

Public Document Pack



**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, 19th April, 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 - 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.

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 **SCHEME ADVISORY BOARD**

To receive a verbal update on the Scheme Advisory Board.

7 **FIRE PENSION BOARD ANNUAL REPORT (2021/22) (Pages 7 - 18)**

To receive the Fire Pension Board Annual Report for 2021/22.

8 **LEGISLATION AND LOCAL GOVERNMENT (LGA) UPDATE REPORT
(Pages 19 - 62)**

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

9 **FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER
REVIEW (Pages 63 - 88)**

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 Tuesday, 25th January, 2022

Chairman:

* Stew Adamson

Vice-Chairman

* Richard North

* Sean Harrison
Councillor Roger Price
* Ross Singleton

* Mark Hilton
* Richard Scarth
* Dan Tasker

* Present

20. **APOLOGIES FOR ABSENCE**

Apologies were received from Councillor Roger Price.

21. **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.

22. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting held on the 14 October 2021 were reviewed and agreed.

23. **DEPUTATIONS**

There were no deputations on this occasion.

24. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman reminded Board Members that they would need to complete a disclosure of pecuniary interests form, if this had not already been done.

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

The Board received an update on Legislation and the Local Government Association (LGA), Item 6 in the Minute Book.

Officers presented the report to the Board and highlighted key areas. In relation to the Firefighters' Pension Scheme website, it was noted that more information had been added to the website to help provide a better understanding on issues such as 2015 Remedy. Officers set out the current situation around the cost cap element of the 2016 valuation, and highlighted that the Government had announced that they would waive any impact on member benefits. Board Members also heard that a legal challenge had been launched against HM Treasury about including McCloud remedy costs in the cost control mechanism, but there were currently no timescales for this challenge. It was also noted that on 2 November 2021, the Finance Bill had been formally introduced to Parliament, and this would help with issues around McCloud remedy. In relation to a question around tax issue complexities and pensions, it was heard that this was now becoming easier to work through.

RESOLVED:

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

26. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW

The Board received a report which provided an update on ongoing issues (Item 7 in the Minute Book), and also the Board's Risk Register for review. The report was introduced and key issues were highlighted.

Board Members attention was drawn to paragraphs 4 – 6 of the report which explained the annual Pension Regulator scheme returns, and the table at paragraph 6 presented a comparison between 2020 and 2021 data. It was noted that the 2021 data included Isle of Wight transfer of pension data, and officers were working through this data. The current position with registration to the member portal was highlighted, and it was heard that the number of registrations was slowly increasing, and this would improve over time with new starters required to register, and retirees having to register to access relevant pension information. A discussion ensued around further communication to encourage portal registration, and Board Members agreed that further focussed communication around the time of the issuing of Annual Benefit Statements would be beneficial, and also communication about the CARE scheme. The Employer Pension Manager also highlighted her continued attendance at new recruit courses to present on pensions.

Paragraphs 15 – 19 detailed the issue of historical contribution rates being applied incorrectly as part of the transfer to the Combined Fire Authority, which had resulted in a number of members underpaying pension contributions. It was heard that HIWFRA would have to pay the missing contributions to the pension scheme, and Board Members were asked their views on whether some, none or all contributions should be collected from members affected. Board Members were of the view that if affordable from reserves transferred from Isle of Wight Council (IWC), then those affected shouldn't have to pay the missing contributions. Officers confirmed that this would be affordable from reserves. The Pension Board supported HIWFRA paying the missing contributions from reserves transferred from IWC, and that those members affected should be contacted to inform. An additional resolution was agreed to recommend this to the relevant decision maker.

Other issues in the report relating to Fire and Rescue Authorities self-assessment survey and the McCloud remedy working group were highlighted. In relation to the working group it was noted that the letter that had been drafted to be sent to current protected members of the police and fire pension schemes to advise them of scheme changes from 1 April 2022, would be sent out imminently.

Officers set out to Board Members the situation around the Immediate Detriment Framework (IDF) at paragraphs 35 – 45 of the report. The decision by HIWFRA on the 16 November 2021 to adopt the Framework and start to accept applications from members was noted, but it was heard that since then, new information had come to light which had led HM Treasury (HMT) to state that Immediate Detriment cases cannot be processed before legislation is in place without considerable risk to individuals, schemes and employers. Officers presented these risks in detail to Board Members. As a result of this, on the 14 December 2021, the Chief Finance Officer took the decision to temporarily suspend all ID work, and not to accept new applications. Officers have since engaged with other Fire Authorities and it was heard that most have suspended ID also. A discussion ensued, and Board Members had concerns around the ramifications for those members who were due to retire, but officers explained that to offer ID could cause members to be in a worse position financially because of personal tax liability. Board Members asked officers to examine whether ID could be applied in exceptional circumstances such as health grounds, which could leave individuals in a hardship situation by not applying ID. Officers would look at this in more detail, but ultimately this would be a decision for HIWFRA, and at its February meeting, HIWFRA would be asked to agree the continuation of the ID suspension until the May meeting of HIWFRA Standards and Governance Committee, where it was hoped that a final decision on ID would be made. Due to the continuing high levels of uncertainty and risks for both HIWFRA and individuals, the Board was supportive of the continued suspension of the framework. The Chairman of the Board confirmed that he attends HIWFRA meetings and would be able to reflect the views of the Board.

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 22 – 23 and Appendix A be approved by the HIWFRA Firefighters' Pension Board.
- iii) That the 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.
- iv) That the HIWFRA Firefighters' Pension Board recommend that HIWFRA or HIWFRA Standards and Governance Committee, whoever has the relevant governance remit, pay the missing historical contributions from reserves transferred from IWC, and all members affected are contacted to inform.

Chairman,

This page is intentionally left blank



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

Purpose: Noted

Date: **19 APRIL 2022 (HIWFRA FIREFIGHTERS' PENSION BOARD)**
29 JULY 2022 (HIWFRA STANDARDS AND GOVERNANCE COMMITTEE)

Title: **FIRE PENSION BOARD ANNUAL REPORT (2021/22)**

Report of Chief Financial Officer

SUMMARY

1. This is the annual report from the Fire Pension Board to the Standards and Governance Committee and summarises the work of the Board for the 2021/22 financial year in the exercise of its functions.
2. This report provides an update on the progress of key issues during the reporting period.

PENSION BOARD MEETINGS

3. The Pension Board met periodically, holding four meetings, during the 2021/22 financial year:
 - (a) 15 April 2021
 - (b) 20 July 2021
 - (c) 14 October 2021
 - (d) 25 January 2022
4. Due to the new Combined Fire Authority of the Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) coming into effect from 1 April 2021, the Pension Board was increased in membership from six members to eight members.
5. Two new members who were previously members of the Isle of Wight Firefighters Pension Board joined the board at the April 2021 meeting. As this meeting was also the first of the newly combined authority, elections for chair and vice chair took place.

6. The July meeting saw the re-election of Stew Adamson to Chairman and Richard North to Vice-Chairman. Both will hold the position until the first meeting of the Fire Pension Board following the annual meeting of the Fire Authority in 2022.
7. The key items covered at these meetings are as follows, more detailed information about each of these items can be found later in the report.
 - (a) Statutory reporting
 - (b) Surveys
 - (c) Communications
 - (d) Legislation update
 - (e) Temporary Promotions and Additional Pension Benefits
 - (f) Risk review
 - (g) McCloud remedy and Immediate Detriment
8. The pension board status and other associated reports can be found in APPENDICES A – I.

STATUTORY REPORTING

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

ACCOUNTING FOR TAX

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

Type of payment	Amount paid
Annual Allowance tax charge Q3 2020/21	£139,941
Annual Allowance tax charge Q4 2020/21	£29,023
Life Time Allowance tax charge Q1 2021/22	£170,823
Life Time Allowance tax charge Q2 2021/22	£11,512
Tax deducted from refunds Q2 2021/22	£34
Total paid to HMRC	£351,333

EVENT REPORTING

11. In April 2021, the details of the Event Reporting for the 2019/20 tax year were reported to the Board. These are specific events that occur, primarily upon retirement when benefits are crystallised and incur a tax charge. They are reported to HMRC by the 31 January, following the end of the tax year.

Type of payment	Amount paid
Event 1 – Unauthorised payment tax charge	£85,552
Total paid to HMRC	£85,552

ANNUAL BENEFIT STATEMENTS

12. The statutory deadline for issuing Annual Benefit Statements (ABS) is 31 August each year. The Board heard that the 2021 deadline was met and that 100% of ABS' for both active and deferred members across all Fire Pension Schemes were published and available to view via the Member Portal.
13. The Employer Pension Manager has been involved with providing feedback to Hampshire Pension Services with regard to improvements, wording and consistency for the 2022 statements.

PENSION SAVINGS STATEMENTS

14. The statutory deadline to provide Pension Savings Statements is 6 October each year. A Pension Savings Statement is automatically sent to a member where they have exceeded the standard Annual Allowance in the year but can be sent to any member upon request.
15. There were 23 Pension Savings Statements issued to members of the Hampshire Fire Pension Schemes for 2020/21 and of those, 11 had taxable excesses.
16. It was reported to the Board that all members fell under the Mandatory Scheme Pays option and therefore these members have until 31 July 2022 to elect to use Scheme Pays if they so wish.

TPR SCHEME RETURNS

17. It was reported to the Board that the Employer Pension Manager completed the annual pension scheme returns for The Pension Regulator. This survey requires information to be submitted about scheme membership numbers, details of the scheme manager, Fire Pension Board members, details of the administrator and other relevant contact details.
18. TPR also require data scoring which consists of common data and scheme specific conditional data. 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.

19. 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.

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		

RISK REVIEW

20. There are a variety of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.
21. These groups are now well established, meeting regularly and include representatives across the board from pensions, HR, finance and others.
22. The Board review the risk register at each meeting and during the 2021/22 year no amendments have been required. This is likely to change going forward as both the McCloud age discrimination remedy and the Matthews / O'Brien part time workers judgement gain traction and progress.

COMMUNICATION

23. The Board heard that four pension presentations had been made to new recruits and the Employer Pension Manager had also delivered pension presentations at three pre-retirement courses over the year.

MEETINGS

24. The Board were pleased to note that the HIWFRA is represented widely in the fire sector as the Employer Pension Manager attends a number of national and local meetings, including the Fire Communications Working Group, the Fire Technical Group, the South East Fire Pension Officers Group. She also attends the fortnightly Fire Pension online coffee mornings.
25. The Employer Pension Manager is also a member of the Local Pension Board Effectiveness Committee which is one of the three SAB sub committees. And more recently has accepted an invitation made by the Home Office to join the Cross Whitehall Project Management Group for the McCloud remedy.

MEMBER PORTAL

26. At the January 2022 meeting it was reported to the Board that the overall fire pension scheme membership, taking into account active, deferred and pensioner members stood at 34.89%, with 47.68% of the active membership registered for the portal.
27. Hampshire Pension Services have now changed some processes so that new members and those retiring are required to sign up for the Pensions Member Portal.

COMBINED FIRE AUTHORITY

28. The Board heard how the transfer of the pension and payroll data from Isle of Wight Council (IWC) to the IBC Shared Services payrolls and to Hampshire Pension Services was completed on time with no major issues. There were however two issues which were identified as set out below.

HISTORICAL CONTRIBUTION RATES

29. It was reported to the Board that an issue affecting all IOW on-call / retained firefighters that were employed and in a pension scheme between 1 April 2012 and 31 March 2021 had been identified. Contribution rate bandings were determined by actual pay, rather than by the whole time equivalent reference pay based upon grade, meaning that members had underpaid their employee contributions.
30. The Board heard that in total 109 members had underpaid contributions over the 9 year period and that the total amount of the underpaid employee pension contributions was £69,506.57; and that the value of these missing contributions was required to be paid by HIWFRA to the pension scheme.

2006 MODIFIED FIRE PENSION SCHEME

31. The other issue that was notified to the Board was regarding the 50 2006 Modified Fire Pension members that transferred from the IWC.
32. A complete audit was carried out on the data and pension records resulting in a range of issues being identified for 39 members, some were found to have incorrect initial calculations and there were also a variety of underpayments and overpayments. There were only 6 members that were considered to be of a material amount.
33. The Board were please to note that all the necessary communications and corrections had taken place and where applicable payments plans put in place to recover overpayments.

