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

NOTICE OF MEETING

<i>Meeting</i>	HIWFRA Firefighters' Pension Board	<i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority</i> CFO Neil Odin
<i>Date and Time</i>	Tuesday, 25th January, 2022 10.00 am	<i>Fire & Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i>
<i>Place</i>	Meeting Room X and Y - Fire & Police Shared HQ, Eastleigh	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

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

Agenda

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2 **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.

3 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)

To confirm the minutes of the previous meeting held on the 14 October 2021.

4 DEPUTATIONS

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

5 CHAIRMAN'S ANNOUNCEMENTS

To receive any announcements the Chairman may wish to make.

6 LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT (Pages 7 - 48)

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

7 FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW (Pages 49 - 74)

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

ABOUT THIS AGENDA:

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

Agenda Item 3

AT A MEETING of the HIWFRA Firefighters' Pension Board held at Fire and Police HQ, Eastleigh on Thursday, 14th October, 2021

Chairman:

* Stew Adamson

Vice-Chairman

* Richard North

* Sean Harrison

* Councillor Roger Price

* Ross Singleton

* Mark Hilton

* Richard Scarth

12. APOLOGIES FOR ABSENCE

Apologies were received from Dan Tasker.

13. DECLARATIONS OF INTEREST

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

No interests were declared.

14. MINUTES OF PREVIOUS MEETING

The minutes of the last meeting held on the 20 July 2021 were reviewed and agreed.

15. DEPUTATIONS

There were no deputations on this occasion.

16. CHAIRMAN'S ANNOUNCEMENTS

The Chairman drew Members attention to the recent announcement from the FBU and LGA on the Immediate Detriment Framework. Officers confirmed that they would be holding discussions as a result of this announcement, and to identify appropriate governance routes for future related decisions.

17. SCHEME ADVISORY BOARD

The Chairman invited Councillor Roger Price to provide a verbal update on the Scheme Advisory Board (Item 6 in the Minute Book).

Councillor Price confirmed to Board Members that meetings of the Scheme Advisory Board would soon be reverting back to 'in-person' meetings, after being held for some time via Microsoft Teams because of the Covid pandemic.

RESOLVED:

The Firefighters' Pension Board noted the verbal update.

18. **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT**

The Board received an update on Legislation and the Local Government Association (LGA), (Item 7 in the Minute Book).

Officers presented the report to the Board and highlighted key areas of the report. Attention was drawn to paragraphs 4 - 7 of the report which detailed the IDRPs Data Request Update. It was heard that out of the 34 Fire and Rescue Authorities who had submitted data, nine reported a nil return, of which Hampshire was one of these. Officers highlighted that the number of IDRPs across the board was quite low. In relation to the annual Governance and Administration survey issued by The Pensions Regulator (TPR), it was noted that due to timings and resource, the survey would not be issued for 2021/22. Results for the 2020/21 survey showed that 83% of active fire pension scheme members had received their 2020 Annual Benefit Statement (ABS) by the deadline of 31 August 2020, which was a high number during a difficult period due to the Covid pandemic.

The issue of Scheme Pays Reporting was explained to Members as set out in paragraphs 13 - 16, and in response to a Board Member query, it was confirmed that this applied to scheme pays and annual allowance. It was heard that the Pensions Dashboard Programme, as set out in paragraphs 17 - 20, was moving forward and was a very large piece of work as every pension scheme would be involved in this. Paragraphs 21 - 28 of the report detailed the SAB responses to recent HMT consultations, and highlighted some SAB concerns relating to these, including the introduction of an economic check.

The Chairman of the Board extended his personal thanks and that of the Board to Clair Alcock for all her support, advice and training. It was noted that Clair had recently left her post at the LGA, and taken up a new post as Head of Police Pensions at the National Police Chiefs Council. It was highlighted that Claire Hey had been promoted as Clair's successor.

RESOLVED:

That the contents of the report was noted by the HIWFRA Firefighters' Pension Board.

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

The Board received a report which provided an update on ongoing issues (Item 8 in the Minute Book), and also the Risk Register of the Board for review. The report was introduced and key issues were highlighted to Members of the Board.

Members attention was drawn to paragraphs 5 – 7 of the report which provided information on Pensions Savings Statements (PSS). At the last Board meeting, Members requested information on how many fire pension scheme members had exceeded their annual allowance and incurred a tax charge, and it was noted that this totalled 11. In relation to the Member Portal, it was heard that this now reflected a member's membership journey as a result of corrections to the reporting of statistics by Hampshire Pension Services. A discussion ensued around pension scheme communications to new recruits, and it was heard that it would be beneficial for this to be factored into the training course for new recruits.

Paragraphs 15 – 17 of the report highlighted the issue of Historical Contribution Rates, and it was explained that this issue affected all Isle of Wight on-call/retained firefighters that were employed and in a pension scheme between 1 April 2021 and 31 March 2021. It was noted that discussions had been held with the Isle of Wight, and further details were awaited from them. Details around the audit of pension records and finance details as part of the Combined Fire Authority (CFA) were outlined at paragraphs 18 - 24, and it was noted that the audit had been completed and where there had been issues, everyone had been contacted that needed to be, and this had been dealt with well.

The Board heard details about the McCloud Remedy Working Group, and a discussion ensued around ensuring all staff receive key messages about scheme changes. Board Members agreed that it would be useful for some short videos to be made, with signposting to these, and possibly webinars. It was agreed that the Vice Chairman, Richard North, would liaise with the Employer Pension Manager and the communications team in rolling this out, and Board Members Richard Scarth and Mark Hilton would also assist.

Officers drew attention to paragraph 33 of the report which highlighted Immediate Detriment cases. It was heard that five more pension scheme members had received their options for retirement, and there had been one new request since the report had been written. A discussion ensued around communication messages to try and identify any likely retirements up to the 1 October 2023, and it was agreed that it would be timely to wait until after the Memorandum of Understanding and the new framework before publishing any communications.

Members attention was drawn to the Risk Register, and it was heard that there were no changes to this at the moment, and the Board were content with this.

RESOLVED:

- i. That the content of the report be noted by the HIWFRA Firefighters' Pension Board.
- ii. That the Risk Register as set out in paragraphs 26 - 27 and Appendix A be approved by the HIWFRA Firefighters' Pension Board.

Chairman,

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

Purpose: Noted

Date: **25 JANUARY 2022**

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

Report of Chief Financial Officer

SUMMARY

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

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been four 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 49, 50, 51 and 52 can be found in APPENDICES A, B, C & D. There is a lot of information contained within these bulletins; the key items are set out below.

RESOURCES ON MEMBER WEBSITE (BULLETIN 50 & 51)

4. Updates to the www.fpsmember.org website have taken place. There is now a section on 2015 Remedy which provides background to the remedy and also a series of FAQs which have been agreed by the Fire Communications Working Group. The A-Z of pension terms has also been expanded significantly to try and aid understanding for members.

HM TREASURY RESPONSE TO COST CAP CONTROL CONSULTATION (BULLETIN 50)

5. On 4 October 2021, HM Treasury published its response to the cost control mechanism consultation. The Government is proceeding with its three proposed options for reform, to recap in summary these are:
 - (a) Reformed scheme only design so the mechanism considers only past and future service in the reformed schemes
 - (b) Widen the corridor from 2% to 3% of pensionable pay
 - (c) Economic check
6. The Government is aiming to implement all three reforms for the 2020 Scheme valuations. The reformed scheme only design and economic check will be introduced through primary legislation. The widened cost control will be provided for in scheme regulations (secondary legislation).

PUBLIC SERVICE PENSIONS VALUATION AND EMPLOYER COST CAP DIRECTION (BULLETIN 50)

7. In February 2019, HM Treasury paused the cost cap element of the 2016 valuations due to the uncertainty regarding the cost of the McCloud age discrimination case. There is now sufficient certainty regarding the costs and this direction allows schemes to conclude the 2016 valuations.
8. The Government stated in a written statement in February 2021 that early estimates indicated that some schemes could breach the cost ceiling when the valuations were finalised. The Government has decided that any impact on member benefits will be waived as the mechanism may not have been working as intended.
9. They have also confirmed that any changes to employer contribution rates resulting from the 2020 valuations will be delayed to April 2024.

LEGAL CHALLENGE ON COST CONTROL CONSULTATION RESPONSE (BULLETIN 51)

10. Unions across the public sector have launched a judicial review against HM Treasury about including McCloud remedy costs in the cost control mechanism. The unions argue that the cost of rectifying discrimination should not be met by scheme members. There are not currently any timescales available for this but the court action is likely to take several months to conclude.
11. The provisional results of the 2016 cost cap valuation showed that all public service schemes were cheaper than expected. This would have led to a

reduction in contributions or improvements in benefits from April 2019 had the cost control process not been paused.

FINANCE BILL UPDATE (BULLETIN 51)

12. On 2 November 2021, HM Treasury (HMT) formally introduced the Finance (No.2) Bill 2021/22 to Parliament. The Bill includes several provisions that may affect the administration of the Fire Pension Schemes.
13. Clause 9 makes changes to annual allowance scheme pays deadlines. This extends deadlines for both the member to elect for Scheme Pays and for the administrator to make payments to HMRC. This will primarily be utilised in cases of McCloud remedy where Annual Allowances are exceeded in a prior year.
14. Clause 11 provides HMT with the power to make regulations to address tax impacts from McCloud remedy. This will primarily affect retrospective McCloud remedy for retired members who have retired more than 12 months ago. This will allow the payment of any additional commutation lump sum to be treated as an authorised payment rather than an unauthorised payment. Unauthorised payments attract a tax charge and the Finance Bill aims to remove this for these members.

