each search, and this cost would rise if a decision was made to undertake further work on individual searches subject to what was found from the initial report. Members discussed and were content with the process and the cost.

Members attention was also drawn to the O'Brien case, and the complex work that would need to be undertaken arising from this case. It was heard that there were now issues that were being driven nationally rather than locally, which would indicate more work in the future. It was noted that Officers hoped to have more information in relation to the O'Brien case in the forthcoming weeks. In relation to the McCloud/Sargeant case, it was explained that a lot of data collection had been undertaken and it would mean work in undertaking calculations in relation to the 1992 and 2015 fire pension schemes.

Paragraphs 54-58 of the report detailed registrations to the Pensions Member Portal. It was noted that there had been an increase in registration from 16% to 23% since the last Board meeting. Forthcoming developments by Hampshire Pension Services were being planned which included the introduction of member estimates, which may be a tool which people might want to go in and use. In relation to Annual Benefit Statements (ABS), it was noted that whilst 100% had been produced on time to meet statutory requirements, it was down to personal responsibility to register to the portal to view. Officers confirmed that communications would continue to draw attention to the importance of registering to the Portal. Officers would also look into ensuring that an individual's ABS was highlighted on their individual area on the Portal.

Officers also highlighted the pension presentations which the Employer Pension Manager had recently given, and there had been one to new recruits on the 17 January 2020 which new recruits had been interested in and engaged with.

In concluding, Officers thanked Malcolm Eastwood for his contributions to the Board over the last few years and his enthusiasm for pensions.

RESOLVED:

- a) That the HFRA Firefighters' Pension Board noted the contents of the report.
- b) That the Board approved the plan for the data improvement as set out in Paragraphs 20-25 and Appendix F of the report.
- c) That the Board approved the Risk Register as set out in Paragraph 28 and Appendix G of the report.
- d) That the Board approved the workplan for 2020/21 as set out in Paragraph 61 and Appendix K of the report.
- e) That the Board approved arranging for Clair Alcock to attend a Fire Pension Board meeting and deliver some training as set out in Paragraph 64 of the report.

Chairman,



**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date

15 July 2020 (HFRA FIREFIGHTERS' PENSION BOARD)

23 July 2020 (STANDARDS AND GOVERNANCE COMMITTEE)

Title **FIRE PENSION BOARD ANNUAL REPORT (2019/20)**

Report of Chief Finance Officer

SUMMARY

1. This is the annual report from the Fire Pension Board to the Standards and Governance Committee and summarises the work of the Board for the 2019/20 financial year in the exercise of its functions.
2. This report provides an update on the progress of key issues during the reporting period.

PENSION BOARD MEETINGS

3. The Pension Board met periodically, holding four meetings, during the 2019/20 financial year:
 - (a) 26 April 2019
 - (b) 9 July 2019
 - (c) 9 October 2019
 - (d) 7 February 2020
4. The meeting in July 2019 saw the re-election of Stew Adamson to Chairman and Richard North to Vice-Chairman. Both will hold the position until the first meeting of the Fire Pension Board following the annual meeting of the Fire Authority in 2020.
5. During the year, the board membership has seen some changes, there have been two new appointments to the Board, Dan Tasker is the new Employer representative and Richard Scarth is the new Scheme representative. Malcolm Eastwood retired from the Board with effect from 31 March 2020 and therefore the February 2020 meeting was his last.

6. The key items covered at these meetings are as follows, more detailed information about each of these items can be found later in the report.
- (a) Statutory reporting
 - (b) Internal Dispute Resolution Procedures (IDRP)
 - (c) Surveys
 - (d) Communications
 - (e) Legislation update
 - (f) Injury pension reviews
 - (g) Temporary Promotions and Additional Pension Benefits
 - (h) Risk review
7. The pension board status and other associated reports can be found in APPENDICES A – I.

STATUTORY REPORTING

8. There are a number of statutory reporting events that occur during the Scheme Year all with legislative deadlines.

ACCOUNTING FOR TAX

9. Accounting for Tax (AFT) is the way that tax charges are reported to HMRC, these occur when certain types of payments are made to members of the Fire Pension Scheme. These are reported and paid quarterly, the exception to this is Annual Allowance tax charges as they have different deadlines.

Type of payment	Number of members	Tax year or quarter relates to	Amount paid
AFT - Annual Allowance	5	2016/17	£84,234
AFT - Annual Allowance	1	2017/18	£25,873
AFT - Lifetime Allowance	1	2019/20	£75,035
Total paid to HMRC	7		£185,142

EVENT REPORTING

10. In April 2019, the details of the Event Reporting for the 2017/18 tax year were reported to the Board. These are specific events that occur, primarily upon retirement when benefits are crystallised and incur a tax charge. They are reported to HMRC by the 31 January, following the end of the tax year.
11. It was reported to the Board that in March 2019, an audit of payments made to HMRC was carried out and there were found to be some outstanding charges that had not been paid over to HMRC, although they had been budgeted for.

Type of payment	Number of members	Tax year or quarter relates to	Amount paid
Event 1 – Unauthorised payments	11	2015/16	£32,480
Event 1 – Unauthorised payments	12	2016/17	£58,445
Event 1 – Unauthorised payments	6	2017/18	£19,026
Total paid to HMRC	29		£109,951

ANNUAL BENEFIT STATEMENTS

12. The statutory deadline for issuing Annual Benefit Statements (ABS) is 31 August each year. The Board heard that the 2019 deadline was met and that 100% of ABS' for both active and deferred members across all Fire Pension Schemes were published and available to view via the Member Portal.
13. The Employer Pension Manager has been involved with providing feedback to Hampshire Pension Services with regard to improvements, wording and consistency for the 2020 statements.

PENSION SAVINGS STATEMENTS

14. The statutory deadline to provide Pension Savings Statements is 6 October each year. A Pension Savings Statement is automatically sent to a member where they have exceeded the standard Annual Allowance in the year but can be sent to any member upon request.
15. There were 18 Pension Savings Statements issued to members of the Hampshire Fire Pension Schemes for 2018/19 and of those, seven had taxable excesses.
16. It was reported to the Board that all bar one of the seven members fell under the Mandatory Scheme Pays option and therefore these members have until 31 July 2020 to elect to use Scheme Pays if they so wish.
17. For the remaining one member, they were unable to use Voluntary Scheme Pays as their tax charge was below the threshold of £1,000 therefore, they would have to pay the charge directly to HMRC themselves.

INTERNAL DISPUTE RESOLUTION PROCEDURES (IDRP)

18. The Board heard that there had been two IDRP cases from firefighters.
19. The first was raised at the end of 2018/19 and reported to the Board in April 2019. This was a Stage Two IDRP against HFRA with regard to the non pensionable status of an allowance. The stage Two complaint was not upheld.
20. The second was raised in the summer of 2019. This was a Stage One IDRP against the Pension Fund. The member had suffered a series of errors;

mistakes and delays with the calculation of both a Cash Equivalent Transfer Value (CETV) and their final pension benefits which included a temporary promotion and a split pension calculation. The Stage One complaint was upheld

21. The Board were pleased to note that processes have now been put in place to ensure that we capture those firefighters that are impacted by either temporary promotion or split pensions.

COMMUNICATIONS

22. It was reported to the Board that the Employer Pension Manager had delivered six presentations on Fire pensions during 2019/20; Three were for new recruits and three were part of the pre-retirement course.
23. The presentations include information on all four Fire Pension Schemes and cover how the schemes work, examples of how benefits are calculated, along with a brief explanation of Annual and Life-Time Allowances and HMRC maximum benefits.

MEETINGS

24. HFRA has been represented at several meetings during the year. The Employer Pension Manager regularly attends the regional Fire Pension Officer Group and the Fire Technical Group.
25. Over the year there was also attendance at several seminars, workshops and conferences put on by the Scheme Advisory Board (SAB)
 - (a) Data seminar
 - (b) Police and Fire Governance conference
 - (c) Police and Fire Ill Health and Injury Pension workshop
 - (d) Pensionable Pay workshop
 - (e) Annual Fire Pension conference
 - (f) Pensions Tax seminar

MEMBER PORTAL

26. The Board heard how Hampshire Pension Services had launched the Member Portal for firefighters on 1 April 2019.
27. The new online service means that firefighters no longer receive Annual Benefit Statements directly to their home address and instead are expected to logon to view them. Members are able to update personal details, death grant expression of wish nominations (where applicable) and use the secure messaging system to contact Hampshire Pension Services.

28. Despite a number of communications around this, registrations for the Member Portal are still very low; at the February meeting it was reported at 23% of active membership. It is hoped that as additional functionality is added to the online service during 2020/21, along with additional communications that this will increase registrations.

SURVEYS

29. There were a number of surveys that were completed during the 2019/20 year

TPR SCHEME RETURNS

30. It was reported to the Board that the Employer Pension Manager had completed the Annual Scheme Returns issued by The Pension Regulator (TPR) by the deadline of 15 November 2019. 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.
31. As at 31 March 2019, the scheme numbers reported to the TPR were as follows:

Member status	1992 Scheme	2006 Scheme	2015 Scheme	Total
Active	110	57	1,055	1,222
Deferred	81	463	358	902
Pensioner	967	111	5	1,083
Total	1,158	631	1,418	3,207

32. TPR also now ask additional questions to assess the state of common and scheme specific conditional data that is held. Common data is personal data and include items such as name, address, date of birth etc. Conditional data is scheme specific and nationally there is no agreed definitive list only that it should include all data that is necessary to process pensions.
33. The Board heard how TPR had introduced the data scoring in 2018 and Hampshire Pension Services had used an amalgamation of reports to produce proxy data scores. These reports were based on the data needed for the valuation. The Proxy scores for 2018 were as follows:

Scheme	Common Data Score	Conditional Data Score
1992 Fire Pension Scheme	97%	99%
2006 Fire Pension Scheme	95%	99%
2006 Modified Fire Pension Scheme	99%	98%
2015 Fire Pension Scheme	99%	97%

34. During 2019, Hampshire Pension Services purchased a tool called Data Analysis Reporting Tool (DART). This has enabled them to produce a more accurate score as DART is a more thorough and robust system to analyse and check the presence and validity of the data. The Data scores for 2019 were as follows:

Scheme	Common Data Score	Conditional Data Score
1992 Fire Pension Scheme	96%	90%
2006 Fire Pension Scheme	84%	75%
2006 Modified Fire Pension Scheme	98%	82%
2015 Fire Pension Scheme	97%	73%

35. The Board noted that although the 2019 Data scores were lower than the 2018 scores, the 2019 scores provided a more accurate baseline and they approved a Data Improvement Plan that has been drawn up by Hampshire Pension Services.

TPR PENSION ADMINISTRATION & GOVERNANCE SURVEY

36. It was also reported to the Board that the Employer Pension Manager had completed the annual TPR Administration and Governance survey 2019. To be able to complete this accurately, the Employer Pension Manager consulted with the Pension Board chair, vice-chair along with other Board members, Hampshire Pension Services and other representatives.
37. From the results of the 2018 survey, TPR identified six key processes that Scheme Managers should have in place with only 63% of Firefighters Pension Schemes across the UK reporting that they had all six processes in place:
- (a) Documented policy to manage board members conflicts of interest
 - (b) Access to knowledge, understanding and skills needed to properly run the scheme
 - (c) Documented procedures for assessing and managing risks
 - (d) Process to monitor records for accuracy / completeness
 - (e) Process for resolving contribution payment issues
 - (f) Procedures to identify, assess and report breaches of the law
38. The Board were pleased to note that Hampshire has all six processes in place, and this was reflected in the answers provided in the annual TPR Administration and Governance survey 2019.

AON ADMIN & BENCHMARKING REVIEW

39. In 2018 the Fire Scheme Advisory Board (SAB) for England commissioned an administration and benchmarking review with the aim of establishing how

much the scheme costs to run and how effective Fire pension administration is.

40. The report from AON was the first attempt to analyse how much the scheme costs to run; some FRAs were not able to provide all the information required. This does mean that the costs cannot be taken to be completely accurate at this stage. It is likely that this exercise will be repeated on an annual basis to build up accuracy and reliable information.
41. The Board heard that the SAB, supported by its three committees, is considering the recommendations made and will issue a report on focusing on the actions needed to progress the work.

LEGISLATION UPDATE

42. The Board noted that HFRA and Hampshire Pension Services had been involved with a consultation on Regulation amendments, which then also came into effect.

CONSULTATION

43. The Home Office launched a consultation on 18 December 2018 regarding the Supreme Court ruling in the case of Walker v Innospec as follows:
 - (a) Changes to survivor benefits in the 1992 Fire Pension Scheme and the 2006 Fire Compensation Scheme to remove the restriction on using membership from April 1988 only in the calculation of a survivors pension for surviving civil partners and same-sex marriage. Which means that pensions are now equalised for these types of survivor benefits.
 - (b) A minor unrelated correction required to ensure that one particular aspect of the 1992 Fire Pension Scheme works as originally intended
44. This consultation was issued to the Employer Pension Manager as a member of the Fire Technical Group, and then taken to the Fire employer Group for discussion. This is an important role of the Fire Employer Group in ensuring that up-coming legislative changes are communicated to the relevant parties so that the necessary action can be taken.

AMENDMENT LEGISLATION

45. The Police and Firefighters' Pension (Amendment) Regulations 2019 (SI 2019/378) were laid on 28 February 2019 and came into effect on 1 April 2019. A Technical note was issued by LGA to confirm details of the amendment order and how it relates to the Firefighters Pension Scheme.

CIVIL PARTNERSHIP REGULATIONS

46. On 5 November 2019 the Government made the Civil Partnership (Opposite-Sex-Couples) Regulations 2019 which came into effect on 2 December 2019.
47. These regulation were made in response to the Government consultation published on 10 July 2019 which proposed changing the law to allow opposite-sex couples to form civil partnerships.

SCHEME ADVISORY BOARD LEVY

48. The Scheme Advisory Board (SAB) levy for 2019/20 was £6.67 per active fire-fighter. The levy enables costs savings for Fire Authorities by reducing duplication and undertaking guidance and communications centrally.
49. The levy enables SAB to provide invaluable support to FRAs in a number of ways including
 - (a) The continuous updating of the <http://www.fpsregs.org> website, which is a very useful resource on Fire Pension Scheme legislation
 - (b) Provision of guidance, forms and templates
 - (c) The issue of monthly bulletins, containing all legislative updates and other useful information
 - (d) Training sessions, workshops and conferences throughout the year on various subjects

INJURY PENSION REVIEWS

50. HFRA have a policy to review injury pensions within a three to five year period after retirement. The Board heard that there were various delays and issues with setting up the process, including problems with securing adequate Independent Qualified Medical Practitioner (IQMP) resources.
51. The HR department wrote to the two Fire pensioners who were due a review to establish if either of them had had a significant change to their injury. It was reported to the Board that both members had confirmed that their condition had not altered and therefore the process for 2019/20 was completed and no further action was required.

TEMPORARY PROMOTIONS AND ADDITIONAL PENSION BENEFITS

52. There was an amendment to legislation on 1 July 2013 which allowed individual FRAs to decide whether the additional pay received because of a temporary promotion for 1992 and 2006 schemes was pensionable or not. Legislation means that temporary promotions within the 2015 Scheme are not pensionable.
53. HFRA took the decision to make temporary promotions within the 1992 and 2006 schemes pensionable, which meant that firefighters would now earn an Additional Pensionable Benefit (APB) whilst on Temporary Promotion.