TEMPORARY PROMOTIONS AND ADDITIONAL PENSION BENEFITS

34. There was an amendment to legislation on 1 July 2013 which allowed individual FRAs to decide whether the additional pay received because of a temporary promotion for 1992 and 2006 schemes was pensionable or not. Legislation means that temporary promotions within the 2015 Scheme are not pensionable.
35. In 2016, HFRA took the decision to make temporary promotions within the 1992 and 2006 schemes pensionable, which meant that firefighters would now earn an Additional Pensionable Benefit (APB) whilst on Temporary Promotion.
36. The maximum cost envelope as agreed by HFRA of the estimated costs for the 41 protected members in the relevant cohorts were £256,000 for lump sums and £35,700 a year for annual pensions.
37. Up to 2020/21 there had been 29 retirements and it was reported to the Board that the differences that have been paid out so far for these members were broadly in line with the estimated figures prepared in 2016.
 - (a) Total of all lump sum differences paid are £244,588.75
 - (b) Annual pensions differences paid for 2020/21 are £32,138.95
38. The remaining 12 members are still in employment and could retire at any point. There are a number of factors which could mean that the estimated figures might be exceeded:
 - (a) A different retirement date to the one used in the estimate
 - (b) Pay increases since 2016 to date of retirement
 - (c) A protected and unbroken period of temporary promotion which continues until date of retirement

- (d) The increase in the commutation factors for the 1992 scheme that came into effect in October 2018.
39. It was reported to the Board that two of the retirements in the 2020/21 had significantly different retirement figures when compared to the estimates calculated in 2016. These increases were mainly due to the career grade progression making the difference to the substantive grade greater.
40. Revised estimates were carried on the remaining members and the Board were notified that we would be seeking approval from the Fire Authority to increase the cost cap on lump sums by £35,000 to £291,000 and on annual pensions by £3,000 to £38,700.

CONSULTATION

41. The Home Office launched a consultation on the draft legislation for the Public Service Pensions & Judicial Offices (PSP&JO) Bill on 8 November 2021 with a closing date of 2 January 2022.
42. This is the primary legislation required for the removal of future age discrimination in Public Service Pension Schemes as part of the McCloud age discrimination remedy. The Bill closes all public service legacy pension schemes on 31 March 2022 and moves all remaining members into the 2015 scheme from 1 April 2022. The Bill also contains some other minor amendments to the legislation, but these are all broadly in line with what was expected.
43. A response to the consultation was submitted by the Pension Board on behalf of the HIWFRA.

MCCLOUD AGE DISCRIMINATION REMEDY

44. There have been many developments that were reported to the Board over the course of the year. A Project team was formed for Hampshire Pension Services, and a separate group, the McCloud Remedy Working Group, which is a cross departmental and cross organisational group was also formed to ensure that resources and processes are streamlined and consistent across the Shared Services.
45. It was reported to the Board that the Government had published its response to the consultation which although left a lot of questions, it did go some way to confirming some key messages which we were able to communicate to members via Routine Notice.
46. The Board were keen that we offer Immediate Detriment to members coming up to retirement, and at the start of the year HIWFRA made the

decision to offer this on a case by case basis where the case was deemed to be clear and straight forward.

47. The Board heard that the Employer Pension Manager had worked closely with both the IBC Pensions Admin Team and Hampshire Pension Services to not only work out a process, including timescales, but also to design template letters that could be sent to members at various stages of the process.
48. In total there were only 13 cases that had initially requested Immediate Detriment, but of those, only 9 cases were actually progressed and took Immediate Detriment at retirement.
49. On 8 October 2021, the LGA and FBU then published an Immediate Detriment Framework which now meant that Immediate Detriment could be given to previously retired members who were already in receipt of a pension. HIWFRA adopted this framework on 16 November 2021.
50. Unfortunately, the Home Office then withdrew its informal guidance on Immediate Detriment on 29 November 2021 and HIWFRA along with all other FRAs were put in a very difficult position. The Chief Financial Officer made a decision to temporarily suspend all Immediate Detriment processing.
51. The Board had a lengthy discussion about the status of Immediate Detriment at their meeting in January 2022 and they were in agreement that until further guidance or information was available that they would be recommending to the Standard's and Governance Committee that Immediate Detriment remained suspended with a deadline for making a decision at the May meeting.
52. Work is ongoing on this matter and continues to change. The Board are keen to re-introduce Immediate Detriment but only where a number of the risks identified for both HIWFRA and the member can be reduced or eradicated.

PROJECT AND COSTINGS

53. It was reported to the Board that the McCloud Project was currently on track and on budget. As the work for the Police and Fire Schemes is broadly similar, these costs are accruing together, but then split between the relevant employer, The costs are then split further according to a percentage of the active membership and an additional adjustment is then made due to the complexity of Fire Pension Schemes such as temporary promotions, contribution holidays, CPD payments and pensionable pay.
54. 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)	

OTHER ITEMS

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

FUTURE ISSUES

56. The Fire Pension Board annual report has identified considerable development across a variety of areas. The focus for the 2020/21 year includes:

- (a) Remedy and impact from McCloud / Sargeant judgement
- (b) Remedy and impact from the Matthews / O'Brien judgement
- (c) Impact of Pensions Dashboards

CONCLUSION

57. As set out in this report, there has been continued progress across all areas of fire pensions during 2021/22; in particular around governance and control, together with significant improvements in the quality and range of pension information that is available to firefighters.

58. For 2022/23, the year will be about sustaining the continuous improvement and building on the foundations that have been put in place. It will also be a challenging year with a number of upcoming changes to the pension schemes.

59. Although the list of future issues only contains three items, the volume of work for each of these should not be underestimated. Each area will have its own complexities and challenges and having the right amount of resources in place will be key.

60. HIWFRA fire pensions are in a good place as there is already a robust structure in place with the Employer Pension Manager, the Employer Pension Groups and the McCloud Remedy Working Group which are an excellent multi-departmental resource across the Shared Services partnership and they will be crucial in co-ordinating the work involved.

RECOMMENDATION (to the HIWFRA Firefighters' Pension Board)

61. That the annual report be agreed for submission to the HIWFRA Standards and Governance Committee.

RECOMMENDATIONS (to the HIWFRA Standards and Governance Committee)

62. That the content of the report be noted by the HIWFRA Standards and Governance Committee
63. That feedback on previous work or future areas of priority is provided to the HIWFRA Firefighter's Pension Board by the HIWFRA Standards and Governance Committee

APPENDICES ATTACHED

64. APPENDIX A – Fire Pension Board report (15 April 2021), [report](#), [appendices](#)
65. APPENDIX B - Legislation and Local Government Association (LGA) Update report (15 April 2021), [report](#), [appendices](#)
66. APPENDIX C – Fire Pension Board report (20 July 2021), [report](#), [appendices](#)
67. APPENDIX D - Legislation and Local Government Association (LGA) Update report (20 July 2021), [report](#), [appendices](#)
68. APPENDIX E - Pension Administration update report (20 July 2021), [report](#)
69. APPENDIX F – Fire Pension Board report (14 October 2021), [report](#), [appendix](#)
70. APPENDIX G - Legislation and Local Government Association (LGA) Update (14 October 2021), [report](#), [appendices](#)
71. APPENDIX H – Fire Pension Board report and Risk Review (25 January 2022), [report](#), [appendices](#)
72. APPENDIX I - Legislation and Local Government Association (LGA) Update (25 January 2022), [report](#), [appendices](#)

Contact:

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

This page is intentionally left blank



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

HIWFRA FIREFIGHTERS' PENSION BOARD

Purpose: Noted

Date: **19 APRIL 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 three 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 53, 54 and 55 can be found in APPENDICES A, B & C. There is a lot of information contained within these bulletins; the key items are set out below.

SAB LEVY (BULLETIN 53)

4. In 2014, FRAs entered a shared arrangement to fund a technical adviser post to support FRAs with their understanding and management of the Firefighters' Pension Schemes. The employers' voluntary subscription is included in the final levy.
5. The Fire Minister approved the budget and the total Fire Pension Schemes levy for the 2021-22 year will be £9.16 per firefighter, this include the SAB levy of £6.88 and the FRA LGA levy of £2.28. A letter was sent by email to

Chief Fire Officers and HR Directors on 11 January 2022 advising them of this.

6. The levy is important as it provides us access to expertise from LGA and also ensures that we have a national consistent approach to communications, updates and training.

ABATEMENT UPDATE (BULLETIN 54)

7. A recent Pensions Ombudsman determination, which partially upheld the complaint, found that the FRA did not follow reasonable processes when exercising their discretion under rule K4 of the 1992 Fire Pension Scheme and making its decision to abate the members pension.
8. The main issue in this particular case is that the FRA had a blanket policy which stated that abatement would apply. The SAB's legal adviser confirmed that it would have been fine for the policy to state that only in exceptional circumstances would abatement not apply, but even then, the FRA would need to show on a case by case basis that consideration was given as to whether any exceptional circumstances existed.
9. We have therefore asked HR to review the abatement policy in place for HIWFRA to determine if any amendment is required.

FPS 2015 REMEDY FACT CHECKER (BULLETIN 54)

10. In February the LGA published a fact checker document designed to try and answer some of the main queries about remedy and the pension changes from 1 April 2022. The document has also been added as a new page to the fps member website. This document was published in Routine Notice in March and the relevant links made available to staff.

COST CONTROL VALUATION 2016 FINALISED (BULLETIN 55)

11. Following HM Treasury's publication of Amending Directions in October 2021, the Home Office has finalised the 2016 valuation for the Fire Pension Scheme providing certainty on the outcome to scheme members.
12. On 16 March 2022 the final outcome was published confirming a breach to the cost cap ceiling of 14.6%. The Government had announced that any ceiling breaches found when schemes complete the 2016 valuations would be waived. This means that no member will face reduction in their benefits as a result of the 2016 valuation.

13. The report also confirms that the cost control element of the 2016 valuation is not used to set employer contribution rate and changes to the employer contribution rates resulting from the 2020 valuations will take effect from April 2024. The Government has announced proposed reforms to the cost control mechanism which would be implemented in time for the 2020 valuations.

PSP&JO BILL GETS ROYAL ASSENT (BULLETIN 55)

14. The Public Service Pensions and Judicial Offices Act 2022 received royal assent on 10 March 2022 and is now an act of Parliament. This is the primary legislation which confirms that prospective remedy comes into force on 1 April 2022 and that retrospective remedy comes into force by 1 October 2023.
15. This Act of Parliament tells us what will happen and when it must happen by and it is for the secondary legislation to tell us how it will happen.
16. The Police and Firefighters Pension Scheme (Amendment) Regulations 2022 were laid on 21 March 2022 and comes into force on 1 April 2022. This is the first part of the secondary legislation which is for prospective remedy which closes the legacy schemes as at 31 March 2022 and moves all existing members to the 2015 Scheme.
17. The second part of the secondary legislation, which is for retrospective remedy, will provide the detail of how remedy will work, this is due to be consulted on later in the year.

FINANCE ACT 2022 GETS ROYAL ASSENT (BULLETIN 55)

18. The Finance Act 2022 received royal assent on 24 February 2022 and comes into force on 6 April 2022. Sections 9 and 11 will have a consequential impact on the 2015 remedy for Fire Pension Schemes.
 - (a) Section 9 extends deadlines in relation to Annual Allowance for both reporting and electing for Scheme Pays
 - (b) Section 11 provides HM Treasury powers to make regulations to address tax impacts that arise as a result of McCloud remedy

RECOMMENDATION

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

APPENDICES ATTACHED

20. APPENDIX A - [FPS Bulletin 53](#) (January 2022)
21. APPENDIX B - [FPS Bulletin 54](#) (February 2022)
22. APPENDIX C – [FPS Bulletin 55](#) (March 2022)

Contact:

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



FPS Bulletin 53 – January 2022

Welcome to issue 53 of the Firefighters' Pensions Schemes bulletin.

We wish all readers a belated Happy New Year.

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

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

Contents

Calendar of events	2
FPS	2
Immediate Detriment Framework – Update on position from FRAs	2
LGA response to Home Office consultation	3
Age discrimination remedy help and support	3
Administrator remedy self-assessment survey	3
Technical query log	4
FPS England SAB updates	4
LGA vacancy - Firefighters' Pensions Adviser - Governance	4
SAB response to Home Office consultation	4
SAB levy 2021-22 – Request for Purchase Order numbers	5
SAB SMA committee vacancy	5
Other News and Updates	5
DWP consultation on pensions dashboards	5
Public Service Pension Indexation and Revaluation 2022	6
TPO webinars	7
Judicial review challenging McCloud consultation dismissed	7
DWP responds to 'stronger nudge' consultation	7
Vacancy at Avon Fire and Rescue Service	8
HMRC	8
HMRC newsletters/bulletins	8
Managing Pension Schemes service – message to FRAs	8

Events	9
FPS coffee mornings	9
Legislation	9
Useful links	10
Contact details	10
Copyright	10
Disclaimer	11

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	8 and 22 February 2022
North East regional group	16 February 2022
Fire Communications Working Group	1 March 2022
FPS Technical Group	7 March 2022
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 on position from FRAs

We understand that FRAs are continuing to consider adoption of the Immediate Detriment Framework.

[Click here to return to Contents](#)

It would be useful for the LGA to know what the current position is in each FRA. We will therefore shortly be contacting scheme managers to ask what arrangements are currently in place for their FRA.

This information will be important for us to better understand the current landscape, which means we will be best placed in our discussions with other parties to identify any necessary solutions, and able to provide further support to FRAs where needed.

The latest guidance on the Framework, which was updated at the end of last year following the statements from the Home Office and HM Treasury on immediate detriment, can be found on the [age discrimination page](#) of the FPS Regulations and Guidance. Log-in details are required to access the page and can be provided to practitioners and administrators only.

LGA response to Home Office consultation

We reported in [FPS Bulletin 51](#) that the Home Office had launched a consultation on amendments to the pension scheme regulations to deliver the first set of changes to remove the transitional protections from the FPS 2015.

On 2 January 2022, the [LGA submitted its response to the consultation on the prospective changes](#).

