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

NOTICE OF MEETING

<i>Meeting</i>	HIWFRA Firefighters' Pension Board	<i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority</i> CFO Neil Odin
<i>Date and Time</i>	Monday, 17th April, 2023 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 Z, Fire & Police HQ, Leigh Road, Eastleigh	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

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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 - 8)

To confirm the minutes of the previous meeting.

4 **DEPUTATIONS**

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

5 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

6 **SCHEME ADVISORY BOARD**

To receive a verbal update on the Scheme Advisory Board.

7 **FIRE PENSION BOARD ANNUAL REPORT (2022/23) (Pages 9 - 16)**

To receive the Fire Pension Board Annual Report for 2022/23.

8 **LEGISLATION AND LOCAL GOVERNMENT (LGA) UPDATE REPORT (Pages 17 - 66)**

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 67 - 96)**

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

10 **PENSIONS COMMUNICATION PLAN (Pages 97 - 110)**

To receive and consider the Pensions Communication Plan.

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.

Public Document Pack Agenda Item 3

AT A MEETING of the HIWFRA Firefighters' Pension Board held at Fire and Police HQ, Eastleigh on Tuesday, 31st January, 2023 at 11.00

*Present

Chairman:* Stew Adamson
Vice Chairman: * Richard Scarth

* Sean Harrison,
Mark Hilton
* Richard North

* Councillor Roger Price
Ross Singleton
* Dan Tasker

55. **APOLOGIES FOR ABSENCE**

Apologies were received from Mark Hilton and Ross Singleton.

56. **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.

57. **MINUTES OF PREVIOUS MEETING**

The minutes of the last meeting were reviewed and agreed.

58. **DEPUTATIONS**

There were no deputations.

59. **CHAIRMAN'S ANNOUNCEMENTS**

The Chairman welcomed Cllr Mellor, the Chairman of the Standards and Governance Committee, who had come to observe the meeting.

He thanked Clare Neale for completing the The Pension Regulator (TPR) survey and reminded Members that they had until the following week to provide any comments they have.

The Chairman then reminded Members that there would be a training session after the meeting.

60. **SCHEME ADVISORY BOARD**

Councillor Price explained that this item is covered very well in the reports later the in agenda and that he had nothing further to report.

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

The Board received an update on legislation and the Local Government Association (LGA). (Item 7 in the minute book).

Officers presented the report and highlighted four bulletins had been issued by the LGA since the last meeting, which were attached as appendices A-D to the report.

Board Members' attention was drawn to:

- Paragraph 7 of the report regarding Scheme Advisory Board (SAB) collaboration sessions on Matthews, the aims of which were to discuss the legislation and policy, the interactions between this and McCloud and the proposed timeline for implementation.
- Paragraph 9, regarding Pension Dashboards. The officer explained that a report from Hampshire Pension Services (HPS) would be presented to the Board providing an update on progress in due course.
- Paragraph 17 and that the judicial review hearing related to the McCloud remedy costs in the costs control mechanism commenced on 30 January and not 23 January as stated in the report.

In response to a Member's question, the Board heard that with the Memorandum of Understanding (MOU) being suspended, apart from special cases, no more immediate detriment will take place and that if an amended version of the MOU is in place, a decision would need to be made based on the risks.

The Chairman confirmed that in respect of immediate detriment HIWFRA is allowing re-engagement on a case-by-case basis, and that a number of members of staff have been supported. The Chief Financial Officer confirmed that the Standards and Governance Committee had approved the continued suspension of the Framework in July 2022.

Resolved

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

62. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW

The Board received a status report and an update on the Risk Register (Item 8 in the minute book).

The Employer Pension Manager (EPM) introduced the report and explained that pre-retirement courses had been booked up until November 2026, with three courses being run in a year.

The Chief Financial Officer explained the issues that had been raised by the on-call firefighters based on the Isle of Wight. She reported that the aim is to run face to face sessions with these members of staff to discuss their specific issues and to be able to signpost them to further information where applicable. She further reported that this engagement was important to ensure that people were 'clear' before any new offer was made to them.

In response to a question from a Board Member, it was confirmed that:

- That level of issue had not been raised by staff on the mainland and the problems stem from a period before combination.
- Officers had been working with the Fire Brigades Union on this issue.

The Board heard that:

- The first 'in person' Fire Pension Scheme AGM had taken place after a couple of years and that the EPM and a Board Member had attended.
- As at the end of December, there had been a small increase in the uptake of the use of the Portal. Members discussed the fact that if the new dashboard encourages deferred members to contact HPS, then this will provide better information relating to these scheme members.
- The annual Pension Regulator (TPR) scheme returns had been submitted and the data scores were improving and reported at paragraph 15 of the report.

In response to a Member's question, it was explained that the jump in the data score for the 2006 Modified Fire Pension Scheme was due to the way the data is reported and the tidying up of records.

The EPM reported that there had been no amendments to the Risk Register since the last report in October 2022.

Members' attention was drawn to paragraphs 18 and 19 of the report regarding the Matthews/O'Brien case and that there is a claim form on the members Fire Pension Scheme website for people who believe they are in scope and that a project team will be set up to deal with the remedy.

It was explained that scheme members will need to be put into separate cohorts to ensure those affected by McCloud are taken into consideration. A pictorial

timeline was provided at Appendix C to provide an overarching view of the work with key dates.

The Board heard that:

- A meeting had been held between Board Member, Sean Harrison, the EPM and the Media and Communications team to discuss a communications plan and timeline.
- The next challenge for McCloud Remedy Working group will be to identify all the members who have some opted out service during the remedy period. Members that have opted out may have the option to raise a contingent decision and may be given the opportunity to have the service reinstated.
- A review was carried out of all firefighters' transition dates and protection status' that had been awarded in 2012, specifically for those that had multiple employments during the remedy period. 46 were found to have an incorrect transition date and protection status, and these amendments could not be changed without altering the remedy options. Due to the complexities of trying to explain the issue to members, some of whom have left employment, the resources required to resolve the individual issues and the timings in trying to correct the position before 1 October 2023, a pragmatic decision was made that these cases will be left and corrected as part of the overall remedy situation.
- There is a period of 18 months for members to be provided with their McCloud remedy options. The workload needs to be managed on top of business as usual, which will also include those retiring on or after 1 October 2023 and the implementation of the Matthews remedy.

The Board discussed the staffing and workload implications of this work and the fact that pensions is a specialised area. Board Members requested that a new risk be considered and developed relating to the failure to attract and recruit and the relevant staff to administer the Pensions' function.

Resolved

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

The risk register as set out in paragraphs 16-17 was approved by the HIWFRA Firefighters' Pension Board.

Chairman, HIWFRA Firefighters'
Pension Board

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

Purpose: Noted

Date: **17 APRIL 2023 (HIWFRA FIREFIGHTERS' PENSION BOARD)**
19 JUNE 2023 (STANDARDS AND GOVERNANCE COMMITTEE)

Title: **FIRE PENSION BOARD ANNUAL REPORT (2022/23)**

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 2022/23 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 2022/23 financial year:
 - (a) 19 April 2022
 - (b) 5 July 2022
 - (c) 12 October 2022
 - (d) 31 January 2023
4. The July meeting saw the re-election of Stew Adamson to Chairman and Richard Scarth 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 2023.

5. 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) Communications
 - (b) Temporary Promotions and Additional Pension Benefits
 - (c) Risk review
 - (d) McCloud remedy and Immediate Detriment
 - (e) Matthews remedy

6. The pension board status and other associated reports can be found in APPENDICES A – I.

TPR SCHEME RETURNS

7. 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.

8. 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.

9. The table below shows the scores for year ending 31 March 2021 and the latest year 31 March 2022, which shows that improvements have already been made across most areas.

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		

Year end	31/03/2022					
TPR Scheme Return	November 2022					
Scheme	Actives	Deferreds	Pensioners	Beneficiaries	Common Data Score	Conditional Data Score
1992 Fire Pension Scheme	22	82	966	161	99.00%	96.00%
2006 Fire Pension Scheme	20	431	71	7	96.00%	99.00%
2006 Modified Fire Pension Scheme	2	47	107	6	98.00%	98.00%
2015 Fire Pension Scheme	1,634	688	19	8	99.00%	97.00%
Total	1,678	1,248	1,163	182		

RISK REVIEW

10. 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.
11. These groups are now well established, meeting regularly and include representatives across the board from pensions, HR, finance and others.
12. The Board review the risk register at each meeting and during the 2022/23 year. Updates to the risk register were applied in the areas of the Matthews and McCloud remedies.

COMMUNICATION

13. The Board heard that three 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.
14. 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.
15. The Employer Pension Manager is also a member of the Local Pension Board Effectiveness Committee which is one of the three SAB committees. And over the last year has been part of the Cross Whitehall Project Management Group and a Home Office Technical Working Group for the McCloud remedy. And more recently has accepted an invitation to join the Matthews Technical Working Group.

MEMBER PORTAL

16. At the January 2023 meeting it was reported to the Board that the overall fire pension scheme membership, taking into account active, deferred and

pensioner members stood at 47.76%, with 52.73% of the active membership registered for the portal.

HISTORICAL CONTRIBUTION RATES

17. It was reported to the Board that there had been an issue with on-call members who had paid the wrong employee contribution rate between 1 April 2012 and 31 March 2021 whilst employed and paid by IoW Council.
18. The Board heard that at the July meeting of the Standard's and Governance Committee a report had been received and a recommendation that recovery of the underpayments was not pursued was approved.
19. It was reported to the Board at their October 2022 meeting that letters had been sent to the 109 affected members informing them of the underpayment and the decision by HIWFRA to not collect this from members.