VACANCY ON SAB SUB COMMITTEE (BULLETIN 51 & 52)

15. The Scheme Management and Administration (SMA) Committee has a vacancy for an FRA Local Pension Board member. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of the administration and to consider how scheme managers and administrators can best be supported by identifying best practice.
16. The required commitment is usually three to four meetings per year and these are currently virtual meetings. This is a great opportunity for a board member to become more involved with governance at a national level and represent the views of the sector. If any Board member is interested in this or wants to know more then they should email the LGA via the Bluelight inbox: bluelight.pensions@local.gov.uk

APPOINTMENT TO LGA BLUELIGHT TEAM (BULLETIN 52)

17. After a successful recruitment campaign, Claire Johnson has been appointed to the role of firefighters' pension adviser in the Bluelight Team at the LGA. Claire is currently the pension manager at West Yorkshire FRA and will bring a wealth of experience to the team and support to Claire Hey. Claire will take up her new post on 24 January 2022.

RECOMMENDATION

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

APPENDICES ATTACHED

19. APPENDIX A - [FPS Bulletin 49](#) (September 2021)
20. APPENDIX B - [FPS Bulletin 50](#) (October 2021)
21. APPENDIX C – [FPS Bulletin 51](#) (November 2021)
22. APPENDIX D – [FPS Bulletin 52](#) (December 2021)

Contact:

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



FPS Bulletin 49 – September 2021

Welcome to issue 49 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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 morning	12 and 26 October 2021
South West and Wales regional group	5 October 2021
Aon Pensions Dashboards webinar	6 October 2021
Fire Finance Network conference	13-14 October 2021
Midlands regional group	21 October 2021
North East regional group	18 November 2021
SAB	9 December 2021

FPS

Two pension award case study

Certain unique elements of the Firefighters' Pension Schemes continue to cause administrative complexities; entitlement to two pensions being one example that requires good communication and collaboration between an FRA and their administrator.

One FRA has shared their experiences in this [two pension award case study](#), taking readers on a journey from an initial query, identification and resolution of an issue, breach recording, and review of internal processes.

This detailed case study has been shared as an example of best practice and to raise awareness of two pension entitlements. It is a strong example of partnership working between an FRA, their administrator, and a representative body, and also demonstrates thorough consideration of the Pension Regulator's breach processes.

We welcome case studies on any examples of good practice that FRAs would like to share. Please email bluelight.pensions@local.gov.uk with submissions for future issues.

LGA vacancy - Firefighters' Pensions Adviser - Employers

We are looking for someone to join us at the LGA to provide high-quality support to FRAs and FPS practitioners as a [Firefighters' Pensions Adviser – Employers](#) on a home or office-based contract.

The ideal candidate will have knowledge and experience of the FPS and excellent communication skills to support scheme stakeholders through a number of upcoming legislative developments that will require clear and comprehensive information and will bring with them significant administrative and communication challenges.

The closing date for applications has been extended to 11 October 2021 and interviews will now take place in the week commencing 25 October 2021.

Please contact claire.hey@local.gov.uk with any questions about the role.

Technical 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 is updated monthly in line with the bulletin release dates.

Queries have been answered this month in the following categories: abatement (page 11), deferred benefits (page 58), pension sharing (page 92), and survivors pension (page 105).

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

FPS England SAB updates

SAB LPB effectiveness committee vacancy

We have a vacancy on the [Local Pension Board \(LPB\) effectiveness committee](#) for an FRA LPB representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in designing board surveys and developing draft guidance for joint LPB applications.

[Click here to return to Contents](#)

This is a great opportunity for an LPB member to get more involved with governance at a national level and represent the views of the sector.

The required commitment is usually three to four meetings per year and these are currently being held virtually. If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Public Service Pensions and Judicial Offices Bill receives Second Reading

The Bill received its [Second Reading in the House of Lords](#) on 7 September 2021 and will now move to the Committee Stage (first sitting on 11 October 2021).

James Younger, Viscount Younger of Leckie, confirmed at the Second Reading that the Government:

- is aiming for the Bill to receive Royal Assent in early 2022
- will be depositing policy statements in the House Library in the coming weeks
- expects that some technical amendments will be required during the Bill's passage through Parliament.

The Bill was introduced to Parliament on 19 July 2021.

Government suspends earnings part of 'the triple lock'

The government announced on 7 September 2021 that it will be introducing legislation to [suspend the earnings part of the triple lock for one year](#).

As a result, basic and new State Pensions will increase in April 2022 by the higher of 2.5 per cent or inflation. This will also apply to those receiving the standard minimum guarantee in Pension Credit and widows' and widowers' benefits in Industrial Death Benefit.

The earnings part of the triple-lock was estimated to be above 8 per cent due to "unprecedented fluctuations to earnings caused by the COVID-19 pandemic".

Auto-enrolment news

On 21 September 2021, the Minister for Pensions and Financial Inclusion, Guy Opperman, confirmed in an [answer to a Parliamentary written question](#) that the Government is still committed to implementing the recommendations from the [2017 Automatic Enrolment review](#) in the mid-2020s.

In other news, Mel Charles, Director of Automatic Enrolment at the Pensions Regulator (TPR), published [a blog on automatic enrolment duties](#) on 26 August 2021. Mel reminds employers that, despite the effects from the pandemic, they must not neglect these duties.

[PLSA publishes ‘An Employer’s Guide to Talking About Workplace Pensions’](#)

On 15 September 2021, the Pensions and Lifetime Savings Association (PLSA) published ‘[An Employer’s Guide to Talking About Workplace Pensions](#)’.

The guide provides background on what employers (and pension schemes) can and cannot say with the intention of helping them navigate the advice / guidance boundary.

We reported in [FPS Bulletin 45](#) that TPR had produced similar [guidance on providing support to employees on financial matters](#) without being subject to Financial Conduct Authority regulation.

[HM Treasury responds to Committee’s report on public service pensions](#)

On 2 September 2021, [HM Treasury \(HMT\) responded to the report on public service pensions](#) from the House of Commons Committee of Public Accounts. The Committee published the report on 11 June 2021 and made six conclusions alongside recommendations for each one.

HMT agrees with five of the recommendations and sets out how it will progress these. It has already announced most of the actions (such as [consulting on the SCAPE discount rate methodology](#)). Additionally, HMT will:

- commission other government departments for analysis of the latest participation data for each public service scheme
- work with departments to standardise data collection on participation rates, including whether it could be broken down by member characteristics
- ask departments to update it on measures they are taking to improve participation among specific groups
- write to the Committee with an update in six months on the work to implement the McCloud judgment and to resolve the issues with the cost control mechanism
- write to the Committee by the end of 2021 with an assessment of how it is meeting the objectives of the 2014 / 15 pension reforms.

HMT disagrees with the Committee’s conclusion that it has done little to identify and manage the stark differences in average pensions between genders and other groups. It argues that such differences are a function of past differences in earnings rather than in differences in pension provision itself.

HMRC

HMRC newsletters/bulletins

On 30 September 2021, HMRC published [Pension schemes newsletter 133](#) containing important updates and guidance for schemes. Articles include:

- relief at source — annual return of information and notification of residency status reports
- pension scheme migration
- reporting multiple small pots payments using Real Time Information (RTI)
- updates to the HMRC Pensions Tax Manual

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next session is due to take place on 12 October 2021.

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

[31 August 2021 – One-pot ill-health and death recap](#)

[14 September 2021 – Remedy project management update](#)

[28 September 2021 – Scheme valuations and cost control overview](#) (First Actuarial)

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

Legislation

SI	Reference title
2021/1047	The Pensions Regulator (Employer Resources Test) Regulations 2021

Useful links

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

Contact details

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While 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 50 – October 2021

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Event	Date
FPS coffee morning	9 and 23 November 2021
Eastern regional group	2 November 2021
SAB SMA committee	4 November 2021
North West regional group	10 November 2021
North East regional group	18 November 2021
Eversheds Sutherland pensions conference	1 December 2021
Eastern regional group	7 December 2021
SAB	9 December 2021

FPS

Immediate Detriment Framework

On 8 October 2021, the [FBU and LGA published a joint statement](#) to announce the agreement of a [Memorandum of Understanding and Framework](#) for managing immediate detriment cases arising from the McCloud/ Sargeant age discrimination judgment.

We have prepared guidance to assist FRAs in adoption of the Immediate Detriment Framework. The guidance is available on the [age discrimination page](#) of the FPS Regulations and Guidance website and will be kept under review. Log-in details are required to access the page and can be provided to practitioners and administrators only.

FPS Member website resources added

A new section has been added to the FPS member website, www.fpsmember.org, titled [2015 Remedy](#). This section provides a background to the McCloud/ Sargeant age discrimination ruling and a series of frequently asked questions. More information will be added over the coming months.

Fire and Rescue workforce and pensions statistics published

The Home Office published [workforce and pensions statistics](#) for Fire and Rescue Services (England) on 21 October 2021. The pension scheme statistics, covering April 2020 to March 2021, reflect data returns on income, expenditure and membership submitted by all FRAs in England.

Some key results:

- Firefighters' Pension Scheme expenditure in 2020-21 was around £902 million.
- 84 per cent of expenditure was "recurring outgoing payments" and 15 per cent was "commutation payments". "Transfers" and "miscellaneous expenditure" totalled less than 1 per cent
- Firefighters' Pension Scheme income in 2020-21 was around £393 million.
- Employer contributions rose by 1 per cent to £262 million.
- In 2020-21, 67 per cent of income was "employer contributions", 30 per cent was "employee contributions" and the remaining three per cent comprised transfers, miscellaneous income, and ill-health charges.
- The Firefighters' Pension Scheme deficit in 2020-21 was around £509 million; a two per cent decrease compared with the previous year (£521 million).
- On 31 March 2021, the total number of pensioner members was 44,961. Of these, 90 per cent were members of FPS 1992.