The changes are intended to come into force on 1 April 2022.

Age discrimination remedy help and support

With April 2022 on the horizon, we are conscious that FRAs and administrators will be very much focused on remedy and the prospective changes which are due to come into force on 1 April 2022.

We are also aware that the retrospective remedy will be at the forefront of people's minds. By now we expect that you are working through the guidance issued in [FPS Bulletin 44](#) and are gathering the data that you require to populate the FPS remedy data collection template.

We want to support you in these efforts and ask for suggestions on ways in which you feel that our resource and expertise may benefit you and your organisations. We are planning on setting up some working groups and are happy to deliver training and/or knowledge refreshers.

Please let us know what support you think would be useful by emailing the Bluelight Pensions inbox bluelight.pensions@local.gov.uk.

Administrator remedy self-assessment survey

In addition to the above, readers may recall that last summer the Scheme Advisory Board (SAB) launched an FRA remedy self-assessment survey. As part of their statutory role to provide advice to scheme managers and Local Pension Boards in relation to the efficient and effective administration and management of the FPS, the Board wanted to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.

[Click here to return to Contents](#)

To do this, the Board prepared a self-assessment survey to take a temperature check of current arrangements. The survey was specifically aimed at FRAs and, as a result, a [research report](#) was published in December's edition of the bulletin. All FRAs were also provided with individual feedback.

The data received was extremely useful and, with both Sargeant and Matthews remedies on the horizon, we thought that it would be prudent to understand the administrators' position. With this in mind, we plan to launch an administrator survey. The survey can be expected in the coming weeks and will be shared with our key contacts within the relevant administrators.

Once the survey has closed, we will analyse the data and provide a report to the SAB for a forthcoming meeting. Welsh administrators are also invited to complete the survey and the data will be shared with the Welsh Scheme Advisory Board.

We ask that administrators are as open as possible when completing the survey, this will help us consider what additional support and advice will be needed.

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.

FPS England SAB updates

LGA vacancy - Firefighters' Pensions Adviser - Governance

We are looking for someone to join us at the LGA to provide high-quality support to the Scheme Advisory Board (SAB) and FRAs' Local Pension Boards as a [Firefighters' Pensions Adviser – Governance](#) 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 18 February 2022 and interviews will take place in the week commencing 7 March 2022.

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

SAB response to Home Office consultation

We reported in [FPS Bulletin 51](#) that the Home Office had launched a consultation on amendments to the pension scheme regulations to deliver the first set of changes to remove the transitional protections from the FPS 2015.

On 2 January 2022, the [SAB submitted its response to the consultation on the prospective changes](#).

The changes are intended to come into force on 1 April 2022.

SAB levy 2021-22 – Request for Purchase Order numbers

We are pleased to confirm that the SAB budget for 2021-22 has been approved by the minister and the invoicing process has started.

In 2014, FRAs entered a shared arrangement to fund a technical adviser post to support FRAs with their understanding and management of the Firefighters' Pension Schemes. The employers' voluntary subscription is included in the final levy.

The total levy for the 2021-22 year will be £9.16 per firefighter, which is calculated at £6.88 for the SAB and £2.28 for employers. A letter was sent by email to Chief Fire Officers and HR Directors on 11 January 2022 advising them of this.

Devolved FRAs have also been sent levy requests with regard to the employer advice service provided to them by the LGA.

The first stage of the process is for FRAs to provide a valid purchase order number, stating the number of employees eligible to join one of the Firefighters' Pension Schemes as of 1 April 2021, using the form provided with the letter.

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

DWP consultation on pensions dashboards

On 31 January 2022, the Department for Work and Pensions (DWP) published a [consultation on draft Pensions Dashboards Regulations](#). The consultation closes on 13 March 2022.

The purpose of this consultation is to seek views on a range of policy questions relating to the creation of pensions dashboards. An indicative draft of the Regulations is included to show how DWP envisage the policy would be turned into law.

The Board has previously responded to requests for information on dashboard implementation expressing concern around the potential value of dashboards for firefighters and the suggested timescales for Public Service Pension Schemes to make data available:

[SAB response to DWP consultation – Pensions dashboards: Working together for the consumer](#) (January 2019)

[SAB response to PDP call for input on dashboard staging](#) (July 2021)

These responses may be useful when considering your replies.

In addition, the [Pensions Dashboards Programme \(PDP\) published a report from Ipsos Mori](#) on 25 January 2022. The PDP had commissioned Ipsos Mori to undertake qualitative research on the attitudes of potential dashboard users, their circumstances, behaviours, and views of the dashboard concept.

On the same day, Rita Patel, Lead Analyst for the PDP, published a [blog summarising the report's main findings](#), which are:

- respondents reacted almost uniformly positively to the concept of dashboards
- respondents expect to see value information, both accrued and projected
- a find-only dashboard, which located pensions without displaying values, was of limited appeal
- a phased or partial service could negatively affect dashboards' reception
- dashboard users need to know what the service can and cannot do for them, as well as having clear signposting of government backing, in order to increase trust in its security.

DWP is hosting a series of webinars connected to the consultation to help stakeholders form their responses. You can register for the webinars on the [PDP webpage publicising the consultation](#). There is also a range of documents to support the consultation, outlining the scope of PDP's standards.

Public Service Pension Indexation and Revaluation 2022

On 20 January 2022, HM Treasury issued [written statement HCWS548](#) confirming the Public Service Pension Indexation and Revaluation for 2022.

Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2021. The increase from 11 April 2022 is 3.1%.

HMT has published the [2022 pensions increase multiplier tables](#) and [covering note](#) to the GOV.UK website in advance of the Pensions Increase (Review) Order being laid.

FPS 2015 will use the figure of 4.1% as set out in the statement for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2022.

TPO webinars

Following feedback from stakeholders, The Pensions Ombudsman (TPO) is running a series of short webinars at the end of March. Topics will include:

- A general introduction to TPO
- The work of the Early Resolution Service
- Volunteers
- How to Avoid The Ombudsman

To register your interest in attending any of these events, email stakeholder@pensions-ombudsman.org.uk.

Judicial review challenging McCloud consultation dismissed

On 15 December 2021, the [High Court handed down its judgment](#) dismissing the judicial review brought by the Police Superintendents' Association (PSA). The PSA challenged the legality of the consultation remedying the discrimination identified in the McCloud judgment in the unfunded public service schemes and the decision to close the legacy schemes on 1 April 2022.

The Court upheld some aspects of the PSA's claims. The Court found that the Government had not given clear conscientious consideration to the consultation responses before deciding to close the legacy schemes on 1 April 2022 and that parts of the public sector equality duty were breached. The Court decided against granting relief as it found it highly likely that the Government would have made the same decisions if the breaches had not occurred.

The [PSA has announced that it will seek leave to appeal](#) to the Court of Appeal.

DWP responds to 'stronger nudge' consultation

The [Department for Work and Pensions \(DWP\) responded to the consultation 'Stronger Nudge to pensions guidance'](#) on 17 January 2022.

On the same day, the DWP laid before Parliament [the Occupational and Personal Pension Schemes \(Disclosure of Information\) \(Requirements to Refer Members to Guidance etc\) \(Amendment\) Regulations 2022](#).

The regulations come into force on 1 June 2022 and apply to England, Scotland, and Wales. The regulations will require administrators of occupational pension schemes to give to their members, in certain cases, a stronger nudge to Pension Wise guidance.

[Click here to return to Contents](#)

There is no action required by FPS administrators or practitioners, as the FPS does not offer “[flexible benefits](#)” as defined by the Pension Schemes Act 2015.

Vacancy at Avon Fire and Rescue Service

Please see below details of a job opportunity at Avon Fire & Rescue Service. The closing date is Mon 7 February.

[Workplace Pensions Advisor | Yes You Can! The Avon Fire & Rescue Service Job Site](#)

This links through to the advert and then onto the JD. This is a very flexible role and could be filled full or part time, and it can be a hybrid of home and office working. There are good benefits in AF&RS and access to funded development as well as the opportunity to branch out into other specialist areas

HMRC

HMRC newsletters/bulletins

On 17 January 2022, HMRC published [Pension schemes newsletter 136](#) containing important updates and guidance for schemes. The newsletter includes articles on:

- Relief at source — notification of residency status report for 2022 to 2023
- Normal minimum pension age (NMPA)
- Extension to some of the temporary changes to relief at source processes
- Maintaining qualifying recognised overseas pension schemes (QROPS) status
- Pension flexibility statistics
- Managing Pension Schemes service
- Scheme Pays reporting

Managing Pension Schemes service – message to FRAs

On 18 January 2022, we emailed FRA FPS contacts and FPS pension administrators with the following update from HMRC on the migration of pension schemes from the Pension Schemes Online service to the Managing Pension Schemes service:

“We’re currently planning to release the feature for migrating pension schemes in early April 2022.

As currently planned, from mid-March 2022, you’ll no longer be able to compile and submit an AFT return for any quarter from 1 April 2020 on the Pension Schemes Online service.

This means that if you need to submit an AFT return for the quarter 1 January 2022 to 31 March 2022, you must migrate your pension scheme in time to compile and submit the AFT return by the filing deadline of 15 May 2022.

[Click here to return to Contents](#)

If you've compiled but not yet submitted a new AFT return on the Pension Schemes Online service for any quarter from 1 April 2020, you also won't be able to successfully submit this on that service from mid-March.

To be able to migrate pension schemes, scheme administrators must be [enrolled](#) on the Managing Pension Schemes service using their 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.

Further information on this can be found in our [Pension Schemes newsletter](#), which was published on GOV.UK today and our guidance [Migrating your pension scheme to the Managing Pension Schemes service](#).

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

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 8 February 2022.

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

[11 January 2022 – Forward look 2022](#)

[25 January 2022 - Abatement](#)

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
2022/30	The Occupational and Personal Pension Schemes (Disclosure of Information) (Requirements to Refer Members to Guidance etc.) (Amendment) Regulations 2022

[Click here to return to Contents](#)

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

Claire Hey (Senior Pensions Adviser)

Telephone: 07825 731 924

Email: claire.hey@local.gov.uk

Claire Johnson (Firefighters' Pensions Adviser – Employers)

Email: claire.johnson@local.gov.uk

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or 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 54 – February 2022

Welcome to issue 54 of the Firefighters' Pensions Schemes bulletin.

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

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

Contents

Calendar of events	2
Actions arising	3
FPS	3
Immediate Detriment Framework update on current position	3
Abatement update	3
Preparation for 1 April 2022	4
Scheme members with fixed or enhanced lifetime allowance (LTA) protection	5
FPS contribution rates 2022-23	6
Administrator self-assessment survey launched	6
Technical query log	6
FPS England SAB updates	7
FPS Remedy 2015 – Your questions answered	7
Joanne Livingstone responds to letter from South Yorkshire Local Pension Board	8
SAB SMA committee vacancy	8
Other News and Updates	8
Head of pensions	8
DWP consultation on pensions dashboards	8
TPO webinars	9
State Pension age review: call for evidence	10
Automatic enrolment trigger remains the same	10
HMRC	10
HMRC publishes Pension Schemes Newsletter 137	10

Managing Pension Schemes service – migration of schemes	11
Events	11
FPS coffee mornings	11
Legislation	12
Useful links	12
Contact details	12
Copyright	12
Disclaimer	13

Calendar of events

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

Table 1: Calendar of events

Event	Date
FPS coffee morning	8 and 22 March 2022
Fire Communications Working Group	1 March 2022
FPS Technical Group	7 March 2022
LGA Annual Fire Conference and Exhibition	15 – 16 March 2022
Eastern Region Fire Pension Group	21 March 2022
SAB	24 March 2022
SAB	23 June 2022
SAB	8 September 2022
SAB	8 December 2022

Actions arising

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

[Abatement](#): Scheme managers to review abatement policy in light of Pensions Ombudsman determination PO-25374.

[Prospective remedy \(1 April 2022\)](#): All parties to ensure changes needed for 1 April 2022 are in place before that date.

[Administrator remedy self-assessment](#): Administrators to complete self-assessment survey by 18 March 2022.

FPS

Immediate Detriment Framework update on current position

We know that FRAs are keen to understand the current position of the Immediate Detriment Framework while they continue to consider adoption. For the time being, the current position as reported in [FPS Bulletin 52 – December 2021](#) remains unchanged and FRAs taking decisions on cases following the withdrawal of the Home Office guidance should speak to their nominated contact.

The LGA is continuing to press the government for further advice, and we are aware that similar issues are now arising across the other public service schemes. We will provide a more substantive update as soon as we are able.

To assist us with these discussions and to identify any necessary solutions we have approached FRAs to clarify their current position on immediate detriment and adoption of the Framework as well as any barriers they are encountering. FRAs were asked to respond no later than 28 February and, at publication, we have received 25 replies.

As we are still waiting for a proportion of FRAs to respond, we are intending to extend the deadline to Friday 4 March. FRAs who are yet to submit a response will be contacted directly and encouraged to do so where possible.

Abatement update

Subscribers to our Coffee Mornings will recall that the session held on 7 February 2022 was dedicated to abatement. This was in light of the recent [Pension Ombudsman ruling – PO25374](#).