TEMPORARY PROMOTION AND ADDITIONAL PENSION BENEFITS

20. 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.
21. 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.
22. The maximum cost envelope as agreed by HIWFRA of the estimated costs for the 41 protected members in the relevant cohorts were £291,000 for lump sums and £38,700 a year for annual pensions.
23. Up to 2021/22 there had been 36 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 £272,203.47
 - (b) Annual pensions differences paid for 2021/22 are £38,426.07
24. 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.
25. It was reported to the Board that two of the retirements in the 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.
26. In addition there have been a number of previously retired firefighters in this cohort who either reached age 55 in the current 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.
27. 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.
28. Revised estimates were carried out on the one affected member along with estimates of increases that would apply up to 2026/27; the Board were notified that we would therefore be seeking approval from the Fire Authority to increase the cost cap on annual pensions by £11,300 to £50,000.

McCLOUD AGE DISCRIMINATION REMEDY

29. The Board were kept updated about situation with Immediate Detriment which was paused in December 2021 by HIWFRA. The Scheme Manager's recommendation to HIWFRA was that the risks are still very high and to some degree, unquantifiable, and it is therefore not advisable to proceed.
30. A paper outlining the options, risks and recommendations went to the Standards and Governance Committee in July 2022 and they approved the decision to continue the pause on Immediate Detriment. The Board heard that should revised guidance and or legislation become available which will mitigate the risks for HIWFRA then the decision and options will be reviewed at that point.
31. The Board heard how the Prospective McCloud remedy was implemented for 54 Fire Pension Scheme members. Letters were sent to these members advising them of the change from 1 April 2022 and notifying them that they would be moved into the 2015 Scheme from that date.

32. It was reported to the Board that in June 2022, letters were sent to all current active members of the Fire Pension Scheme to advise them if their employment was in scope or out of scope for the Retrospective McCloud remedy.
33. Some additional work was then carried out due to the Home Office clarifying the position on eligibility for Fire Pension Schemes. This resulted in a further 112 letters being sent to members who had initially received an out of scope letter to advise them that due to the clarification, they were now in scope for the Retrospective McCloud remedy.
34. In January 2023, the Board heard that the Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022) allows 18 months for members to be provided with their Retrospective McCloud remedy options. All of this time will need to be utilised due to the number of cases and the complexities of the schemes.
35. The Board also heard how across the Police and Fire sectors collaboration work with stakeholders had taken place to identify what would be an acceptable priority order. A timetable has been drawn up, which has received agreement from the SAB, and is designed to help pension administrators deal with cases in a logical order, taking account of statutory dates, Immediate Choice cases, Deferred Choice cases and Miscellaneous cases.
36. It was reported to the Board that when Hampshire Pension Services have identified the number of cases in each cohort for all their clients they will then be able to firm up a realistic timetable which can be shared with members. This will help to manage member expectations about when they will receive their personal information allowing them to make an informed election.

MATTHEWS REMEDY

37. The Matthews remedy applies to retained firefighters with employment between certain dates and via a second options exercise will allow members to backdate their membership of the Modified Fire Pension Scheme to the start date of their employment.
38. The Board heard that across Hampshire and the Isle of Wight, 897 members past and present have so far been identified as being in scope for the Matthews remedy.
39. The Matthews remedy will run for 18 months, alongside the McCloud remedy and some members will be affected by both remedies.

40. It was reported to the Board that work is at the early stages of this project and that some warm up communications are planned to be sent to the in scope members during spring of 2023. The project will also require close working with the IBC Pensions Admin Team and also the Isle of Wight payroll team as they will need to retrieve pay data as far back as is possible.

FUTURE ISSUES

41. The Fire Pension Board annual report has identified considerable development across a variety of areas. The focus for the coming year includes:
- (a) Implementation of the McCloud remedy
 - (b) Implementation of the Matthews remedy
 - (c) Impact of Pensions Dashboards

CONCLUSION

42. As set out in this report, there has been continued progress across all areas of fire pensions during 2022/23; in particular around governance and control, together with significant improvements in the quality and range of pension information that is available to firefighters.
43. For 2023/24, 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.
44. 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.
45. 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 Firefighter's Pension Board)

46. That the content of the annual report be approved for submission to the HIWFRA Standards and Governance Committee by the HIWFRA Firefighters' Pension Board

RECOMMENDATION (to the HIWFRA Standards and Governance Committee)

47. That the content of the report be noted by the HIWFRA Standards and Governance Committee

APPENDICES ATTACHED

48. APPENDIX A – Fire Pension Board report (April 2022), [report](#), [appendices](#)
49. APPENDIX B - Legislation and Local Government Association (LGA) Update report (April 2022), [report](#), [appendices](#)
50. APPENDIX C – Fire Pension Board report (July 2022), [report](#), [appendices](#)
51. APPENDIX D - Legislation and Local Government Association (LGA) Update report (July 2022), [report](#), [appendices](#)
52. APPENDIX E - Pension Administration update report (July 2022), [report](#)
53. APPENDIX F – Fire Pension Board report (October 2022), [report](#), [appendices](#)
54. APPENDIX G - Legislation and Local Government Association (LGA) Update (October 2022), [report](#), [appendices](#)
55. APPENDIX H – Fire Pension Board report and Risk Review (January 2023), [report](#), [appendices](#)
56. APPENDIX I - Legislation and Local Government Association (LGA) Update (January 2023), [report](#), [appendices](#)

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



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

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **17 APRIL 2023**

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

Report of Chief Financial Officer

SUMMARY

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

FPS BULLETINS

2. LGA issue a bulletin at the end of each month, they are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website. The bulletins contain a lot of information, and the key items are highlighted in this report.
3. There have been three bulletins issued since the last Fire Pension Board reports were written. Bulletins 65, 66 and 67 can be found in APPENDICES A – D.

SAB REMEDY ENGAGEMENT SESSIONS (BULLETIN 65)

4. The Fire SAB were invited by the Home Office to take part in a series of joint engagement sessions with the Police SAB to consider scheme specific versions of the Provision Definition Documents (PDDs).
5. Sessions took place each month between June and January 2023 and have covered a range of subjects with the last two being:
 - (a) Annual Allowance
 - (b) Bereavement

PUBLIC SECTOR UNIONS GRANTED JUDICIAL REVIEW OVER McCLOUD COST REMEDY (BULLETIN 65)

6. In July 2022, the Public Sector unions were granted a judicial review in relation to the McCloud remedy costs in the cost control mechanism.
7. The Public Sector unions argue that the cost of rectifying the discrimination should not be met by scheme members. The provisional results of the 2016 cost cap valuation showed that all public service schemes were cheaper than expected. This would have led to a reduction in contribution or improvements in benefits from April 2019 had the cost control process not been paused.
8. The hearing for this was allocated 5 days and commenced on 30 January 2023 and we now wait for the judgement to be handed down.

NEW WEBPAGE ON FPS MEMBER WEBSITE (BULLETINS 66)

9. The LGA have published a new page for members relating to the 2015 remedy. The aim of the page is to provide a useful timeline for those affected with the aim of helping to manage expectations. The timeline is in broad terms and is not very specific but gives indications of when members may expect their own remedy choices.
10. The page sets out various topics,
 - (a) Whether members may be affected by remedy,
 - (b) What they can expect if they have already retired,
 - (c) What members can expect if they plan to retire before October 2023,
 - (d) What active and deferred members can expect

MATTHEWS PRE WORK FACTSHEET (BULLETIN 66)

11. FRAs only have 18 months to implement the second options exercise and therefore it is crucial that as much pre work as possible is carried out prior to the start of the second options exercise.
12. The Employer Pension Manager drafted a pre work document which was reviewed by the Matthews Technical Working Group. This sets out all the work that FRAs can do in advance of the Matthews legislation coming into force. The pre work factsheet can be found in APPENDIX C.

TAX RULES FOR 2015 REMEDY LAID (BULLETIN 66)

13. On 6 February 2023 the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulation 2023 were laid. They apply to relevant Public Service Pension Schemes in England, Wales and Scotland and come into force on 6 April 2023, with some provisions having retrospective effect.
14. The regulations set out changes to how the pension tax rules will apply to pension scheme administrators and members of pension schemes because of the 2015 McCloud remedy. The regulations make changes to how pension tax legislation operates under certain circumstances, including how schemes will need to report and pay extra tax charges or reclaim overpaid tax.

PUBLIC SERVICE PENSIONS INDEXATION AND REVALUATION (BULLETIN 66)

15. On 20 February 2023, HM Treasury (HMT) issued a written statement confirming the Public Service Pension Indexation and Revaluation for 2023.
16. This confirmed that for pensions that are in payment they will be increased from 10 April 2023 by 10.1% except for those which have not been in payment for a full year which will receive a pro-rata increase.
17. The statement also confirms that for active members in the 2015 FPS their CARE pensions will be revalued by 7% on 1 April 2023.

CONFERENCES - SAVE THE DATE! (BULLETIN 66)

18. The NPCC and the LGA will be holding a joint data conference on 17 May 2023 at LGA offices in London. The conference will concentrate on understanding and controlling data and will include panel sessions and a data planning workshop.

19. The Fire Pensions annual conference will take place from 19 to 20 September 2023 at LGA offices in London. The two day programme will allow delegates to network with fellow colleagues and hear the latest news on the FPS from key stakeholders.
20. The full programme for both events and booking link will be available in due course.