Consultation on FPS Wales

On 25 October 2021, the Welsh Government launched a consultation on amendments to firefighters' pension schemes in Wales.

The consultation relates to proposed amendments to the Firefighters' Pension Scheme (Wales) Regulations 2015 which will require all current members of the firefighters' pension schemes dating from 1992 and 2007 to join the 2015 Scheme on 1 April next year.

The consultation closes on 20 December 2021 and is available at the following link:

[Amendments to firefighters' pension schemes in Wales 2021 | GOV.WALES](#)

Technical 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 is updated monthly in line with the bulletin release dates.

No new queries have been added this month.

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

FPS England SAB updates

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We have a vacancy on the [Local Pension Board \(LPB\) effectiveness committee](#) for an FRA LPB representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in designing board surveys and developing draft guidance for joint LPB applications.

This is a great opportunity for an LPB member to get more involved with governance at a national level and represent the views of the sector.

The required commitment is usually three to four meetings per year, and these are currently being held virtually. If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

HMT consultation response: cost control mechanism

On 4 October 2021, HM Treasury (HMT) published its response to the cost control mechanism (CCM) consultation. The [full response to the CCM consultation](#) is available online.

[Click here to return to Contents](#)

In summary, the government is proceeding with its three proposed options for reform:

- **Reformed scheme only design so the mechanism considers only past and future service in the reformed schemes.**

This measure is intended to ensure the right balance of risk between the member and the Exchequer, and to improve the stability of the mechanism.

- **Widen cost corridor from two per cent to three per cent of pensionable pay.**

The government expects a widened cost corridor of three per cent to balance effective cost control with stability. While the government acknowledged the Scheme Advisory Board's (SAB's) comments on scheme specific corridors, this was felt to be overly complex and more difficult for members to understand.

- **Economic check**

An economic check will be introduced so that any future breaches will only be implemented, and benefits amended, if the breach would still have happened taking long-term economic assumptions into account. The check will be linked to the Office of Budget Responsibility's independent measure of long-term GDP growth.

The government is aiming to implement all three reforms for the 2020 scheme valuations. The reformed scheme only design and economic check will be introduced through primary legislation. The widened cost corridor will be provided for in scheme regulations (secondary legislation).

HMT's response to the [consultation on the discount rate methodology](#) is expected soon.

The Public Service Pensions (Valuations and Employer Cost Cap) (Amendment) Directions 2021

On 7 October 2021, HMT published the [Public Service Pensions \(Valuation and Employer Cost Cap\) \(Amendment\) Directions 2021](#).

In February 2019, HMT paused the cost cap element of the 2016 valuations. This was due to the uncertainty regarding the cost following the McCloud and Sargeant litigation. There is now sufficient certainty regarding the costs and this direction allows schemes to conclude their 2016 valuations.

In a written statement made in February 2021 [[HCWS757](#)], the government said that early estimates indicated that some schemes could breach the cost ceiling when the valuations were finalised. However, the government decided that any impact on member benefits would be waived, as the mechanism may not have been working as intended.

The government also confirmed that any changes to employer contribution rates resulting from the 2020 valuations will be delayed to April 2024.

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September 2021 CPI rate announced

On 20 October 2021, the Office for National Statistics announced [the Consumer Prices Index \(CPI\) rate of inflation for September 2021 as 3.1%](#).

Section 59 of the Social Security Pensions Act 1975 (as amended) provides for public service pensions to be increased annually by the same percentage as additional pensions (State Earnings Related Pension and State Second Pension). In recent years, such benefits have been increased in line with the increase in CPI in the previous 12 months to September.

New webpage on how to avoid the Ombudsman

In October 2021, the Pensions Ombudsman (TPO) launched a new page on its website called [‘How to avoid the Ombudsman’](#). It contains 'top tips', links to case studies, key determinations, and new frequently asked questions.

TPO also published [guidance on communicating with pension scheme members](#). The note sets out simple steps that can be taken to resolve pension disputes and complaints without the need for TPO to be involved.

PDP staging call for input summary

Between 27 May and 9 July 2021, the Pensions Dashboards Programme (PDP) ran a staging call for input outlining the proposed order and timings for pension providers and schemes (data providers) to connect to the pensions dashboard.

The [SAB responded to the call for input](#), suggesting that staging for the Firefighters' Pension Scheme should be after the age discrimination remedy has been implemented and the first set of annual benefit statements issued successfully in Autumn 2024.

PDP received just over 60 responses to the call for input from a variety of stakeholders. These will be used to feed into further policy development of pension dashboards. It has published a [summary of the key themes](#) drawn from the responses, commenting under section 2.1.3.3:

“Those who disagreed with public service schemes staging as early as possible within the first wave, highlighted that implementing the McCloud remedy is the strongest priority over the next three years and it will take significant resources to implement the required changes. The McCloud remedy would make it hard for public service schemes to provide accurate ERI values until a much later date: the first time that the two sets of data will be provided in Annual Benefit Statements will be in 2024.”

PDP has shared the responses with the Department for Work and Pensions (DWP), the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR) to inform policy development on staging. DWP's consultation on draft regulations is expected at the end of the year and will set out the staging proposition.

HMRC

HMRC newsletters/bulletins

On 29 October 2021, HMRC published [Pension schemes newsletter 134](#) containing important updates and guidance for schemes. Articles include:

- Autumn Budget 2021
- extension to some of the temporary changes to pension processes as a result of coronavirus (COVID-19)
- relief at source declaration
- pension scheme migration
- accessing your business tax account
- pension flexibility statistics
- registration statistics

At the Autumn Budget on 27 October 2021, the government announced it will introduce legislation in 2022 to extend scheme pays reporting and payment deadlines for annual allowance charges. The policy paper and draft regulations relating to this change can be found in [FPS Bulletin 47](#).

Contracting-out reconciliation update

On 11 October 2021, HMRC published [Countdown Bulletin 56](#) with updates on:

- the closure of Scheme Cessation and Scheme Reconciliation eRooms
- raising queries with HMRC

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next session is due to take place on 9 November 2021.

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

[12 October 2021 - Immediate Detriment Framework](#)

[26 October 2021 – General FPS update](#)

A new [FPS coffee mornings page](#) has been added to the Events menu of the FPS Regulations and Guidance website to hold previous presentations.

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

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Useful links

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

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inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

While 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 51 – November 2021

Welcome to issue 51 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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 morning	7 and 21 December 2021
Eversheds Sutherland pensions conference	1 December 2021
Eastern regional group	7 December 2021
SAB	9 December 2021
North East regional group	16 February 2021

FPS

Home Office consultation: Amendments to the FPS in England 2022

On 8 November 2021, the Home Office launched a consultation on the amendments to the pension scheme regulations to deliver the first set of changes to remove the transitional protections from the FPS 2015.

These changes enact the policy announced in February of this year and are consequential to the provisions in the [Public Service Pensions & Judicial Offices Bill](#) (PSPJO) currently before Parliament. The changes are intended to come into force on 1 April 2022.

This is part of the package of measures that the government is undertaking to remove the discrimination identified by the courts in the McCloud and Sargeant cases. The second phase will address the issue of giving members a retrospective choice of benefits for the remedy period. The Home Office will consult on this separately next year.

Please find details of the consultation and associated documents at the link here:

[Amendments to the firefighters' pension schemes in England 2022 - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/amendments-to-the-firefighters-pension-schemes-in-england-2022)

The consultation is open until Sunday 2 January 2022.

As it will be for individual Fire and Rescue Authorities (FRAs) as the Scheme Manager to apply the regulations, FRAs are encouraged to respond to the consultation.

Immediate Detriment Framework updates

On 19 November 2021, the [FBU and LGA published a joint statement](#) to update colleagues on the impact of [HMRC's policy note](#) of 27 October 2021 and the [Finance \(No.2\) Bill](#).

The guidance to FRAs available on the [age discrimination page](#) of the FPS Regulations and Guidance website has been updated accordingly. Log-in details are required to access the page and can be provided to practitioners and administrators only.

Sample letters to assist FRAs in administering the Framework have also been added to this page. Please note that these letters have not been developed by the communications group and are not endorsed but have been shared by FRAs/ administrators as examples of good practice and to reduce duplication of work. Some cases may require additional information or slightly alternative information to be added / amended on an ad-hoc basis.

On 29 November 2021, we wrote to FRAs and other stakeholders to tell them that the [Home Office has withdrawn its informal and non-statutory guidance](#) on processing certain kinds of immediate detriment case ahead of legislation, with immediate effect. All versions of the guidance have been removed from the FPS Regulations and Guidance website.

The Home Office also gave the following update on funding:

“I also want to take this opportunity to provide some further clarity in relation to the funding position. As the Government does not advise that immediate detriment cases should be processed in advance of the legislation coming into force, we will not be in a position to provide any additional funding for those costs which are paid outside of the pension account. These costs include payments that are not considered to be legitimate expenditure under the pension scheme regulations and any associated administration costs including any charges from your pension administrator. These will need to be funded locally by your fire and rescue authority from local budgets.

In relation to immediate detriment costs paid from the pension account in the course of processing pipeline cases, FRAs will need to ensure that these payments comply with the financing regulations of the pension scheme. If they are considered to be legitimate expenditure then they will be considered for payment as part of the established processes for claiming the AME top up grant.”

We appreciate that this may be a cause of concern to colleagues who are considering to adopt or who have adopted the [MoU and Framework](#). We are considering the various aspects within the note and will write to FRAs and FRSs with further information as soon as possible.

[Age discrimination remedy - member letters 1 April 2022](#)

Under the communications pillar of the LGA’s remedy [Project Implementation Document](#) deliverables, we said that we would provide communications to explain the effect of protected members moving to FPS 2015 with effect from 1 April 2022 and communications to members not affected by the changes to benefits.