54. Affected members were informed of this change on 5 August 2016. Members were placed in one of three cohorts according to their earliest possible retirement date.
- (a) Cohort one was for members already retired
 - (b) Cohort two was for members who could retire within three years of the date of the notification letter (5 August 2016)
 - (c) Cohort three was for members with a retirement date further ahead
55. The 42 members in cohorts one and two therefore became protected members under this local arrangement and the maximum cost envelope agreed by HFRA of the estimated costs were £256,000 for lump sums and £35,700 a year for annual pensions.
56. Up to 2018/19 there had been 14 retirements and it was reported to the Board that the differences that have been paid out so far for these members were broadly in line with the estimated figures prepared in 2016; and are all still within the maximum cost envelope.
- (a) Total of all lump sum differences paid are £175,716.76
 - (b) Annual pensions differences paid for 2018/19 are £18,019.76
57. There are a number of factors which could mean that the estimated figures might be exceeded
- (a) A different retirement date to the one used in the estimate
 - (b) Pay increases since 2016 to date of retirement
 - (c) A protected and unbroken period of temporary promotion which continues until date of retirement
 - (d) The increase in the commutation factors for the 1992 scheme that came into effect in October 2018.
58. The Board heard that should we get close to exceeding the maximum cost envelope then further approval will need to be sought for additional funding.

RISK REVIEW

59. There are a variety of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.
60. These groups are now well established, meeting regularly and include representatives across the board from pensions, HR, finance and others.
61. The Board heard about two specific risks arising from two court judgements that will inevitably have an impact on Fire Pensions. These are

- (a) The O'Brien case which is for part time workers in the Judiciary Pension Scheme
- (b) The McCloud / Sargeant transitional protections case for the Judiciary and Firefighters pension schemes

O'BRIEN v MINISTRY OF JUSTICE COURT CASE

- 62. The Court of Justice of the European Union (CJEU) handed down a judgement on 7 November 2018 in a case which concerned discrimination against part-time judges in the calculation of pensions. The issue is whether periods of service as a part time judge prior to the coming into effect of Part Time Workers Directive should be taken into account in calculating the amount of pension to be paid upon retirement.
- 63. The CJEU ruled that Mr O'Brien should be able to have his pension based on all of his service going back to the 1970's. The earliest he had been able to count his service from had been April 2000 when the Part Time Workers Directive came into force.
- 64. The judgement will have a significant financial impact on the calculation of pensions for part-time judiciary as well as other part-time workers.
- 65. As far as Fire Pensions are concerned, this judgement is likely to have an effect with regard to the 2006 Modified Fire Pension Scheme. This scheme allowed retained firefighters to backdate their entry of the pension scheme to 1 July 2000.
- 66. It was reported to the Board that we do not have any details on the parameters of those involved yet and we are expecting to see some draft legislation around the summer of 2020.

SARGEANT v LONDON FIRE AND EMERGENCY PLANNING AUTHORITY COURT CASE

- 67. This is the Transitional Appeals case which found that the transitional protections introduced with the 2015 Pension Schemes were unlawfully discriminatory on the grounds of age. There have been two cases, one for the Judiciary pension scheme brought by McCloud and one for the Firefighters pension scheme brought by Sargeant.
- 68. The Fire Pension Scheme preliminary hearing was held on 18 December and the Employment Tribunal issued an interim order. However, in order to comply with the order, FRAs need further direction from Government on the practical steps to enable implementation.
- 69. Pending the official guidance from the Home Office, the Board heard that HFRA have started to collate some information so that some immediate

events, primarily, but not exclusively around ill health retirements can be dealt with as soon as the guidance is received.

70. Technical discussions have been taking place between the Government, the Scheme Advisory Board and other key stakeholders. These discussions are currently confidential. A consultation was expected to be issued in the Spring of 2020, this has been delayed due to the impact of Covid-19, but it is anticipated that it will be available before the July 2020 remedy hearing for Firefighters Pension Schemes; we hope the consultation will have details about how remedy will work and be implemented for affected members.
71. This item is firmly on the agenda for all the Employer Pension Group meetings. As these meetings already have a wide spread of representatives, we plan to use these groups to co-ordinate the work required and to ensure that adequate resources are put in place. If necessary, the frequency of the meetings will be increased.

OTHER ITEMS

72. At the July meeting, the Board received a report of the Pension Administrator. They were pleased to note that Hampshire Pension Services had performed very well during the year. The Board heard that they had once again been awarded Customer Service Excellence accreditation with compliance plus in seven areas.

FUTURE ISSUES

73. The Fire Pension Board annual report has identified considerable development across a variety of areas. The focus for the 2020/21 year includes:
 - (a) Improvements to functionality of Member Portal
 - (b) Work towards the Combined Fire Authority
 - (c) Remedy and impact from McCloud / Sargeant judgement
 - (d) Potential impact from the O'Brien judgement

CONCLUSION

74. As set out in this report, there has been continued progress across all areas of fire pensions during 2019/20; in particular around governance and control, together with significant improvements in the quality and range of pension information that is available to firefighters.
75. For 2020/21, the year will be about sustaining the continuous improvement and building on the foundations that have been put in place. It will also be a challenging year with a number of upcoming changes to the pension schemes.
76. Although the list of future issues only contains four items, the volume of work for each of these should not be underestimated. Each area will have its own

complexities and challenges and having the right amount of resources in place will be key.

77. Hampshire Fire Pensions are in a good place as there is already a vital structure in place with the Employer Pension Manager and the Employer Pension Groups which are an excellent multi-departmental resource across the Shared Services partnership and they will be crucial in co-ordinating the work involved.

RECOMMENDATION

78. That the contents of this report are received and noted by the Standards and Governance Committee
79. That the Standards and Governance Committee provides any feedback to the Fire Pension Board on previous work or on future areas of priority.

APPENDICES ATTACHED

80. APPENDIX A – Fire Pension Board report (26 April 2019), [report](#), [appendices](#)
81. APPENDIX B - Legislation and Local Government Association (LGA) Update report (26 April 2019), [report](#), [appendices](#)
82. APPENDIX C – Fire Pension Board report (9 July 2019), [report](#),
83. APPENDIX D - Legislation and Local Government Association (LGA) Update report (9 July 2019), [report](#), [appendices](#)
84. APPENDIX E - Pension Administration update report (9 July 2019), [report](#)
85. APPENDIX F – Fire Pension Board report (9 October 2019), [report](#), [appendix](#)
86. APPENDIX G - Legislation and Local Government Association (LGA) Update (9 October 2019), [report](#), [appendices 1](#), [appendices 2](#)
87. APPENDIX H – Fire Pension Board report and Risk Review (7 February 2020), [report](#), [appendices](#)
88. APPENDIX I - Legislation and Local Government Association (LGA) Update (7 February 2020), [report](#), [appendices](#)

Contact:

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HAMPSHIRE FIRE PENSIONS ADMINISTRATION REPORT



REPORT TO:	Hampshire Fire Pension Board
DATE PREPARED:	16 June 2020
TITLE:	Pensions Administration Update

Contact Name: Hayley Read Contact Number/Email: 01962 847597 / hayley.read2@hants.gov.uk

1. Summary

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

2. Background

- 2.1. Pensions Services administer the Fire pension schemes on behalf of the Chief Fire Officer, under the Joint Working agreement between Hampshire County Council, Hampshire Fire & Rescue Authority, the Police & Crime Commissioner for Hampshire and the Chief Constable of Hampshire Constabulary.
- 2.2. Responsibility for the fire schemes sits with HFRA as the scheme manager. Pensions Services therefore administer the schemes in accordance with the statutory regulations and any instructions from the HFRA on discretionary matters. HFRA are part of the shared services arrangements so all salary and service information required for pension calculations is provided to Pensions Services by the IBC.
- 2.3. Pension Services also administer the Local Government Pension Scheme for the Hampshire Pension Fund, West Sussex Pension Fund and the Hampshire Police pension schemes.

3. Covid-19

- 3.1. In accordance with government advice, all Hampshire Pension Services staff are currently working from home, including the Pensions Customer Support Team (PCST).
- 3.2. The service is still operating well and as close to business as usual as possible; with the exception of PCST who do not have full access to the office phone system. An initial interim solution which was in place at the start of lockdown diverted incoming calls to five

team members who were issued with mobile phones. The greeting message in place encourages Members to email any queries and leave the phone lines clear for those without internet access, and to date this has not caused any issues (calls are down from an average of 150 – 200 a day pre lock down to 45 – 65 a day).

- 3.3. A second interim solution via MS Teams is now in place which allows callers to queue if necessary, and for the team to be able to transfer calls or place them on hold. This is working well and is a step towards replicating the office phone system. However new call centre technology was in any case due to be rolled out to PCST by the end of August and this will allow the full service to operate via MS Teams regardless of location.
- 3.4. We saw a decrease in incoming work, in some areas – mainly transfers, early leavers and estimates – at the end of March and throughout most of April, but casework is now back at the normal levels.
- 3.5. It is not anticipated that there will be any impact on the production of annual benefit statements by the end of August 2020, or the production of Pension Savings Statements by the deadline of 6 October 2020.

4. Membership

- 4.1. The table below details the number of members against status for each of the Firefighters' pension schemes as at 31 March 2020.

	Active	Deferred	Pensioner	Total
2015 Scheme	1,090	447	10	1,547
2006 Modified Scheme	18	40	75	133
2006 Scheme	17	418	49	484
1992 Scheme	77	81	978	1,136
GRAND TOTAL	1,202	986	1,112	3,300

5. Administration Performance

- 5.1. Pensions Services' performance against agreed service level agreements (SLA) for key processes are monitored monthly. The SLA is 15 working days for all processes apart from the calculation of deferred benefits which is 30 working days.
- 5.2. The tables below show performance for the four quarters of 2019/20.

Quarter 1

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	4	4	3	0	0	11	100.00%
Deferred Retirement	0	0	1	0	0	1	100.00%
Estimates	2	7	14	0	0	23	100.00%
Deferred Benefits	2	8	13	6	1	30	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	3	3	0	0	0	6	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	4	0	2	0	0	6	100.00%
GRAND TOTAL	15	22	33	6	1	77	100.00%

Quarter 2

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	2	3	0	0	0	5	100.00%
Deferred Retirement	0	0	0	0	0	0	100.00%
Estimates	5	3	3	0	0	11	100.00%
Deferred Benefits	10	5	2	0	0	17	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	0	1	1	0	0	2	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	7	1	0	0	0	8	100.00%
GRAND TOTAL	24	13	6	0	0	43	100.00%

Quarter 3

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	6	4	1	0	0	11	100.00%
Deferred Retirement	1	1	0	0	0	2	100.00%
Estimates	0	10	17	0	0	27	100.00%

Deferred Benefits	3	12	9	3	0	27	100.00%
Transfers In & Out	1	0	0	0	0	1	100.00%
Divorce	0	0	1	0	0	1	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	2	1	0	0	0	3	100.00%
GRAND TOTAL	13	28	28	3	0	72	100.00%

Quarter 4

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	5	6	1	0	0	12	100.00%
Deferred Retirement	0	0	1	0	0	1	100.00%
Estimates	2	19	14	0	0	35	100.00%
Deferred Benefits	7	10	6	3	2	28	100.00%
Transfers In & Out	1	0	0	0	0	1	100.00%
Divorce	0	1	2	0	0	3	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	6	0	0	0	0	6	100.00%
GRAND TOTAL	21	36	24	3	2	86	100.00%

- 5.3. In addition to the casework, the annual pension increase for 2020 was applied to all Fire deferred and pensioner records, and the first increased payment was made on time, with April's pension instalment.
- 5.4. We are in the process of producing deferred benefit statements, and once the 2020 annual return has been finalised, will begin work on the active benefit statements – all statements will be published online by the 31st August 2020, and only those who have specifically opted out of the online service will receive a paper copy to their home address.
- 5.5. Once the active benefit statements have been produced, we will review the Annual Allowance position for all active members and write to those who have exceeded the 2019/20 annual allowance by 6th October 2020.

6. Member Portal

6.1. The table below shows the number of Firefighters' who have registered for their online Member Portal account.

Status	Registrations to date	% of total membership
Active	342	28.45
Deferred	98	9.94
Pensioner	92	8.27
TOTAL	532	16.12

6.2. From April 2020, new starters will receive an email welcoming them to the pension scheme and asking for them to register on the Portal to access their starter information. By the end of June 2020, the retirement declaration form will be able to be completed via the Portal, including the ability to upload certificates.

7. 2019 Annual Benefit Statements

7.1. Every active and deferred member of the Firefighters' Pension Scheme received a benefit statement for 2019 by the statutory deadline of 31st August 2019.

7.2. As part of the exercise to produce benefit statements, we also identified 18 Firefighters who had exceeded their Annual Allowance for 2018/19 and wrote to these members by the statutory deadline of 6th October 2019.

8. McCloud remedy

8.1. There has not been any significant update regarding the McCloud remedy since the last report to the Board.

8.2. The Ministerial statement in March confirmed members of public service pension schemes with relevant service will not need to make a claim in order for the eventual changes to apply to them. The Home Office has also confirmed that pension tax can be recalculated over the remedy period. The next step will be for the proper consultation to come out, and an update is expected towards the end of June.

8.3. The agreed Home Office statement has been included in the annual benefit statements for deferred members which are currently being produced.

9. Combined Fire Authority

- 9.1. We have been involved in discussions with Matthew Collier on the Isle of Wight, and Annie Pratt with regards to the implementation of the Combined Fire Authority with effect from 1 April 2021.
- 9.2. A high level timetable has been agreed in respect of the pension data transfer and this accounts for the need to have all member records available in UPM from 1 April 2021, and the first pensioner payroll run in mid-April.
- 9.3. Civica are aware and have planned resource to support with the data transfer; we are currently waiting for confirmation from Heywood via Matthew Collier that they can provide the same support in extracting the data from Altair.
- 9.4. We will ensure that Annie is kept updated with progress and any concerns we have, but we do not envisage any issues considering the small number of records being transferred to us.

10. Pensions Regulator – Data Quality

- 10.1. The Pensions Regulator requires all schemes to report annually a data quality score, based on the presence and validity of two data sets; common and scheme specific (previously referred to as conditional).
- 10.2. In November 2019 we reported our data scores to the Pensions Regulator, for the Firefighters Pension Scheme, as follows;

Common Data

	Score
1992 Fire Pension Scheme	96%
2006 Fire Pension Scheme	84%
2006 Modified Fire Pension Scheme	98%
2015 Fire Pension Scheme	97%

Scheme Specific Data

	Score
1992 Fire Pension Scheme	90%
2006 Fire Pension Scheme	75%
2006 Modified Fire Pension Scheme	82%
2015 Fire Pension Scheme	73%

- 10.3. Hampshire Pension Services implemented a new data analysis and reporting tool (DART) in conjunction with our LGPS colleagues at South Yorkshire, which runs over 150 validations against every member record and highlights where data does not exist or is inaccurate.
- 10.4. DART was used for the first time last year to analyse the Firefighters' pension scheme records against the common and scheme specific data requirements, and due to this being a more thorough analysis we saw a slight decrease in some of the scores above in comparison to November 2018.
- 10.5. The data improvement work will now be driven by the results that DART produces, and therefore we have a consistent and reliable approach – this piece of work is ongoing and updated scores will be provided to The Pensions Regulator in November 2020.