APPOINTMENT TO THE BLUELIGHT TEAM (BULLETIN 66 & 67)

21. Following a successful recruitment campaign, Tara Atkins from West Sussex County Council has been appointed to the Bluelight team in the role of Firefighters Pension Adviser (Communications) and joins the LGA on 20 March 2023.
22. This is a welcome addition to the Bluelight team as there will be a requirement for a lot of consistent national communications over the coming months.
23. Tara joins Claire Johnson Firefighters Pension Adviser (Employers) and Elena Johnson Firefighters Pension Adviser (Governance). Following an extremely competitive recruitment process Claire Johnson has been appointed to replace Claire Hey as the Senior Firefighters Pension Adviser. As Claire is currently on maternity leave Elena Johnson has been promoted on temporary basis to lead the team.

JUDGMENT ON COST CAP MECHANISM (BULLETIN 67)

24. The Board will recall that public sector unions had been granted a judicial review in relation to the McCloud remedy costs in the cost control mechanism. The review took place from 31 January to 3 February 2023.
25. On 10 March 2023, the High Court ruled that HM Treasury's (HMT) decision to include the McCloud remedy in the cost cap mechanism was not unlawful. The judge ruled in favour of HMT on all grounds. The judge also refused permission to appeal, but the FBU and other parties are able to apply for permission to appeal directly to the Court of Appeal.

SCAPE DISCOUNT RATE METHODOLOGY CONSULTATION RESPONSE (BULLETIN 67)

26. The Government published a consultation on changing the methodology for setting the SCAPE (Superannuation Contributions Adjusted for Past Experience) discount rate in June 2021.

27. On 30 March 2023 the Government announced their response to this consultation and that they would be keeping the same methodology based on GDP growth.
28. The SCAPE discount rate to be used as part of the 2020 valuations will therefore be based on the expected long-term GDP growth figures, published by the OBR in July 2022. Based on these figures, the new SCAPE discount rate is CPI + 1.7%pa.
29. The updated SCAPE discount rate will generally lead to higher employer contributions rates for unfunded public service pension schemes resulting from the 2020 valuations. Changes to employer contributions rates are therefore expected from April 2024.
30. In recognition of the cost pressure that an increase to the employer contribution rate would bring to existing budgets, the Government has committed to providing funding for increases in employer contribution rates resulting from the 2020 valuations, as a consequence of changes to the rate.

RECOMMENDATION

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

APPENDICES ATTACHED

32. APPENDIX A – [FPS Bulletin 65](#) (January 2023)
33. APPENDIX B – [FPS Bulletin 66](#) (February 2023)
34. APPENDIX C – [Matthews pre work for FRAs factsheet](#)
35. APPENDIX D - [FPS Bulletin 67](#) (March 2023)

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

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FPS Bulletin 65 – January 2023

Welcome to issue 65 of the Firefighters' Pensions Schemes bulletin. We wish all of our 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 bluelightpensions@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

Event	Date
FPS coffee morning	14 and 28 February 2023
FPS Technical Working Group	17 February 2023
FPS Communications Working Group	14 March 2023
North East regional group	15 March 2023
SAB	23 March 2023
SAB	8 June 2023
SAB	14 September 2023
SAB	14 December 2023

Actions arising

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

[Template member consent letters](#): FRAs to identify affected members of the pension scheme who may need to be sent for an ill-health reassessment and arrange for the appropriate member consent letter to be sent to them.

[SAB levy 2022-23 – Request for Purchase Order numbers](#): 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 2022, using the form provided with the SAB 2022-23 levy letter.

FPS

Ill-health reassessment factsheet updated

In [FPS Bulletin 63 – November 2022](#), we published an [ill-health reassessment factsheet](#) to help FRAs determine which individuals require a reassessment of their ill-health determination as a result of remedy implementation. This has recently been updated to include FPS 2006 special members. We sought clarity from the Home Office to confirm that special members should be treated in line with FPS 1992 members due to them being assessed against a normal pension age of 55.

Template member consent letters available

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

ACTION for FRAs: Identify affected members of the pension scheme who may need to be sent for an ill-health reassessment and arrange for the appropriate member consent letter to be sent to them.

Potential Industrial Action

In [FPS Bulletin 61 - September 2022](#), we provided information about how strike action affects a member's pension benefits, how the amount that the member needs to repay is calculated, and the importance of continuing to record service breaks. Please refer to the information given in that bulletin to help resolve any queries that you have regarding industrial action. The LGA is planning to provide sample communications for FRAs if industrial action goes ahead, and members wish to repay the missing period of service.

Technical query log

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

Queries have been answered this month in the following categories: compensation scheme (page 50).

FPS England SAB updates

Barnett Waddingham Case Study on FPS Remedy 2015 – Your Questions Answered Member Communications

In [FPS bulletin 54 - February 2022](#), we advised that 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 included 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, warm-up communications were produced to answer some key concerns or recurring questions that members have about the changes which took place on 1 April 2022 and beyond.

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The [FPS 2015 Remedy 'fact checker'](#) was developed by Barnett Waddingham, in collaboration with the SAB the Board secretariat, and the Scheme Management & Administration committee.

The document text was added as a new page to the [FPS Member 2015 Remedy section](#), with the PDF available as a download.

Barnett Waddingham has since produced a case study about working with the scheme to provide this information for members on the remedy changes and this can be read at [Appendix 1](#).

SAB levy 2022-23 – Reminder for Purchase Order numbers

In [FPS bulletin 63- November 2022](#), we confirmed that the SAB budget for 2022-23 had been approved by the minister.

The total levy for the 2022-23 year will be £6.27 per firefighter, which is calculated at £4.39 for the SAB and £1.88 for employers. A letter was sent by email to Chief Fire Officers and HR Directors on 21 November 2022 advising them of this.

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

Please can we politely remind FRAs, if they have not done so already, 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 2022, using the form provided with the letter in order that an invoice can be sent accordingly.

ACTION: 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 2022, using the form provided with the SAB 2022-23 levy letter.

SAB remedy engagement sessions

As reported in [FPS Bulletin 57 – May 2022](#), the SAB has been invited by the Home Office to take part in a series of joint engagement sessions with the Police SAB to consider scheme specific versions of the Provision Definition Documents (PDDs) which define the provisions of the [Public Service Pensions and Judicial Offices Act \(PSPJOA\) 2022](#) for each area of the 2015 Remedy.

One session is taking place per month between June 2022 and February 2023, with two topics discussed at each meeting. These discussions will help to inform the drafting of secondary legislation, ahead of formal consultation. Formal consultation is now expected to commence during February 2023.

The most recent session considered Annual Allowance and bereavement. Material from some sessions has been added to a new page called '[age discrimination remedy – Provision Definition Documents](#)' in the member restricted area of the FPS Regulations and Guidance area for the benefit of practitioners.

Any actions arising from the feedback from the Fire and Police SABs will be taken forward and responded to by the Home Office.

Other News and Updates

PDP publishes consumer protection video

The Pensions Dashboards Programme (PDP) has recently published [an explainer video on consumer protection](#).

The video explains what protections will be in place to ensure dashboards are safe and secure.

Please see [the consumer protection page of PDP's website](#) for more information on this topic.

Automatic Enrolment trigger remains the same

On 26 January 2023, Department for Work and Pensions (DWP) published its [review of the automatic enrolment thresholds for 2023/24](#).

The Pensions Act 2008 requires DWP to annually review various thresholds relevant for automatic enrolment rules. As is relevant for the FPS, the earnings trigger remains at £10,000 for 2023/24.

Dominic Harris starts as Pensions Ombudsman

On 16 January 2023, Dominic Harris started as the Pensions Ombudsman.

Dominic's term of office is five years.

Dominic has recently sent an introductory message to TPO's contact list:

"The New Year has brought with it a "New Ombudsman", and so I thought I would take this opportunity to introduce myself and say how excited I am to be joining TPO.

This is an organisation that is so important in ensuring that pension scheme members and their dependants have access to support and justice, for free, in what can often be complex and stressful disputes. It really does level the playing field. I have looked on from the other side of the fence at the work

TPO does – and am proud to be a part of it over the next few years. Clearly, Anthony Arter has done a sterling job over his tenure, and I am looking forward to building on his great work.

I look forward to understanding better how TPO works and some of the challenges we face. It is so important that we continue to work collaboratively to improve dispute resolution across the industry. I hope I will be able to meet many of you over the coming months."

You can find out more about Dominic on the ['who we are' page of TPO's website](#).

Please email stakeholder@pensions-ombudsman.org.uk if you would like to join TPO's contact list.

[Public sector unions granted judicial review over McCloud cost remedy](#)

In [FPS bulletin 62 – October 2022](#) we confirmed that public sector unions had been granted a judicial review in relation to the McCloud/ Sargeant remedy costs in the cost control mechanism. We can now confirm that the dates for the hearing are from 30 January to 3 February 2023.

HMRC

[LGA and SAB responses to the consultation on the Public Services Pension Scheme \(rectification of unlawful discrimination\) \(Tax\) Regulations 2023](#)

In [FPS bulletin 63-November 2022](#), we advised that HMRC had published a [technical consultation on a draft statutory instrument](#), which ensures the pensions tax framework will apply as intended to pension scheme administrators and members affected by the public service pensions remedy. The consultation closed on 6 January 2023.

The consultation sought views from pension scheme administrators on the draft regulations. The regulations set out changes to how the pensions tax rules will apply to pension scheme administrators and members of public service pension schemes as a result of the public service pensions remedy.