A suite of letters has been developed in collaboration with the Fire Communications Working Group. These can be given by FRAs to scheme members ahead of prospective remedy implementation on 1 April 2022. This includes a tailored version for each member cohort: protected, taper protected, unprotected, and out of scope.

The letters are available on the new [prospective remedy page](#) of the FPS Regulations and Guidance website.

Guide to combining pension scheme service updated

The guide to combining pension scheme service in the FPS has been updated with new or amended definitions of remedy membership cohorts.

We have also replaced references to the “modified scheme” with the correct terminology of FPS 2006 special members/ membership, ahead of the anticipated second options exercise, to make sure that we are using consistent wording in all documents.

Clean and tracked versions of the guide can be found on our [guides and sample documents webpage](#) under the ‘Aggregation’ heading.

A to Z of pension terms updated

As part of our ongoing development of the FPS Member website, the [A to Z of pensions terms](#) page has been expanded significantly. We welcome any suggestions for additional content that would be useful to increase understanding of pensions terminology. Please email bluelightpensions@local.gov.uk.

Technical 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 is updated monthly in line with the bulletin release dates.

Queries have been answered this month in the following categories: combining service (page 17). Queries from earlier months have been grey shaded to differentiate from new items.

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

As a reminder, the recently reinstated [Knowledge Hub technical forum](#) can be used as an alternative, if you need an informal steer from sector colleagues in the meantime. See [FPS Bulletin 47 – July 2021](#) for more information.

FPS England SAB updates

SAB SMA committee vacancy

We have a vacancy on the [Scheme Management and Administration \(SMA\) committee](#) for an FRA LPB representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration and to consider how scheme managers and administrators can best be supported by identifying best practice.

This is a great opportunity for an LPB member to get more involved with governance at a national level and represent the views of the sector.

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The required commitment is usually three to four meetings per year, and these are currently being held virtually. If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Finance (No.2) Bill 2021/22

On 2 November 2021, HM Treasury (HMT) formally introduced the Finance (No.2) Bill 2021/22 to Parliament. The Bill includes several provisions that may affect the administration of the FPS.

Clause 9: Changes to annual allowance scheme pays deadlines

This clause changes deadlines associated with mandatory scheme pays. The period within which some members must give notice of their election will be extended. The deadline for administrators to provide information about annual allowance tax charges will also change.

Clause 11: Tax impacts resulting from the McCloud remedy

The clause provides HMT with the power to make regulations to address tax impacts that arise because of implementing the McCloud remedy. Provisions made under this section may be retrospective and may be different for different member types. The changes will have effect from 6 April 2022 or later.

You can follow the [progress of the Finance \(No.2\) Bill 2021/22](#) on the UK Parliament website.

Proposed amendments to the PSPJO Bill

Amendments to the PSPJO Bill have been proposed. You can read the proposed changes in the [marshalled list of amendments](#). You can follow the [progress of the PSPJO Bill](#) on the UK Parliament website.

Legal challenge: remedy costs and cost control mechanism

Unions across the public sector have launched a judicial review against HMT about including McCloud/ Sargeant remedy costs in the cost control mechanism. The FBU, GMB, and BMA argue that the cost of rectifying the discrimination should not be met by scheme members.

The provisional results of the 2016 cost cap valuation showed that all public service schemes were cheaper than expected. This would have led to a reduction in contributions or improvements in benefits from April 2019 had the cost control process not been paused.

Pension scams: new restrictions on transfers

On 8 November 2021:

- the Government published its [Response to Pension scams: empowering trustees and protecting members consultation](#)
- [The Occupational and Personal Pension Schemes \(Conditions for Transfers\) Regulations 2021](#) [SI 2021/1237] were laid
- the Pensions Regulator (TPR) published [TPR guidance on dealing with transfer requests](#), which includes a helpful flowchart setting out the transfer process.

The regulations take effect from 30 November 2021. They introduce further legal restrictions on a member's statutory right to transfer. The regulations give pension managers and administrators tools to act if they have suspicions about the circumstances that have led the member to request a transfer. The member will no longer be able to insist on a statutory transfer taking place in these circumstances.

PDP November newsletter

The Pensions Dashboards Programme (PDP) has published its [November newsletter](#). The newsletter includes links to:

- the PDP director's blog reflecting on recent achievements and looking forward to activity in the next few months
- the October progress update report
- dashboard providers' update, and confirms that successful applicants to help test the pensions dashboards ecosystem will be announced in December
- the identity hub which provides information about the approach to procuring an identity service
- the technical glossary which includes definitions of key terminology.

TPO stakeholder survey

The Pensions Ombudsman (TPO) is seeking your views on how you think it is doing and where it can improve things. TPO would be grateful if you could complete the [Stakeholder survey](#) which is open until Wednesday 8 December 2021.

One of TPO's strategic goals is to support and influence the pensions industry and the wider alternative dispute resolution sector to deliver effective dispute resolution. Your feedback is important as it will help to shape TPO's future planning, identify areas for improvement and improve the complaints process for its customers.

HMRC

HMRC newsletters/bulletins

On 30 November 2021, HMRC published [Pension schemes newsletter 135](#) containing important updates and guidance for schemes. The newsletter includes

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articles on:

- Relief at source
- Pension scheme migration
- Accessing your business tax account
- Annual allowance charge — members declaring their annual allowance charge on their Self Assessment tax return
- Accounting for tax return

Managing Pension Schemes service

On 18 November 2021, HMRC published a [Managing Pension Schemes newsletter](#) and new [GOV.UK guidance](#) with information on the new feature available on the Managing Pension Schemes service. These also include information on how to prepare to migrate your pension schemes to the Managing Pension Schemes service.

Pension scheme administrators can now view a list of schemes they need to migrate to the Managing Pension Schemes service. Currently it's a 'read only' list. You won't be able to migrate any pension schemes at this point. Only schemes with a status of 'open' on the Pension Schemes Online service will be included in the list.

To view the list of schemes, you'll need to be [enrolled on the Managing Pension Schemes service](#) using your existing 'A0' administrator ID. Scheme administrators with [multiple administrator IDs](#) will need to have completed the process of setting up their 'Master' and 'Ancillary' IDs, and have enrolled using their 'Master' ID.

HMRC will continue to keep you updated on the Managing Pension Schemes service through their [Pension Schemes Newsletters](#).

Please email migration.mps@hmrc.gov.uk if you have any further questions or feedback on the Managing Pension Schemes service, including the migration of pensions schemes.

2020/21 Event Reporting - Annual Allowance Statements and Lifetime Allowance

As last year, HMRC is prepared to accept scheme data regarding pension savings statements for 2020/21 from PCM customers on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2020/21, with the exception of the lifetime allowance protection regimes (see below), must be submitted via Pensions Online.

This concession is on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2020/21 Event Report. The data must be submitted by 31 January 2022 and HMRC reserves the right to open enquiries based on any of the pension savings statement information provided.

The data required for each member is:

- Name of Member (Title, First Name, Surname)
- National Insurance Number of Member
- Aggregate Pension Input Amounts for the scheme (x)
- Tax Year Ending (that the information relates to)
- Have you provided this member with a pension savings statement under regulation 14A(1)(b)(ii) SI 2006/567? (Y/N) (Money Purchase Pension Savings Statement)
- If Yes, provide the Aggregate Pension Input Amounts for Money Purchase Arrangements (y)

All fields must be completed. For members who have both x & y above, it would be helpful if you list the data in the same line on the spreadsheet.

Guidance is included at [HMRC Pensions Tax Manual 161600](#) and [HMRC Pensions Tax Manual 167000](#)

For the data to be compatible with HMRC's IT systems it must be submitted on a Microsoft Excel spreadsheet encrypted via Winzip.

All files should be sent via e-mail to pensions.businessdelivery@hmrc.gov.uk and your PCM copied in. HMRC will notify the scheme of receipt to enable the password to be provided under separate cover.

Lifetime Allowance

You may recall from last year that, in accordance with article 6.2 of the [Pension schemes newsletter 85 - March 2017](#), the Event Report has not yet been amended to include lifetime allowance protections that members applied for online. If you need to submit these details to HMRC, you can also submit them on a password protected spreadsheet and send the password in a separate email.

You should put 'Lifetime allowance – Event Reporting' in the subject line of your email and send this to pensions.businessdelivery@hmrc.gov.uk and, again, copy in your PCM. This data must also be provided by 31 January 2022.

If a scheme chooses to use this facility to provide this information, it is entirely at the scheme's own risk. HMRC accept no responsibility of loss, interception, or corruption until data is delivered safely to them.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

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The next session is due to take place on 7 December 2021.

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

[9 November 2021 – FRA remedy self-assessment survey](#)

[23 November 2021 – Immediate Detriment Framework update - UPCs](#)

An [FPS coffee mornings page](#) has been added to the Events menu of the FPS Regulations and Guidance website to hold previous presentations.