In summary, the FRA identified a re-employed pensioner who should have been abated on reemployment but wasn't and, as a result, an overpayment of pension was identified, which the FRA sought to recover. The member challenged this as they believed that the FRA had a duty of care to alert them at the outset that their pension would be abated.

The complaint was partially upheld. The Ombudsman determined that the FRA didn't have an additional duty of care to the member other than the requirement to provide factually correct information. The complaint was upheld to the extent that the FRA did not follow reasonable process when exercising their discretion under rule K4 of FPS 1992 and making its decision to abate the members pension.

For those wishing to familiarise themselves with the presentation, the [abatement slides](#) are available on the [Coffee Morning section](#) of the [FPS Regs and guidance website](#).

As suggested at the session, we have taken advice from the SAB's legal advisor. They were asked to provide an informal view on the PO determination and, as a result, should FRAs consider changing their policy on blanket abatement.

The response confirmed that the PO determination is correct. The determination is supported by case law on exercising discretions, and the process that should be followed.

The main issue here is that the FRA had a blanket policy which stipulated abatement would apply. This meant that there was no room for 'discussion' in terms of the circumstances in which abatement would not apply.

The Board's legal advisor confirmed that it would have been fine for the policy to state that only in exceptional circumstances would abatement not apply, but even then, the FRA would need to show on a case-by-case basis that consideration was given as to whether any exceptional circumstances existed.

Action for FRAs – To review all existing policies on abatement and make necessary changes to ensure that proper consideration is taken when agreeing whether abatement should apply. It is also recommended that FRAs formally document each decision to evidence that they have made an informed decision.

In addition to the above, FRA may now wish to revisit previous decisions and possibly 'correct' any prior procedural deficiencies by now considering whether any 'exceptional circumstances' (as outlined in the FRAs policy) apply. If there are and were 'exceptional circumstances' that existed, then the FRA would need to address those on a case-by-case basis.

We are currently in the process of updating the abatement guidance, however, as the existing factsheet doesn't make any reference to the application of a blanket abatement policy FRAs can be assured that they can still use the document.

Preparation for 1 April 2022

With April only weeks away we thought it would be prudent to provide FRAs and administrators with some guidance as to what **must** happen to ensure a smooth transition for their members.

It should be common knowledge by now that with effect from 1 April 2022 **all** protected members will be treated as members of the FPS 2015. The [Public Service Pensions & Judicial Offices Bill](#) (PSPJO Bill) is clear that no-one can remain in the legacy scheme from 1 April 2022. Payroll and administration systems **must** show the member in the reformed scheme from 1 April 2022, this includes ensuring that the correct contributions are being deducted.

You **must** also ensure that members are clear on which scheme they are in from 1 April 2022. To assist you with this, we have provided a [suite of letters](#) which we recommend are used when communicating with members. In addition, as per our disclosure factsheet, members **must** be informed of any change in their contribution banding. It is recommended that this is communicated immediately, however, the regulations do provide FRAs with three months' grace.

Failure to comply with the above direction would constitute a legal risk for the FRA which could result in further litigation.

Scheme members with fixed or enhanced lifetime allowance (LTA) protection

If, as an employer or administrator of the FPS you think that some of your members may hold a form of fixed or enhanced protection from LTA charges, you need to tell them, if you haven't already, to act before 1 April 2022 if they want to avoid losing their protection.

Your members may wish to seek independent financial advice to help them to understand the impacts and decide the best course of action regarding protections from lifetime allowance charges.

The government's remedy proposals mean that individuals who originally lost their enhanced or fixed protection solely due to joining the reformed scheme (and not due to a subsequent action, such as benefit accrual) will not have lost their protection. However, they will lose their protection if they accrue benefits under the reformed scheme from 1 April 2022.

To keep fixed or enhanced protection:

- individuals who have not yet joined the reformed scheme will need to opt out of joining that scheme by 1 April 2022.
- individuals already in the reformed scheme will need to stop accruing benefits from 1 April 2022.

Members will need to speak to their scheme administrator about how to:

- opt out of the reformed scheme
- stop accruing benefits from 1 April 2022

Further guidance on what members need to do to reinstate their protection because of the Sargeant remedy will be provided by HMRC/ HM Treasury at a later date.

FPS contribution rates 2022-23

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

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments¹, which came into force on 1 April 2015, listed the rates applicable from 2015-2016 to 2018-2019, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

The Firefighters' Pension Scheme 2015 was introduced on 1 April 2015 by SI 2014/2848. [Regulation 110](#) set out details rates applicable from 2015-2016 to 2018-2019.

For 2019-2020, FRAs were instructed that the 2018-2019 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2022-2023. The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2022.

Administrator self-assessment survey launched

As mentioned in [FPS Bulletin 53 – January 2022](#), we are pleased to confirm the launch of our administrator self-assessment survey. The survey was emailed directly to administrators on 24 February 2022. We are hoping that the survey will give us a better understanding of the preparations which administrators have made in relation to the implementation of the age discrimination remedy as well as their readiness for Matthews and Pension Dashboards.

Once the survey has closed, we will analyse the data and provide a report to the SAB for a forthcoming meeting. Welsh administrators are also invited to complete the survey and the data will be shared with the Welsh Scheme Advisory Board.

We ask that administrators are as open as possible when completing the survey, as it will help us understand the challenges you are facing and consider what additional support and advice is needed.

It would be greatly appreciated if responses could be submitted by 18 March 2022.

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.

¹ [SI 2015/579](#), [SI 2015/590](#)

Queries have been answered this month in the following categories: Compensation Scheme (page 41) and Special Member (page 73). Queries from earlier months have been grey shaded to differentiate from new items.

FPS England SAB updates

FPS Remedy 2015 – Your questions answered

Following the Scheme Advisory Board (SAB) [meeting of 30 September 2021](#) an action was taken to commission a suite of illustrative member scenarios to provide members with a better understanding of the implications of the McCloud/ Sargeant remedy on their benefits. This is to include a selection of members personas across the schemes, with benefits illustrated at a range of key retirement milestones.

Barnett Waddingham was appointed to deliver this work following a successful procurement exercise and as part of the project, suggested delivery of a warm-up communication to answer some key concerns or recurring questions that members have about the changes that are due to take place on 1 April 2022 and beyond.

Even though there is a lot of information available, we still find that there are many 'myths', 'untruths', 'fake news' etc. circulating and it is clear from activity on various social media platforms that some firefighters do have gaps in their knowledge when it comes to remedy. We find it concerning that employees may be relying on these forums to make life changing decisions and feel that it is appropriate and desirable for individuals to be fully armed with factual information before making such decisions.

We are therefore pleased to present the [FPS 2015 Remedy 'fact checker'](#) which has been developed by Barnett Waddingham, in collaboration with the SAB the Board secretariat, and the Scheme Management & Administration committee. We hope that this document will alleviate some concerns and answer some unknown questions for the FPS membership.

This document is intended to be circulated as widely as possible. We ask that you distribute this within your authorities using your normal communication channels, including uploading to any internal or external member-facing websites as appropriate. The document text has been added as a new page to the [FPS Member 2015 Remedy section](#), with the PDF available as a download.

Please note that the text around Annual Allowance limits has been updated since the original version was circulated on 10 February, to confirm the lower tapering limit as £4,000 and add context around when this might apply.

The illustrative scenarios are currently being finalised and will be provided in early March.

Joanne Livingstone responds to letter from South Yorkshire Local Pension Board

On 25 January 2022, the chair of South Yorkshire FRA's Local Pension Board (LPB) wrote to the chair of the Scheme Advisory Board (SAB) to express concern about the withdrawal of the Home Office informal guidance on immediate detriment.

Joanne Livingstone responded on 18 February outlining action taken by the Board to date and asking for agreement for the letters to be made public. The exchange of letters has been published to a new page on the SAB website called [‘correspondence’](#).

The SAB is currently still awaiting a response to its letter to HM Treasury of 17 December 2021.

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 bluelightpensions@local.gov.uk.

Other News and Updates

Head of pensions

As some of you will be aware, Jeff Houston is retiring from the role of Head of Pensions at the LGA and Secretary to the Local Government Pension Scheme Advisory Board (SAB) in England and Wales on 31 March 2022.

We are pleased to confirm that following a competitive recruitment exercise Joanne Donnelly will be taking over the role from 1 April 2022. Jo is currently Senior Pensions Secretary at the LGA and Deputy SAB secretary. She previously worked at HM Treasury.

DWP consultation on pensions dashboards

As reported in [FPS Bulletin 53 – January 2022](#), on 31 January 2022 the Department for Work and Pensions (DWP) published a [consultation on draft Pensions Dashboards Regulations](#). The consultation will run for six weeks and close on 13 March 2022.

Pensions Dashboards will allow individuals to see information about all their pensions, including the State Pension, in one place. These draft regulations set the requirements to be met to deliver this and will place a legal duty on pension providers to provide information to the dashboards.

The consultation proposes a staging deadline of the end of April 2024 for public service pension schemes, including the FPS. This means that FPS administrators will need to be able to connect to the digital architecture by this date and be ready to provide individuals' data to them via the dashboards.

We will be responding to the consultation on behalf of the LGA and the SAB. Our response will express concern about FPS administrators' ability to meet the staging deadline given the other pressures they face and the data that will be available at that time.

We expect the McCloud remedy regulations to come into force from 1 October 2023. FPS administrators will already be under huge pressure at this time, implementing the retrospective part of remedy. We anticipate that the second options exercise for special members of FPS 2006 (Matthews) may be underway by then too, adding further resource pressure on FRAs and their administrators.

We have significant concern that the information available in April 2024 will not reflect both the legacy and reformed scheme benefits that a member could choose from at retirement. This is because the first set of annual benefit statements that will include remedy benefits will not be issued until August 2024. Providing members will incorrect or incomplete information could undermine the credibility of the dashboard and decrease member engagement.

For these reasons, our response will state that we are doubtful that a staging deadline of April 2024 is achievable.

TPO webinars

As a reminder, the Pensions Ombudsman (TPO) is running a series of short webinars at the end of March. Topics will include:

- A general introduction to TPO
- The work of the Early Resolution Service
- Volunteers
- How to Avoid The Ombudsman

To register your interest in attending any of these events, email stakeholder@pensions-ombudsman.org.uk.

The Ombudsman has also added three new factsheets to its website:

- [Death benefits](#)
- [Ill health pensions](#)
- [Pension scams](#)

State Pension age review: call for evidence

Under the Pensions Act 2014, the Government must undertake an independent review of the State Pension age every six years. Baroness Neville-Rolfe will prepare an independent review making recommendations to the Government on what metrics it should consider when setting the State Pension age in future.

On 9 February 2022, DWP launched a call for evidence to gather views on this subject to feed into that review. The [independent report call for evidence](#) will close on 25 April 2022.

The call for evidence seeks views from members of the public and all interested parties on various points including:

- Intergenerational fairness
- Notice periods for State Pension age changes
- Changes in working patterns
- Predicted future changes to the workplace
- Sustainability and affordability
- Options for taking into account differences in circumstances when setting State Pension age
- What metrics should be considered to determine State Pension age.

Automatic enrolment trigger remains the same

DWP has published its review of the automatic enrolment trigger for 2022/23. The earnings trigger will remain at £10,000. This is a real term decrease in the value of the trigger and the Government estimates this will bring a further 17,000 savers into pension savings, when compared to increasing the trigger in line with average wage growth.

HMRC

HMRC publishes Pension Schemes Newsletter 137

On 28 February 2022, HMRC published [Pension Schemes Newsletter 137](#), which contains articles on:

- Public service scheme members with fixed or enhanced protection
- Loss of Lifetime Allowance protection
- Relief at source
- Digitisation of relief at source
- Scheme Pays reporting
- The managing pension schemes service

Managing Pension Schemes service – migration of schemes

[Pension schemes newsletter 137](#) provides an update on the migration of pension schemes from the Pension Schemes Online service to the Managing Pension Schemes service. The feature for migrating pension schemes will be available from 11 April 2022.

Scheme administrators must be [enrolled on the Managing Pension Schemes service](#) to be able to migrate their pension schemes.

To migrate pension schemes to the Managing Pension Schemes service, you'll need to provide some up-to-date information for each scheme. The information can be found in [Appendix A of Pension Schemes Newsletter 136](#). We'd encourage you to start collating this information, so you're prepared to migrate your pension scheme(s).

On the 11 April HMRC will provide further guidance on the new features being added to the Managing Pension Schemes service.

Please email migration.mps@hmrc.gov.uk if you have any questions or feedback on the Managing Pension Schemes service.

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 8 March 2022 and will focus on preparations for 1 April 2022.

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

[7 February 2022 – Pension Dashboards – an overview \(The Pensions Regulator\)](#)

[22 February 2022 – Pension Dashboards \(Featuring Heywood Pension Technologies\)](#)

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

Legislation

SI	Reference title
2022/88	The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2022
2022/158	The Occupational Pension Schemes (Schemes that were Contracted-out) (No. 2) (Amendment) Regulations 2022

Useful links

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

Contact details

Claire Hey (Senior Pensions Adviser)

Telephone: 07825 731 924

Email: claire.hey@local.gov.uk

Claire Johnson (Firefighters' Pensions Adviser – Employers)

Email: claire.johnson@local.gov.uk

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

[Click here to return to Contents](#)

Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or 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.