The regulations will make changes to how pensions tax legislation operates in certain circumstances, including changes to how schemes will need to report and pay extra tax charges or reclaim overpaid tax and ensure that schemes can pay pension benefits as authorised payments.

This legislation is intended to take effect from 6 April 2023, but some provisions will have a retrospective effect.

We are pleased to share both the LGA and SAB responses to the consultation on the Public Services Pension Scheme (rectification of unlawful discrimination) (Tax) Regulations 2023 as follows:

[LGA response to the consultation on the Public Services Pension Scheme \(rectification of unlawful discrimination\) \(Tax\) regulations 2023](#)

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[SAB response to the consultation on the Public Services Pension Scheme \(rectification of unlawful discrimination\) \(Tax\) regulations 2023](#)

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.

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

[5 January 2023 – Remedy timetabling](#)

[26 January 2023 – HMT Remedy Directions](#)

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.

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](#)

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- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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

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Event	Date
FPS coffee morning	14 and 21 March 2023
FPS Communications Working Group	14 March 2023
North East regional group	15 March 2023
South East regional group	15 March 2023
Midlands regional group	22 March 2023
SAB	23 March 2023
Data conference	17 May 2023
SAB	8 June 2023
SAB	14 September 2023
FPS AGM	19 and 20 September 2023
SAB	14 December 2023

Actions arising

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

[Data collection for the 2015 remedy](#): FRAs to ensure that the data collection template is completed and sent to administrators so that administrators and FRAs are prepared for the implementation of remedy from 1 October 2023.

[Pension scheme migration](#): Migrate to the Managing Pension Schemes service as soon as possible.

[The Bereavement benefits remedial order 2022](#): FRAs and administrators to share this information in communications with pensioners.

FPS

[New webpage on the FPS Member website](#)

We are pleased to let you know that a new page relating to the 2015 Remedy is now available for members on the FPS Member website. The new page provides information on:

- [Whether members may be affected by remedy](#)
- [What members can expect if they have already retired](#)
- [What members can expect if they plan to retire before October 2023](#)
- [What active and deferred members can expect](#)

These pages provide a useful timeline for those affected, with the aim of helping to manage their expectations and provide useful information for them.

[Data collection for the 2015 Remedy](#)

In the [FPS Bulletin 44- April 2021](#), we advised that remedy data collection tools had been created with the assistance of software suppliers and the Fire Communications Working Group to help FRAs compile the relevant data needed to prepare for the 2015 Remedy. To credit members with their original legacy scheme membership for

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the remedy period, administrators will need additional data from FRAs to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven years from 1 April 2015 to 31 March 2022. The data collection template and notes are as follows:

[FPS remedy data collection template](#)

[FPS remedy data collection notes for completion](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 clean](#)

Additionally, we have previously provided an [age discrimination payroll overview workshop](#), which may also be useful to FRAs when trying to understand the payroll requirements for age discrimination remedy.

FRAs should have already started work with their administrators to identify all eligible members and consider any processes or additional resources that need to be put in place to identify the data required in good time for 1 October 2023 when the Police and Firefighters' Pension Schemes (Amendment) Regulations 2023 come into force.

ACTION: FRAs to ensure that the data collection template is completed and sent to administrators so that administrators and FRAs are prepared for the implementation of remedy from 1 October 2023.

FPS Contribution Bandings for 2023-24

The [contributions banding factsheet](#) which confirms the contribution rates that apply for 2023-24 as set out in the scheme regulations is now available and confirms that there are no changes to the relevant rates for 2023-24.

Matthews pre-work factsheet for FRAs

In [FPS Bulletin 55 – March 2022](#), we confirmed that a second retained firefighters' options exercise would take place. The regulations to implement the second options exercise in England are currently being drafted by the Home Office and will be consulted on before they are laid before Parliament. The Home Office has a

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maximum period of 18 months to draft, consult, and introduce the necessary secondary legislation.

FRAAs 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.

Ahead of the legislation coming into force, FRAAs are advised to take steps to identify retained firefighters who were employed between the relevant dates. With thanks to Claire Neale and the Matthews Technical Working Group, a [Matthews pre-work for FRAAs factsheet](#) is now available which is designed to help FRAAs to identify the work which should be done before the Matthews legislation comes into force.

Technical query log

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

Queries have been answered this month in the following categories: pension sharing, page 109, survivor's pensions, page 127 and transfers, page 133.

FPS England SAB updates

SAB meeting 23 January 2023

The Scheme Advisory Board (SAB) last met on 23 January 2023 and discussed the following areas:

- Temporary in the context of the FPS
- Retrospective correction of pensionable pay
- PDD engagement sessions to date
- Remedy timetabling
- Commutation in the FPS 1992 Scotland
- HMRC tax consultation

Additionally, the SAB was pleased to invite Angela Bell and Lucy Stone from The Pension Regulator to the meeting to give an update on pension dashboards. Angela and Lucy [provided a comprehensive presentation](#) which included:

- Pensions dashboards - current challenges and opportunities
- How pensions dashboards will work
- Consultations and regulations
- Preparing for pensions dashboards
- Commonly asked questions
- Compliance and enforcement policy

Other News and Updates

Appointment to the Bluelight team

Following a successful recruitment campaign, we are delighted to announce that Tara Atkins has been appointed to the Bluelight Team in the role of Firefighters' Pensions Adviser (Communications) and will join the LGA on 20 March 2023.

Tara has over 23 years' public service pension experience, including the LGPS, Police, Teachers, NHS, and Firefighters' Pension Schemes. Tara commenced Local Government employment in July 1999 at West Sussex County Council, where she commenced in the Pensions Administration Team, working her way up to Team Leader until she moved into the County Council's Subject Matter Expert Role in 2012, when the Administration Team were outsourced to a third party.

Tara's role at the LGA is to provide support to FRAs and FPS practitioners and she will lead the development of national FPS communications.

DWP appoints new chair of MaPS

[The Department for Work and Pensions \(DWP\) has appointed Sara Weller CBE](#) as the new permanent Chair of the Money and Pensions Service (MaPS).

Since September 2022 Sara served as a non-executive board member. Sarah will formally take up the role of permanent Chair on 29 March 2023.

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DWP appoints Mary Starks to lead review of TPR

The [review of the Pensions Regulator](#) (TPR) will examine how it is performing its role and where it can improve, providing greater efficiency and value to taxpayers. The report into the review is due to be delivered in May 2023.

Pensions dashboards newsletter

Earlier this month, the Pensions Dashboards Programme (PDP) published its [February 2023 newsletter](#).

The newsletter contains articles on:

- new connection hub, providing useful resources and information to prepare for connection to the ecosystem
- pensions dashboards myth busting video, demystifying some of the topics around dashboards
- understanding the dashboards available point and how it is different from connecting to dashboards
- inviting PDP to an event such as a regional pension office meeting
- following PDP on Twitter and LinkedIn and signing up for newsletters

The Bereavement Benefits (Remedial) Order 2022

On 15 December 2022, the Department for Work and Pensions [re-laid the above order and published their response to last year's consultation](#).

The Order extends eligibility for Widowed Parent's Allowance (WPA) and the higher rate of Bereavement Support Payment (BSP). Eligibility now includes surviving cohabiting partners with dependent children, who were not in a legal union with the deceased on the date of death. It has retrospective effect back to the 30 August 2018.

Prior to the changes, only those who had been married to, or in a civil partnership with, their deceased partner would be eligible for WPA or BSP.

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Currently:

- WPA is up to £126.35 per week
- BSP is a one-off amount of up to £3,500 and 18 monthly payments of up to £350.

Eligible beneficiaries can claim back to 30 August 2018. The monetary value is clearly significant to those eligible.

ACTION: FRAs and administrators to share this information in communications with pensioners.

Tax rules for 2015 remedy laid

In [FPS Bulletin 63 - November 2022](#) we advised that HMRC had published a technical consultation on a draft statutory instrument, which would ensure that the pensions tax framework will apply as intended to pension scheme administrators and members affected by the public service pensions remedy.

Following that consultation, on 6 February 2023, the [Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023](#) were laid. They apply to relevant public service pension schemes in England, Wales and Scotland and come into force on 6 April 2023, but some provisions will have retrospective effect.

The regulations set out changes to how the pensions tax rules will apply to pension scheme administrators and members of public service pension schemes because of the 2015 remedy. The regulations make changes to how pensions tax legislation operates in certain circumstances, including changes to how schemes will need to report and pay extra tax charges or reclaim overpaid tax and ensure that schemes can pay pension benefits as authorised payments.

Public Service Pension Indexation and Revaluation 2023

On 20 February 2023, HM Treasury (HMT) issued [written statement HCWS566](#) confirming the Public Service Pension Indexation and Revaluation for 2023.

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Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2022. The statement confirms that the increase from 10 April 2023 is 10.1 per cent except for those public service pensions which have been in payment for less than a year, which will receive a pro-rata increase. The Pensions Increase (Review) Order is expected to be laid during March 2023; however, [the pensions increase multiplier tables](#) are available now.

The statement also confirms that the FPS 2015 will use the figure of 7 per cent for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2023.

HMRC

[Pension schemes newsletter 146 and 147](#)

On 31 January 2023, HMRC published [pension schemes newsletter 146](#). It contains articles on relief at source, pension flexibility statistics, migrating to the Managing Pension Schemes service, accounting for tax (AFT) returns, and pension scheme transfers

ACTION for FRAs: Migrate to the Managing Pension Schemes service as soon as possible.

On 28 February 2023, HMRC published [pension schemes newsletter 147](#). It contains articles on relief at source, public service pensions remedy, and AFT returns.