11. Audit

- 11.1. The Southern Internal Audit Partnership (SIAP) provides the internal audit function for both Hampshire and West Sussex. Three of the four internal audits relating to pensions administration for 2019/20 have been completed – pension payroll and benefit calculations; deaths; and accounting for pension receipts.
- 11.2. These areas have all received a substantial rating meaning that a sound framework of internal control is in place and operating effectively, with no risks to the achievement of system objectives identified. The last audit is due to be finalised shortly, with the annual audit opinion expected by the end of June.
- 11.3. The pensions administration audits being completed next year are pension payroll and benefit calculations and refunds.

12. Customer Service Excellence

- 12.1. In April 2020 Pension Services underwent an interim assessment for the Customer Service Excellence (CSE) accreditation, and the feedback report confirmed that the required CSE standards across the 57 assessed areas were still being met.
- 12.2. A 'compliance plus' score was given against 9 areas, demonstrating continuous improvement beyond the required standard. This was an improvement on the assessment in 2019, when we were awarded 7 compliance plus scores.

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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **15 July 2020**

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 six bulletins issued since the last Fire Pension Board report. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 28 to 33 can be found in APPENDICES A to F. There is a lot of information contained within these bulletins; the key items are set out below.

SARGEANT CASE – IMMEDIATE EVENTS (BULLETIN 28)

4. LGA requested data about members with immediate events as these cases are a priority to resolve for remedy.
5. They have also suggested that for Ill Health Retirements from the 2015 scheme that these are reviewed. This is because the medical assessment will have been based on the 2015 Fire Pension Scheme rules, and remedy may require them to be put back into their previous final salary scheme which means that their Ill Health Retirement will need to be assessed under the 1992 or 2006 Fire Pension Scheme rules.
6. Data for the numbers of immediate events for Hampshire FRA was submitted, and the table of information is below:

Type	Claimants	Non-Claimants
Ill-Health		
No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	0	0
Tier 1 in payment only (refused higher tier in 2015 scheme)	0	2
Tier 2 in payment under 2015 scheme	0	0
Immediate retirements		
Meet 50+ >25 yr service between 01/01/2020 and 31/12/2020	0	106
Taper		
Due to taper between 01/01/2020 and 31/12/2020	0	23
TOTAL	0	131

MEDICAL APPEALS (BULLETIN 29)

7. The Home Office appointed Duradiamond Healthcare (DHC) as the new Board of Medical Referees (BMR) contractor from 1 October 2019. This Board would be used to consider any medical appeals.
8. Each FRA is required to sign the call-off contract and complete a new account form with DHC so that they can be set up as a client for invoicing purposes; HR are in the process of doing this.
9. The cost of any medical appeal going to the BMR is charged directly to the FRA, but if the appeal is found to be in favour of the FRA then some or all of the cost of the appeal hearing can be passed to the member, the member is informed of this (and the cost) at the outset. The schedule of charges is set out below.

TABLE A – Service charges	Cost Per Appeal
Service provided	
A1 - Standard Appeal heard by 3 Board Member (total cost of Appeal)	£ 6,315.54 +VAT
A2 - Additional cost (per appeal) per member if additional consultant physician(s) required (as per – Statement of Requirements)	£ 800.00 +VAT

REFUNDS OF NICs TO 2006 MODIFIED SCHEME MEMBERS (BULLETIN 29)

10. When a member was part of a Contracted-Out pension scheme, they paid a lower rate of National Insurance contributions, this was the case until 5 April 2016, when Contracting Out was ceased.

11. The 2006 Fire Pension Scheme was Contracted Out from 6 April 2006. The 2006 Modified Fire Pension Scheme backdated this to 1 July 2000. Part of the work involved in the Modified Fire Pension Scheme was to notify HMRC about all the members.
12. To enable HMRC to pay refunds of National Insurance contributions to those members, HMRC needed a revised Contracted Out certificate completed to show the new start date of the scheme as 1 July 2000. This was completed and sent to HMRC in February 2020.

ANNUAL ALLOWANCE (BULLETIN 30)

13. In the spring budget on 11 March 2020, the Chancellor announced changes to the threshold income and adjusted income limits that are used to work out a tapered Annual Allowance.
14. From 6 April 2020, the adjusted income limit will rise to £240,000 (increased from £150,000) and the threshold income limit will rise to £200,000 (increased from £110,000). The Chancellor also reduced the minimum tapered Annual Allowance from £10,000 to £4,000.
15. The threshold income is broadly your total taxable income from all sources after any pension contributions. These changes mean that you won't be subject to the tapered annual allowance if your threshold income for that year is £200,000 or less, no matter what your adjusted income is.

INTERNAL DISPUTE RESOLUTION PROCEDURE (BULLETIN 30)

16. The SAB have agreed that data on Internal Dispute Resolution Procedure (IDRP) should be collected on an annual basis, to collect numbers and any emerging themes.
17. We reported to LGA that for the year 2019/20 HFRA received one Stage One IDRP. The reason for the IDRP was maladministration and the IDRP was upheld. This case was reported to the Fire Pension Board at the meeting held on 7 February 2020.
18. The LGA have issued some updated guidance for IDRPs which is in line with our established IDRP processes.

2015 SCHEME ADDED PENSION FACTSHEET (BULLETIN 32)

19. The Fire Communications Working Group (FCWG) have produced a factsheet for the purchase of additional pension within the 2015 scheme. This can be found on the www.fpsregs.org website and in APPENDIX G.

RECOMMENDATION

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

APPENDICES ATTACHED

21. APPENDIX A - [FPS Bulletin 28 January 2020](#)
22. APPENDIX B - [FPS Bulletin 29 February 2020](#)
23. APPENDIX C – [FPS Bulletin 30 March 2020](#)
24. APPENDIX D – [FPS Bulletin 31 April 2020 \(interim\)](#)
25. APPENDIX E – [FPS Bulletin 32 April 2020](#)
26. APPENDIX F – [FPS Bulletin 33 May 2020](#)
27. APPENDIX G - [2015 FPS Added Pension factsheet](#)

Contact:

Claire Neale, Employer Pension Manager, claire.neale@hants.gov.uk,
0370 779 2790



FPS Bulletin 28 – January 2020

Welcome to issue 28 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year!

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

If you have any comments on 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](#).

Fire Communications Working Group	4 February 2020
North East regional FPOG	12 February 2020
Midlands regional FPOG	18 February 2020
Eastern regional FPOG	25 February 2020
South East regional FPOG	28 February 2020
SAB LPB effectiveness committee	5 March 2020
LGA annual Fire conference and exhibition	10-11 March 2020
SAB	17 March 2020 – amended
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

[Update on transitional protections remedy \(Sargeant\)](#)

We understand that firefighters, administrators, and employers are eager to receive guidance from Government to enable them to implement remedy. We are working with the Home Office, however, implementation is very complex given that some members will be better off in the new schemes and there are a number of issues that need central government direction which are being considered by HMT with the input of Home Office and other Government Departments.

In the meantime the position remains that all entitlements including immediate ones should proceed under the 2015 scheme rules for the time being. This includes those who are due to taper into the 2015 scheme should continue to taper, and those due to retire normally at a later date should continue in the 2015 scheme.

While we understand that the position is frustrating for members and employers alike all members with relevant service will not lose out. In the meantime, it is important that FRAs are acting consistently, so that when remedy is agreed all members are being remedied from the same original position.

This position may be subject to change and this will be communicated immediately to all administrators via email, so please ensure that the LGA team have an updated lead contact for each administrator.

An update on the legal case was given in [FPS Bulletin 27 - December 2019](#), along with suggested text to provide to members and actions that FRAs can take in the meantime. However, there appears to be some confusion over the treatment of claimants and non-claimants. To clarify, claimants are those firefighters who are part of the legal case [Sargeant] and represented by FBU. Non-claimants are all other Firefighter scheme members who are in the same legal and factual position as claimants.

Government have confirmed their intent to extend the same treatment to all members, whether claimants or not who are in the same legal and factual position as the claimants. It is important to note that no member with relevant service will lose out. Therefore, while we recommend that FRAs and administrators note who is a claimant and who isn't, it shouldn't prevent any action in the meantime.

Fire Authority Immediate Action

1. Members with an immediate event have been recognised as a priority and in order to determine the numbers of members in the Firefighters Pension Scheme immediately affected the board request that you complete the attached information sheet ([Appendix 1](#)) as soon as possible and in any event before 29 February 2020.

Immediate retirements 1 January 2020			
Fire and Rescue Authority (Select from the drop down list)	Type (Add any others to the list)	Claimants	Non-Claimants
FRA drop down			
	Ill-Health		
	No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	1	1
	Tier 1 in payment only (refused higher tier in 2015 scheme)	2	5
	Tier 2 in payment under 2015 scheme	2	1
	Immediate retirements (meet 50+ >25 yrs service between 1 January 2020 and 31 December 2020)	2	6
	Due to taper between 01 January 2020 and 31 December 2020	2	10
Total		9	23

2. To avoid unnecessary delay on processing ill-health retirements once central guidance is provided by Government, FRAs should take immediate action as below; to clarify this pre-work should be undertaken by authorities now while awaiting central guidance, however, members should be aware that further information may be needed at a later date in order to process benefits or make decisions.

Current or New Ill-Health cases

- IQMP assessment
 - Members with transitional 1992 benefits. Ask the IQMP to assess the applicant under both the 1992 and 2015 scheme terms.¹
 - Transitional Special Members of the 2006 scheme. Ask the IQMP to assess the applicant under the terms of the 2006 scheme noting that the normal retirement age of a special member is 55²
 - The terms of the IQMP assessment are the same for standard 2006 members and transitional members of the 2015 scheme, therefore assessment under the 2015 terms should be sufficient.

- Estimation of benefits
 - Some members will be better off in the new schemes, for the Firefighters scheme this could be transitional 1992 members who qualify for higher tier ill-health under the 2015 scheme or transitional 2006 scheme members. FRAs should request estimates from their administrators to provide an estimate of benefits to the member under both the terms of their previous final salary scheme or current 2015 scheme terms as a transitional member.

- Annual allowance
 - For some members the impact of treating them as if they had never left their previous final salary scheme might mean that they would have breached the annual allowance limits. Perform a notional annual allowance test on the scheme benefits based on treating them as if they had never left their previous final salary scheme to see if a breach would have occurred.

Retrospective Ill-Health applications

This is where the payment is either already in payment or the member has already been assessed by an IQMP for ill-Health.

The authority should look at all previous ill-health cases from 2015, in order to determine how many members they have in the following categories and take the appropriate action:

1. Assessed for IQMP under 2015 scheme terms and did not meet tier 1, therefore no ill-health pension is in payment.

Action:

- IQMP assessment
 - 1992 transitional member - Request an IQMP assessment under the 1992 terms, if the employer had not already asked the IQMP to assess under both schemes.
 - Special 2006 transitional members – request an IQMP assessment to test tier 1 on the basis of using a normal pension age of 55.

¹ Ill-Health certificates are available here - <http://www.fpsregs.org/index.php/member-area/ill-health-and-injury> .

² Rule 3, Paragraph 3 of FPS 2006 - <http://www.legislation.gov.uk/ukxi/2014/445/schedule/paragraph/2/made>

- Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme.
2. Assessed for IQMP under 2015 terms and met tier 1 requirements but not tier 2, therefore lower tier currently in payment only

Action:

- IQMP assessment
 - 1992 transitional members - Request an IQMP higher tier assessment on ability to perform regular employment under the 1992 terms if the employer had not already asked the IQMP to assess under both schemes
 - Special 2006 transitional member – request an IQMP higher tier assessment on the ability to perform regular employment to a normal pension age of 55.
 - Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme
3. Assessed for IQMP under 2015 terms and awarded higher tier

Action:

- A further IQMP assessment will not be necessary.
- Provide a calculation of the benefits that might be provided under the previous final salary scheme for comparison purposes.
- Perform a notional annual allowance test on the scheme benefits based on treating as if they had never left their previous final salary scheme

Scheme Advisory Board Technical Discussions

In order to remedy age discriminatory treatment across public sector schemes by removing the discriminatory treatment while protecting members who may have been better off in the revised 2015 scheme HMT will be formally launching a consultation later in the year.

Ahead of that formal consultation, Government are informally engaging with public sector pension advisory boards via a series of technical discussions. To respond to this, the Firefighters Pensions (England) Scheme Advisory Board have formed a working group of stakeholders to advise the Home Office, this includes administrators, software providers, NFCC representatives and senior Fire and Rescue officers, issues such as costs and practicality will be considered and these discussions will inform the SAB's response to the HMT consultation expected in spring.

Details of this consultation are currently confidential, however as soon as we are able we will provide an update.

The Civil Partnership (Opposite-sex Couples) Regulations 2019

We reported in [FPS Bulletin 26 – November 2019](#) on the introduction of the Civil Partnership (Opposite-sex Couples) Regulations 2019 [[SI 2019/1458](#)]

As the new legislation simply amends the definition of a civil partnership so that it is not limited to same-sex couples, the FPS regulations can be directly read to interpret that any reference to civil partnerships includes both same-sex and opposite-sex couples. No subsequent amendment of the FPS rules will be required.

Website resources updated

Following the release of the updated Club memorandum and factors, our bite-size training guide to Transfers has been updated <http://fpsregs.org/images/admin/Transfers-Jan-2020.pdf>.

A new page has been added to the member-restricted area of www.fpsregs.org. The [pensionable pay page](#) collates all of our existing resources into one place, including guidance and training materials, along with relevant Pensions Ombudsman determinations.

If you require a log-in for the site, please contact bluelight.pensions@local.gov.uk.

Assistance required – national member website

One of our long-term objectives is the launch of a national website to provide information and guidance for members on the benefits of the FPS. We are working in collaboration with an external organisation to deliver this project, but we need your help!

Specifically, we are looking for images of firefighters which can be used on the homepage. Ideally these will be the property of the FRA in question, royalty-free and not subject to copyright. The image specifications are as follows:

- File format: Jpeg
- Resolution: Minimum of 150 PPI (pixels per inch)
- Essential copyright is owned by the contributor

In terms of timescales for launching the site, much will depend on the determination of remedy and our ability to meet the new accessibility requirements for public body websites. The structure and planned content is largely in place, so please watch this space.

Images can be sent to claire.hey@local.gov.uk. With thanks in anticipation.

Recent TPO determinations

The following determinations have been made recently by the Pensions Ombudsman (TPO) in relation to the FPS. A full history of relevant determinations can be found via our legal landscape webpage <http://fpsregs.org/index.php/legal-landscape/the-pensions-ombudsman>.

[PO – 19150](#) September 2019

In this ill-health case, which was not upheld, the member complained that although he was retired on the grounds of ill-health, his pension from the FPS 1992 was paid as an ordinary pension (Regulation B1) rather than an ill-health pension (Regulation B3). The member claims that he therefore did not receive the level of enhanced pension that he was entitled to and this has also impacted the benefits payable under Regulation B4 (injury award).

In the member's opinion, the Authority's interpretation of the B3 ill-health calculation was partially flawed.

TPO concluded that the Authority had applied the provisions of the scheme correctly, and that while the amounts of the B1 and B3 pensions were equivalent, the pension entitlement was calculated correctly under the ill-health rule.