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

Legislation

SI	Reference title
2021/1237	The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
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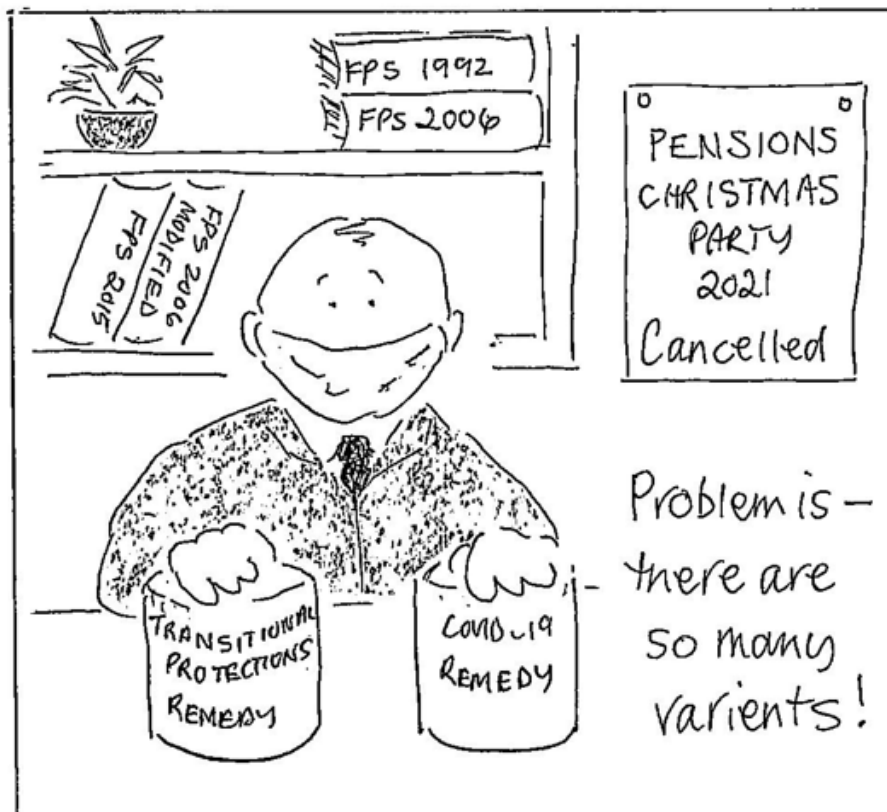
FPS Bulletin 52 – December 2021

Welcome to issue 52 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well. We would like to offer our thanks to all colleagues for their help and support during what has been another challenging year.

In finest December bulletin tradition, Eunice Heaney has kindly provided an illustration perfectly capturing some of the challenges we've faced and are continuing to face.

We wish all readers a very merry Christmas and 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 this bulletin or suggested items for future issues, please email bluelight.pensions@local.gov.uk.

In a new test feature this month, we bring you details of two job vacancies within the UK FPS community. If you have a job you would like to advertise in the bulletin, please email bluelight.pensions@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 bluelight.pensions@local.gov.uk.

Table 1: Calendar of events

Event	Date
FPS coffee morning	11 and 25 January 2022
North East regional group	16 February 2021
LGA Annual Fire Conference and Exhibition	15 – 16 March 2022
SAB	24 March 2022
SAB	23 June 2022
SAB	8 September 2022
SAB	8 December 2022

FPS

Immediate Detriment Framework update

Readers will be aware that on 29 November 2021 the Home Office withdrew its informal and non-statutory guidance on processing certain kinds of immediate detriment case ahead of legislation, with immediate effect. That withdrawal was accompanied by an HM Treasury note and Home Office statement on funding.

The Immediate Detriment Framework guidance to FRAs available on the [age discrimination page](#) of the FPS Regulations and Guidance website has been updated. Log-in details are required to access the page and can be provided to practitioners and administrators only.

If you are taking decisions on immediate detriment cases following the withdrawal of the guidance, you should speak to your FRA's Nominated Contact.

Technical 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 is updated monthly in line with the bulletin release dates.

No new queries have been added this month.

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FPS England SAB updates

[FRA remedy self-assessment survey research report and Chair's Christmas message](#)

We are pleased to bring you this year-end message from Joanne Livingstone, chair of the FPS England Scheme Advisory Board, which announces the publication of the outcomes of the FRA remedy self-assessment survey:

“Dear friends & colleagues,

The Scheme Advisory Board (SAB) is pleased to be able to share with you the results of the survey undertaken by the SAB secretariat in order to provide us with insights into the current administration arrangements and the challenges being faced by FRAs, in the light of both business as usual and remedy based challenges.

[FRA remedy self-assessment survey research report](#)

We would like to thank you all for engaging with the survey and making the time to share your plans and thoughts with us. You will see that this has led to recommendations being made for both the SAB and other stakeholders. There are a number of recommendations in each of the key areas of future administration arrangements and for individual elements of remedy, namely data; contributions; processes; information, communications and coordination; knowledge, capability and capacity.

The SAB is well aware of the challenges and amount of work required to implement the various remedies and we expect that this risk will be prominent in your corporate risk registers. The SAB secretariat will be sending your individual responses to you, to benchmark against the overall average and we hope that this will help you to identify any areas for further focus to ensure that all FRAs have full project plans for the different teams required.

With regard to the communication challenges, the SAB hopes to provide assistance by making available a range of generic scenarios and some information videos in the coming months. Our committees have been busy working on this and are also looking at ways to ensure that the information resources are reaching the right people. All feedback is very welcome.

We know from the survey that the ticking timeclock is a concern. It does not seem a full year since I penned my first Christmas letter to you but we are already approaching the festive season so I thought I would also use this opportunity to reflect a little on the year's work. The year has been dominated by consultations and, in most but not all matters, their outcomes. The predominantly new Home Office pensions team has provided considerable engagement. We have all spent time considering the topics of remedy, 2016 valuations, and future valuation methodology for the cost cap and funding purposes. Meanwhile the pandemic has continued, though we are hoping that the main SAB meetings will be able to start to have a physical meeting element.

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There have been changes in the SAB membership during the year. And, of course, you will also be aware of the departure of Clair Alcock to be Head of Police Pensions and the promotion of Claire Hey to be our Senior Adviser. This has left the Bluelight Team temporarily reduced in numbers and I would particularly like to thank Claire for working so hard to fill the void. I look forward to welcoming the new recruits when they are on board.

I would like also to thank my fellow SAB members, the SAB committee Chairs and all those involved in the Fire Pension committees, for their invaluable contributions and impressive knowledge and willingness to work through the issues.

So happy reading of the survey and best wishes to you all for the festive season.

Joanne Livingstone. Chair, English Firefighters' Pension Scheme Advisory Board"

Open letter from SAB to HMT on withdrawal of ID guidance

On 29 November 2021, the Home Office withdrew its informal and non-statutory guidance on processing certain kinds of immediate detriment case ahead of legislation, with immediate effect. The decision to withdraw the guidance was indicated as being based on [HM Treasury's best assessment on the advisability of processing immediate detriment cases](#).

The Board has written an [open letter to HM Treasury on the withdrawal of the guidance](#) to request more information on the risks and uncertainties mentioned in their assessment.

SAB SMA committee vacancy

The Board continues to carry a vacancy on the [Scheme Management and Administration \(SMA\) committee](#) for an FRA LPB representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration and to consider how scheme managers and administrators can best be supported by identifying best practice.

This is a great opportunity for an LPB member to get more involved with governance at a national level and represent the views of the sector.

The required commitment is usually three to four meetings per year, and these are currently being held virtually. If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Appointment to the Bluelight Team

Following a successful recruitment campaign, we are delighted to announce that Claire Johnson has been appointed to the Bluelight Team in the role of Firefighters' Pensions Adviser (Employers) and will join the LGA on 24 January 2022.

Claire has 12 years' public service pension experience, in the LGPS and Firefighters' Pension Schemes. Claire commenced Local Government employment in 2010 at West Yorkshire Pension Fund, before moving to West Yorkshire Fire and Rescue Service in 2016 where she has undertaken the role of Pensions Manager.

Claire's role at the LGA is to provide support to FRAs and FPS practitioners. In addition, Claire will lead the development of national FPS communications.

[Vacancy at West Yorkshire Fire and Rescue Service](#)

Claire's arrival at the LGA leaves a vacancy for a Pensions Manager at West Yorkshire FRS. You can find out more about the role on the [WYFRS careers webpage](#).

The closing date for applications is 16 January 2022 and interviews will take place week commencing 24 January 2022.

Claire would be happy to have an informal chat with anybody interested in the role, please email claire.johnson@westyorkshire.gov.uk to organise this.

[Vacancy at North Wales Fire and Rescue Service](#)

Please find below details of a current vacancy for Senior Pensions Officer which is open to existing North Wales FRS employees and external applicants. The closing date for receipt of application forms is 12.00 noon on 14 January 2022.

[Advert for Senior Pensions Officer](#)

[Recruitment information pack for Senior Pensions Officer](#)

The application form can be found on the [Current Vacancies](#) page of the North Wales FRS website.

[PDP December newsletter](#)

The Pensions Dashboards Programme (PDP) has published its [December newsletter](#). The newsletter includes links to:

- the PDP director's blog reflecting on programme activity over 2021
- a press release confirming the selection of three potential dashboard providers
- the Pensions Administration Standards Association (PASA) guidance on data matching
- the monthly technical newsletter from the PDP's technical architecture team.

[New TPO resources](#)

The Pensions Ombudsman (TPO) has published the following resources for service users on its website:

- [Unacceptable behaviour policy](#)
- [Accessibility policy](#)
- [Determination factsheet](#)

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HMRC

Enrolment on MPS

HMRC have recently been in touch with the Bluelight team to encourage FRAs who may be having difficulty enrolling on the Managing Pension Schemes (MPS) service to use the step-by-step guide that was issued to them by email on 25 August 2021. A copy can be provided on request – please email bluelight.pensions@local.gov.uk.

If authorities are still experiencing difficulties, they should email john.curtis@hmrc.gov.uk to arrange a call to talk through the process.

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The last session of the year took place on 21 December 2021. We will reconvene on 11 January 2022.