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.

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

[14 February 2023 – Remedy pre-work special](#)

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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.

LGA/ National Police Chiefs' Council data conference – London – 17 May 2023 (save the date)

The LGA and NPCC are excited to announce that they will be holding a joint data conference on 17 May 2023 at 18 Smith Square, London. The conference will concentrate on understanding and controlling data and will include panel sessions and a data planning workshop. Example themes which will be explored are:

- Successful project implementation
- Engaging members
- Cost of the scheme
- Owning the narrative

The full programme and booking link will be available shortly.

FPS AGM – London – 19 to 20 September 2023 (save the date)

The Fire Pensions Annual Conference will take place from 19 to 20 September this year. The two-day programme will allow delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme from the scheme's key stakeholders.

The full programme and booking link will be available in due course.

Legislation

SI	Reference title
SI 2023/113	<u>Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023</u>
SI 2023/134	<u>The Bereavement Benefits (Remedial) Order 2023</u>

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](#)

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Information

“Matthews” second options exercise pre-work for FRAs

Purpose

This factsheet has been prepared to help FRAs who are collating data on the Matthews second options exercise.

Before the Matthews remedy legislation is in force and the implementation period begins, there are several things that FRAs can do now and are encouraged to do between now and October 2023. This is because there are some interactions between the McCloud remedy and the Matthews remedy. It is vital to identify the different cohorts for Matthews so that you can liaise with your pension scheme administrators.

You may also wish to discuss the project with your administrator if you have not already to make sure that expectations are clear on both sides, for example, which party will be responsible for which elements of the project.

Identification of cohorts that are in scope

If you have not yet identified your list of “in scope” records for the Matthews remedy, then this should be a priority.

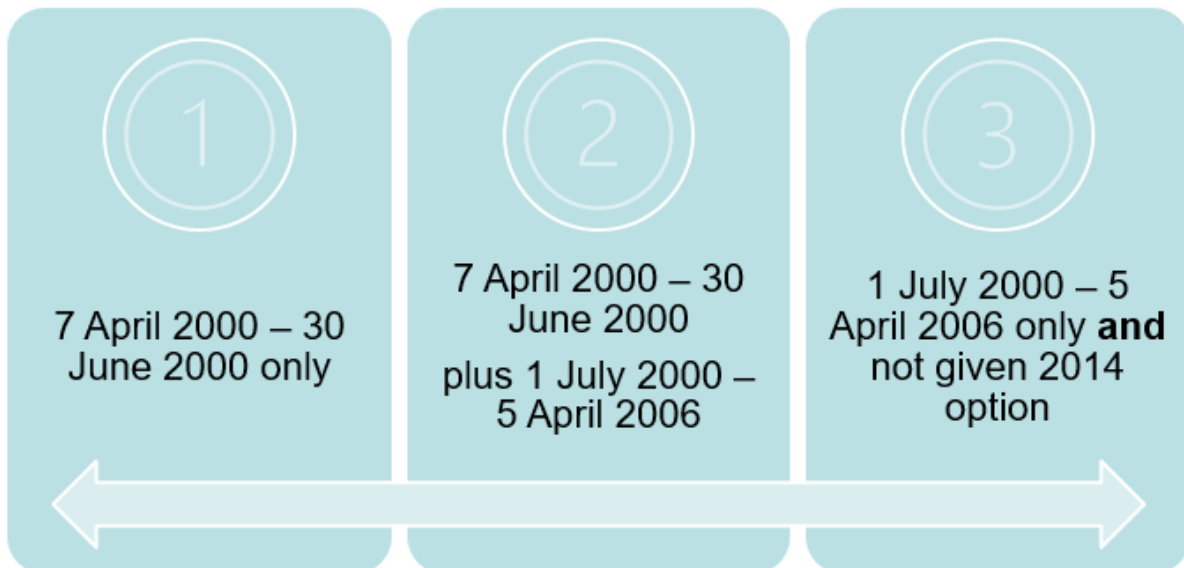
The list of records should contain the latest known address or email address for the retained firefighters as communications will need to be sent to these individuals. [Warm up communications](#) can be sent in advance of October 2023, which will not only identify where you no longer hold a current address but also help to start the engagement with this group of individuals.

A spreadsheet containing a list of individuals, their contact details, the date that any letter was sent and how this was sent, i.e., 2nd class post, recorded delivery, email, should be created.

- You should maintain this list to take account of any returned mail and any changes in contact details.

- You should also keep a master copy of the letter so that the documents can be used to prove that contact was made, the type of contact, and where and how the letter was sent.
- This list and master letters should be maintained/ retained by the FRA indefinitely.

Cohorts



- Cohort 1: Retained firefighters who left employment between 7 April 2000 and 30 June 2000 (inclusive).
- Cohort 2a: Retained firefighters who elected to purchase service from 1 July 2000 under the first options exercise, but employment commenced prior to 1 July 2000
- Cohort 2b: Retained firefighters who did not elect to purchase service from 1 July 2000 under the first options exercise, but employment commenced prior to 1 July 2000. The service purchase end date will be the earliest of:
 - a) date joined FPS 2006 as a standard member or FPS 2015 in this employment,
 - b) the date of leaving employment, or
 - c) 31 March 2022.
- Cohort 3: Retained firefighters who were first employed on or after 1 July 2000 and did not have the opportunity to elect to purchase service under the first options exercise. The service purchase end date will be the earliest of:

- a) the date they joined FPS 2006 as a standard member or FPS 2015 in this employment,
- b) the date of leaving employment, or
- c) 31 March 2022.

For retained firefighters in cohorts 2a, 2b, and 3 further analysis work will then be required to see if they may also be subject to the McCloud remedy.

Cohort 2a

These members have already purchased/ are purchasing their backdated membership. For this group you will need to identify:

- The options that they chose and were applied during the first options exercise:
 - Whether or not they joined FPS 2006 scheme as a standard member in this employment and the dates applicable.
 - For those that did join FPS 2006 scheme as a standard member, if they elected to convert standard to special service, special to standard service, or if they did not elect for any conversion.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.
 - If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

In addition, you will also need to identify any special members who initially elected to purchase their service under the first options exercise, but who ceased their payments prior to the completion of the 10-year periodical payments, for example, they changed their mind or they left prior to retirement and were not given the opportunity to continue with their payments. For any of these members, you will need to identify details of what they purchased as they will need to be given the option to purchase all of their service again, less what has been paid so far.

Cohort 2b

These members did not purchase anything previously so now they need to be given the option for all of their service. For this group you will need to identify:

- Whether or not they joined FPS 2006 scheme as a standard member or FPS 2015 in this employment and the dates applicable.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.

- If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

Cohort 3

These individuals did not purchase anything previously so now they need to be given the option for all of their service. For this group you will need to identify:

- Whether or not they joined FPS 2006 scheme as a standard member or FPS 2015 in this employment and the dates applicable.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.
 - If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

For cohorts 2a, 2b and 3 you need to identify if there is an interaction with the McCloud remedy as the pension administration teams will need to know to pause these cases until the Matthews remedy options have been provided.

As there are only 18 months to implement both remedies, it will be vitally important that these cases are identified and dealt with as soon as possible after 1 October 2023 so that the McCloud remedy options can still be provided in good time.

Pay data

You will need to identify how far back your pay records go and if you have any gaps, and whether you have no pay history, partial pay history or full pay history for each period of employment. Where you do have partial or full pay history, you will need specific pay data for each scheme year (1 April to 31 March):

- Actual pay for each scheme year of employment
- Whole Time Equivalent average reference pay for each scheme year of employment

Where you have pay data that was collected for the first options exercise this should be retained and **must** be used for the relevant periods from 1 July 2000.

FRA's may not have pay data going back to the start date of employment. Where pay data is held (in whatever format) this **must** be used, so you should use best endeavours to find all relevant pay data.

Where FRA's have gaps in pay data it may be possible to use some standard assumptions and more details of this will be communicated in due course. These assumptions must only be used for periods of service before 1 July 2000.

To assist FRAs with establishing reference pay for each year, [Firefighters annual rates of pay](#) back to 1977 can be found on the FPS regulations website in the member restricted area.

If you do not have access to the restricted area, please email bluelight.pensions@local.gov.uk.

Please note that access is only provided to FRA practitioners and pension scheme administrators.



FPS Bulletin 67 – March 2023

Welcome to issue 67 of the Firefighters' Pensions Schemes bulletin.

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

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

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Calendar of events

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

Table 1: Calendar of events

Event	Date
FPS coffee morning	11 April 2023
Matthews Technical Working Group	11 April 2023
FPS Communications Working Group	14 April 2023
Data conference	17 May 2023
SAB	8 June 2023
SAB	14 September 2023
FPS AGM	19-20 September 2023
SAB	14 December 2023

Actions arising

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

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

[Top up grant 2023 – Collection of pensions accounting data](#): FRAs to start preparing their pensions income/expenditure data in order to submit their returns by the Home Office deadline.

[Spring budget 2023](#): FRAs and administrators to share this information with the relevant parties within their organisation.

[DWP announces delays to dashboard connection deadlines](#): FRAs and administrators to make sure that relevant parties within their organisation are aware of the announcement and TPR's actions.

FPS

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

On 28 February 2023, the Home Office published [a consultation on the Firefighters' Pension Schemes \(Remediable Service\) Regulations 2023](#). These regulations concentrate on the retrospective elements of the 2015 Remedy 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.

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

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

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Top up grant 2023 – Collection of pensions accounting data

On 2 March 2023, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2021/22 and unaudited 2022/23 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.