[PO – 21552](#) November 2019

This case relates to the calculation of final pensionable pay. The member was in receipt of an additional pensionable allowance, which was removed (as specified in the terms of his contract) following 13 weeks of sickness absence. The member later commenced modified duties, which did not attract the allowance.

On retirement two years later, a previous period of pay including the allowance was used to calculate pension benefits. The member complained that as an earlier year was used, he did not benefit from pay increases received in his final two years of service. He asserted that he should have been treated as receiving notional pay inclusive of the allowance, up to his date of leaving.

The Ombudsman determined that the Authority had applied the regulations correctly, and the complaint was not upheld.

January 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 December.

FPS (England) SAB Updates

Vacancy for Chair of the FPS (England) SAB

Recruitment is now underway for the next Chair of the Firefighters' Pensions (England) Scheme Advisory Board. The vacancy is advertised on the following link, with a closing date of 16 February 2020:

<https://publicappointments.cabinetoffice.gov.uk/appointment/chair-of-the-firefighters-pension-scheme-advisory-board/>

If you have any queries about this role, please contact Philip Perry on 0207 035 3447 or email philip.perry@homeoffice.gov.uk.

IDRP data collection

For some time, the SAB have considered the issue of Internal Dispute Resolution Procedures (IDRP) and how FRAs can be best supported in the management and resolution of complaints. At their meeting on 9 January 2020³, the Board agreed that data on IDRPs should be collected on an annual basis, in line with the scheme year, to collect numbers of cases and any emerging themes.

One of the key risks identified by the Pensions Regulator (TPR) in their recent report into governance and administration risks in public service pension schemes⁴ was that procedures for recording and learning from complaints and disputes, including trend analysis, do not exist for every scheme. The Regulator is therefore broadly supportive that this data could be collected at SAB level, to identify where further advice and support may be needed.

We have created a spreadsheet to gather the relevant data and this will be issued in the March edition of the bulletin.

Additionally, revised guidance on IDRPs has been drafted and will be circulated to the Board for agreement at their meeting in March, prior to publication.

ABS 2019 survey – now closed

Many thanks to colleagues who were able to submit a response to this year's survey of the ABS process, developed in collaboration with the SAB Local Pension Board effectiveness committee.

The survey is now closed and the data will be analysed to present a draft report to the Committee at their next meeting on 5 March 2020.

Individual FRA submissions have been exported and can be provided on request.

Other News and Updates

Progress of the Pension Schemes Bill

The Bill has been introduced in the House of Lords and the date of the second reading is 28 January 2020. The Parliament website includes the latest versions of [documents related to the Pension Schemes Bill](#), including draft legislation and Explanatory Notes.

HMRC

HMRC newsletters/bulletins

HMRC has published pension schemes newsletter 116 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 116 – 28 January 2020](#): Pension flexibility statistics | Pension Schemes Online service | Managing Pension Schemes service | Relief at Source - notification of residency status report for 2020 to 2021 | Trust Registration Service |

³ <http://www.fpsboard.org/images/PDF/Meetings/09012020/SAB-draft-minutes-090120.pdf> [Item 11.8]

⁴ <https://www.thepensionsregulator.gov.uk/en/document-library/research-and-analysis/governance-and-administration-risks-in-public-service-pension-schemes-an-engagement-report>

Also published this month:

[Managing Pension Schemes service newsletter](#) – 14 January 2020

Contracting-out reconciliation update

The following bulletins containing important guidance and information about the end of contracting out and the scheme reconciliation process have been published by HMRC in January:

[Countdown bulletin 50 – December 2019](#) with an update on the revised proposed solution for automatically allocating payments.

[Countdown bulletin 51 – January 2020](#) with the proposed solution for allocating payments, including the [part payment breakdown template](#).

If a scheme has made a part payment, HMRC cannot currently identify which members that payment was made for. These bulletins introduce a process that will allow schemes to tell HMRC which members any part payment is in respect of.

Any authorities that have made a part payment, make a part payment in the future, or change a full payment into a part payment must complete the spreadsheet to tell HMRC the individual members that the payment is being made for.

If you have fully paid, and do not intend to change this to a partial payment, then you should still contact HMRC to confirm this position. An early response will enable HMRC to move on to the next stage of allocating the payment you have made to individual members.

The deadline for responses is **13 March 2020**.

Event report and voluntary scheme pays deadline

The deadline for submitting an Event report for reportable events in that occurred in the year ending 5 April 2019 is 31 January 2020. Events that you will commonly need to report are:

- You have made an unauthorised payment
- A member's benefits were tested against the lifetime allowance, their benefits were more than the lifetime allowance and they relied on protection to reduce or eliminate the tax charge. The Event report has not been updated to include Fixed Protection 2016, Individual Protection 2016 or Individual Protection 2014 (if applied for online). You will need to report any cases involving these types of protection by secure email
- You have automatically issued a 'standard' pension savings statement. Note that you may choose to submit this information using a secure email, rather than using the online service.

There are 23 reportable events. [HMRC guidance on sending pension scheme reports](#) provides more information on all events that you must report.

An FRA may have decided to pay a member's annual allowance tax charge on a voluntary basis (voluntary scheme pays) if the conditions for mandatory scheme pays were not met. If you have done so, the deadline for paying that tax for a charge that arose in the year ending 5 April 2019 is 31 January 2020. The member may have to pay interest and late payment charges if this deadline is missed. You can find more information about scheme pays in [FPS Bulletin 4 – January 2018](#).

Training and Events

2020 events

We have put together a topical and varied programme of national events for 2020, based on feedback from the training survey⁵. Details of the dates will be advertised in the [calendar](#) section of the bulletin once finalised.

We will continue to offer bespoke in-house training throughout the year. Each board is entitled to a free annual training session under the statutory levy, however, as the results of our survey indicated a strong preference for regional sessions which allow the opportunity to network and learn from peers, we would encourage FRAs and their boards to consider facilitation of joint sessions with other authorities where possible.

For more information or to book a session, please contact us as at bluelight.pensions@local.gov.uk.

Legislation

SI	Reference title
2020/6	The State Pension Revaluation for Transitional Pensions Order 2020
2020/7	The State Pension Debits and Credits (Revaluation) Order 2020

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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⁵ <http://www.fpsboard.org/images/PDF/Surveys/Training2019.pdf>

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Whilst every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing bluelight.pensions@local.gov.uk.



FPS Bulletin 29 – February 2020

Welcome to issue 29 of the Firefighters' Pensions Schemes bulletin.

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

You may notice a change to our appearance this issue. This is to make our bulletin more accessible. If you have any comments on the accessibility of this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk

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Calendar of events

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

Event	Date
SAB LPB effectiveness committee	5 March 2020
LGA annual Fire conference and exhibition	10-11 March 2020
SAB	17 March 2020
South West regional FPOG	26 March 2020
SAB Administration & Benchmarking committee	6 May 2020
North East regional FPOG	20 May 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

Table 1: Calendar of events

FPS

Update on transitional protections remedy (Sargeant)

The remedy update in [FPS Bulletin 28 – January 2020](#) included a request for information from the Scheme Advisory Board (SAB). We have received a limited number of responses and so we have extended the deadline.

Claims for refunds of NICs - FPS 2006 special members

As per [FPS Bulletin 24 - September 2019](#) HMRC have now written to all FRAs with regards to backdating their FPS 2006 scheme contracting out certificate to 6 April 2000. This is to allow HMRC to process the refund of National Insurance Contributions and to correct the contracted out status. In a few cases HMRC have informed FRAs that they do not currently have a valid contracting out certificate for the FPS 2006 and this will first need to be applied for and then backdated.

The relevant form to complete has been sent to each FRA by HMRC and is form APSS155b. The backdating should be from 6 April 2000. HMRC goes on to confirm that 'a notice of intention or explanation must be given to all employees and recognised trade unions and the notice period of up to 3 months must have expired'. On the assumption that some form of consultation took place with employees following the ruling about backdating membership HMRC will accept that as having given the necessary notice of intention or explanation.

We can confirm that DCLG (now Home Office) consulted on changes to the scheme under the [retained firefighters pension settlement consultation](#), so there is no need to issue anything further.

In order to reduce the burden on FRAs with regards to providing information for these refunds to be made, we did agree with HMRC that only name, date of birth, NI number and period bought back needed to be provided. [FPS Bulletin 2](#) and [FPS Bulletin 3](#) provide more information. We also covered this topic at the [special members refresher workshop](#) [slides 52 and 53] to clarify that there was no discretion to not provide this information because it was needed for the HMRC GMP reconciliation project.

Firefighters' Pension Schemes (England) - Factor Guidance Notes

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 1 April 2019. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

GAD have recently provided the guidance notes below to accompany actuarial factors previously issued to FRAs during 2018 -2019. This includes updated versions of several guides released in [FPS Bulletin 27 – December 2019](#), and some newly added guides.

- [FPS 1992 Statutory CETV and Club Transfers Out - factors and guidance](#) – NEW
- [FPS 2006 Individual Cash Equivalent Transfers - factors and guidance](#) – NEW
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#) – UPDATED
- [FPS 1992 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2006 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#) – UPDATED

- [FPS 2006 Service Credits for non-Club Incoming Transfers - factors and guidance](#) – NEW
- [FPS 1992 and 2006 Trivial Commutation and Capitalisation for Death Gratuities - factors and guidance](#) – NEW
- [FPS 2015 Commutation of Small Pensions - factors and guidance](#) – NEW

Please note the following changes to the [FPS 1992 Tax charge debits guidance](#):

- Updated definition of RTF to be RTFret
- For the Adjusted pension debit = $AAPD \times PI \times RTFret \div RTFimp$. It is agreed that this is for ages over 60 and therefore excludes ages under 60

The RTFret factor should use the factors in force at the relevant implementation date. The rationale is the numerator and denominator should be consistent and therefore factor should be selected at a consistent date for both.

GAD have also updated the pension input periods for the tax charge and scheme pays offsets notes so that they refer to the tax year period 6 April to 5 April, rather than 1 April to 31 March.

All factor tables and guidance notes can be found on our [GAD guidance page](#).

In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

Medical appeals forms

The Home Office appointed Duradiamond Healthcare (DHC) as the new Board of Medical Referees contractor from 1 October 2019. We have been advised that DHC are going to review the forms for the appeal process as they were last updated in 2013. However, in the interim, the existing forms have been updated to reflect the correct legislation and contact details and have been uploaded to our [Ill-health and Injury page](#) for authorities to use if they wish.

Each FRA is required to sign the call-off contract and complete a new account form with DHC so that they can be set up as a client for invoicing purposes. It may be wise to complete this before submitting new cases. However, the forms can be completed while DHC are processing cases to avoid cause any delays in the appeal process. The call-off terms are defined by the framework contract with the Home Office so these cannot be amended.

Concerning the two forms which DHC send out to authorities:

- One form is a new customer account form which is required for invoicing purposes by the finance team.
- The other form – the ‘call-off form’/schedule 3 – is the order form contained within the framework provided by the Home Office. This clarifies what is contractually expected of DHC within the appeal process and only needs to be completed once prior to any cases being arranged.

To assist FRAs in completing the call-off forms, please note the following to be completed:

- Order Number – This can be left blank or it can be prepopulated by the authority with a PO number if required.
- Order Date – The date when the authority signs the form.
- Description of Order – This has been amended and prepopulated as requested.
- Total value of Order – Please enter the text ‘Cost/price per board’, we have asked Duradiamond for this to be pre-populated

Election to join FPS

Following a request from the Fire Communications Working Group (FCWG) an opt in form for members electing to join FPS outside of auto-enrolment has been produced.

[Election to join form](#)

Please note that the form is based on our interpretation of the current regulations which give people eligibility to join FPS 2006 or FPS 2015 based on their date of birth and previous service.

February 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.

There have been no new items added since January.

Other News and Updates

Public Service Pension Indexation and Revaluation 2020

On 25 February 2020, HM Treasury issued [written statement HCWS123](#) to confirm that public service pensions will be increased from 6 April 2020 by 1.7 per cent, in line with the annual increase in the Consumer Prices Index up to September 2019.

Revaluation for active members of FPS 2015 is applied in line with Average Weekly Earnings up to September 2019. The figure for the earnings element of revaluation is 4 per cent.

The Treasury has issued the [Pensions Increase 2020 covering note](#) and [Pensions Increase 2020 multiplier tables](#) to help scheme administrators correctly apply the annual increase to public service pensions.

The Pensions Ombudsman (TPO) newsletter 7

TPO have published [Issue 7 – January 2020](#) of their stakeholder newsletter

The newsletter includes:

- an introductory message from the Pensions Ombudsman, Anthony Arter
- an article covering the relationship and promotional work undertaken since June 2019
- a legal update
- dates of future events
- volunteering for the TPO

Earlier communications from TPO and a full history of determinations in relation to FPS are held on our [TPO webpage](#).

Auto Enrolment (AE) Earnings Trigger and Qualifying Earnings Band Review 2020

On 13 February, in a [written statement](#) to the House of Commons, [Guy Opperman](#) provided an update on this year's annual review of the AE earnings trigger and qualifying earnings band. The review concluded that the existing earnings trigger remains at the correct level and both the lower and upper earnings limits will continue to be aligned to the National Insurance contribution thresholds. The proposed 2020/21 AE thresholds are as follows:

- £6,240 for the lower limit of the qualifying earnings band
- The AE earnings trigger will be maintained at £10,000
- The upper limit of the qualifying earnings band will remain at £50,000

DWP updates guidance on pensions after Brexit

The Department for Work and Pensions has updated the [guidance explaining the rights of UK nationals](#) in the European Economic Area or Switzerland to benefits and pensions after the UK has left the EU.

Pensions dashboards - Industry Delivery Group (IDG) blog

On 20 February Richard Smith, Industry Lead at the IDG, published a blog about the [progress of the pensions dashboards working groups](#).

HMRC

HMRC newsletters/bulletins

On 20 February HMRC published a [Guaranteed Minimum Pension \(GMP\) equalisation newsletter](#) explaining how equalisation benefit adjustments will interact with annual allowance and lifetime allowance.

Legislation

SI	Reference title
2020/101	The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2020
2020/179	The Local Government Pension Scheme (Amendment) Regulations 2020

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 30 – March 2020

Welcome to issue 30 of the Firefighters' Pensions Schemes bulletin.

We hope this bulletin finds you safe and well. We understand that the current restrictions on movement due to the Coronavirus pandemic will lead to some challenging times. To enable us to communicate with you quickly, we have a dedicated [COVID-19 webpage](#), which contains important information, please check this page regularly. We have suspended all meetings, training and travelling with immediate effect for the foreseeable future but remain available at home by mobile, email or video (MS Teams or Skype for Business).

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk

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- [HMRC newsletters/bulletins](#)

Training and events

- [LGA annual fire conference - 10-11 March 2020 Blackpool](#)

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Calendar of events

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

Table 1: Calendar of events

Event	Date
SAB Administration & Benchmarking committee	6 May 2020 – TBC
North East regional FPOG	20 May 2020 – TBC
Eastern regional FPOG	21 May 2020 – TBC
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

COVID-19 online survey: action needed

On 25 March 2020 an [email](#) was sent to administrators and scheme managers to seek information on working arrangements and concerns with regards to COVID-19. Please ensure this [online survey](#) has been completed on behalf of your Fire and Rescue Authority (FRA).