For those grappling with Firefighters' pensions, Perspective provides the very best tool to find the right answer!

Perspective Table of Documents Recently Opened Title or Abbreviation

SI 1992/129 The Firemen's Pension Scheme Order 1992 (E) ★

C1 Spouse's ordinary pension

(1) This rule applies **Subject to paragraph (1A) this rule applies** where a person entitled to reckon at least **3 years'** **2 years'** pensionable service dies, leaving a **surviving spouse or civil partner**—

(a) while serving as a **regular firefighter**, unless an election under **rule G3** not to pay pension contributions had effect at the time of his death, or

(b) while in receipt of an ordinary, short service or ill-health **pension**, or

(c) while in receipt of an **injury pension under the Compensation Scheme**, if he has been but no longer is in receipt both of that **pension** and of an ill-health **pension**, or

(d) in consequence of an **injury** on account of which he **retired** from service as a **regular firefighter** with an ill-health gratuity, if he has not since had any period of such service.

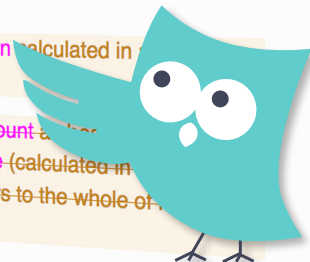
(1A) This rule does not apply to a person who dies leaving a spouse or civil partner while serving as a **regular firefighter** if **paragraph (6) of rule A3** applied to that person.

(2) Where this rule applies the **surviving spouse** is, subject to paragraph (3), entitled to an ordinary **pension** calculated, subject to **Part 1 of Schedule 11** (calculation in certain cases where deceased serving or entitled to **pension** on 1st July 1973), in accordance with **Part 1 of Schedule 3**.

(2) Where this rule applies the **surviving spouse** or surviving civil partner is entitled to an ordinary **pension** calculated in accordance with **Part 1 of Schedule 3**.

(2A) Subject to paragraph (3), the **The surviving civil partner** is entitled to an ordinary **pension** of such amount as bears the same proportion to the ordinary **pension** to which he would have been entitled had he been the deceased's **surviving spouse** (calculated in accordance with **Part 1 of Schedule 3**), the same proportion that the deceased's service after 5th April 1988 bears to the whole of his pensionable service.

(3) Where the deceased died while serving as a **regular firefighter**, the **surviving spouse or civil partner** is entitled to an ordinary **pension** calculated in accordance with **Part 1 of Schedule 3**.



KEY FEATURES

- Consolidated versions of the 3 main sets of Scheme Regulations (and for each scheme, different jurisdictions: for example, we have separate versions of the 1992 Pension Scheme Order for each of England, Wales and Scotland);
- Ability to see Firefighters' Regulations as in force on any date in the past or at any date in the future (known as Time Travel);
- Help schemes deal with the legislative implications of McCloud;
- News stories, consultations and regulatory updates relating to Firefighters' pensions included in our daily news service;
- Ability to annotate the text of any legislative or other document, enabling your most experienced team members to share their knowledge with their less experienced colleagues;
- Powerful search engine allowing you to search the whole of Perspective (over 30,000 documents) or confine the search to documents relating to firefighters' pensions.

Perspective

For further details please contact:
raf.shergold@pendragon.co.uk
 020 7608 9022





FPS Bulletin 55 – March 2022

Welcome to issue 55 of the Firefighters' Pensions Schemes bulletin.

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

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

Contents

Calendar of events	2
Actions arising	2
FPS	3
Home Office consultation response and amending legislation	3
Matthews – Second options exercise	4
Member communications post 1 April 2022	5
Contingent decisions – Optant outs	5
Cost control valuation 2016 finalised	6
Top up grant 2022 – Collection of pensions accounting data	7
FPS annual update 2022	8
Technical query log	8
FPS England SAB updates	9
FPS 1992 Scotland – commutation provisions	9
HMT respond to the SAB on immediate detriment	10
Other News and Updates	11
PSPJOA 2022 receives Royal Assent	11
DWP consultation on pensions dashboards	11
The Finance Act 2022	12
Mandatory scheme pays deadlines are changing	12
Job vacancy at the LGA	13
Events	13
FPS coffee mornings	13
Legislation	13

Useful links	14
Contact details	15
Copyright	15
Disclaimer	15

Calendar of events

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

Table 1: Calendar of events

Event	Date
FPS coffee morning	5 and 19 April 2022
SAB	23 June 2022
SAB	8 September 2022
SAB	8 December 2022

Actions arising

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

[Matthews](#): No later than **31 May 2022** FRAs to inform LGA of total numbers of member, split by scheme (FPS 1992, FPS 2006), affected by aggregation.

[Member communication post 1 April 2022](#): FRAs to contact all current former protected members and provide key features of FPS 2015 communication.

[Top up grant 2022 – Collection of pensions accounting data](#): In addition to the pensions income/expenditure data that you will be submitting on DELTA, FRAs to send the Home Office electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2020/21 DELTA return, to include any post balance sheet adjustment events.

FPS

Home Office consultation response and amending legislation

On 8 March 2022, the Home Office published its [consultation response on prospective remedy](#), along with a [frequently asked questions document](#).

The consultation response confirms the amendments to the pension scheme regulations which will deliver the first set of changes and remove the transitional protections from the FPS 2015. In addition, it confirms provisions for an ill health underpin which will ensure that a protected member who applies for ill health retirement before 31 March 2022, and which is determined in their favour after that date, is treated no less favourably than if the application had been determined on that date.

The Home Office has identified one scenario where a member who transitions on 1 April 2022 with an ill-health decision pending could be placed in a worse position. This would be where a legacy FPS 1992 member moves across to the FPS 2015 and does not meet the qualifying criteria for ill-health retirement in the FPS 2015 but would have met the corresponding criteria under the legacy FPS 1992.

To avoid any such members being in a worse position than if the decision had concluded prior to 1 April 2022, changes have been made to the FPS 2015 regulations which mean that the member is assessed for ill-health retirement against a Normal Pension Age (NPA) of 55

The response also makes provisions to allow arrangements for members who are purchasing service in the legacy schemes by way of periodical contributions, entered before 1 April 2022, to continue on after that date.

These changes enact the policy announced in February 2021 and are consequential to the provisions in the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) which received Royal Assent on 10 March.

[The Police and Firefighters' Pension Schemes \(Amendment\) Regulations 2022](#) were laid in parliament on 21 March. The amendments come into force on 1 April 2022 and enable the prospective elements of the 2015 Remedy as set out in the consultation.

A further Home Office consultation will take place later in the year on the retrospective amendments that are required to fully deliver the remedy. This includes establishing the deferred choice underpin (DCU) and the changes needed to offer pensioners and beneficiaries of deceased scheme members an immediate choice between legacy or reformed scheme benefits.

[Click here to return to Contents](#)

Matthews – Second options exercise

Readers may be aware of the category of members of the Firefighters' Pension Scheme 2006 (FPS 2006) known as "special members" who were introduced in 2014, following [Matthews v Kent and Medway Towns Fire Authority & others](#), which allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the FPS 2006 with retrospective effect to 1 July 2000.

A time-limited options exercise took place between 2014 and 2015 to allow eligible individuals to join the FPS. While the benefits awarded to special members largely mirrored the benefits under the FPS 1992, the FPS 2006 was amended as the FPS 1992 was closed.

More recently, work has again had to take place on the pensions aspect of "Matthews", following the European Court of Justice's decision in [O'Brien v Ministry of Justice](#) concerning fee paid judges in the Judicial Pension Scheme. The judgment held that remedy could extend back before the Part-time Workers Directive was required to be implemented on 7 April 2000.

On 9 March 2022, after an extended period of negotiations, a [Memorandum of Understanding \(MoU\)](#) was agreed between the government, the Fire Brigades Union, the Fire & Rescue Services Association, and FRA employers.

It was confirmed that remedy for retained firefighters affected by the O'Brien judgment will be provided by way of a second options exercise allowing in-scope individuals the opportunity to purchase pension entitlement as a special member of the FPS 2006. More details on the scope and mechanics of the settlement are available in our [summary of "Matthews" MoU and second options exercise factsheet](#).

The regulations to implement the second options exercise in England will be drafted by the Home Office and consulted on before they are laid before Parliament. The Home Office has a maximum period of 18 months to draft, consult, and introduce the necessary secondary legislation.

FRA's will be expected to start the second options exercise as soon as possible after the legislation comes into force. The exercise will run for a maximum period of 18 months.

Prior to the legislation coming into force, FRA's are advised to take steps to identify retained firefighters who were employed between the relevant dates and ascertain what steps were taken to identify and contact individuals who were eligible for the first options exercise. This will help FRA's determine whether the retained firefighter is in scope again this time around.

[Click here to return to Contents](#)

We have also asked FRAs to identify any retained firefighters who have transferred from retained to wholetime employment and maybe subject to aggregation. For clarity, the individual must have been in retained employment at some point between 7 April 2000 and 5 April 2006 and they must have joined wholetime employment without a break in, or overlap of, service. Once these individuals have been identified, and **no later than 31 May 2022**, FRAs should email bluelightpensions@local.gov.uk with the total number of members, split by scheme that the firefighter joined in respect of their wholetime employment, for example, FPS 1992 = 3, FPS 2006 = 5.

Member communications post 1 April 2022

On 8 March 2022, the [FPS Coffee Morning was dedicated to the preparation for prospective remedy](#). Attendees were reminded that all current members of the Firefighters' Pension Schemes who remain active employees beyond 31 March 2022 do so as a member of FPS 2015. Full details on what action must be taken can also be found in [FPS Bulletin 54 – February 2022](#).

It was agreed that, in addition to distributing the [protected member letter](#) in advance of 1 April 2022, FRAs should contact **all** protected members once the transition into FPS 2015 has taken place; this is to ensure that members become familiar with some key features of the scheme. To help FRAs with this we have provided a [protected member communication post-April 2022](#) that can be used. It is strongly advised that FRAs send this communication to all former protected active members as soon as possible.

Contingent decisions – Optant outs

On 25 March 2022, we shared a communication with relevant stakeholders on contingent decisions, more specifically on the area of optant outs. The communication confirmed that, due to the pension changes in 2015 and the subsequent introduction of FPS 2015, some firefighters chose to opt out of the pension scheme rather than transition into FPS 2015. The government has recognised in its [Public Service Pensions consultation response](#) that some members would have taken a different course of action had they known that continued membership of their legacy scheme (FPS 1992, FPS 2006 including special members) during the remedy period was an option. The government therefore intends to legislate for decisions such as this through the contingent decision aspect of the retrospective legislation. This is confirmed in [section 5 of the PSPJOA](#).

Although the final policy on this matter is yet to be determined and we cannot provide any guarantees that a particular case will be deemed a contingent decision, we thought it would be prudent to bring the matter to FRAs' attention so that action can be taken where required.

[Click here to return to Contents](#)

It is our understanding that contingent decisions only cover the remedy period (1 April 2015 to 31 March 2022). This means that should a member remain opted out beyond 1 April 2022 they may, under retrospective legislation, be given the option to buy back their opted-out service which occurred during the remedy period. However, it is unlikely that regulations will permit them to buy back service after 31 March 2022. This could therefore mean that their pension would remain deferred with a payment age of 60 for FPS 1992 and 65 for FPS 2006 (special members have a deferred payment age of 60), regardless of whether they buy back the opted-out service during the remedy period.

We understand that some members have indicated that they want to buy back their opted-out service for the remedy period, as they want to retire as an active member. If this is the case, members should speak with their pension/payroll department and arrange to be opted back into the FPS on or before 1 April 2022.

FRAAs were strongly advised to communicate this message with staff.

As expected, this communication generated a significant amount of interest from members, and we received many questions in respect of this. Unfortunately, as a final policy decision is yet to be determined, we cannot provide any more clarity on this matter. We understand that members have questions about whether the contingent decision provision captures them and their personal set of circumstances. We also understand that members want to understand the cost implications and what repayment options may look like. However, we cannot provide definitive further clarity at this time. We appreciate that this is frustrating for all concerned and give our assurance that more detail will be provided as and when it is available.

Cost control valuation 2016 finalised

Following HM Treasury's publication of Amending Directions in October 2021, the Home Office has finalised the 2016 valuations for the FPS providing certainty on the outcome to scheme members.

On 16 March 2022, the [final outcome of the cost-control element of the 2016 valuation](#) for the FPS in England was published, confirming a breach to the cost cap ceiling of 14.6%.

This process had previously been paused following the uncertainty arising from the McCloud and Sargeant judgments and was 'un-paused' in 2020.

The report confirms that the cost control element 2016 valuation is not used to set the employer contribution rate and changes to the employer contribution rates resulting from the 2020 valuations will take effect from April 2024.

[Click here to return to Contents](#)

In 2021, the government [announced proposed reforms to the Cost Control Mechanism](#) which will be implemented in time for the 2020 valuations. These reforms do not affect the 2016 valuations as the government previously decided that it would be inappropriate to reduce member benefits based on a mechanism that may not be working as intended.