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

As part of this additional check, it will be requesting that all FRAs provide the following information:

- Electronic copies of the trial balances from their audited accounts where the pensions income/expenditure data was extracted; and
- Any post balance sheet adjustment events (showing audit adjustments).

The deadline for completing the returns will be mid-May. This should allow sufficient time for the claims to be scrutinised and approved.

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

The Home Office will be writing to FRAs to formally commission this data in April. However, it is essential that FRAs start making preparations now in order to be able to extract the correct data from their accounts and collate the supporting evidence for their claims.

ACTION: FRAs to start preparing their pensions income/expenditure data in order to submit their returns by the Home Office deadline.

FPS annual update 2023

We confirmed in [FPS Bulletin 66 – February 2023](#) that FPS contribution rates remained unchanged for 2023-24.

All relevant thresholds and rate changes for 2023 are available in the [FPS annual update 2023](#).

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

Website downtime

Please be aware that both the FPS Regulations and Guidance and the FPS Board websites will be unavailable on the morning of 19 April 2023 for an upgrade. As the existing page design template is no longer available in the new version of the website's content management system, users will notice that both sites have a new look following the upgrade.

Downtime will commence at five o'clock in the morning and it is anticipated that this will last for a few hours.

Technical query log

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

Queries have been answered this month in the following categories: survivor benefits, page 130 and two-pensions, page 141.

FPS England SAB updates

SAB meeting 23 March 2023

The Scheme Advisory Board (SAB) last met on 23 March 2023 and the meeting covered following areas:

- GAD update on the Matthews remedy
- Home Office retrospective remedy consultation
- First Actuarial Spring budget update for the SAB
- GAD update on the 2020 valuation

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

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

Other News and Updates

Farewell from Claire Hey

As readers may know, I am leaving the LGA on 23 April 2023 to take up a role with Heywood Pension Technologies.

It has been a pleasure and a privilege to work with so many committed stakeholders across the Fire sector during my six years with the LGA, and I feel humbled by the support and friendship extended to me during that time.

Following an extremely competitive recruitment process, I am delighted to announce that Claire Johnson has been appointed to the senior adviser role on a permanent basis. And that, as Claire is currently on maternity leave, Elena Johnson has been promoted on a temporary basis to lead the team.

This month I was also delighted to welcome Tara Atkins to the team to lead on

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communications – as reported in [FPS Bulletin 66](#).

I wish the team all the best for the future and know that they will provide exceptional support and guidance to the sector as we progress through the various challenges ahead.

Judgment on cost cap mechanism

In [FPS bulletin 59 – July 2022](#) we confirmed that public sector unions had been granted a judicial review in relation to the McCloud/ Sargeant remedy costs in the cost control mechanism. The review took place from 31 January 2023 to 3 February 2023.

On 10 March 2023, [the High Court ruled](#) that HM Treasury’s decision to include the McCloud/ Sargeant remedy in the cost cap mechanism was not unlawful. The judge ruled in favour of HM Treasury on all grounds. The judge also refused permission to appeal, but the FBU and other parties are able to apply for permission to appeal directly to the Court of Appeal.

DWP supports expansion of auto enrolment

On 3 March 2023, [the Department for Work and Pensions \(DWP\) confirmed](#) it will support the private members bill expanding Auto Enrolment. [The Pensions \(Extension of Automatic Enrolment\) \(No.2\) Bill 2023](#) proposes to give the government powers to make regulations which:

- abolish the Lower Earnings Limit for contributions – currently £6,250, and
- reduce the age of auto enrolment for eligible jobholders – down from 22 to 18.

The government has not given a timetable for when the changes may take effect.

DWP announces delays to dashboard connection deadlines

On 2 March 2023, the government confirmed its intention to legislate to amend schemes’ connection deadlines. This follows a [written ministerial statement](#) issued by DWP announcing the delays. Delays are necessary to give the Pensions Dashboards Programme (PDP) the time it needs to meet the challenges in developing the digital architecture. DWP will provide an update on dashboards to Parliament before Summer 2023 recess.

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It is not clear if connection deadlines for public service pension schemes will change.

Following the announcement, The Pensions Regulator (TPR):

- will write to those schemes affected by the announcement to confirm when new deadlines are set – [example communication](#)
- has [published updated guidance and checklist](#), to help schemes focus on what they should be doing now to prepare for their dashboard duties
- will produce a ‘content toolkit’ with key messages for administering authorities to copy / paste / edit / include as appropriate in their communications
- held a free webinar on 30 March 2023 about ‘getting to grips with your data’

ACTION: FRAs and administrators to make sure that relevant parties within their organisation are aware of the announcement and TPR’s actions

Spring budget 2023

On 15 March 2023, the Chancellor of the Exchequer delivered his [Spring Budget 2023](#). See [HMRC’s newsletter 148](#) and [Policy paper](#) for more information.

The [Finance \(No.2\) Bill 2022/23](#) was published on 23 March 2023. With effect from 6 April 2023, the Bill proposes to enact some of the changes announced at the Spring budget. This includes:

- increasing the annual allowance from £40,000 to £60,000
- increasing the money purchase annual allowance from £4,000 to £10,000
- increasing the adjusted income level for the tapered annual allowance from £240,000 to £260,000
- increasing the minimum tapered annual allowance from £4,000 to £10,000
- abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events occurring on or after 6 April 2023

- allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023
- changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (taxable at marginal rate rather than 55 per cent)
- notwithstanding the LTA charge being abolished, ensuring that payments of (or any part of) serious ill-health lump sums, defined benefit lump sum death benefits or an uncrystallised funds lump sum death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income (taxable at marginal rate rather than 55 per cent).

Legislation will be introduced in a future Finance Bill to remove the lifetime allowance from pensions tax legislation.

The SAB's actuarial adviser, [First Actuarial has produced a bulletin](#) which also covers these changes.

ACTION: FRAs and administrators to share the above with the relevant parties within your organisation.

PDP issues March newsletter

In March 2023, PDP [published their March newsletter](#). The newsletter contains articles on:

- DWPs written ministerial statement on pensions dashboards connection times
- FAQs on connection deadlines and revised timeline
- pensions dashboards myth busting videos
- signing up for a new FAQ newsletter
- new PDP website homepage.

[GAD publishes blog on pensions dashboards data matching](#)

GAD has published [a blog on the role of data matching](#) for pensions dashboards success. The blog looks at the questions administrators need to ask when deciding what data to use. It also emphasises the need for regular data quality reporting and cleansing. In the blog, GAD Pensions Consultant Taylor Brightwell-Smith noted the particular challenge public service pension schemes face with their data and said:

“Public service pension schemes have an added challenge that many other defined benefit schemes do not. They remain open to new members. This means that the data position will never be static. It will continue to ebb and flow. This poses a challenge to schemes when considering their future interactions with pensions dashboards. They will need to take stock of their data when considering the logic of their matching criteria. No one-size fits all.”

The blog continued:

“That's the reasoning behind matching criteria not being prescribed in legislation. Schemes need to understand their own data challenges and cleanse as far as possible. This will lay the foundation for robust matching criteria to return results to dashboards quickly and accurately.”

Taylor Brightwell-Smith is due to be a panel member during the [Fire and Police Data Conference](#) on 17 May 2023.

[Police remedy consultation launched](#)

On 28 February 2023, [the Home Office published a consultation](#) to enact the second phase of the McCloud remedy for the Police Pension Scheme.

The consultation closes on 23 May 2023.

[The Pension Regulator publishes blog](#)

On 21 March 2023, Charles Counsell, the Chief Executive of TPR published [a blog](#) which covers delivering the best possible outcome for savers and the steps TPR is taking to become a data-led, digitally enabled organisation.

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SCAPE Discount Rate methodology consultation response

In [FPS Bulletin 46 – June 2021](#), we indicated that a public [consultation on the discount rate \(the “SCAPE rate”\) methodology](#) had been launched. The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate is a discount rate used in the valuation of unfunded public service pension schemes to set employer contribution rates.

The consultation sought views on the appropriate methodology for setting the discount rate used in scheme valuations. The consultation closed on 19 August 2021.

On 30 March 2023, the UK Government [announced](#) the publication of its [response to the June 2021 consultation](#) on the methodology used to set the SCAPE discount rate and has concluded that the existing methodology best meets the balance of the Government’s objectives for the SCAPE discount rate, and therefore does not intend to modify the methodology.

The SCAPE discount rate to be used as part of the ongoing 2020 valuations will therefore be based on the expected long-term Gross Domestic Product growth figures, published by the Office for Budget Responsibility in July 2022. Based on these figures, the new SCAPE discount rate is CPI+1.7% p.a.

Administrators will recognise that usually where the SCAPE rate changes, CETV calculations are suspended until the factors can be amended in line with the new SCAPE rate. We understand that HMT will shortly suspend the [technical note](#) used for the SCAPE rate in calculating CETVs and we will notify you when this happens

HMRC

Pension schemes newsletter 148

On 16 March 2023, HMRC published [pension schemes newsletter 148](#). It contains articles on the Spring Budget 2023, net pay arrangements for low earners, accounting for tax returns and event reporting.

The newsletter also confirms where unfunded public service pension schemes

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operate final salary and CARE scheme as different arrangements, they will be treated as one arrangement when calculating the annual allowance.

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.