Update on transitional protections remedy (Sargeant)

The Scheme Advisory Board (SAB) are close to submitting their response to HM Treasury's (HMT) informal proposals to address long-term remedy in the Firefighters' Pension Schemes. All public service Boards have been asked for their views on the proposals to inform government thinking ahead of a full formal consultation in late spring/ early summer.

Under the proposals, members will revert to their original final salary scheme from 1 April 2015 to a future date, when discriminatory provisions are removed from the schemes. This will be known as the remedy period.

As indicated by the interim order made in December 2019, which stated that claimants are "entitled to be treated" as a member of their former final salary scheme, there will be an element of choice afforded to individuals as to whether they wish to receive final salary or CARE benefits for the remedy period, depending on what would be more beneficial to their circumstances. The HMT proposals centred around when this choice would be made.

While the mechanics of implementing these changes and arrangements for the post-remedy period are not yet clear, the SAB, in consultation with a working group of representative stakeholders from the Fire sector, have developed a considered and comprehensive response to the proposals to outline the practicality and feasibility of delivering remedy and particular implications for the unique FPS workforce.

On 25 March the Economic Secretary to the Treasury, John Glen, made [written statement - HCWS187](#) regarding progress toward remedy in public service pension schemes following the McCloud/Sargeant age discrimination case. **The statement confirms that no qualifying scheme member will need to make a claim for the remedy to apply to them.**

FPS contribution rates 2020-21

Banded contribution rates were introduced to the Firefighters' Pension Scheme 1992 and the Firefighters' Pension Scheme (England) 2006 by Statutory Instruments [2012/953](#) and [2012/954](#) respectively.

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments¹, which came into force on 1 April 2015, listed the rates applicable from 2015-16 to 2018-19, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

The Firefighters' Pension Scheme 2015 was introduced on 1 April 2015 by SI 2014/2848. [Regulation 110](#) set out details rates applicable from 2015-16 to 2018-19.

For 2019-20, FRAs were instructed that the 2018-19 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2020-21. **The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2020.**

FPS annual update 2020

Relevant thresholds and rate changes for 2020 are available in the [FPS annual update 2020](#).

All relevant legislation can be viewed on our website under [annual update Statutory Instruments](#).

Firefighters' Pension Schemes (England) - Factor Guidance Notes

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 29 October 2018. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

Guidance notes covering divorce, pension credits and debits for the 1992 and 2006 schemes to accompany actuarial factors previously issued to FRAs during 2018 - 2019 are included below.

- [FPS 1992 Pensioner cash equivalents on divorce, pension credits and pension debits - factors and guidance](#)
- [FPS 2006 Pensioner cash equivalents on divorce, pension credits and pension debits - factors and guidance](#)

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

¹ [SI 2015/579](#), [SI 2015/590](#)

Suspension of medical appeal boards due to coronavirus (COVID-19)

As readers will be aware, under FPS 1992 – Rule H2, FPS 2006 - Part 8, paragraph 2, FPS 2015 - Part 12, Chapter 2 and Part 6, Paragraph 2 of the compensation scheme, a medical decision can be appealed. The secretary of state delegated responsibility for managing the appeal process in [FPSC 9/2010](#) and the current contract is with Duradiamond Health Ltd.

Unfortunately, due to complexities arising from COVID-19, Duradiamond have announced below that this service will be suspended for three months. This will have the effect of suspending all processes in the medical appeal, and we appreciate this will be disappointing to members and FRAs currently in an appeals process or about to begin one, however as we are sure you are aware the COVID-19 crisis is unprecedented, and this delay is unavoidable.

FRAs should address any concerns or queries about the suspension to Philip.Perry@homeoffice.gov.uk.

National Framework Agreement for the Supply of Police & Fire Medical Appeal Board Services

Framework Ref. No: C15285

COVID-19

Due to the current COVID-19 situation, we are following Govt guidance regarding self-isolation, limiting social contact and travelling in London.

Duradiamond Healthcare has asked the Home Office under Clause 10.8 of the National Framework Agreement, that the Supply of Police & Fire Medical Appeal Board Services is suspended for an initial period of 3 months (to 20th June 2020) with a review at the end of that time (and within the 4 months allocation under 10.8.1.). The Home Office has confirmed that they agree with this approach.

We very much enjoy working with both the Police and Fire Authorities and the decision to suspend the service has not been taken lightly. We look forward to resuming the service as soon as the situation settles.

Best wishes,

Carole Scott
Client Relationship Manager

March 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.

There have been no new items added since January.

FPS England SAB updates

A fond farewell to our chair, Malcolm Eastwood

Sadly, the time has come to say goodbye to Malcolm Eastwood who is retiring from his role as chair of the FPS England SAB. We would like to take this opportunity to thank Malcolm for his time, energy and passion, and to wish him a happy retirement with his wife Sylvia. Malcolm has said goodbye to you in his own words below.

Malcolm Eastwood signs off

“Dear Friends & Colleagues,

As per that well known, tear jerking song, it is now, "Time To Say Goodbye", as I reluctantly 'sign off' from my role as Chairman of the Firefighters' Pension Scheme Advisory Board.

I am conscious I do so at a time when we as a nation are facing the biggest disruption ever seen to society globally since the last World War and I wish you and your families well at this difficult and challenging time for us all.

Many of you hold key positions within 'Fire Pensions' and, in spite of this situation, Scheme Members will still be retiring, have queries, become ill, and unfortunately, some will die, all of which will require your ongoing support and assistance to provide a 'business as usual' service...”

Read Malcolm’s message in full at [Appendix 1](#).

IDRP data collection: action needed

As detailed in [FPS Bulletin 28 – January 2020](#), the SAB have agreed that data on Internal Dispute Resolution Procedure (IDRP) should be collected on an annual basis, in line with the scheme year, to collect numbers of cases and any emerging themes.

We request that FRAs complete the spreadsheet at [Appendix 2](#) and return this to bluelight.pensions@local.gov.uk by 30 April 2020.

An IDRP can be raised by a member of the Firefighters’ Pension Scheme if they feel that the scheme manager has made a decision under the scheme incorrectly. Each Fire and Rescue Authority (FRA) should have in place a process which determines how an IDRP will be managed.

A [full list of discretions and determinations](#) made by the scheme manager can be found under the ‘Guides and Sample Documents’ tab, within the ‘Administration Resources’ tab of www.fpsregs.org

If the disagreement involves an issue of a medical nature², then an IDRP is **not** appropriate and the correct route is a medical appeal. However, it should be noted that in certain situations it may be possible that medical disputes could end up with both a medical appeals dispute process and an IDRP where the processes that should have been in place to deal with the medical issue have not been appropriately managed.

FPS Bulletins 13 and 14³ commented on the duty of FRAs to 'not act blindly' on receipt of an IQMP opinion. The responsibility of the decision maker (the authority) is to not act blindly in accepting a medical opinion and should ensure the IQMP reaches their opinion in a proper manner. Various case law was cited in the bulletins.

The wording of the regulations across the schemes is identical and states that where a member disagrees with a scheme manager's determination, they can within 28 days of the determination require the scheme manager to conduct an IDRP.

The guidance in [FPSC 1/2009](#)⁴ put in place a two stage process: stage one should be considered by the Chief Fire Officer (CFO) or a senior manager specified by the CFO, stage two should be considered by the elected members of the FRA.

The guidance also set out timescales for the authority to deal with the complaint which could have the effect of the total process taking 16 months to complete.

The SAB received a number of queries regarding the potentially lengthy process and whether two stages were necessary, and / or whether the elected members of the FRA were the appropriate body to review the second stage owing to a lack of technical knowledge of the scheme.

At their meeting on 20 June 2018 [[Paper 3](#)]⁵, the SAB considered retaining a two stage process or moving to a one stage process and decided to retain the two stage process, albeit they agreed that a review should be made of which roles would be appropriate to be involved and whether the time limit should be lowered⁶. The Board also agreed that further training should be provided to FRAs if needed.

The decision maker at each stage and timescales was further considered by the SAB at their meeting on 13 June 2019 [[Paper 2](#)]⁷.

The Board are currently reviewing informal guidance which updates the 2009 FPSC circular in respect of who each stage of the appeal should be heard by, and the relevant timescales for each stage. A workshop on IDRPs is planned for the Fire Pensions Annual Conference 2020.

² See Ill-Health and Injury Pension Quick Guide - <http://www.fpsregs.org/images/admin/illhealth.pdf>

³ <http://www.fpsboard.org/images/PDF/Bulletin13/Bulletin13.pdf> and <http://www.fpsboard.org/images/PDF/Bulletin14/Bulletin14.pdf>

⁴ <http://fpsregs.org/images/FPSC/1-2009.pdf>

⁵ <http://www.fpsboard.org/images/PDF/Meetings/20062018/ITEM12-200618v2.pdf>

⁶ <http://www.fpsboard.org/images/PDF/Meetings/20062018/Minutes200618.pdf> [Item 12]

⁷ <http://www.fpsboard.org/images/PDF/Meetings/13062019/ITEM9-130619.pdf>

Immediate event data request update

In [FPS Bulletin 28 - January 2020](#) we asked FRAs to return [data on immediate events](#) for the year 2020; the deadline was extended to 16 March in [FPS Bulletin 29 - February 2020](#).

Unfortunately to date, only 28 of the 45 English FRAs have responded to this request, representing a 62% response rate.

The total information gathered so far is shown in the table below, we are still gathering this data so please make your return as soon as possible. Completed spreadsheets should be returned to bluelight.pensions@local.gov.uk.

Table 2: Data on immediate FPS events

	Claimants	Non-Claimants	Totals
Ill-Health Retirements			
No ill-health in payment because FPS 2015 lower tier criteria not met.	5	25	30
Lower Tier in Payment only (Higher tier criteria not met)	17	53	70
Higher tier in payment	10	17	27
Immediate retirement			
Those who meet 50+ with >25 years's service between 1 January 2020 and 31 December 2020 in all schemes			
	27	1665	1692
Tapered			
Due to Taper between 01 January 2020 and 31 December 2020			
	9	484	493
Totals	68	2244	2312

Other News and Updates

Spring Budget 2020

The Chancellor Rishi Sunak delivered his first Budget on 11 March 2020 and announced the new Lifetime Allowance limit and changes to the tapered annual allowance that will take effect from 6 April 2020.

Lifetime Allowance will increase to £1,073,100 from 6 April 2020.

Annual allowance taper provisions to change from 6 April 2020. Threshold income and Adjusted income will both increase by £90,000, but the minimum tapered annual allowance will drop to £4,000. From 6 April 2020:

Threshold income: £200,000

Adjusted income: £240,000

Minimum reduced annual allowance: £4,000.

A update from HMRC on these changes can be found in [Pension schemes newsletter 118 – 26 March 2020](#).

The Chancellor did not announce any changes to the operation of pension tax relief. An individual who earns less than the personal allowance benefits from tax relief if they pay into a relief at source arrangement, but they do not if they pay into a net pay arrangement. The Government will be publishing a call for evidence on pension tax relief shortly.

You can find more detail in the [Budget 2020 document](#) online.

HMRC

HMRC newsletters/bulletins

HMRC has published pension schemes newsletters 117 and 118 containing important updates and guidance on pension schemes. The following issues are covered:

[Pension schemes newsletter 117 – 28 February 2020:](#)

- Relief at source
- Guidance from The Pensions Regulator on Pension Scams
- Guaranteed Minimum Pension (GMP) Equalisation Newsletter - February 2020

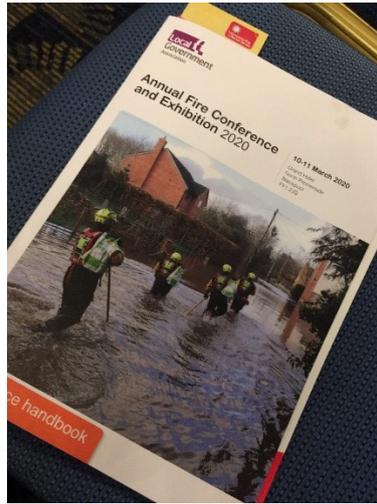
[Pension schemes newsletter 118 – 26 March 2020](#)

- Spring Budget 2020
- Temporary changes to pension processes as a result of coronavirus (COVID-19) Annual allowance calculator
- Relief at source
- The Managing Pension Schemes service
- GOV.UK updates
- Pension scheme administration - moving pension recipients from one payroll to another
- The Pension Schemes Online service

Training and events

LGA annual fire conference – 10-11 March 2020 Blackpool

Prior to lockdown, the Bluelight team had opportunity to attend the LGA annual fire conference and exhibition in Blackpool. The event is well attended by those responsible for managing Fire and Rescue Services and their budgets, along with elected members of Fire Authorities, and so provides an excellent opportunity for networking and improving our knowledge of the wider issues affecting Services across the country. We were also able to catch up with several of our SAB employer representative members, many of whom sit on the Fire Services Management Committee (FSMC).



There were thought-provoking keynote sessions on the climate emergency; finance and funding; risk, standards, and protection; and building safety, as well as a varied selection of workshops. Clair Alcock delivered a lunchtime fringe session to update delegates on changes to the Firefighters’ Pension Schemes.

Workshop and fringe sessions

Lunchtime fringe sessions
1.15-1.45pm

F1 Flexible working with automated roaming availability, mobilisation integration, HR, training and more – all in one integrated solution via the new FireWatch App.
Neville Room
As the only truly interconnected fire and rescue service management system, FireWatch connects resources, skills, payments and availability with mobilisation systems, and prevention and protection, to reveal the complete picture of your operations.
Think you know FireWatch already – then think again!
Our latest features change the way clients

F2 Update on the Firefighters’ Pension Scheme
Nelson Room
Clair Alcock will be providing an update on the effect of the McCloud and Sargeant legal ruling and likely changes to the scheme.

The complete slide decks from the conference are now available on the LGA Events webpage: [LGA annual fire conference 10-11 March 2020](#)

Legislation

SI	Reference title
2020/193	The Social Security Revaluation of Earnings Factors Order 2020
2020/230	The Public Service Pensions Revaluation Order 2020
2020/235	The Guaranteed Minimum Pensions Increase Order 2020
2020/290	The Pensions Increase (Review) Order 2020
2020/299	The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2020

[2020/342](#) The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2020

[2020/354](#) The Parental Bereavement Leave and Pay (Consequential Amendments to Subordinate Legislation) Regulations 2020

The above legislation amends the regulations of the Firefighters' Pension Schemes from 6 April 2020 to allow any period of parental bereavement leave to be counted as reckonable pensionable service and pay.

[FPS 1992 amendments](#)

[FPS 2006 amendments](#)

[FPS 2015 amendments](#)

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 31 – April 2020 – interim bulletin

Welcome to issue 31 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well. This short interim bulletin has been issued to address errors and omissions from previous publications.

The Coronavirus pandemic continues to raise queries and concerns for scheme employers and members. Our dedicated [COVID-19 webpage](#) is being updated frequently, so please check in on a regular basis.

All meetings, training and travelling remain suspended for the foreseeable future but the Bluelight team are available at home by mobile, email or video (MS Teams or Skype for Business).