The government therefore announced that any ceiling breaches found when schemes complete the 2016 valuations will be waived. This means that no member will face a reduction in their benefits as a result of the 2016 valuation.

We reported in November that unions across the public sector had launched a judicial review against the government about including McCloud/ Sargeant remedy costs in the cost control mechanism. 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.

[The Home Office has published a set of FAQs](#) on the valuation results to assist stakeholders.

Top up grant 2022 – Collection of pensions accounting data

On 28 March 2022, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting **audited 2020/21** and **unaudited 2021/22** pensions income/expenditure data as part of this year's top up grant claim. This year's pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live in the first week of April.

ACTION: In addition to the pensions income/expenditure data to be submitted on DELTA, the Home Office is also requesting that all FRAs provide electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2020/21 DELTA return by email, to include any post balance sheet adjustment events. These should be sent to Anthony.Mooney@homeoffice.gov.uk.

Also, please let Anthony Mooney know if you have had a change in staff from last year's submission as they will need to be set up on DELTA to be able to input data.

Please note that this information is needed by **Friday 13 May 2022** to enable the relevant checks to be undertaken (and further clarification sought from FRAs where necessary) in time to make the next batch of grant payments in July.

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

[Click here to return to Contents](#)

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

1. a cross-reference check on the audited 2020/21 pension income/expenditure data with the unaudited 2020/21 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3-year financial cycle; and
2. a cross-reference check on the unaudited 2021/22 pension income/expenditure data with the updated forecast 2021/22 pensions income/expenditure data (submitted by each FRA in August 2021).

If the variances breach certain tolerance levels, then the DELTA form will request a short explanation to explain the difference before the form can be submitted.

The DELTA forms also include a 'declaration form' link which sets out the terms of the submission – effectively this details what data should be included/excluded from the returns. Please note that this does **not** need to be signed and returned but should be read and applied before finalising your submissions.

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

FPS annual update 2022

We confirmed in [FPS Bulletin 54 – February 2022](#) that FPS contribution rates remained unchanged for 2021-22.

All relevant thresholds and rate changes for 2022 are available in the [FPS annual update 2022](#).

All relevant legislation can be viewed on our website under annual update Statutory Instruments.

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. There have been no new queries added this month.

[Click here to return to Contents](#)

FPS England SAB updates

FPS 1992 Scotland – commutation provisions

On 24 December 2021, the Scottish Public Pensions Agency (SPPA), on behalf of the Scottish Government, conducted a public consultation inviting stakeholders to register their views on changes to existing provisions for commutation in the FPS 1992.

Those changes were proposed following discussions at the Police Scheme Advisory Board on two aspects of commutation in the equivalent legacy police scheme. Having reached a position on those aspects with police stakeholders, and given the similarities in the legacy schemes, Scottish Ministers were of the view that similar consideration should be given to the equivalent firefighters' provisions.

The first aspect concerned the existing commutation factor underpin, which gives retiring firefighters access to the commutation factor available to an equivalent firefighter in England, should that provide for a higher lump sum. This underpin was due to expire on 31 March 2022, and Scottish Ministers proposed to extend this indefinitely.

Secondly, regulation B7 of the FPS 1992 allows commutation of pension to a tax-free lump sum. Generally, this allows a member to commute up to 25 per cent of their pension to a lump sum on an actuarially neutral basis, but where the member is at least age 50, has more than 25 years' but less than 30 years' service and retires before the age of 55, a commutation restriction is applied.

In those cases, a lump sum of no more than two and a quarter times the member's pension can be paid. The proposed changes remove this cap entirely, allowing all firefighters who are entitled to an ordinary pension to commute up to the maximum 25 per cent of their pension.

The consultation closed on 1 February 2022 and the amending regulations were laid on 3 March 2022. The proposals were adopted in full. The changes due to come into force on 1 April 2022 and the changes to the commutation cap will not be retrospective.

We have been approached by several stakeholders asking whether there are any immediate implications for English FRAs as a result of the removal of the commutation restriction in Scotland and, if not, if there is any intention for the regulations for England to be amended in due course. The change to the Scottish regulations has no direct impact on English FRAs; regulation B7(5) for the Firemen's Pension Scheme Order 1992 (England) remains in force and restricted commutation continues.

It should be noted that there are a number of substantive differences between the management and governance of the FPS in England and in Scotland. For example, the Scottish FRS is a single FRA employer with a single administrator, the responsible authority is also the scheme manager, and different funding arrangements apply.

Since 2013, FRAs in England have had the [discretion to pay a lump sum in excess of two and a quarter times the full amount of the pension](#) under regulation B7(5A). If an FRA chooses to use this discretion, an amount equal to the difference between the restricted and unrestricted lump sum has to be paid by the FRA into the pension account. There could therefore be a financial implication for FRAs if the restriction was removed entirely.

Commutation is an HM Treasury (HMT) policy and any change to the policy would also require an amendment to the scheme regulations. Scottish government did not need HMT consent in order to implement the change in Scotland.

A discussion paper was taken to the Scheme Advisory Board (SAB) on 24 March 2022 to ask Board members to consider whether the Home Office, as responsible authority, should be asked to consider a change to the regulations.

Concerns were raised at the meeting in relation to impact on workforce planning, financial implications, and member welfare (ensuring that members have sufficient long-term monthly income in retirement, if retiring at a younger age and 'cashing in' more of their pension). The Board established that it would need to understand more about the impact on the members, employers, and the scheme, before any formal application is made to the Home Office. The secretariat has taken an action to follow up on obtaining this data and an update will be provided to Board members at a future meeting.

HMT respond to the SAB on immediate detriment

We reported in [FPS Bulletin 52](#) that the chair of the SAB had written an [open letter to HMT on the withdrawal of the Home Office informal guidance](#) on immediate detriment. The letter, dated 17 December 2021, asked for more information on the risks and uncertainties which HMT said arose as a result of processing cases ahead of legislation.

On 23 March 2022, [HMT provided a response outlining the factors behind the withdrawal](#) in more detail. The response highlights that Section 61 of the Equality Act 2010 does not, in HMT's opinion, allow for amendment of a member's tax position. The response details several tax complexities which have been identified and will be dealt with through legislation.

The SAB acknowledges the response, which has been shared with the LGA and the FBU as parties to the Memorandum of Understanding/ Immediate Detriment Framework.

Other News and Updates

PSPJOA 2022 receives Royal Assent

The Public Service Pensions and Judicial Offices Bill received Royal Assent on 10 March 2022 and became the [Public Service Pensions and Judicial Offices Act 2022](#) (PSPJOA 2022), which will come into force on 1 April 2022.

The PSPJOA 2022 legislates for how the government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members.

The main elements of the Act are:

- Changes implemented across all the main public service pension schemes in response to the Court of Appeal judgment in the McCloud and Sargeant cases.
- Eligible members of the main unfunded pension schemes have a choice of the benefits they wish to take for the “remedy period” of April 2015 to 31 March 2022.
- From 1 April 2022, when the remedy period ends, all those in service in main unfunded schemes will be members of the reformed pension schemes, ensuring equal treatment from that point on.
- Bespoke measures implement corresponding changes in the Judicial Pension Schemes and Local Government Pension Scheme to reflect their different arrangements.
- Ensures there are no reductions to member benefits as a result of the 2016 cost control valuations.

These changes provide public service workers with greater certainty of their benefit entitlements. Going forwards, public servants will receive guaranteed pension benefits, but on a fairer basis, and in a way that ensures that they are affordable and sustainable into the future.

DWP consultation on pensions dashboards

On 11 March 2022, the LGA and SAB submitted their responses to the Department for Work and Pensions (DWP) [consultation on the draft Pensions Dashboards Regulations 2022](#) in respect of the Firefighters' Pension Schemes.

[Click here to return to Contents](#)

Pensions Dashboards will allow individuals to see information about all their pensions, including the State Pension, in one place. These draft regulations set the requirements to be met to deliver this and will place a legal duty on pension providers to provide information to the dashboards. The consultation proposes a staging deadline of the end of April 2024 for public service pension schemes, including the Firefighters' Pension Scheme. This means that Fire scheme administrators will need to be able to connect to the digital architecture by this date and be ready to provide individuals' data to them via the dashboards.

While the LGA and SAB are supportive of dashboards and their purpose, there are strong concerns over the proposed staging schedule given the conflicting pressures faced by administrators and the data that will be available at that time. The [LGA response to the DWP consultation](#) and the [SAB response to the DWP consultation](#) both therefore ask for the staging date to be delayed a further 12 months until April 2025.

The Finance Act 2022

The Finance Act 2022 received Royal Assent on 24 February 2022 and comes into force on 6 April 2022. [Sections 9 and 11](#) will have consequential impact on the 2015 Remedy for the FPS:

- Section 9: Annual allowance deadlines. Deadlines for electing for scheme pays and associated payment and reporting deadlines will be extended for certain members who are informed of a change in pension input amount for a past pension input period.
- Section 11: Powers to change tax rules related to the McCloud remedy. The Act provides HM Treasury (HMT) with wide powers to make regulations to address tax impacts that arise as a result of implementing the McCloud remedy. Different regulations may apply to different public service pension schemes. The regulations will have retrospective effect.

More information on the likely powers under section 11 can be found in the [HMRC policy note issued in October 2021](#). Any measures will require secondary HMT legislation to implement, which is not anticipated until later in 2022

Mandatory scheme pays deadlines are changing

[The Finance Act 2022](#) and the [Registered Pension Schemes \(Miscellaneous Amendments\) Regulations 2022](#) ('the new regulations') will change the timescale for members to make or amend a mandatory scheme pays election when paying an annual allowance charge. The changes will apply when the information used to calculate a member's pension input amount is retrospectively amended.

The LGA is currently reviewing the impact of these changes and we will provide more information in due course.

[Click here to return to Contents](#)

Job vacancy at the LGA

The Scheme Advisory Board (SAB) to the LGPS in England and Wales is looking for a Pensions Secretary. The successful candidate will provide professional support to the SAB and its committees and will also lead on developing the SAB's digital presence.

For more information and to apply see the [Jobtrain website](#). The closing date is 19 April 2022.

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 5 April 2022.

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

[8 March 2022 – Preparing for prospective remedy](#)

[22 March 2022 – 'Matthews' and the 2023 options exercise](#)

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

Legislation

Acts

[Public Service Pensions and Judicial Offices Act 2022](#)

SI	Reference title
2022/79	The Firemen's Pension Scheme (Amendment) (Scotland) Order 2022
2022/103	The Firefighters' Pension Scheme (Scotland) Amendment Regulations 2022
2022/215	The Public Service Pensions Revaluation Order 2022
2022/216	The Social Security Revaluation of Earnings Factors Order 2022

[Click here to return to Contents](#)

2022/232	<u>The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2022</u>
2022/259	<u>The Occupational Pensions Schemes (Fund Compensation Levy) (Amendment) Regulations 2022</u>
2022/297	<u>The Guaranteed Minimum Pensions Increase Order 2022</u>
2022/333	<u>The Pensions Increase (Review) Order 2022</u>
2022/336	<u>The Police and Firefighters' Pension Schemes Amendment Regulations 2022</u>
2022/343	<u>The Firefighters' Pension Scheme (Wales) (Amendment) Regulations 2022</u>
2022/392	<u>The Registered Pension Scheme (Miscellaneous Amendments) Regulations 2022</u>

Useful links

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

[Click here to return to Contents](#)

Contact details

Claire Hey (Senior Pensions Adviser)

Telephone: 07825 731 924

Email: claire.hey@local.gov.uk

Claire Johnson (Firefighters' Pensions Adviser – Employers)

Email: claire.johnson@local.gov.uk

Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or 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.

[Click here to return to Contents](#)



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

HIWFRA FIREFIGHTERS' PENSION BOARD

Purpose: Noted

Date: **19 APRIL 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 3 2021/22 and the Event Reporting for 2020/21 submissions and payments to HMRC were completed by 2 February 2022. The table below shows the breakdown of the payments made.

Type of payment	Amount paid
AFT – Annual Allowance tax charge	£100,978
Event 1 – Unauthorised payment tax charge	£148,246
Total paid to HMRC	£249,224

TEMPORARY PROMOTION COSTINGS

4. The Board will recall how HFRA made a local decision regarding temporary promotions and their treatment for different cohorts of employees when we initially wrote to all affected members in August 2016.

5. Cohort 1 was made up of members that had already retired, and Cohort 2 was made up of members who had the potential of an earliest retirement date within three years of August 2016.
6. Members in cohorts 1 & 2 are protected members and as this was a local decision, any differences in their actual benefits (based on temporary promotion pay) v their legislative benefits (based on an Additional Pension Benefit (APB) and substantive pay) must be paid for by HIWFRA and not the Home Office.
7. An APB is calculated using the contributions paid on the additional pay received because of the temporary promotion and dividing it by a Government Actuary factor based on the member's age. This provides an amount which is paid in addition to the normal annual pension.
8. The maximum cost envelope as agreed by HIWFRA of the estimated costs for the 41 protected members in cohorts 1 and 2 were £291,000 for lump sums and £38,700 a year for annual pensions.