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

[14 March 2023 – Pensions dashboard preparations](#) (TPR)

[21 March 2023- Home Office retrospective remedy consultation](#)

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

Fire and Police pensions data conference - 17 May 2023

We are pleased to invite readers to a data conference being held at 18 Smith Square, London on Wednesday 17 May 2023, from 10.00 to 15:30. This conference is being held jointly with the National Police Chiefs' Council (NPCC).

With McCloud remedy and pensions dashboards fast approaching, the conference will explore the following themes:

- successful project implementation
- member engagement
- costing the schemes
- owning the narrative

We have put together an agenda of industry speakers to reflect on why data is so

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important for the Firefighters and Police Pension Schemes and how technology can help us to get it right.

The event is aimed at Fire and Rescue Authorities and Police Authorities including scheme managers and Local Pension Board representatives, pension practitioners and administrators, along with software providers and industry professionals.

[Book your place now!](#)

Training and events - 2022/23 facts and figures

Between April 2022 and March 2023, we have delivered 20 local or regional training sessions for Local Pension Boards (LPBs) and scheme managers as follows:

Local Pension Board Training: Avon, Bedfordshire, Cheshire, Cumbria, Devon and Somerset, Durham and Darlington, East Sussex, Gloucestershire, Greater Manchester, Hampshire and IOW, Hertfordshire, Kent, Mid and West Wales, Northern Ireland, South Yorkshire, Staffordshire, West Midlands.

Scheme manager training: London Fire Commissioner, West Midlands, and West Sussex.

We have provided administrator updates to Hampshire County Council, WYPF, and XPS, as well as Scheme Advisory Board training for the SABs in England, Wales, and Northern Ireland.

Four meetings of the English SAB have taken place with eight additional SAB collaboration sessions on remedy with NPCC and the Home Office. We have attended 15 regional Fire Pension Officer Group meetings and have facilitated three communications group and three technical group meetings.

We were also pleased to hold our first in-person two-day AGM since the pandemic. Information about our events can be found on our [Events page](#).

Finally, we have been regular virtual visitors to the devolved SAB meetings to provide an overview of issues arising in England and continue to represent FPS interests at sector specific forums including HMT led meetings.

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Legislation

SI	Reference title
SI 2023/338	The Pensions Increase (Review) Order 2023
SI 2023/279	The LGPS (Amendment) Regulations 2023
SI 2023/270	The Guaranteed Minimum Pensions Increase Order 2023
SI 2023/252	The Public Service Pensions Revaluation Order 2023

Useful links

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

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



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

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **17 APRIL 2023**

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

Report of Chief Financial Officer

SUMMARY

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

COMMUNICATION

3. Since the last meeting, the Employer Pension Manager provided a presentation for the pre-retirement course on 6 February 2023 with the next one due in July 2023. A presentation was also given to new recruits on 17 February 2023.
4. HIWFRA is intending to run some Annual Allowance and Lifetime Allowance sessions for its staff. These sessions will be run by an external company called Pen-Gage who have a wealth of experience in these particular areas.
5. These sessions were booked in, but on the 15 March 2023, the Chancellor announced some changes to both the Annual Allowance and the Lifetime Allowance in the Spring Budget. Pen-Gage will now need a little bit of time to consider what this means and once reviewed, the sessions are now scheduled to take place in May 2023.

6. The changes announced do mean however, that less people are likely to now be affected by these pension tax issues. The Annual Allowance has been increased to £60,000; and the Lifetime Allowance has been effectively abolished, although there will still be a limit on the amount of tax free lump sum that a member can take which is fixed at £268,275.

IoW RDS ISSUES

7. Some issues have been raised specifically by RDS members on the IoW, we believe that these are general issues, but have stemmed from issues with communication prior to the Combined Fire Authority.
8. We are in the process of securing some potential dates to be able to run a couple of sessions, this will likely be week commencing 8 May 2023.
9. We have so far received 4 IDRPs Stage One appeals about the Isle of Wight members who bought back service as a special member in the 2006 Modified Fire Pension Scheme and elected to pay by periodical contributions.
10. We asked these members to provide more information and copies of any documents that they had and to date two appellants have submitted information. This is now in the process of being reviewed before any final determinations can be made by the Accountable Officer.

MEETINGS

11. The Employer Pension Manager continues to attend the fortnightly coffee mornings hosted by the LGA team. She has also attended the recent SE Fire Pensions Officer Group, the Fire Technical Working Group.

MEMBER PORTAL

12. The membership of those registered on the portal continues to rise slowly. The numbers of those registered as at 28 February 2023 are shown in the table below:

HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE								
HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
	Number	% of active membership	Number	% of deferred membership	Number	% of pensioner membership	Number	% of total membership
Registered	674	52.25%	477	36.69%	772	55.74%	1,923	48.38%
Not registered	616	47.75%	823	63.31%	613	44.26%	2,052	51.62%
Total	1,290	100.00%	1,300	100.00%	1,385	100.00%	3,975	100.00%

RISK REVIEW

13. 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

14. At the last Board meeting, the Board requested that a new risk was added specifically around staffing for the McCloud and Matthews remedies; this has now been added as risk number 7.
15. On 1 March 2023, some changes were announced about the Shared Services Partnership between Hampshire County Council, Hampshire and Isle of Wight Constabulary, the Office of the Police and Crime Commissioner and the Hampshire and Isle of Wight Fire and Rescue Service.
16. The announcement will affect some of the Strategic Services and the Board will note that by 31 March 2024 the Human Resources services will be transferred back to HIWFRS. As a result of the upcoming change a new risk has been added to the Risk Register to try and mitigate the loss of any pension expertise and other close working relationships.
17. At this time, no information is available about the future structure of the HR services within any of the partner organisations or about which staff may be transferred. The Board should note that these changes do not affect Hampshire Pension Services, but there may be an impact for the Employer Pension Manager as she sits within the current HR teams.
18. The board are asked to review the Risk Register, specifically the new risks of 7 and 8 and to suggest any amendments. The Risk Register can be found in APPENDIX A.

TPR GOVERNANCE AND ADMINISTRATION SURVEY

19. The annual TPR Governance and Administration Survey was completed and submitted on 15 February 2023. The Employer Pension Manager consulted the Pension Board members, Hampshire Pension Services and the Scheme Manager for comments or feedback before the final version was submitted.

PENSIONS DASHBOARD

20. On 2 March 2023, the Department for Work and Pensions (DWP) issued a written ministerial statement announcing a reset of the Pensions Dashboard Programme which will extend the delivery of pensions dashboards.
21. While the new timescales have not been confirmed, this will push the connection deadline for the FPS back from the scheduled date of 30 September 2024. The written statement can be found in APPENDIX B.

TEMPORARY PROMOTIONS

22. The Board may recall that 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.
23. 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.
24. The maximum cost envelope as agreed by HIWFRA of the estimated costs for the 41 protected members identified were £291,000 for lump sums and £50,000 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
2022/23	4	£10,334.00	£42,230.78
Total	40	£282,537.47	£42,230.78

25. There is only 1 member yet to retire and due to when their temporary promotion occurred and their subsequent career, this will have no additional impact on future figures. Therefore it is now possible to take account of future increases.
26. For 2023/24 there are a number of members who reach age 55 and therefore they will have Pensions Increases added to their annual pension for the first time. The additional annual pension will therefore be £48,959.33.

MATTHEWS / O'BRIEN CASE

27. The Employer Pension Manager has issued a pay data request spreadsheet detailing all the pay data that will be required for each member. This has been issued to the IBC Pensions Admin Team to provide the pay data for Hampshire cases and to the Isle of Wight payroll team to provide the pay data for the Isle of Wight cases.
28. The actual pay and whole time equivalent reference pay will be required for each scheme year of employment. The spreadsheet takes account of previously collected payroll data and therefore this will not be requested again.
29. The payroll teams have been given a deadline of 30 September 2023 to collate and provide the necessary information in preparedness for the Matthews implementation. The Employer Pension Manager has met with both the IBC Pensions Admin Team and the IoW payroll team to clarify the exact information that is required.
30. A communications spreadsheet has also been developed so that when letters are issued to members this can be recorded along with how the communication was issued and whether we receive any changes to contact details or returned mail.
31. Warm up communications will be sent to identified in scope members in the next couple of months and this will be the start of the process to communicate this opportunity to members. Once this has been issued, we will need to put out some additional communications to advise staff (past and present) what to do if they have not received this communication.
32. In addition to this, the Employer Pension Manager is also analysing the data to specifically separate the members into different cohorts. This is because we also need to take into consideration those that will be subject to the McCloud remedy as well.
33. The Employer Pension Manager attended the Matthews Technical Working Group meetings on the 7 February and 21 March.
34. The consultation for the second options exercise was published on 31 March 2023 and will run for ten weeks, closing on 9 June 2023. It has not been possible to include any information within this board report due to timings and therefore a summary and draft consultation response will be sent to Board members by email for comment.

McCLOUD / SARGEANT REMEDY

35. The Employer Pension Manager is continuing to attend both the monthly Cross Whitehall Project Management Group for all Public Sector schemes and the fortnightly Home Office Technical Working Group meetings with the LGA, NPCC, pension administrators from Police and Fire sector and also software suppliers.
36. The Employer Pension Manager met with Sean Harrison to discuss the comms plan and timeline. With the first communication about the consultation being in Routine Notice 9 March 2023.

McCLOUD REMEDY WORKING GROUP

37. The McCloud Remedy Working Group continues to meet monthly and helps to ensure that a consistent approach is used across all partners and aids the sharing of resources and knowledge.
38. The next challenge for this group will be to identify all the members that have some opted out service during the remedy period. We know that members that have opted out service may have the option to raise a contingent decision and may be given the opportunity to have the service re-instated.
39. We are still waiting for some further clarification and guidance from the Home Office and the LGA about the details on how this process is likely to work, but in the meantime, we can start to identify the potential cohort of these members and collect the necessary data as we know that reinstatement options will have to be provided to this group.