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

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[FPS England SAB updates](#)

- [IDRP data collection: action needed](#)

[Useful links](#)

[Contact details](#)

Calendar of events

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

Table 1: Calendar of events

Event	Date
SAB Administration & Benchmarking committee	6 May 2020 – TBC
North East regional FPOG	20 May 2020 – TBC
Eastern regional FPOG	21 May 2020 – TBC
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

FPS

Top Up grant 2020: Collection of pensions accounting data

On 23 March 2020, the Home Office sent an email to Claim Certifiers and Claim Administrators) to provide advance notification that in mid-April they will be formally commissioning FRAs to submit their audited 2018/19 and unaudited 2019/20 pensions income and expenditure data.

Please note that the DELTA online data collection system will be used to collect these returns.

You will be aware that the Home Office now undertake additional internal checks on any financial data submitted. The additional internal checks involve an in-depth and formal check on the audited and unaudited pension income/expenditure data submitted by FRAs.

As part of this additional check all FRAs will be asked to provide the following information:

- 1) electronic copies of the trial balances from their audited accounts where the pensions income/expenditure data was extracted;
- 2) any post balance sheet adjustment events (showing audit adjustments); and
- 3) explicit confirmation from the Chief Finance Officer/Finance Director (as appropriate) of each FRA that they are content that their claim is correct and is in line with the relevant firefighter pension scheme regulations.

The deadline for completing the returns will be **Friday 15 May**, which should allow enough time for the claims to be scrutinised and approved.

It is important to note that the Department will only be able to make Top Up grant payments on any claims that it can validate as being correct and, as such, failure to provide the requested information, or the submission of incomplete information, will delay any grant payments due in July. As such, it is critical that the accounting data submitted on each FRA's claim form reconciles with trial balances etc. that are submitted as supporting evidence.

FPS (England) - Factor Guidance Notes updated

GAD have provided an updated version of the [FPS 1992 Tax charge debits guidance](#), dated 7 April 2020.

Please note the following changes:

- For the Adjusted pension debit = $AAPD \times PI \times RTFret$ applies to retirements before age 60
- Both the RTFret and RTFimp factors should use the factors in force at the relevant retirement date. The rationale is the numerator and denominator should be consistent and therefore the factors should be selected at a consistent date for both. It is best practice to use the factors currently in force. In addition, using factors at retirement date is preferable because holding the current table only will suffice, whereas using factors from the implementation date would require you to retain and use factors for various prior periods.

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

FPS annual update 2020

[FPS bulletin 30 – March 2020](#) included relevant thresholds and rate changes for 2020 in the FPS annual update.

Useful links

- [COVID-19 and the FPS](#)
- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
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FPS Bulletin 32 – April 2020

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SAB	10 December 2020

FPS

Annual Benefit Statements (ABS) 2020

Producing annual benefit statements to meet the statutory deadline of 31 August 2020 will no doubt create additional challenges while working remotely. TPR have confirmed that they “recognise that producing ABS this year could be challenging, and we’ll take a pragmatic view about schemes that don’t manage it by 31 August” and will be “proportionate and fair when assessing whether to take any action”. However, the Scheme Advisory Board (SAB) were very encouraged by the survey results from the [Annual Benefit Statement 2019 survey](#) which shows that the production of ABS by administrators and scheme managers improves significantly year on year.

This year we recognise that there will be additional challenge in meeting members expectations on being able to communicate the outcome of the Sargeant case. While the Government have accepted the Courts' findings in the Sargeant and McCloud legal cases and are committed to treating claimants and non-claimants in the same manner, it was never going to be possible to accurately reflect the outcome of either the legal case or the current HMT informal consultation. This is because:

- a) the ongoing discussions on remedy is still confidential, and
- b) the software companies have confirmed that it will take at least 12 months to programme the software.

Nevertheless, we understand that that some members may expect the statements to reflect the legal position and may be disappointed to receive a statement that does not reflect the outcome of the legal decision.

We understand that some administrators have therefore been considering whether it would be better to remove the projections to normal pension age as they will not reflect Sargeant. While we understand the different reasons for making those decisions, it is important that members across the country receive consistent information and that a central decision is made to achieve consistency.

The SAB was asked to consider this issue and agreed that **ABS should continue to include projections to normal retirement age (based on the current scheme rules only)**¹.

The ABS should contain the caveat below, which Home Office have agreed with HMT and issued for use across all Police and Fire statements, and we have updated the template statement with this caveat accordingly:

Please note that this year's Annual Benefit Statement provides an estimate of your pension benefits accrued in your current scheme membership to 31/03/2020. Any projections on your pension entitlement are also based on the assumption that your current membership will continue until your normal pension age.

Please also note that on the 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes and is currently working on removing this discrimination to all affected scheme members. This work is complex and will take time. For further information please see the Written Ministerial Statement from 25 March 2020: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-03-25/HCWS187/>

At this stage there is still uncertainty around the final approach to removing this discrimination. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

¹ [Paper1: Annual Benefit Statements - Meeting 17 March 2020](#)

We understand this decision may be disappointing to those who have already considered this issue, however it is important that members are treated consistently and given access to the same information. We would urge you to review that decision in light of this statement.

The [ABS templates and notes](#) have now been published and we have taken the opportunity to hold the annexes for the statement notes separately as per the decision taken by the Fire Communications Working Group (FCWG).

We will also look to convene a meeting of the FCWG as soon as possible to agree how we will distribute the message to members that this year's statements will continue to project based on current scheme rules.

Annual Benefit Statement 2019 survey results

Between 29 November 2019 and 6 January 2020, FRAs and administrators were invited to complete separate web-based surveys to measure the success of the ABS process in 2019.

During this time 33 FRA and 36 administrator responses were received in respect of the 45 FRAs in England, equating to an overall response rate of 73% and 80% respectively. The results of the survey have now been collated and analysed, and we are pleased to present the final [research report](#).

Individual FRA submissions have been exported and can be provided to the relevant organisation on request.

The survey will continue to be run on an annual basis following the end of each ABS cycle.

The [LPB Effectiveness Committee](#) would like to thank all that were able to submit a response for their participation in the survey, and for continuing to support the work of the SAB. The recommendations within the report will now be taken forward with the support of the Committee and the SAB.

31 March 2020 scheme valuation timeline

The Government Actuary's Department (GAD) have provided the following statement on their expectations on when the valuation data will be requested, confirming that the expected timeline will give administrators until 31 December 2020 to complete the data request.

“In order to spread the work on processing and checking the valuation data GAD have divided the public sector pension schemes into clusters, each of which has a different date when we expect the data to be returned. Both Fire England and Police England & Wales fall into the second cluster which has a date of 31 December 2020 for expected delivery of data.

We will hopefully be sending out the data collection tool and user guides in May which will allow administrators to see the format we expect the data to be returned in (very similar to prior years) which should help them plan the collection exercise. If the tool is delivered in May that will give administrators 7 months to prepare and return the data.

Note that the release of the data tool is not an indication to administrators that we need it completed and returned immediately and we will communicate the timeframes when we provide the tool. However, given current circumstances it may be reassuring for the Home Office to communicate to administrators the 31 December deadline which may help to relieve some worries they currently have.

We are continuing to monitor the situation surrounding COVID-19 and work required during and after the lockdown period and will update timelines if it becomes necessary.”

Top Up grant 2020: Collection of pensions accounting data – action required

On 8 April 2020, the Home Office sent an email to Claim Certifiers (and Claim Administrators) to advise that FRAs should now all be working towards submitting audited 2018/19 and unaudited 2019/20 pensions income/expenditure data as part of this year’s top up grant claim. To reiterate, this year’s pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live.

ACTION: In addition to the pensions income/expenditure data that you will be submitting on DELTA, the Home Office are also requesting that all FRAs provide by email, electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2018/19 DELTA return, to include any post balance sheet adjustment events. These should be sent to Anthony.Mooney@homeoffice.gov.uk.

Please note that this information is needed by **Friday 15 May** to enable the relevant checks to be undertaken (and seek further clarification from FRAs where necessary) in time to make the next batch of grant payments in July. The Home Office appreciate that FRAs may be under workforce pressures at present dealing with the response to COVID-19 and can consider extending the deadline, where needed. However, they do want to avoid any delays in paying the grant.

The Home Office will only be able to make Top Up grant payments on any claims that they can validate as being correct and, as such, failure to provide the requested information, or the submission of incomplete information, will delay any grant payments due in July.

Please also note that a number of automatic comparison checks have been incorporated on the data that you submit on DELTA with the data that you previously submitted. The automatic checks include:

- a cross-reference check on the audited 2018/19 pension income/expenditure data with the unaudited 2018/19 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3 year financial cycle; and
- a cross-reference check on the unaudited 2019/20 pension income/expenditure data with the updated forecast 2019/20 pensions income/expenditure data (submitted by each FRA in September 2019).
- If the variances breach certain tolerance levels, then the DELTA form will request a short explanation to explain the difference before the form can be submitted.

Please contact Anthony.Mooney@homeoffice.gov.uk if you have any questions.

Ill-health retirement applications

Our colleagues on the pensions team recently contacted the Association of Local Authority Medical Advisers (ALAMA) regarding inconsistency in the approaches taken by IQMP providers during the COVID-19 crisis.

ALAMA confirmed that the following instruction has been posted to their website:

“During the current COVID-19 crisis, it is important to continue to progress ill health retirement applications. It is also particularly important that assessments remain fair and reasonable, and that should include requesting GP and specialist reports as required. There has never been a requirement for these assessments to be face to face, therefore paperwork reviews, with telephone clarification if needed, is the most appropriate way to progress these.

If it is not possible to get reports, an assessment should be based on whether reports are likely to influence your decision further, and whether you have enough objective evidence to make an opinion. Opinions should always be ‘on balance of probability’. There will be times when you simply don’t have sufficient objective evidence to support ill health retirement, and you have been unable to get clinical reports. You should suggest that the applicant request copies of clinical reports direct from their GP.”

It’s good to talk...about pensions!

We hope everyone is well and continuing to stay safe at this time. As social distancing measures are likely to stay in place for some time and it is likely we won’t see each other in person for a while we are going to start running an online coffee morning every second Tuesday at 11am to allow a catch up between colleagues and ourselves.

The session will last an hour and be facilitated by Zoom in the first instance, if you would like to join please email bluelight.pensions@local.gov.uk and we will forward the Zoom link and password. Please note sessions should not be recorded.

[Click here to return to Contents](#)

These sessions are informal and should not be construed as legal advice.

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Brew and a Chat

- Come and join us every second Tuesday at 11am for a chance to catch up with colleagues starting 5 May

Invitation only: Please email

bluelight.pensions@local.gov.uk

to be sent your zoom link and password.



FPS 2015 Added Pension factsheet

A new factsheet on [FPS 2015 Added Pension](#) has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website.

This factsheet has been prepared by the FCWG to provide information and examples to members who may be interested in buying added pension. The factsheet includes an application form for a quote request.

GAD have recently issued revised [factors and guidance](#) for administrators to process the purchase of additional pension.

April 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 April.

Other News and Updates

Letter from James Brokenshire MP

On 23 April James Brokenshire, the minister for State of Security, issued a letter by email to the National Fire Chiefs Council (NFCC) and the Fire Services Management Committee (FSMC) on [reducing burdens and supporting the fire sector through the current COVID-19 emergency](#).

This letter supports the work that is being done nationally to deal with coronavirus (COVID-19). It outlines a number of ways in which the government is seeking to further support local services in this challenging period.

The Pensions Ombudsman (TPO) newsletter 8

TPO have published [Issue 8 – April 2020](#) of their stakeholder newsletter.

The newsletter includes an introductory message from Anthony Arter on how TPO are meeting the challenges presented by COVID-19, an update on appeals, and information on the redevelopment of the TPO website.

Earlier communications from TPO and a full history of determinations in relation to FPS are held on our [TPO webpage](#).

Pension Dashboard Programme update

The Pension Dashboard Programme (PDP) was established by the Money and Pensions Service (MaPS) in July 2019. The aim of the PDP is to establish a pension dashboard service to allow the 52m in-scope adults within the UK to view information about all of their pension benefits, in a secure online environment.

This month the PDP have issued the first of their planned six-monthly progress reports setting out their broad approach to delivering the Programme and outlining priorities for the next six months.

[PDP progress update report – April 2020](#)

A key element of the Programme is the development of data standards. The following working papers have been issued alongside the progress report to describe the PDP's current thinking on data requirements for dashboards.

[Data scope](#): setting out options for achieving early coverage across all pension sectors.

[Data definitions](#): listing the set of data items that could be included in the dashboards data standards.

Industry consultation is expected to take place later in the year.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 119 containing important updates and guidance on pension schemes. The following issues are covered:

[Pension schemes newsletter 119 – 30 April 2020](#)

- temporary changes to pension processes as a result of coronavirus (COVID-19)
- re-employment in response to the coronavirus (COVID-19) outbreak
- pension scheme returns for 2019 to 2020
- benefits crystallisation event 1 and valuing sums and assets held within a registered pension scheme
- other pension scheme valuations
- pension flexibility statistics
- registration statistics
- annual allowance calculator
- managing pension schemes service – timeline update
- unauthorised payments – operating the mandating procedure
- Gibraltar and the overseas transfer charge

Also published this month:

[Managing Pensions Schemes service newsletter – 1 April 2020](#)

HMRC have launched the Accounting for Tax (AFT) return on the Managing Pension Schemes service from 1 April 2020. Any pension scheme registered through the Managing Pension Schemes service can now start to compile AFT returns on the service for the quarter 1 April – 30 June 2020

Contracting-out reconciliation update

On 1 April 2020 HMRC published [Countdown bulletin 52](#) to inform administrators that the deadline for the issue of final data cuts must be extended while work is reprioritised in response to the Coronavirus outbreak.

HMRC are aiming to publish a final timeline by the end of April 2020

[Click here to return to Contents](#)

Legislation

SI	Reference title
2020/372	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2020

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 33 – May 2020

Welcome to issue 33 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

The Coronavirus pandemic continues to raise queries and concerns for scheme employers and members. Our dedicated [COVID-19 webpage](#) is being updated frequently, so please check in on a regular basis.

All meetings, training and travelling remain suspended for the foreseeable future but the Bluelight team are available at home by mobile, email or video (MS Teams or Skype for Business).

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday – next event 2 June 2020
Local Pension Board wrap-up training	10 June 2020
Virtual SAB	11 June 2020
Virtual South West & Wales FPOG	17 June 2020
Local Pension Board wrap-up training	8 July 2020
South East regional FPOG	27 July 2020 (TBC)
SAB	17 September 2020
SAB	10 December 2020

Actions arising

Readers are asked to note the following actions arising from the bulletin:

[NIC refunds for FPS 2006 special members](#) – scheme manager to ensure that form APSS155b has been completed and returned to HMRC.

[COVID-19 governance survey](#) – scheme manager and/ or Local Pension Board chair to complete online survey by 30 June 2020.

[LPB wrap-up training 2020](#) – book places for pension board members wishing to attend.

FPS

Age discrimination update

We are conscious that it has now been six months since the tribunal determination in the Sargeant case for age discrimination and as yet we have been unable to provide further information on what to expect.

The position at the moment remains as per [FPS Bulletin 28 - January 2020](#) that all entitlements including immediate ones should remain under the existing rules for the time being.