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

[21 December 2021 – Christmas coffee morning](#)

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

Legislation

SI	Reference title
2021/1308	The Occupational Pensions (Revaluation) Order 2021
2021/1319	The State Pension Debits and Credits (Revaluation) Order 2021
2021/1320	The State Pension Revaluation for Transitional Pensions Order 2021
2021/1394	The Pension Schemes Act 2021 (Commencement No. 5) Regulations 2021

Useful links

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

Contact details

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

Purpose: Noted

Date: **25 JANUARY 2022**

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

Report of Chief Financial Officer

SUMMARY

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

STATUTORY REPORTING

3. The Accounting for Tax (AFT) for quarter 2 2021/22 was submitted and paid to HMRC on 19 October 2021. The table below shows the breakdown of the payments made.

Type of payment	Number of members	Amount paid
AFT – Tax on refund	1	£34
AFT – Life Time Allowance	1	£11,512
Total paid to HMRC		£11,546

TPR SCHEME RETURNS

4. Each year the Pension Regulator requires pension schemes to complete a scheme return. This includes information about the Board members, the number of members in each scheme and also the data scoring for both the common and scheme specific conditional data that is present and accurate on pension records.

5. The common data score is made up of things like personal data such as name, address, date of birth etc, while the scheme specific data score varies from scheme to scheme and for Fire would include specific things such as membership data including any transfer in details, CPD, temporary promotions etc.
6. The table below shows the scores for year ending 31 March 2020 and the latest year 31 March 2021, which shows that improvements have already been made across most areas. Hampshire Pension Services have a data improvement plan in place which will aim to increase the data scores year on year.

The Pension Regulator Scheme Returns - FIRE Schemes						
Year end	31/03/2020					
TPR Scheme Return	December 2020					
Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Common Data Score	Conditional Data Score
1992 Fire Pension Scheme	53	68	831	136	98%	92%
2006 Fire Pension Scheme	13	411	43	4	88%	98%
2006 Modified Fire Pension Scheme	15	38	73	3	98%	90%
2015 Fire Pension Scheme	1,057	443	5	7	98%	97%
Total	1,138	960	952	150		
Year end	31/03/2021 (Includes all IOW membership numbers and in the data scoring)					
TPR Scheme Return	November 2021					
Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Common Data Score	Conditional Data Score
1992 Fire Pension Scheme	61	70	945	162	98.71%	95.51%
2006 Fire Pension Scheme	11	440	62	7	95.45%	98.00%
2006 Modified Fire Pension Scheme	22	48	100	6	97.73%	93.18%
2015 Fire Pension Scheme	1,209	557	9	8	98.23%	96.77%
Total	1,303	1,115	1,116	183		

COMMUNICATION

7. Since the last Pension Board report, the Employer Pension manager has provided an online presentation at the pre-retirement course and an in person presentation to new trainees.

MEETINGS

8. The Employer Pension Manager has continued to attend the fortnightly “coffee mornings” put on by the LGA. She has also attended the Fire Communications Working group and the Fire Technical group. These are national meetings and hosted by the LGA and continue to be held online.
9. The Employer Pension Manager attended the SE Fire Pensions Officers Group regional meeting. She also attended an online Pensions Conference hosted by Eversheds. The event had various speakers and the TPR single

code of practice was discussed along with what role diversity and inclusion has to play in pensions.

MEMBER PORTAL

10. Members who register for the portal, or who log in, will now not need to enter their security question answer. Instead, they will be sent an email with a onetime passcode. This enhancement will help improve security with the portal logins.
11. During 2022, the portal is expected to have some additional features added which will enable an online verification of ID check. This will be primarily used for pensioners who are sent life certificates for completion. These are sent to help detect and prevent fraud, but it is onerous not only for the member but also comes with a high administrative burden. These online tools will help to simplify and speed up this task. Clearly, not all members will want to use this or be able to use this, so the current paper process will be available as an alternative.
12. There has been a slight increase in members registered for the portal. At the last Board meeting, it was reported that at the 31 August 2021, the total membership registered was at 32.64%.
13. Numbers of those registered are shown in the table below, as at 31 December 2021:

HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE								
HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
		% of active		% of deferred		% of pensioner		% of total
Active	Number	membership	Number	membership	Number	membership	Number	membership
Registered	648	47.68%	343	28.65%	365	27.44%	1,356	34.89%
Not registered	711	52.32%	854	71.35%	965	72.56%	2,530	65.11%
Total	1,359	100.00%	1,197	100.00%	1,330	100.00%	3,886	100.00%

COMBINED FIRE AUTHORITY

14. There were two issues to be completely resolved following the creation of the Combined Fire Authority and the transfer of all pension data to Hampshire.

HISTORICAL CONTRIBUTION RATES

15. As part of the transfer to the CFA, it came to light that employee pension contribution rates had not been applied correctly to IoW retained firefighters for the period 1 April 2012 to 31 March 2021. The contributions rates applied had been based on the actual part time pay, rather than assessed by using

the whole time equivalent reference pay for a retained firefighter. This meant that these members had not been paying enough pension contributions.

16. After several emails chasing the data necessary to evaluate the scale of the issue, the IWC provided a spreadsheet on 6 January 2021.
17. The spreadsheet shows that there is in total 109 members who have underpaid contributions over some or all of the 9 year period between 1 April 2012 to 31 March 2021. The total amount of underpaid employee pension contributions is £69,506.57 and is split over the various years as shown in the table below:

Year	Number of records	Total amount	Average amount per record
2012/13	44	£1,816.24	£41.28
2013/14	53	£3,832.67	£72.31
2014/15	63	£5,876.57	£93.28
2015/16	81	£5,309.30	£65.55
2016/17	72	£11,045.86	£153.41
2017/18	61	£9,707.47	£159.14
2018/19	66	£9,353.50	£141.72
2019/20	71	£11,770.88	£165.79
2020/21	63	£10,794.08	£171.33
TOTAL		£69,506.57	

18. The value of these missing contributions will need to be paid by HIWFRA to the pension scheme and will have to come from reserves transferred from the IWC.
19. HIWFRA will then need to make a decision about whether none, some or all of these contributions will be collected from individual members. The Board are asked for any comments or views about this issue.

MODIFIED FIRE PENSION SCHEME

20. It was reported to the Board in the report in October 2021, that there were 6 cases that had a material difference. Those that had been underpaid have now had their pensions corrected and the amounts due have been paid to them.
21. There were three cases that needed to either pay back some monies or pay additional monies. They were provided with options and all three have made their choice and payment plans have been set up accordingly.

RISK REVIEW

22. 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

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

FRA SELF ASSESSMENT SURVEY

24. In May 2021, the LGA issued a survey to all FRAs regarding their preparedness for McCloud / Sargeant remedy and the Matthews / O'Brien second options exercise.
25. The LGA have now summarised the findings of the surveys, of which there was 100% participation. They have issued a report which can be found on the SAB Board website (<https://www.fpsboard.org/>) under Board publications.
26. The LGA have now issued to each FRA their responses so that these can be benchmarked against the rest of the Fire sector. HIWFRA responses can be found in APPENDIX B.
27. Having compared our answers with the report, it is pleasing to note that we are in a good position and have adequate funding, resources and planning in place.

McCLOUD / SARGEANT AGE DISCRIMINATION REMEDY

28. On 19 July 2021, HM Treasury (HMT) introduced the Public Service Pensions & Judicial Offices Bill (PSP&JO) to the House of Lords. The Bill sets out in law how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members (i.e. remedy).
29. This is the primary legislation which closes final salary schemes for accrual past 31 March 2022 and moves all remaining Fire Pension Scheme members into 2015 Fire Pension Scheme, while ensuring that existing transitional protections such as the final salary link and double accrual are retained.

30. The Home Office launched a consultation on the draft legislation for the PSP&JO Bill on 8 November 2021 with a closing date of 2 January 2022. A response to the consultation was submitted by the Pension Board on behalf of the HIWFRA. The draft legislation is in line with what was expected with only some minor clarification required in a few areas.

McCLOUD REMEDY WORKING GROUP

31. The McCloud Remedy Working Group is made up of cross departmental and cross organisational representatives and has been meeting up monthly to track progress and ensure consistency across the Shared Services Partnership.
32. At the last meeting it was reported to the Board that the group was working on drafting a letter to go to the current Protected members of the Police and Fire Pension Schemes to advise them of the Scheme changes from 1 April 2022.
33. The letters that have been drafted are in line with the letters that have been issued nationally by the Fire communications Working Group. The template can be found in APPENDIX C.
34. The communication plan for this is currently being developed but it is hoped that the letters to this small group of active members will be issued by early February 2022. Engagement and advance notice of this will be discussed with senior management to help facilitate queries.

IMMEDIATE DETRIMENT

35. The Board will recall that on 8 October 2021, the Local Government Association (LGA) and the FBU issued a Joint Statement and published a Memorandum of Understanding (MoU). Its purpose was to provide a framework under which members in scope can receive benefits prior to all remedying legislation being in force, therefore avoiding significant additional numbers of Immediate Detriment (ID) legal claims as a result of the McCloud age discrimination case.
36. On 27 October 2021, HM Revenue and Customs (HMRC) published a policy intention note with regard to new legislation that would be effective from 6 April 2022. This specifically affects retrospective remedy payments where the date of retirement is more than 12 months ago and this triggers the late payment timing condition which makes the payment unauthorised and incurs a 55% tax charge. The new legislation would deem such payments to be authorised for purposes of the McCloud remedy.
37. This caused some issues and these raised questions over funding. The Immediate Detriment Framework (IDF) makes these unauthorised payments as compensation to the member which means that the FRA would

have to pay for this until such time as the legislation was in force. There was an additional concern about whether funding would be provided for payments occurring before 6 April 2022.