Tax year	Number of retirements	Additional lump sums paid	Additional annual pension paid
2015/16	1	£22,491.88	£562.30
2016/17	5	£45,417.12	£7,406.19
2017/18	3	£22,788.87	£12,810.35
2018/19	5	£40,461.95	£16,285.51
2019/20	9	£46,969.02	£24,663.62
2020/21	6	£66,459.90	£32,138.95
2021/22	7	£27,614.72	£38,426.07
Total	36	£272,203.47	£38,426.07

9. The differences that have been paid out so far for the 36 members across both cohorts, most are broadly in line with the estimated figures originally prepared in 2016 and are all still within the maximum cost envelope.
 - (a) Total of all lump sum differences paid are £272,203.47
 - (b) Annual pensions differences paid for 2021/22 are £38,426.07
10. The remaining 5 members are still in employment and could retire at any point. There are a number of factors which could mean that the estimated figures might be exceeded:
 - (a) A different retirement date to the one used in the estimate
 - (b) Pay increases since 2016 to date of retirement
 - (c) A protected and unbroken period of temporary promotion which continues until date of retirement

- (d) The increase in the commutation factors for the 1992 scheme that came into effect in October 2018.
11. Out of the remaining members, it is anticipated that only one will be affected due to the others being permanently promoted or where the temporary promotion has ceased and the current pay has now exceeded any temporary promotion pay.
 12. Two retirements in 2021/22 had significantly different retirement figures when compared to the revised estimates calculated in 2021. This is primarily as the members in question received Immediate Detriment at their retirement and this therefore meant a change to their benefits.
 13. In addition there have been a number of previously retired firefighters in this cohort who either reached age 55 this year or will do in the next few years. This means that full pensions increases need to be applied to their pension which can mean that in the year they turn age 55 there is a significant increase in the annual pension payable.
 14. These variances, which could not have been anticipated when calculated in 2021, now mean that we are likely to exceed the revised cost cap envelope agreed by HIWFRA.
 15. Based on revised estimates for the remaining one affected members and to ensure that the future provision up to around 2026/27 is accounted for, we will be seeking approval from the Fire Authority to increase the cost cap envelope as follows:
 - (a) For lump sums £291,000 – cost cap envelope to remain the same
 - (b) For annual pensions from £38,700 to £50,000 (increase of £11,300)

COMMUNICATION

16. Since the last Pension Board report, the Employer Pension manager has provided a presentation at the pre-retirement course and two presentations to new trainees and those transferring from on call to whole time.

MEETINGS

17. 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.
18. She also attended four online webinars hosted by the Department of Work and Pensions (DWP) regarding the pensions dashboards consultation.

MEMBER PORTAL

19. There has been a slight increase in members registered for the portal. At the last Board meeting, it was reported that at the 31 December 2021, the total membership registered was at 34.89%.
20. Numbers of those registered are shown in the table below, as at 28 February 2022:

HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE								
HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
Active	Number	% of active membership	Number	% of deferred membership	Number	% of pensioner membership	Number	% of total membership
Registered	663	49.33%	360	29.75%	517	38.64%	1,540	39.57%
Not registered	681	50.67%	850	70.25%	821	61.36%	2,352	60.43%
Total	1,344	100.00%	1,210	100.00%	1,338	100.00%	3,892	100.00%

OPTOUT FACTSHEET

21. LGA published a new [optout factsheet](#) which is designed specifically at members who may be thinking of opting out of the 2015 scheme on or after 1 April 2022. This factsheet provides a summary of benefits of the 2015 scheme along with additional considerations for the member to think about.
22. Hampshire Pension Services have added the link to the factsheet onto the fire pension scheme opt out form and there is now an additional declaration for the member to sign to say that they have read the opt out fact sheet and still wish to opt out. All we can do is to make the member aware of any possible implications for all of their pension benefits if they opt out.

PENSIONS DASHBOARDS

23. On 31 January 2022, the DWP published a consultation on the draft Pensions Dashboards Regulations which is due to come into effect over the next three years.
24. Whilst we can get on board with the objectives of Pensions Dashboards which is to provide an online place where all pension details and values across all pension schemes, including e.g. public sector, other occupational pension schemes, private arrangements and State Pensions can be shown in one place, there are a number of issues with this for Public Sector Pension Schemes.
25. All Public Sector Pension Schemes (PSPS) are being required to stage (onboard) by 30 April 2024. While it may well be possible to meet the

deadline of onboarding the quality of data certainly cannot be guaranteed; this is because the secondary legislation for the McCloud remedy will not come into effect until 1 October 2023 and from that date, schemes have 18 months to remedy records and send out Remediable Service Statements.

26. Onboarding PSPS by 30 April 2024 means that the values displayed to members are very likely to only show benefits based under the current legislation and will not take into account the rollback to legacy schemes. We believe that this will undermine the credibility of the Pensions Dashboards for PSPS members affected by remedy as it will just turn into another place where incorrect information is displayed. This is likely to cause Hampshire Pension Services a lot of queries and or complaints.
27. We have therefore suggested delaying the staging date for fire schemes for 12 months as this is likely to enable more credible data to be shown on the Pensions Dashboards.
28. The consultation closed on 13 March and the response submitted on behalf of the HIWFA firefighters pension board can be found in APPENDIX A

OPT OUT SURVEY FROM HM TREASURY

29. The LGA informed us that HM Treasury (HMT) had begun undertaking some analysis on reviewing member participation and engagement across Public Sector pensions.
30. HMT are seeking to understand members view regarding their pensions, including the reasons why people may opt out of a scheme and whether this has any long-term impact on the other parts of public services and expenditure. It is their intention to review the take up and retention of public pensions, particularly amongst young professionals; this will help them to help understand the issues employers face when trying to demonstrate the value of pensions. It is hoped that such a review should identify areas where communication is working well and recommend best practice for employers.
31. To this end, as one of the five largest FRAs, the LGA sent us a questionnaire to be completed. This was forwarded to the Director of People and Organisational Development for HIWFRA to complete.
32. The survey questions and responses provided can be found in APPENDIX B. We would welcome the boards views and comments regarding this as to any actions which they think may be useful going forward.

RISK REVIEW

33. 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

34. The Risk register has been updated to add Matthews as a new risk because we now have more information about the scope and the timescales as set out in paragraphs 34 to 45.
35. The board are asked to review the Risk Register and to suggest any amendments. The Risk Register can be found in APPENDIX C.

MATTHEWS / O'BRIEN CASE

36. A time limited options exercise took place between 2014 and 2015 to allow eligible members to join the Fire Pension Scheme and to buy back service during the period 1 July 2000 to the date that they elected to join the 2006 Fire Pension Scheme. This option was known as the Modified Fire Pension Scheme.
37. More recently work has again had to take place on the pensions aspect of this case following the European Court of Justice's decision in the O'Brien v Ministry of Justice concerning fee paid judges in the Judicial Pension Scheme. The judgement held that remedy could extend back before the Part Time Workers Directive was required to be implemented on 7 April 2000.
38. After an extended period of negotiations on the scope and mechanics of the settlement a Memorandum of Understanding (MoU) was agreed by all parties on 9 March 2022.
39. Remedy for retained firefighters affected by the O'Brien judgement will be provided by way of a second options exercise allowing individuals the opportunity to purchase pension entitlement a special member of the 2006 Modified Fire Pension Scheme.
40. The scope of the second options exercise is as follows:
 - (a) Retained firefighters employed on any date between 7 April 2000 and 30 June 2000 (inclusive)
 - (b) Retained firefighters employed on any date between 7 April 2000 and 30 June 2000 (inclusive) as well as on any date between 1 July 2000 and 5 April 2006 (inclusive)

- (c) Retained firefighters employed on any date between 1 July 2000 and 5 April 2006 (inclusive) who were eligible to take part in the first options exercise but were not given the opportunity to do so.
41. Where employment is continuous in the same role or post and commenced prior to the dates above, then the retained firefighter will be able to purchase the service going back to when they first commenced employment as there is no limit on the backdating of membership. The scheme allows for a maximum of 30 years pensionable service to be accrued so we could be going back quite some time in some cases.
 42. Retained firefighters who were initially employed on any date between 1 July 2000 and 5 April 2006 (inclusive) i.e. they did not have any continuous employment in that role or post prior to 1 July 2000 and who were given the opportunity to take part in the first options exercise, but did not elect to do so within the statutory time limits, are not in scope for the second options exercise.
 43. The regulations to implement the second options exercise will be drafted by the Home Office and consulted on before they are laid in Parliament. The Home Office have 18 months to do this. FRAs will then have a further 18 months to run and complete the options exercise. This means we can expect this to run alongside the McCloud remedy as this options exercise will need to be completed by March 2025.
 44. A further issue around aggregation arose during the negotiations and FRAs have been asked to identify any retained firefighters employed between the relevant dates where they have transferred from retained to whole time employment and are potentially affected by aggregation. The numbers affected and the relevant schemes need to be provided to LGA by 31 May 2022.
 45. From the first options exercise we identified 929 RDS employments and we have found the details of the original mailings so we can prove that the 901 that were deemed to be in scope originally were written to. This also provides us with the list of those that will be in scope for the second options exercise.
 46. After removing those that are out of scope, we have identified 432 members that fall in scope of the second options exercise and will need to be provided with a range of options depending on their period of service and whether they took up the first option or not.
 47. An initial meeting was held with IBC Pensions Admin Team to discuss this work and to work out a way forward and how to collate the information needed by LGA for 31 May 2022. We will use the list of 432 members to identify if there are any aggregation cases, that is where without a break or overlap in service they transferred to wholetime.

McCLOUD REMEDY

48. The Board will recall at the last meeting that we were putting forward a recommendation that the Immediate Detriment Framework (IDF) was suspended for a further period until the meeting of the Standards & Governance Committee on 26 May 2022. This was to enable further analysis of options and to review any additional guidance or information that became available.
49. We have been having numerous conversations with other FRAs about their approach and there is a very small minority that are still offering Immediate Detriment, but in a limited capacity.
50. A further paper with options and risk analysis was reviewed by the Executive Group on 7 April. This paper contained four options as a way forward.
 - (a) Option 1 - Continue with the IDF in full
 - (b) Option 2 – Continue with the IDF in a limited capacity
 - (c) Option 3 – Continue with suspension of IDF until a later date
 - (d) Option 4 - Withdraw the IDF for all cases
51. While options 1 and option 4 are self explanatory, options 2 and 3 need a little more context.
52. As the Board will recall from the January 2022 Board report, there are issues around the funding element of any payments made as compensation and also an issue with the powers of Section 61 and treating employee contributions paid into one pension scheme as if they were paid to another.
53. Option 2 to operate the IDF in a limited capacity has within it a further two options. To be in line with other FRAs offering Immediate Detriment (ID) and to eliminate most of the issues with compensation payments, IDF would only be offered to category one members – that is those that are coming up for retirement. ID would not be offered to those that have already retired and are receiving pension payments.
54. Option 3 is to continue with the suspension until a later date. We know that clause 9 in the 2022 Finance Bill which came into force on 6 April 2022 provides HM Treasury with the power to make regulations to address tax impacts from McCloud remedy. We anticipate that this will resolve the issue regarding unauthorised payments of additional lump sums where the member retired more than 12 months ago. We are hopeful that this will also provide the way to deal with employee pension contributions. We do not know when this legislation will be available, but it is expected later this year, perhaps in the autumn.

55. If the existing issues that we have with operating the IDF are resolved by this legislation, then ID would be in theory be able to resume in full at that point. The Board are asked for their comments and views on these options and the position that HIWFRA currently finds itself in.
56. The Employer Pension Manager has continued to represent the fire sector at the Cross Whitehall Project Management Group, which is led by HM Treasury. This group is made up of a selection of people from all Public Sector Pension Schemes. The main purpose of this group is to define, comment and review the Policy Definition Documents (PDDs) which describe the process and activities that schemes will need to follow to implement remedy. They will also help shape the secondary legislation that will be out for consultation later this year.
57. From this group a subgroup, led by the Home Office for the Police and Fire sector, has been formed and we are working collaboratively to ensure that the PDDs are fit for purpose and identifying where we will need specific guidance for the Police and Fire Schemes.
58. Some PDDs are lengthy and complex and we have reviewed a range a of areas so far including pensions tax, divorce, contributions, Remediable Service Statements, transfers, death, retirements, interest, Deferred Choice Underpin, Contingent Decisions and Added Pension.
59. All Public Sector Pension Schemes have to sign these off and it is only when that has been completed and all comments reviewed and answered that a final set of documents will be distributed by HM Treasury.

McCLOUD REMEDY WORKING GROUP

60. 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.
61. 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. Letters were sent in early February to 54 Fire Pension Scheme members of the legacy pension schemes.
62. The group are now working on the next two letters which will be sent to all grey book employees to confirm if they are in scope or out of scope for remedy.

63. The Employer Pension Manager is working with both the IBC Pensions Admin Team and Hampshire Pension Services to compile an accurate list of those in scope for remedy, which will enable the identification of those that we believe to be out of scope for remedy.

PROJECT AND COSTINGS

64. 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 4 of 2021/22 is £20,060.55. The total costs for Police and Fire work for 2021/22 is £63,053.93
65. 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.
66. 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.
67. HIWFRA is attributed with 35% of the police and fire costs. The table below shows the estimated and actual costs for the 2021/22 year and the estimated costs for the first two quarters of 2022/23.