We understand that this position will no doubt be disappointing and frustrating to members. In order to reassure them it may help to confirm that the Government accepted the Courts' findings in the Sargeant and McCloud legal cases and are committed to treating claimants and non-claimants in the same manner. However, the discussions on remedy are ongoing and the guidance required for processing immediate cases is still not available. The need for this information to be made available as soon as possible is frequently highlighted to the Home Office and HM Treasury.

We understand from [written statement HCWS187](#) that initial proposals are to return members to their former final salary scheme for the 'remedy period', but to offer a choice to the member, including those who were deemed protected in the final salary scheme, to receive benefits based on the current Career Average Revalued Earnings (CARE) scheme if it is better to do so. At this stage it is not clear when the end of the 'remedy period' will be, however, it is not expected to be before 2022, as the current working assumption is that it will take three years to bring in these proposals.

As yet we do not know when the member might make the choice. We understand that this could be either:

1. At the end of the remedy period, this will be the same time right across public sector, or,
2. At the members retirement age.

We appreciate that those who are retiring in the more immediate future may want more certainty over their benefits. The Scheme Advisory Board (SAB) [requested data on immediate events](#) from each Fire and Rescue Authority (FRA) in order to highlight the number of immediate cases that cannot be progressed because of a lack of guidance. Unfortunately, only 28 of the 45 English FRAs responded to this request, despite an extension to 16 March 2020.

The information we did receive was used in a [paper to the SAB](#) and subsequently supplied to government to highlight the number of immediate cases faced and the necessity for guidance to be supplied. We are continuing to actively push for that guidance as soon as possible.

Our understanding is that if firefighters retire before remedy has been applied to the schemes, they will remain eligible for their position to be remedied retrospectively and benefits recalculated if necessary. The [Sargeant factsheet](#) released by the Home Office stated that individuals will keep benefits they have accrued regardless of changes needed to remove discrimination.

In the meantime, it is important that FRAs ensure they are ready to remedy the benefits once this guidance is available and we want to take the opportunity to remind you of our guidance on ill-health cases in [FPS Bulletin 28 - January 2020](#) to ensure that you have an IQMP decision under both schemes if necessary.

Protected Pension Age - HMT extension

As previously confirmed in the [written statement HCWS196](#), the protected pension age tax rules were temporarily relaxed for the period 1 March to 1 June 2020 for those returning to work as a result of COVID-19. We understand that a further extension on this relaxation has been sought, but there has been no further update on this at present. We will provide an update as soon as it is available.

Claims for refunds of NICs - FPS 2006 special members - reminder

In [FPS Bulletin 29 – February 2020](#) we advised that HMRC had recently written to all FRAs to request completion of form APSS155b in order to backdate their FPS 2006 scheme contracting-out certificate to 6 April 2000.

This was to allow HMRC to correct contracted-out status and process the refund of National Insurance Contributions (NICs) for individuals who elected to become special members of the scheme. Additionally, in some cases, HMRC informed FRAs that they did not currently have a valid contracting out certificate for FPS 2006 and this would first need to be applied for and then backdated.

HMRC have since advised that they have only received a small proportion of completed forms from Authorities. Therefore, if you are aware that your FRA has not returned form APSS155b, please arrange for this to be done at the earliest opportunity.

Any queries regarding the form can be sent to ipdtechnicalteam.nationalinsurance@hmrc.gov.uk

Website and resources update

As we are all getting used to a new way of working, more virtually and with less time spent “on the road”, we have taken the opportunity to develop some additional web-based resources and update some of our existing material.

New additions to the [Firefighters’ Pension Schemes Regulations and Guidance](#) website include:

[Related legislation](#). This page collates legislation that has general or consequential impact on the FPS, such as relevant Acts and Automatic Enrolment legislation.

[GAD factor table and guidance note cover sheet](#). This PDF document provides a summary of the most recent factors and guidance notes provided by the Government Actuary’s Department (GAD).

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 29 October 2018. As a result of the change, GAD undertook a [factor review](#) for the Firefighters' Pension Schemes. The revised factors were provided by email to FRAs, during 2018-19, with a [consolidated workbook of factors](#) in October 2019.

[Events](#). Details of events facilitated by the LGA Bluelight pensions team can be found in this section, which has been moved from the [SAB website](#). It includes booking for any forthcoming events and presentations of past events.

The following pages have been added to the member-restricted section of the Regulations and Guidance site. If you require log-in details for this area, please email bluelight.pensions@local.gov.uk.

[Firefighter pay scales](#). This page contains firefighter pay scales dating back to 1977. These documents have been provided to assist practitioners who may need to access historic pay settlement information.

[Videos and webinar recordings](#). This page has been created to host training and informational videos created by the LGA Bluelight team, as well as webinar recordings. A further password may be required to view the videos.

IDRP guidance

Following on from our article in [FPS Bulletin 30 – March 2020](#), we are pleased to let you know that the SAB have approved the updated [informal IDRP guidance](#) which has now been published to our [factsheets](#) page.

Readers may also be interested in the [outcomes of the recent IDRP data collection](#), which were presented to the Board in May.

May 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 May.

FPS England SAB updates

COVID-19 FPS governance survey

Thank you to those that took the time to complete our COVID-19 and the FPS administration resilience survey – we had a great response and your input has helped us raise the important issues with the Government and the Pensions Regulator, and tailor the support and guidance we provide.

We would now like to hear from you on how the current situation is impacting the governance of the Firefighters' pension schemes. Please complete the [COVID-19 FPS governance survey](#) – it should take around 10 minutes. We are happy to accept multiple responses per FRA; ideally we would like to hear from the scheme manager and/ or Local Pension Board chair.

As our distribution lists do not yet extend to delegated scheme managers, please forward this request as appropriate.

The survey will remain open until 30 June 2020.

Local Pension Board Knowledge Hub forum

We would like to let readers know that all resources held in the above forum have been moved to either www.fpsboard.org - the dedicated website of the Firefighters' Pensions (England) Scheme Advisory Board, or www.fpsregs.org - the FPS regulations and guidance site.

This forum has now been closed and all group members have been informed by email.

Our other KHub group [The Firefighters Pensions Discussion Forum](#) will remain open as an archive resource.

Please contact bluelight.pensions@local.gov.uk if you have any questions.

SAB policies

The following policies have recently been uploaded to the SAB website:

- [Code of conduct](#)
- [Conflict of interest](#)
- [Knowledge and understanding](#)

Other News and Updates

LGA LGPS pensions team

We are very pleased to welcome a new pensions adviser to the LGPS pensions team. Steven Moseley joined the team from LPP on 27 April 2020. Steven will be the lead contact for LGPS Scotland but will also be working on LGPS England and Wales.

Events

FPS coffee mornings

We hope everyone is well and continuing to stay safe at this time. As social distancing measures are likely to stay in place for some time and it is likely we won't see each other in person for a while we have started running an online coffee morning every second Tuesday at 11am to allow a catch up between colleagues and the LGA Bluelight team.

We have held two successful sessions to date, with the next event scheduled to take place on 2 June 2020.

The sessions last up to an hour and have so far been facilitated by Zoom. As some organisations do not allow access to Zoom, the next session will be available in Microsoft Teams.

If you would like to join us, please email bluelight.pensions@local.gov.uk and we will forward the meeting link and any password needed.

Please note that sessions should not be recorded. These sessions are informal and should not be construed as legal advice.



Brew and a Chat

- Come and join us every second Tuesday at 11am for a chance to catch up with colleagues starting 5 May

Invitation only: Please email bluelight.pensions@local.gov.uk to be sent your zoom link and password.



No responsibility whatsoever will be assumed by LGA or their partners for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information shared in these sessions.

Annual Local Pension Board wrap-up training 2020

We are once again running our popular annual Local Pension Board (LPB) wrap-up session, for board members who are either new to the board or those wanting an opportunity to refresh themselves on the principles of governance for the Firefighters' Pension Schemes. [Details of our previous wrap-up sessions can be found here.](#)

We are delighted to welcome Nick Gannon from TPR who will be joining us for a session on last year's TPR governance and administration survey results; you may wish to read the [six key processes factsheet](#) to refresh yourselves on the processes that TPR monitors.

We are running this session via Zoom across two dates: 10 June and 8 July, from 11:00 until 13:30, please [click to view the full agenda.](#)

If you would like to participate please click the relevant link below:

[Request a place on the LPB wrap-up training 10 June 2020](#)

[Request a place on the LPB wrap-up training 8 July 2020](#)

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 120 containing important updates and guidance on pension schemes. The following issues are covered:

[Pension schemes newsletter 120 – 27 May 2020](#)

- temporary changes to pension processes as a result of coronavirus (COVID-19)
- relief at source and the suspension of the process for applying for a National Insurance number
- submitting the APSS107 – Registered pension schemes annual statistical return without a signature
- contacting HMRC's Pension Schemes Services
- relief at source - annual return of information for 2019 to 2020
- relief at source - small changes to the APSS107 – Registered pension schemes annual statistical return

Contracting-out reconciliation update

On 28 May 2020 HMRC published [Countdown bulletin 53](#) to inform administrators that they plan to issue all final data cuts by the end of July 2020.

Administrators are advised to check the GMP amounts provided against their records and use the online GMP checker where the amounts cannot be reconciled.

[Click here to return to Contents](#)

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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Information

Added Pension Contributions – FPS 2015

In order to increase your Firefighters' Pension Scheme 2015 (FPS 2015) pension on retirement and any survivor benefits that may become payable, you can pay Added Pension Contributions to purchase added pension.

How much Added Pension you can buy

You can pay added contributions to buy up to £7,041 of added pension (2020-21 limits) in the FPS 2015. This is payable every year for life, on top of your normal FPS 2015 benefits. The limit will be increased each April in line with the Pensions (Increase) Act 1971.

You may choose to pay monthly by periodical contributions.

If you have been employed as a firefighter within the last 12 months you could make a one off payment into the scheme by lump sum.

Paying by periodical payments

An election to pay added pension payments by periodical payments may only be made at least two years before your normal pension age (60).

If you elect to pay by periodical payments, they will be deducted from your pensionable pay on the first appropriate pay period after the date on which the Fire & Rescue Authority (FRA) receives the notice of your election in addition to your normal pension contributions to the scheme.

They will cease at the end of the scheme year (i.e. 31 March), or on the date specified in your election, whichever is the earlier. Your periodical payments must cease if you are no longer an active member of the scheme, or if it appears to the FRA that you will exceed the overall limit of added pension (£6,761 for 2019/20).

An amount of added pension will be credited to your added pension account for that scheme year. The amount credited is an amount calculated in accordance with guidance issued by the Government Actuary's Department (GAD). If you wanted to continue your periodical payments into a further scheme year, the amounts would need to be re-calculated taking into account the factors that would apply for that scheme year.

If you wished to cease the payment of your periodical payments, you will need to give written notice of your decision. The added pension contributions would stop from the next appropriate pay period after the date on which the authority receives the notice of your election to cease them.

Paying by lump sum

If you are eligible to make payment by lump sum you must specify the amount you wish to pay. This must not be less than any minimum amount determined by the FRA. You should ask your FRA for their policy on this matter.

Once you have elected to buy the Added Pension by lump sum, you must pay the amount due within 3 months after the date on which you elected to buy it. If you do not pay it within the 3 months, your election is void and you will need to ask for a new quotation.

Following receipt of lump sum payment, an amount of added pension will be credited to your added pension account for the relevant scheme year. The amount credited is an amount calculated in accordance with guidance issued by GAD.

Example Added Pension calculations:-

A 35-year-old Firefighter earning £30,533 per annum:-

Option	Payment Method	Amount to be paid	Amount of Pension Purchased per annum
1. Buy £1,000 of annual pension	Lump sum	£12,767.00	£1,000.00
	Monthly	£1,041.04	£1,000.00
2. Pay £1,000 lump sum	Lump sum	£1,000.00	£78.33
3. 5% per month	Monthly	£127.22	£122.00
4. Pay £100 per month	Monthly	£100.00	£96.00

A 45-year-old Firefighter earning £30,533 per annum:-

Option	Payment Method	Amount to be paid	Amount of Pension Purchased per annum
1. Buy £1,000 of annual pension	Lump sum	£15,642.00	£1,000.00
	Monthly	£1,275.44	£1,000.00
2. Pay £1,000 lump sum	Lump sum	£1,000.00	£63.93
3. 5% per month	Monthly	£127.22	£99.75
4. Pay £100 per month	Monthly	£100.00	£78.40

A 55-year-old Firefighter earning £30,533 per annum:-

Option	Payment Method	Amount to be paid	Amount of Pension Purchased per annum
1. Buy £1,000 of annual pension	Lump sum	£18,986.40	£1,000.00
	Monthly	£1,548.14	£1,000.00
2. Pay £1,000 lump sum	Lump sum	£1,000.00	£52.67
3. 5% per month	Monthly	£127.22	£82.18
4. Pay £100 per month	Monthly	£100.00	£64.59

- Calculations are based on monthly payments being paid each month for 12 months of the scheme year (April to March).
- Contribution amounts shown are before tax relief is applied.
- Amount of pension shown is assuming you retire at age 60 from active service. Actuarial reductions will apply to the amount of pension if you retire before age 60 or before your state pension age if you leave before being able to retire.

Further information and how to apply

If you are interested in purchasing Added Pension and would like a quotation, please complete the form on page 3 of this factsheet and return it to your pensions administrator at the address overleaf.

More information on the pension scheme, is available from:-

- www.insertyourwebsitehere.co.uk, or
- By phone on [insertyourphonenumberhere](tel:insertyourphonenumberhere)
- By email at insertyouremail@addresshere.co.uk

The information provided in this leaflet is intended to provide helpful information but does not constitute financial advice. It should not be treated as a complete and authoritative statement of the law. Before deciding whether or not buy Added Pension to top up your FPS 2015 Pension it is worth considering consulting an [independent financial adviser](#) and/or the [Pensions Advisory Service](#). In the event of any dispute the appropriate legislation will prevail.

FPS 2015 Added Pension - Quote Request

Surname:	First name:
National Insurance number:	
Address:	
Post code:	Date of birth (DD/MM/YY):
Email address:	
I wish to pay an additional £_____ each month (remains the same each month)	
I wish to pay an additional _____% each month (fluctuates with pay)	
I wish to increase my annual pension by £_____ at retirement (2019/20 limit is £6,924)	
I wish to pay a lump sum of £_____ into my pension account.	

- I understand by returning this form I am requesting further information on the prospect of purchasing added pension benefits at retirement. I am not agreeing to a purchase contract at this time.
- I understand that my contributions for Added Pension will cease at the Scheme Year end (31 March) and I will need to make a new election if I wish this to continue into the next Scheme Year, calculated under new factors applying at the beginning of the Scheme Year.
- I understand that my request will be rejected if the amounts specified above are less than any minimum amount determined by my Fire & Rescue Authority.

Signed: _____ Date: _____	Return to: Insert Pensions Administrator's Address here
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**HAMPSHIRE
FIRE AND
RESCUE
AUTHORITY**

Purpose: Noted

Date **15 July 2020**

Title **FIRE PENSION BOARD STATUS REPORT & RISK REGISTER REVIEW**

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.

STATUTORY REPORTING

3. The Accounting for Tax (AFT) for quarter 3 2019/20 and the Event reports for 2018/19 were submitted to HMRC on 23 January 2020 and paid on 24 January 2020. The table below shows the breakdown of the payments made.