38. On 16 November 2021, HIWFRA adopted the IDF and started to accept applications from members. The framework was adopted with the knowledge about the HMRC policy intention.
39. On 29 November 2021, the Home Office then withdrew its informal Immediate Detriment (ID) guidance with immediate effect. HM Treasury (HMT) and HMRC have cited issues with the interpretation of the powers in Section 61 with regard to pension contributions and that they had also not anticipated the extent of the complexities involved with the tax issues (e.g. tax relief and Annual Allowance).
40. Since the MoU was announced on 8 October 2021, the landscape has changed significantly as more information has come to light. This now leaves FRAs in a very precarious position.
41. Any correction to members pension benefits by providing remedy prior to legislation being in force is completely dependent on an interpretation of how Section 61 of the Equality Act 2010 operates. This is based on the view that Section 61 permits pension scheme regulations to be read as though discriminatory provisions do not apply, allowing members in this position to be treated as a member of their legacy scheme.
42. HMT and HMRC have carried out some further work and it now appears that Section 61 may not give all the powers required to operate the remedy smoothly and predictably, without generating significant uncertainty for schemes, and risking significant second or third adjustments for individuals.
43. Because of this, HMT's current view is now that ID cases, including those yet to retire, cannot be processed before legislation is in place without considerable risk, cost, uncertainty and administrative burdens for individuals, schemes and employers.
44. On 14 December 2021, the Chief Finance Officer made the decision to temporarily suspend all work on ID and to stop accepting any new applications. The suspension was noted by the Fire Authority and will remain in place until the next meeting of the Standard's and Governance Committee on 11 March 2022 when they will be able to consider the next steps.
45. The members that had made applications have been written to and advised of the suspension and informed that they would be written to again after the Standards & Governance meeting to update them on the position.

LEGAL OPINION

46. On 17 December 2021, the LGA issued the long awaited legal advice about the IDF. The advice has been issued to nominated contacts and is confidential. The LGA sought advice from Bevan Brittan and also from two QCs.

RISKS FOR THE FIRE AUTHORITY

47. Section 61 permits paying arrears of pension & lump sum for category 2 cases, but does not resolve the issues around tax and contributions.
48. The FRA retains powers to make compensation payments as an employer to members (e.g. interest on contributions, refund of contributions, contribution holiday payments, unauthorised tax charges where lump sum more than 12 months after retirement, additional PAYE paid on arrears of pension etc) but none of these payments will be recompensed by the Home Office.
49. There is no guarantee that further tax liabilities will not arise leading to further claims for compensation. There is no way to establish how much any additional costs would be. These additional claims would not be recompensed by the Home Office.
50. An FRA may use its powers to make compensation payments, but if these are not exercised reasonably and properly, then the FBU could bring claims against the FRA. It is recommended that where the FRA decides to use these powers, then specific legal advice for the individual FRA should be sought on the risks of any threatened claims because the likely outcome will depend on the facts for the specific claim and remedies sought.
51. Although the LGA will continue to work with Bevan Brittan on recovering costs including under the New Burdens doctrine or similar, there is absolutely no guarantee that they will be successful and FRAs should assume that there will be no funding to cover these costs.
52. While FRAs may well want to continue with IDF, there is a real risk that they will be left with an unquantified liability and whilst the FBU could take FRAs to court, the potential impact on their members is also unquantified.

RISKS FOR THE MEMBER

53. Section 61 does not allow contributions that were paid to one scheme to be simply moved to another scheme.
54. Where a member is currently in 2015 scheme and will move back to 1992 scheme, they will have underpaid contributions. HMT now state that any tax liability (i.e. tax relief) may now in the event not be able to be retrospectively

made good by remedying legislation. This means that the member may not be able to claim tax relief.

55. The member may also not be entitled to the tax relief that they received on the contributions that were paid into the 2015 scheme and this may have to be repaid by the member. This could mean that the member will have a personal tax liability of an unknown amount that would be due once the remedying legislation is in place.
56. Members are understandably keen to access their remedied benefits. The issues are extremely complex and there is a real risk that members may make decisions without a full understanding of the potential risks and benefits.
57. The decision about whether to proceed with IDF or not, rests with the Scheme Manager. So although there appears to be no legal reasons why we could not continue with IDF, there are a number of significant risks, both to the member and the HIWFRA which cannot be ignored, accompanied by the clear advice from HMT that Immediate Detriment cases should not now be processed until remedying legislation is in place. The risk of course, of not continuing with IDF means we risk FBU taking HIWFRA to court.
58. The Immediate Detriment situation was complicated before, but now it has just become exceptionally complicated and risky not only for HIWFRA, but also for the members.
59. In view of the issues that there are with IDF, we are seeking a legal opinion. We also understand that the LGA and the FBU are continuing negotiations which may enable FRAs to select parts of the Framework to proceed with, although we have no details on how this will work yet. Whilst this may well reduce or remove a lot of the risk for the FRA, it is unlikely to remove the risk for the member as the issues around Section 61 and the tax relief on contributions will remain. The position is likely to remain unclear for a little longer.
60. It is our opinion that we should continue with the suspension of the IDF and will be recommending its continued suspension to the Standards & Governance Committee. It was hoped that for their meeting on 1 February 2022 (now postponed until 11 March 2022) that a clear decision would be able to be made, but this does not allow sufficient time for legal advice and new guidance from the LGA to be taken into account.
61. It is important to ensure that we now do the right thing for the FRA and members and a rushed decision may not provide the adequate analysis of the guidance, legal advice and proper assessments of the risks. A final decision will therefore now be made at their meeting on 26 May 2022. It would be helpful for the Board to give their views on this and confirm if they support this recommendation.

PROJECT AND COSTINGS

62. The McCloud project in Hampshire Pension Services is currently on track and on budget. The total cost for Police and Fire work on McCloud for quarter 2 of 2021/22 is £9,775.85 and for quarter 3 of 2021/22 is £22,312.57.
63. The costs for quarter 3 were higher due to a lot of work on the Immediate Detriment Framework and also on the consultation of the PSP&JO Bill.
64. The costs have been split according to a percentage of the active membership and a further adjustment is made due to the complexity of Fire Pension Schemes, such as temporary promotions, contribution holidays, CPD payments and pensionable pay.
65. HIWFRA is attributed with 35% of the police and fire costs. The table below shows the estimated and actual costs for the first three quarters of 2021/22.

Fire Pension Schemes - Hampshire and Isle of Wight Fire and Rescue Authority								
2021/22	Estimated Costs			Actual Costs				
Quarter	Resourcing cost for Police and Fire Schemes	% share of costs for HIWFRA	Estimated Costs for HIWFRA	Resourcing cost for Police and Fire Schemes	% share of costs for HIWFRA	Actual Costs for HIWFRA	Difference in actual from estimate	% increase or decrease from estimate
Q1	£ 10,191.49	35.00%	£ 3,567.02	£ 10,904.96	35.00%	£ 3,816.73	£ 249.71	7.00%
Q2	£ 13,714.42	35.00%	£ 4,800.05	£ 9,775.85	35.00%	£ 3,421.55	£ (1,378.50)	-28.72%
Q3	£ 21,691.33	35.00%	£ 7,591.97	£ 22,312.57	35.00%	£ 7,809.40	£ 217.43	2.86%
Q4	£ 22,079.61	34.88%	£ 7,702.37	£ -				
TOTALS	£ 67,676.86		£ 23,661.41	£ 42,993.38		£ 15,047.68	£ (911.35)	

RECOMMENDATION

66. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
67. That the Risk Register as set out in paragraphs 22-23 and Appendix A be approved by the HIWFRA Firefighters' Pension Board
68. That recommendation to support the continued suspension of the Immediate Detriment Framework as set out in paragraphs 46-61 be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

- 69. APPENDIX A – Risk Register
- 70. APPENDIX B – HIWFRA self assessment survey results
- 71. APPENDIX C – Template letter to Protected Scheme members

Contact:

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

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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	a) Liaison with employer b) End of Year c) Employer web (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Rob Carr g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services:- a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a “doer” and a separate “checker” e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Groups d) Fire Pension Board e) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with both the Fire Technical Group and Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group	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				5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	
	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 4. Failure to identify and interpret and implement legislation correctly	
	Unlikely	2			2. Failure to pay the right amounts on time and in line with legislation	5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	
	Possible	3					
	Likely	4					
	Almost certain	5					



30 December 2021

Dear Hampshire & IOW FRS Local Pension Board (by email),

As you will be aware, the Scheme Advisory Board (SAB) has recently published the [research report of the FRA remedy self-assessment survey](#) that was run between May and August to measure Fire and Rescue Authorities' preparedness for implementing remedy for McCloud/ Sargeant (age discrimination) and Matthews (FPS 2006 special members).

The survey received 100 per cent participation from all FRAs in England and the SAB would like to thank you for your submission. You will see that this has led to recommendations being made for both the SAB and other stakeholders.

As outlined in Joanne Livingstone's recent [Chair's message](#), I am pleased to attach a copy of your FRA's individual submission for discussion at your next Local Pension Board meeting. This will allow you to benchmark your responses against the overall results.

The following areas were identified as showing potential for improvement:

- Establishing appropriate internal controls for legal matters relating to pensions (i.e. having a suitable Nominated Contact in place)
- Improved communication of the second special members options exercise (with appropriate central resources)

Many thanks again for your participation. If you have any feedback on the survey or any other areas of the SAB's work, please email the Board Secretariat at bluelight.pensions@local.gov.uk.