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	34.39%	£ 7,593.70	£ 20,060.55	35.00%	£ 7,021.19	£ (572.51)	-7.54%
TOTALS	£ 67,676.86		£ 23,552.74	£ 63,053.93		£ 22,068.88	£ (1,483.86)	

Fire Pension Schemes - Hampshire and Isle of Wight Fire and Rescue Authority								
2022/23	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	£ 23,608.51	34.31%	£ 8,099.81					
Q2	£ 24,404.08	34.31%	£ 8,372.76					
Q3	£ -							
Q4	£ -							
TOTALS	£ 48,012.59		£ 16,472.57	£ -		£ -		

RECOMMENDATION

68. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
69. That Risk Register as set out in paragraphs 31-33 and Appendix C be approved by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

70. APPENDIX A – HIWFRA pension board response to pensions dashboards consultation
71. APPENDIX B – HM Treasury opt out survey
72. APPENDIX C – Risk Register

Contact:

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

This page is intentionally left blank



Department
for Work &
Pensions

Consultation Questions: Consultation on the draft Pensions Dashboards Regulations 2022

Name of respondent/s / organisation (please provide):

Hampshire and Isle of Wight Fire Firefighters' Pension Board on behalf of Hampshire and Isle of Wight Fire and Rescue Authority

Respondent Types - Please tick all that apply:			
Pension Scheme type		Pension scheme size (Large; Medium or Small/Micro)	
Master Trust		Large Scheme (1000 members+)	X
Money purchase (used for Automatic Enrolment)		Medium Scheme (100 -999 members)	
Money purchase (other)		Small Scheme (<100 members)	
Non money purchase (excluding Public Service Pension Scheme)			
Public Service Pension Scheme	X		
Hybrid			
Administrator			
Software provider			
Consumer organisation			
Dashboard provider			
Other (please state) – Firefighters local pension board			X

Responses to consultation questions are optional. We ask that you provide your reasoning for your answers to the consultation questions that you respond to.

Chapter 2: Data

Question 10: Is displaying more than one value, to account for legacy and new schemes, in respect of members affected by the McCloud judgement and Deferred Choice Underpin a feasible approach? Do consultees believe it is the correct approach in terms of user experience?

It may be useful in time to be able to provide two sets of data, but this is unlikely to be available for Fire Pension Scheme until at least the Remediable Service Statements have been provided by April 2025. Prior to this date, there will only be access to one set of data, which may or may not be the remedy data as it will depend on whether the members record has been processed for remedy.

Public Sector Schemes will be implementing the McCloud remedy at different rates and for different cohorts of members at different times. Therefore, whilst this option will be useful in the long term, initially it's going to be rather messy. Standard messaging / caveats would need to be provided to explain that the DCU option would only appear on the dashboard once the pension administrator has completed the necessary calculations. Absence of data or incorrect data could cause more queries to be raised with administrators which could cause additional workloads when resources will already be stretched. This will also undermine the credibility of pensions dashboards.

Question 13: Are the accrued values for different scheme and member types deliverable, and can they be produced in the time frames set out in the 'Response times' section? Are these values necessary for optimal user experience?

Both active and deferred members of the Hampshire Fire Pension Schemes have an Annual Benefit Statement produced annually online via member self-service. These statements already show the accrued values and for active members they include projections.

We already know that due to the complexities with the different normal pension ages for the 1992, 2006, 2006 modified and 2015 fire pension schemes that these are far from ideal and that already do not provide the options that firefighters want to see. The normal pension ages of these schemes are all different and change depending on whether the member is active or deferred. But realistically, because of the nature of how membership and benefits are accrued, firefighters tend to retire much earlier than their normal pension age.

The concern is that pensions dashboards are going to be yet another place where relevant information will not be displayed.

Question 15: Are there ways in which industry burden in terms of producing and returning value data could be reduced without significant detriment to the experience of individuals using dashboards?

The most significant way that the burden could be reduced for Hampshire Fire Pensions would be to delay the staging date; this would also avoid detriment to individuals of incorrect data being returned.

Chapter 5: Staging – the sequencing of scheme connection

Question 21: Do you agree that the proposed staging timelines strike the right balance between allowing schemes the time they need to prepare, and delivering a viable pensions dashboards service within a reasonable timeframe for the benefit of individuals?

Whilst the staging deadline of 30 April 2024 may provide enough time for Hampshire Fire Pensions to be ready for the dashboard, it certainly does not provide anywhere near enough time for the value data to be in relevant meaningful state for individuals.

The proposed staging deadline for PSPS of 30 April 2024 will not give Hampshire Fire Pensions sufficient time to implement the retrospective element of McCloud (DCU), given the 18-month timescales for providing the Remediabale Service Statements.

Providing individuals with incorrect or incomplete information would undermine the credibility of the dashboard and decrease member engagement.

We would be grateful for consideration of other mitigations as outlined in paragraph 75 of the consultation document, such as a staggered staging profile for PSPS.

Question 23: Do you agree with the proposed sequencing as set out in the staging profile (Schedule 2 of the Regulations), prioritising Master Trusts, DC used for Automatic Enrolment and so on?

Individuals may actually have more benefit from dashboards if the small and micro schemes are actually onboarded first. These are the schemes that may well either not already be producing Annual Benefit Statements, or members may actually have forgotten that they have a pension with them. This is where the dashboard is going to have most benefit – re-uniting members with their lost pensions.

PDP aims to get most coverage from the largest schemes at the outset, but those are the schemes which are more likely to have better resources and will already be communicating with their members.

Question 24: (Cohort specific) If you represent a specific scheme or provider, would you be able to connect and meet your statutory duties by your connection deadline? If not, please provide evidence to demonstrate why this deadline is potentially unachievable and set out what would be achievable and by when.

The legislation to retrospectively move firefighters back into their legacy schemes will not be in force until October 2023. Once those regulations come into force the practicalities of implementing it will rely on a) software being delivered on time and b) the resource available by our administrators. The timeframe to negotiate for, fund, and deliver the necessary developments for the McCloud remedy by October 2023 is exceedingly tight and reliant on primary and secondary legislation being drafted in time.

While McCloud applies across the public sector, specific to Fire Pensions, a settlement is currently in the process of being agreed in relation to Matthews for retained firefighters who were unable to join a scheme before 2006. A second options exercise will need to take place following a period of consultation. From the latest Home Office timelines, we believe that this may be expected to commence between August – September 2023 and will last for a period of 18 months. This will place a huge resource burden on Hampshire Fire Pensions, and it is not at all feasible that we can also stage to the dashboard within this timeframe, as well as managing business as usual activities.

Due to this and the practicality of presenting McCloud benefits, we strongly request that the staging deadline for the Hampshire Fire Pensions is delayed to April 2025.

Question 29: Do you agree with the proposed approach to allow for deferral of staging in limited circumstances?

We believe that there should be other concessions – see Q30

Question 30: Are there any other circumstances in which trustees or managers should be permitted to apply to defer their connection date to ensure they have a reasonable chance to comply with the requirements in the Regulations?

If they are administratively and practically unable to – due to conflicting scheme-specific pressures and priorities. And if the data that will be available at the proposed staging date will be incorrect and therefore potentially damaging to the credibility of the dashboard.

Chapter 6: Compliance and enforcement

Question 31: Do you agree that the proposed compliance measures for dashboards are appropriate and proportionate?

They appear to be, but there will inevitably be a period of bedding in and there may well be some issues that arise that will be beyond the control of Hampshire Fire Pensions and therefore welcome the ability of TPR to issue notices to third parties.

Chapter 7: Qualifying Pensions dashboard services

Question 32: Do you agree that our proposals for the operation of QPDS ensure adequate consumer protection? Are there any risks created by our approach that we have not considered?

Question 33: We are proposing that dashboards may not manipulate the view data in any way beyond the relatively restrictive bounds set out in Regulations and Standards, as a means of engendering trust in Dashboards. Do you agree that this is a reasonable approach?

Question 34: Do you agree that not constraining the content placed around dashboards is the right approach for dashboard providers and users?

Question 35: Do the proposals set out here provide the right balance between protecting consumers and enabling dashboards to deliver the best user experience? Are there ways in which consumers might be afforded more protection without negatively impacting the user experience?

Question 36: Does the introduction of a 3rd party audit sound workable for potential dashboard providers? We are particularly keen to receive views on:

- The deliverability of such an approach.
- The availability of relevant organisations to deliver such an audit.
- The degree of assurance that individuals can take from this third-party audit approach.
- Who should be this third-party trusted professional to carry out the assessment on dashboards compliance with design and reporting standards.

Question 37: In what ways might prospective dashboard providers expect a third-party auditor to assume any liabilities?

Question 38: What would dashboard providers expect the cost of procuring such a service to be?

Question 39: What are your views on the potential for dashboards to enable data to be exported from dashboards to other areas of the dashboard providers' systems, to other organisations and to other individuals?

Question 40: If data exports were prohibited, would prospective dashboard providers still be keen to enter the market to provide dashboards?

Question 41: Do you have any comments on the impact of our proposals on protected groups and/or views on how any negative effects may be mitigated?

PAC recommendation 3: opt out/participation rates**1. Participation data**

- A. What data do you currently collect on a) opt out rates and b) participation rates in your scheme (including age, gender, salary, disability, etc)
 - a. How regularly is this data collected?
 - b. Is it published anywhere?
 - c. Is triennial re-enrolment participation rates/opt out data collected?
 - d. If no data is routinely collected, please explain why (e.g. sensitivity, concerns over data confidence, etc)
- B. Are a) opt out rates and b) participation rates broken down by:
 - a. Pay grade
 - b. Age
 - c. Other characteristics (sex, race)?
 - d. Are there any issues you would foresee in breaking down data in these ways?
- C. What are the latest a) opt out rates and b) participation rates for your scheme?
- D. Are there any noticeable trends in a) opt our rates and b) participation rates
 - a. Across the scheme as a whole over?
 - b. Among certain groups?
 - c. Over career lengths?

In HIWFRS, we do not collect pensions data as described above. This is partly due to concerns regarding data quality, but mostly because it is not something we have considered collecting before. We have discussed with our local pension board and they also don't review this data, but have said they may be interested in doing so and if they do request it, then I think we would consider trying to collate it.

2. Member perceptions

- A. What initiatives are undertaken to understand members' views of their pension scheme (e.g. surveys, consultation, focus groups, etc)?
 - a. If any initiatives have been taken, please summarise the latest findings including any trends by pay grade, age or other characteristics.
 - b. If no initiatives have been undertaken, please explain why not or what plans are in place to introduce them.
- B. What initiatives are undertaken to understand why people opt-out of the public service pension scheme (e.g. exit surveys, focus groups)?
 - a. If any initiatives have been taken, please summarise the latest findings including any trends by pay grade, age or other characteristics.
 - b. If no initiatives have been undertaken, please explain why not or what plans are in place to introduce them.

We have not undertaken any initiatives to understand members view of their pension scheme and currently do not have any plans to do this. Again, we may consider this if our local pension board felt such an initiative would be of benefit.

3. Communicating pension value

- A. How is the value of the public service pension scheme communicated to prospective job applicants? Please include example text from job listings where possible.
 - a. Is there a standardised approach across employers in the scheme? If not, what levers would you have to introduce one?
 - b. Is the value of the public service pension communicated numerically? If so, how (employer contributions, accrual rates, etc)?
- B. What steps are in place to monitor the effectiveness of how the value of the pension is communicated to prospective job applicants (e.g. perception of the reward package, benchmarking etc)?
- C. Has the way the value of the pension is described been changed in response to these?
- D. Are there any distinct approaches taken to target specific demographics or applicants with specific skills?
- E. How is the value of the public service pension scheme communicated to existing members of the scheme? Please list specific examples of member engagement & comms where possible.
- F. What steps are in place to monitor the effectiveness of how the value of the pension is communicated to existing members, (e.g. perception of the reward package, participation rates, etc)?
- G. Are there any specific areas where:
 - a. Your department would value guidance or of best practice?
 - b. Your department would be willing to share guidance or best practice with others?

The value of the pension scheme is not communicated as a valuable benefit to prospective applicants. We make reference to the fact there is a pension scheme, but have not linked to a broader reward package. We would be keen to receive best practice or guidance on how to promote the value of the pension scheme to employees (prospective and existing) to make our overall employment offer more attractive.

		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 Chief Finance Officer for HIWFRA or Standard's & Governance Committee or Director of Operations as appropriate g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services: - a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a “doer” and a separate “checker” e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HIWFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Group d) Fire Technical Group e) Fire Communication Working Group f) Fire Pension Board g) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to 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 McCloud Remedy Working Group	2	4	8	Scheme Manager
6	25/03/2022	Matthews	Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	3	3	9	a) Liaison with IBC Pensions Admin Team and Hampshire Pension Services b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with 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	2	4	Scheme Manager

BEFORE MITIGATION		Impact				
		Negligible 1	Minor 2	Moderate 3	Major 4	Catastrophic 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 6. Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	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 1	Minor 2	Moderate 3	Major 4	Catastrophic 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		6. Failure to adequately resource and successfully implement the Matthews remedy to all affected members within the timescales prescribed	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					

This page is intentionally left blank