Type of payment	Number of members	Tax year relates to	Amount paid
AFT – Annual Allowance	1	2017/18	£37,481
AFT – Annual Allowance	1	2018/19	£29,520
AFT – Life-Time Allowance	1	2019/20	£3,817
Event 1 – Unauthorised payments	17	2018/19	£103,543
Total paid to HMRC			£174,361

4. There were no payments due for the AFT for quarter 4 2019/20

RISK REVIEW

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

RISK REGISTER

6. The board are asked to review the Risk Register and to suggest any amendments. The Risk Register can be found in APPENDIX A.

SARGEANT CASE

7. This is also known as the McCloud case; it relates to the age discrimination court case that was brought against the transitional protections for the 2015 Fire Pension Scheme.
8. An interim order was issued at the December 2019 hearing, and a statement was issued by HM Treasury on 25 March. The statement can be found in APPENDIX B. We understand from this that the initial proposals are to return members to their former final salary scheme for the 'remedy period', but to offer a choice to the member, including those that were deemed protected in the final salary scheme, to receive benefits based on the current 2015 CARE scheme if it is better to do so.
9. At this stage it is not clear when the end of the 'remedy period' will be, however it is not expected to be before 2022, as the current working assumption is that it will take three years to bring in these proposals.
10. As yet, we do not know when the member might make the choice. We understand that this could be either:
 - (a) At the end of the 'remedy period', this will be the same time right across public sector, or,
 - (b) At the members retirement age

Either option will bring its own challenges and communication with members will be key to aid their understanding of the choice they will have to make.

11. Before Covid-19 hit, we were expecting a consultation to come out in early summer which would go some way to explaining remedy and how to apply it. We are hoping that this will still come out before the hearing that is scheduled for July 2020, which we believe will legalise the interim order made in December 2019.

MATTHEWS CASE

12. This is also known as the O'Brien case; it relates to part time working and pensions. In essence, these cases had employment going back to the 1970's, but were only eligible to enter the pension schemes from 2000, when the Part Time Workers Directive came into force; however, the court determined that the whole of the employment should count for pension purposes and not just the period from 2000.

13. The Board may recall that the 2006 Modified Fire Pension Scheme allowed RDS members with employment between 1 July 2000 and 5 April 2006 to backdate their membership of the scheme.
14. The legislation was brought in retrospectively in 2014 and this was before the creation of the Local Pension Boards. The project was not managed particularly well. There was no national consistency and FRAs were very much left to their own devices to communicate with affected potential members.
15. Approximately 1,000 affected potential members were initially identified and written to with some explanations about the scheme and some examples of likely benefits.
16. For those that were interested, pay and rank data had to be retrieved from historical payroll information for each month of relevant employment. This enabled details to be sent to members of the arrears of contributions that they would need to pay. They then needed to complete an election form to join the scheme. Approximately 170 members returned an election form. Calculations were sent to these members giving details of their benefits.
17. This court case inevitably means that we will need to have a similar exercise as we did for the Modified Fire Pension Scheme, this will be a resource intensive project and retrieving the necessary data could prove challenging.
18. We will be in a better position than we were when we embarked on the Modified Fire Pension Scheme for three main reasons
 - (a) We have lessons learned from the Modified Fire Pension Scheme experience
 - (b) We have the Employer Pension Manager in post and the Employer Pension Groups
 - (c) We have Clair Alcock and Claire Hey and a great communication network so we can standardise forms / letters and communication
19. A consultation was expected in late spring, but that was before Covid-19 hit, so has been delayed. The consultation will help us to define the parameters of this work and to be able to start to identify the volume and scope of what will be required.

COVID-19

20. Hampshire IT Services have taken the decision to retain Citrix for a further year, this will allow even more staff to work from home and have full access to all systems while using their own computers.
21. Hampshire County Council has recently also made a decision to buy a lot more IT kit. This means that hybrids and laptops will be issued to all staff currently

using their own devices, along with peripherals (mouse, keyboard, monitor etc).

22. Hampshire Pension Services have in place a business continuity plan. They have approx. 90 staff members and around one third are currently responsible for processing benefits.
23. The workload has been prioritised and urgent cases such as death in service, death on pension as well as retirements are the focus. They are confident that they will be able to maintain the key priorities during this challenging time.
24. The Pensions Customer Support Team were only accepting urgent phone calls as there were a few staff answering calls on mobiles. The customer call centre has now been moved to Microsoft Teams, which means that more staff can now answer calls.

COMMUNICATION

25. Unfortunately, the pre-retirement courses scheduled on 23 March and 21 July have had to be cancelled because of Covid-19, so there have been no presentations since the last Board meeting.
26. The next pre-retirement course is scheduled for 23 November, these courses are always very popular and fully attended. The Board is requested to give any views about the running of this course if social distancing is still in place. For example, whether consideration should be given to running these online or virtually and whether anything can be provided before November, especially for those that had booked for the March and July courses.

MEETINGS

27. The Employer Pension Manager attended the Fire Technical Group meeting on 31 January 2020 and the South East Fire Regional Pension Officers Group meeting on 28 February. Since 5 May, she has also been attending fortnightly online coffee mornings for the Fire Technical Group.

MEMBER PORTAL

28. There has been a slight increase of those registered for the Member Portal from 23% to 27%.
29. Numbers of those registered are shown in the table below:

Pension online registration numbers as at 08/06/2020							
Number of actives per age range							
HFRA FIRE	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	12	52	111	69	28	1	273
Not registered	123	216	240	103	53	2	737
Total	135	268	351	172	81	3	1,010
Percentage of actives per age range							
HFRA FIRE	under 30	30-40	40-50	50-55	55-65	65+	
Registered	9%	19%	32%	40%	35%	33%	
Not registered	91%	81%	68%	60%	65%	67%	
Total	100%	100%	100%	100%	100%	100%	
Percentage of all actives per age range							
HFRA FIRE	under 30	30-40	40-50	50-55	55-65	65+	Total
Registered	1%	5%	11%	7%	3%	0%	27%
Not registered	12%	21%	24%	10%	5%	0%	73%
Total	13%	26%	35%	17%	8%	0%	100%

30. There will be further communications about this when the Annual Benefit Statements are ready to be viewed online later in the summer.

PENSION BOARD MEMBERSHIP

31. Adverts were placed to recruit a new Scheme Representative Board member to replace Malcolm after his retirement.
32. Hampshire Pension Services send out pensioner newsletters annually and there was an article included within this. There was also an advert in routine Notice. The closing date for applications was set to 29 May 2020.
33. We have received two expressions of interest applications and therefore both candidates will be interviewed by a panel. This is in the process of being arranged and is expected to be held virtually. It is hoped that the new Board member appointment will be ratified in time to join the October Pension Board meeting.

PENSION BOARD TRAINING

34. Clair Alcock has been invited to attend the October Board meeting to provide some training for Board members.

ABATEMENT GUIDANCE

35. The LGA have pulled together some guidance on abatement which follows on from a session at the Fire AGM in 2019. Abatement will occur where there is a pension in payment from either the 1992 or 2006 scheme and there is a period of re-engagement in any capacity with any FRA.
36. Although in essence the principles of abatement are relatively straight forward in that, current pay, plus pension must not exceed final pay at date of leaving. Where the final pay is exceeded, then the annual pension that is in payment will be wholly or partially abated for the period of the re-engagement.
37. However, the technicalities of what is included within the pay figures and whether you use the final years average pensionable pay or simply the pay at date of leaving; combined with whether you are looking at whole time part time or retained contracts can make it more complex.
38. HFRA has had several abatement cases and several FRAs including Hampshire were sent the guidance in order to provide some feedback. It's hoped that the guidance will be of use to other FRAs and to provide some consistency about how to apply abatement.

TEMPORARY PROMOTION COSTINGS

39. The Board will recall how HFRA made a local decision regarding temporary promotions and their treatment for different cohorts of employees when we initially wrote to all affected members in August 2016.
40. Cohort 1 was made up of members that had already retired, and Cohort 2 was made up of members who had the potential of an earliest retirement date within three years of August 2016.
41. Members in cohorts 1 & 2 are protected members and as this was a local decision, any differences in their actual benefits (based on temporary promotion pay) v their legislative benefits (based on an Additional Pension Benefit (APB) and substantive pay) must be paid for by HFRA and not the Home Office.
42. An APB is calculated using the contributions paid on the additional pay received because of the temporary promotion and dividing it by a Government Actuary factor based on the members age. This provides an amount which is paid in addition to the normal annual pension.

43. The maximum cost envelope as agreed by HFRA of the estimated costs for the 41 protected members in cohorts 1 and 2 were £256,000 for lump sums and £35,700 a year for annual pensions.

Tax year	Number of retirements	Additional lump sums paid	Additional annual pension paid
2015/16	1	£22,491.88	£562.30
2016/17	5	£45,417.12	£7,406.19
2017/18	3	£22,788.87	£12,810.35
2018/19	5	£40,461.95	£16,285.51
2019/20	9	£46,969.02	£24,663.62
Total	23	£178,128.84	£24,663.62

44. The differences that have been paid out so far for the 23 members across both cohorts are broadly in line with the estimated figures prepared in 2016 and are all still within the maximum cost envelope.
- (a) Total of all lump sum differences paid are £178,128.84
 - (b) Annual pensions differences paid for 2019/20 are £24,663.62
45. Two members have retired so far in 2020/21; the remaining 16 members are still in employment and could retire at any point. There are a number of factors which could mean that the estimated figures might be exceeded
- (a) A different retirement date to the one used in the estimate
 - (b) Pay increases since 2016 to date of retirement
 - (c) A protected and unbroken period of temporary promotion which continues until date of retirement
 - (d) The increase in the commutation factors for the 1992 scheme that came into effect in October 2018.
46. Should we get close to exceeding the maximum cost envelope then further approval will need to be sought for additional funding.

COMBINED FIRE AUTHORITY (CFA)

47. Preparations for the CFA are continuing; IOW and Hampshire Pensions are actively progressing the transfer of pension data and files to Hampshire Pension Services. This will involve extracting data from IOW system with Heywood's and migrating it to the Hampshire system with Civica.
48. The tentative aim is to have the data in a test environment by the end of the year and to then run parallel updates and pension payrolls. As the IOW Fire pension data is for a relatively small number of members (364 in total) there is some scope for this timeframe to move a bit. The final plan has not yet been

drawn up. But there should be no issues for all data to be imported and ready for a “go live” from 1 April 2021.

49. A similar plan is being worked on by HR and HFRA to transfer the current employees payroll to the IBC Shared Services.
50. There is only one issues for Fire Pensions and that is to do with Temporary Promotions. IOW have made them not pensionable whereas HFRA has. A decision will therefore need to be made by the new CFA to determine whether from 1 April 2021, Temporary Promotions are pensionable or not. The new CFA will also need to decide what it will do about those that fall on the other side of that decision where they were in a Temporary Promotion on both 31 March and 1 April 2021.
51. The Board are asked for their views on whether the membership of the Fire Pension Board for the CFA will need to be extended. The Hampshire & IOW Fire Pension Board under the CFA could be increased by two; one Scheme Member representative and one Employer representative and both of these members could be appointed from the existing IOW contingent.

RECOMMENDATION

52. That the content of this report be noted by the Hampshire Fire Pension Board
53. That the Risk Register as set out in paragraphs 5-6 and APPENDIX A be approved by the Hampshire Fire Pension Board.
54. That the appropriate facilities for the pre-retirement courses as set out in paragraph 26 are endorsed by the Hampshire Fire Pension Board.

APPENDICES ATTACHED

55. APPENDIX A – Risk Register
56. APPENDIX B – [HM Treasury Statement HCWS187](#)

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

Risk Register for Fire Pensions

Risk number	Date identified	Risk area	Risk description	Likelihood	Impact	Risk score	Control measure / mitigation	Likelihood after mitigation	Impact after mitigation	Risk score after mitigation	Risk owner
1	12/05/2017	Operations	Failure to administer the pension scheme in a proper and effective manner	2	3	6	<ul style="list-style-type: none"> Liaison with employer End of Year Employer web (UPM access) Fire Employer Group & Pensions Admin Group Fire Pension Board Management oversight and escalation to Rob Carr Diversification – we run a Shared Services arrangement Ability to call in temporary staff for peak workloads Business continuity plan 	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services: - <ul style="list-style-type: none"> Testing software Internal and External Audits Standardisation of systems and processes All processes and calculation have a “doer” and a separate “checker” Monthly mortality screening for pensions in payment Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned Participation in National Fraud Initiative reporting 	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	<ul style="list-style-type: none"> Strong financial plan for HFRA Planned budget Aim to complete all Home Office returns on time 	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	<ul style="list-style-type: none"> Scheme Advisory Board Local Government Association (LGA) Regional Fire Pension Officer Groups Fire Pension Board Employer Pension Manager as a dedicated resource liaising between <ul style="list-style-type: none"> Fire Employer Group & Pensions Admin Group, pulling together Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services 	2	4	8	Scheme Manager

BEFORE MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1				
	Unlikely	2		1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions	
	Possible	3		2. Failure to pay the right amounts on time and in line with legislation	4. Failure to identify and interpret and implement legislation correctly	
	Likely	4				
	Almost certain	5				

AFTER MITIGATION		Impact				
		Negligible	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Likelihood	Rare	1		1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions	
	Unlikely	2		2. Failure to pay the right amounts on time and in line with legislation	4. Failure to identify and interpret and implement legislation correctly	
	Possible	3				
	Likely	4				
	Almost certain	5				

Pensions Update:Written statement - HCWS187**WS****Treasury**

Made on: 25 March 2020

Made by: **John Glen** (The Economic Secretary to the Treasury)

Commons

HCWS187**Pensions Update**

The government is developing proposals to address the unlawful age discrimination identified by the Court of Appeal in the 2015 reforms to the Judicial and Firefighters' pension schemes.

On 15 July 2019, the government announced it would take steps to remove this discrimination retrospectively (HCWS1725). It confirmed that this would apply to pension scheme members with relevant service across all those public service pension schemes that were introduced in 2014 and 2015, regardless of whether individuals had made a claim. This is a complex undertaking, and it is important to get it right.

Since February 2020 relevant pension schemes have been conducting technical discussions with member and employer representatives to seek initial views on the government's high-level proposals for removing the discrimination.

I am grateful for the constructive engagement of trade unions, staff associations, public service employers and other stakeholders in these discussions. The government is considering the initial views of stakeholders and continuing to work through the details of the technical design elements of the proposals. Detailed proposals will be published later in the year and will be subject to public consultation. The government will welcome views on these proposals.

For the avoidance of doubt, members of public service pension schemes with relevant service will not need to make a claim in order for the eventual changes to apply to them.

I would like to reassure members that their pension entitlements are safe. The proposals the government is considering would allow relevant members to make a choice as to whether they accrued service in the legacy or reformed schemes for periods of relevant service, depending on what is better for them. The government will provide more detail later in the year, but if an individual's pension circumstances change as a result, the government may also need to consider whether previous tax years back to 2015-16 should be re-opened in relation to their pension.

The government will also set out its proposal to remove the discrimination for future service in the forthcoming consultation.

In January 2019, the government announced a pause to the cost control mechanism in public service pension schemes, due to uncertainty about benefit entitlements arising from the McCloud judgment. Alongside its proposals for addressing discrimination, the government will also provide an update on the cost control mechanism.

This statement has also been made in the House of Lords: **HLWS182**