Yours sincerely,

Claire Hey
Senior Pensions Adviser/ Board Secretary

#4

COMPLETE

Collector: Web Link 1 (Web Link)
Started: Monday, May 24, 2021 11:57:53 AM
Last Modified: Monday, May 24, 2021 12:44:46 PM
Time Spent: 00:46:53
IP Address: 2.28.174.160

Page 1: Section 1: Current arrangements

Q1 Hampshire & Isle of Wight Fire and Rescue Service

Fire and Rescue Authority:

Q2 Hampshire County Council

Who is your pension administrator:

Q3 County council

Is this arrangement:

Q4

Year current admin arrangement started:(Enter 4-digit year e.g. 2005 or don't know)

1997

Q5

Year current admin arrangement ends:(Enter 4-digit year e.g. 2005 or don't know)

No end date

Q6

No

Do you plan to tender at the end of your current contract:

Q7

Respondent skipped this question

If yes to Q6, please indicate the method of procurement:

Q8

3 - 4 "super" administrators

Do you have a preference on future admin arrangements for the scheme:

Q9

What position within your FRA oversees delivery of pension administration:

Chief Finance Officer

Q10

Who line manages that post-holder:

Chief Fire Officer

Page 2: Section 2: Data - pay, service, and contributions

Q11

Have you started work to identify data requirements for Sargeant (age discrimination):

Yes,

If yes, what are your key requirements or actions:If no, can you tell us why::

Working with payroll provider

Q12

Have you started work to identify data requirements for Matthews (special members). The linked factsheet gives more information about the second options exercise:

No,

If yes, what are your key requirements or actions:If no, can you tell us why::

Waiting for scope / parameters to be defined by legislation

Q13

Do you expect to need additional resource for implementation for either or both of these projects:

Yes

Q14

What position within your FRA will lead on remedy data for both cases:

Chief Finance Officer

Q15

Which department manages ill-health retirements (IHR) for your FRA:

Shared Services HR

Q16

The HMT consultation response indicates that IHR cases may need to be reassessed against the member's opposite scheme under Sargeant remedy. Will relevant teams be sufficiently resourced to revisit IHR cases:

Yes

Q17 If yes, please give details::
Do you have any planned resilience in place to deal with revisiting IHRs: Part of a wider Shared Services arrangement that has capacity

Page 3: Section 2: Data - pay, service, and contributions

Q18 Other (please specify):
Is your payroll service: Part of a Shared Services arrangement with Hampshire County Council

Q19 Other (please specify):
Is your pension payroll service: Part of Pension Administration arrangement with Hampshire County Council

Q20 **Both**
Have you changed payroll provider or payroll system since 2015:

Q21
How many years do your payroll records go back:(Please answer in whole numbers)
7

Q22
Please detail any problems you can foresee obtaining pay data for the following:(N.B. Pay data for Sargeant will date back to 2015, pay data for Matthews could relate to as early as the 1970s)

Matthews: **Pay data may not be available prior to 2000**

Q23
For Matthews, eligible individuals will have the opportunity to buy scheme membership back to the start date of their employment. We are interested to know if you will still have access to historic employment records. How many years do your employment records go back:(Please answer in whole numbers)
21

Page 4: Section 2: Data - pay, service, and contributions

Q24
Which department currently manages business as usual (BAU) contribution deductions:
Shared Services payroll provider

Q25

Which department will manage your remedy contribution adjustment process:

Shared Services payroll provider

Q26

Yes

Will you be able to obtain/ calculate backdated contribution data:

Q27

Don't know yet

Do you expect to apply different solutions for different types of member e.g. active, deferred, pensioner:

Q28

Which department will manage adjustments to tax relief (PAYE):

We expect this to be Shared Services payroll provider for active members. This may fall to Remedy Team (finance / payroll / pensions admin)for any other cases or where PAYE cannot be used.

Q29

The HMT consultation response indicates that interest will be due on amounts paid to and from the schemes. Which department will manage the interest process:

Remedy Team (finance / payroll / pensions admin)

Q30

Please detail any issues you think might occur with adjustments of contributions:

The Combined FRA came into effect 01/04/2021, any adjustment / calculation needed prior to this for contributions will have to be done manually

Page 5: Section 3: Processes and impact

Q31

Yes

Are you confident that existing tax processes are robust enough to perform annual allowance recalculations for up to 7 years of remedy:

Q32

FRA

Who undertakes Event Reporting to HMRC on scheme pays and unauthorised payments:

Q33 **Yes**

Does your FRA have a voluntary scheme pays (VSP) policy in place:

Page 6: Section 3: Processes and impact

Q34 **Yes**

Do you have a nominated finance lead on pensions:

Q35 **Yes**

Do you expect to need additional resource to deal with financial adjustments and impact on BAU:

Q36 **Yes**

Do you have an allocated budget for direct and indirect remedy costs:

Page 7: Section 3: Processes and impact

Q37 **Yes**

Do you have a nominated legal lead on pension matters:

Q38 **No**

If yes to Q37, is that person your "nominated contact" for the proceedings in Sargeant that are managed collectively by the LGA:

Page 8: Section 3: Processes and impact

Q39

Who leads on workforce planning and retention for your FRA:

Shared Services HR

Q40 **No**

Is the potential impact of Sargeant remedy being modelled into plans:

Q41 **Yes,**

Are you able to identify the cohort of members affected by Sargeant remedy:

If yes, please confirm approximate numbers::
 approx 800 active scheme members to have remedy applied in total with approx 115 able to retire by October 2023

Page 9: Section 4: Information, communication, and coordination

Q42 **Scenarios for all member cohorts across the schemes**

Following the confirmation of deferred choice underpin (DCU) in Sargeant, please indicate what information you would like members to have access to (tick as many as apply): Please note this is not a menu or guarantee of delivery. It will allow us to understand individual FRA preferences but does not guarantee delivery of any of the options.

Online tool directly linked to scheme membership data

Q43 **Yes,**

Are you currently providing information to individual members:

If yes, please provide details: :
Immediate Detriment figures provided at the point of retirement. No estimates prior to that. Otherwise just general comms

Q44 **Home Office**

Who do you think should provide information such as FAQs at key points in the remedy process:

Q45 **Administrator**

Who do you think should be the main contact for individual member enquiries:

Q46 **FRA**

Who do you think should provide information to the workforce on timescales, next steps etc:

Q47

On a scale of 1 to 10 (1 being the lowest), please indicate how well you feel your FRA communicated the first special members options exercise in 2014/2015:

☆ **2**

Q48 **Yes**

Do you feel that communication was reflected in the numbers of individuals choosing to become a special member:

Q49

Please detail any suggestions for improvement for communicating the second options exercise:

Have national consistent comms to issue. Scenario examples. Factsheets. Use the new Member website.

FRA's to have the right people involved at the beginning - form a proper project group.

Q50 **Direct engagement between FRA and administrator (x 44 times)**
 How best would implementation of remedy be coordinated across FRAs in England:

Q51 **Yes**
 Does your FRA have a remedy project team:

Q52 **Yes**
 If yes to Q51, does this include your administrator:

Page 10: Section 5: Knowledge, capability, and capacity

Q53
 On a scale of 1 to 10 (1 being the lowest), please indicate the level of internal pensions knowledge and capacity within your FRA:

☆ **9**

Q54 **Establishing new roles/ teams,
Buying in additional services from administrator**
 What measures are you considering to address any shortfall in capacity (tick all that apply):

Q55 **Yes**
 Has remedy implementation been identified as a risk on your corporate risk register:

Q56 **Yes**
 If yes to Q55, has this been reported to your Local Pension Board:

Q57 **LGA on behalf of FRAs**
 Who do you feel is best placed to lead on policy engagement with central government on the legislation needed to bring in age discrimination remedy:

Q58 **LGA**
 Who do you feel is best placed to lead on direct service wide communication or provision of content for communication:

Q59 **LGA on behalf of FRAs**
 Who do you feel is best placed to lead on engagement with pension administrators on implementation:

Q60

On a scale of 1 to 10 (1 being the lowest), how useful has this survey been to identify gaps in your planning:

☆

2

Any final comments: :

Our biggest issue is that all the payroll work prior to 01/04/2021 has to be done manually due to the Combined Fire Authority coming into effect. Extracting data from our payroll system and into the format required for the data collection template is going to take some careful thought and planning, Overall, we feel like we are in a good position at this time.

PRIVATE AND CONFIDENTIAL
**Hampshire
& Isle of Wight**
 FIRE & RESCUE SERVICE

 <Name>
 <Address>

Date: <TBC>

Your ref: <TBC>

Enquiries to: <TBC>

Our ref: <TBC>

Dear <name>,

Firefighters' Pension Schemes from 1 April 2022

From 1 April 2022 you will move to the Firefighters' Pension Scheme (FPS) 2015 and become a transition member. Your previous benefits are protected, and you will build up new benefits in the FPS 2015.

Background

In 2015, new laws introduced a new scheme for Firefighters' - the Firefighters' Pension Scheme 2015 (FPS 2015). These laws included protections which meant that some members of the legacy schemes (FPS 1992 and FPS 2006) didn't join the FPS 2015 either straight away or at all, depending on their age. Following a legal challenge, the courts determined that these protections were age discriminatory.

Following consultation, the government has announced how the discrimination will be removed. The changes are being made into law through the Public Service Pensions and Judicial Offices Bill. The Bill is due to come into force on 1 April 2022.

To remove future discrimination from the scheme and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. The FPS 1992 and FPS 2006 will be closed to all members.

This means that future service for all members will build up in the existing FPS 2015 - this scheme is not changing. Benefits already built up in either of the legacy schemes are fully protected.

What this means for you?

When you retire you will be able to choose to receive FPS 2015 benefits for the period 1 April 2015 to 31 March 2022 instead of your legacy scheme benefits if you want to. Information will be made available to you at a later date about your benefit options for the remedy period.

Further information about the Firefighters' Pension Schemes, including the FPS 2015 contribution rates and the 2015 Remedy, can be found on the Firefighters' Pension Scheme website (<https://fpsmember.org/>) or the HR intranet pages (<https://extra.hants.gov.uk/employee/policy-guidance/pensions/fps-mccloud-sargeant>).

Yours sincerely,



Molly Rowland
Director of People and Organisational Development
Hampshire and Isle of Wight Fire and Rescue Service