RETROSPECTIVE CONSULTATION

40. The Home Office published their consultation on the retrospective McCloud remedy along with draft legislation on 28 February 2023. The consultation will run for 12 weeks, closing on 23 May 2023.
41. The Employer Pension Manager has made an initial draft response to the consultation which can be found in APPENDIX C.
42. The Board are asked for their views on the consultation and asked to consider if they have any comments or feedback on the initial response that has been prepared.

RECOMMENDATION

43. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
44. That the risk register as set out in paragraphs 13-18 and Appendix A be approved by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

45. APPENDIX A – Risk Register
46. APPENDIX B – Written ministerial statement on pensions dashboards
47. APPENDIX C – Initial draft consultation response and explanation

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

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

Risk Register for Fire Pensions

Risk number	Date identified	Risk area	Risk description	Likelihood	Impact	Risk score	Control measure / mitigation	Likelihood after mitigation	Impact after mitigation	Risk score after mitigation	Risk owner
1	12/05/2017	Operations	Failure to administer the pension scheme in a proper and effective manner	2	3	6	a) Liaison with employer b) End of Year c) Employer hub (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Chief Finance Officer for HIWFRA or Standard's & Governance Committee or Director of Operations as appropriate g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services: - a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a “doer” and a separate “checker” e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HIWFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Group d) Fire Technical Group e) Fire Communication Working Group f) Fire Pension Board g) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Communications are developed in a timely manner b) Project is managed effectively with robust plans, reporting and escalation c) Key involvement from the Employer Pension Manager with both the Fire Technical Group and Fire Communications Working Group to ensure all information is received d) Work across departments to be co-ordinated from the McCloud Remedy Working Group	2	4	8	Scheme Manager
6	25/03/2022	Matthews	Failure to obtain all relevant information from IoW Council or to successfully implement the Matthews remedy for HIWFRA to all affected members within the timescales prescribed.	3	3	9	a) Liaison with IoW Council, IBC Pensions Admin Team and Hampshire Pension Services b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with 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
7	31/01/2023	Staffing	Failure to adequately resource the pension administration team for the upcoming McCloud and Matthews remedy implementations	3	3	9	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Job adverts revised to attract more staff to work in Hampshire Pension Services c) Training programmes put in place for staff to aid retention and to build skills, experience and knowledge	2	2	4	Pension Administrator
8	21/03/2023	Changes to Shared Services	Changes to the Shared Services partnership mean that HIWFRA is withdrawing from some strategic services, including HR. There is a risk that changes could negatively impact on the employer pension management shared function which sits within HR.	3	4	12	a) Liaison with HIOWC and HCC to have input to help determine the structure of the HR teams and what pension expertise is required b) Continue to make a case for access to specialist services c) Maintain good relationships with Hampshire Pension Services who are unaffected by the changes to the Shared Services Partnership	3	3	9	Scheme Manager

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

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

Written questions, answers and statements

UK Parliament > Business > Written questions, answers and statements > Find written statements > HLWS582

Pensions Dashboard Update

Statement made on 2 March 2023

Statement UIN HLWS582

Statement made by

	Viscount Younger of Leckie	>
	The Parliamentary Under Secretary of State, Department for Work and Pensions Conservative	
<hr/> Excepted Hereditary		Lords

Statement

My honourable Friend, the Parliamentary Under Secretary of State for Pensions (Laura Trott MP) has made the following Written Statement.

Pensions dashboards will allow individuals to view information about their pensions, including State Pension, in one place online. This will put savers in control and help reconnect them with their lost pension pots - for example, where a pension scheme has lost contact with a member - transforming how consumers think and plan for their retirement.

The Pensions Dashboards Programme, under the supervision of the Money and Pensions Service, is responsible for delivering the digital architecture which underpins pensions dashboards. The project is a significant undertaking, requiring the development of new technology that will permit individuals to find their pensions by searching thousands of pension schemes which collectively hold millions of pensions records. The first connection deadline is currently 31 August 2023. However, additional time is required to deliver the complex technical solution to enable the connection of pension providers and schemes, in accordance with the connection deadlines set out in the Pensions Dashboards Regulations 2022 and the Financial Conduct Authority's corresponding pensions dashboard rules for pension providers. More time is needed to deliver this complex build, and for the pensions industry to help facilitate the successful connection of a wide range of different IT systems to the dashboards digital architecture.

Given these delays, I have initiated a reset of the Pensions Dashboards Programme in which DWP will play a full role. The new Chair of the Programme Board will develop a new plan for delivery.

The framework set out in the Regulations for pensions dashboards remains fit for purpose. DWP will legislate at the earliest opportunity to amend the timing of these obligations to provide clarity to schemes. We will ensure that the pensions industry has adequate time and the necessary technical information to prepare for any revised connection deadlines. I will provide a further update to the House before summer recess.

Pensions dashboards will be a vital tool to help savers plan for their retirement and the Government remains thoroughly committed to their delivery. I know this commitment is shared across the pensions industry. The huge consumer benefits of pensions dashboards are yet to be realised, but it is vital that the foundation upon which the dashboards ecosystem is built is safe, secure, and works for

both the pensions industry users connecting to it and the end users of the service. While there are issues to work through, we must not lose sight of these benefits. It is essential that scheme preparation for pensions dashboards continues, and we will press ahead to deliver this technology.

Statement from

Department for Work and Pensions



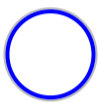
Linked statements

This statement has also been made in the House of Commons

Department for Work and Pensions



Pensions Dashboard Update



[Laura Trott](#)

Parliamentary Under Secretary of State for Pensions
Conservative, Sevenoaks

Statement made 2 March 2023

HCWS594

Commons

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

McCloud / Sargeant remedy: Phase two (retrospective) consultation

1. This is an initial draft response to the consultation. The final draft will be circulated to Board members prior to the deadline submission date of 23 May 2023.
2. The Firefighters Pension Scheme Retrospective Remedy consultation document and the draft Firefighters Pensions (Remediable Service) Regulations 2023 can be found on the Government webpages - <https://www.gov.uk/government/consultations/firefighters-pension-scheme-retrospective-remedy>

Introduction

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

Consultation questions:

Question 1 In and out of scope: Do the proposed amendments to the Scheme Regulations clearly define which members of the firefighters’ pension schemes meet the criteria to be eligible for remedy?

No

4. The draft Firefighter’s Pensions (Remediable Service) Regulations 2023 are not amendment regulations, but regulations that stand alone in their own right.
5. We agree that the eligibility criteria for the retrospective remedy is set out in Section 1 of the Public Service Pension and Judicial Offices Act (PSPJOA) 2022 – ‘Meaning of remediable service’.
6. Part 1, 2(1) contains the interpretations used in the draft regulations and has the following interpretation:

“remediable service as a firefighter” means, in relation to a member, the member’s remediable service in an employment or office that is pensionable service under a firefighters’ pension scheme;
7. We think it may be helpful to include ‘as defined in Section 1 of PSPJOA 2022’ under this interpretation.

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Eligibility is covered in paragraphs 5.1 to 5.12 of the consultation.

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

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

Yes

8. We note that Regulation 8 of the draft legislation states that no benefits can be paid to the member unless a Deferred Choice election has been made. And that Regulation 12 of the draft legislation is concerned with when that Deferred Choice decision is to be made.
9. Regulation 12(3)(b) states that a Deferred Choice election can only be made within the 12 week period after receiving the RSS. And Regulation 12(2)(a) sets out that a member must inform the scheme manager of their intention to retire and claim benefits during the period 12 and 6 months before the benefits are intended to become payable and is therefore requesting an RSS.
10. This could mean that a member could request an RSS 12 months prior to their intended retirement, and if they do not make an election within the prescribed 12 week period, or they make an election but revoke this prior to retirement, then the member will have to be sent a new RSS at retirement to enable them to make their election. This could put undue pressure on the pension administration teams, especially during the implementation 18 month period from 1 October 2023.
11. There would be a requirement for the pension administrators to record the date any election package was sent and to then record any subsequent election made within the 12 week timeframe and to hold this on file until such time as the member retires, or revokes their election. Whilst this may seem purely administrative, it is worth noting that pension administrators will need to build this into their processes.
12. It is not clear about what information should then be provided to members, after they have made an election, but before they have retired, and whether any RSS issued should continue to show both sets of information, just the chosen package, or a statement confirming that an election has been made.

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): DCU timing of RSS is covered in paragraphs 5.13 to 5.16 of the consultation.

13. *Regulation 12 of chapter 3, Part 3 of the draft Regulations confirms that the policy intention is that a Remediable Service Statement (RSS) can be requested during the period between 12 and 6 months prior to a Deferred Choice member's intended retirement date. The member will then have 12 weeks to make their election. The member may revoke this election at any point up to the point of the benefits coming into payment.*

14. An election can only be made within the 12 week period after receipt of an RSS. If the member does not make an election within the 12 week period or has revoked an earlier election, then no election will deem to have been made.
15. It is anticipated that members will only be permitted to request one RSS in a rolling 12 month period and where their intended retirement date is within the next 12 months.
16. If no election is held, and the member has completed the retirement declaration form, then a final RSS will need to be issued to the member and they will have 12 weeks to make their election.
17. If the member has retired and no election is received within the election period, then the Scheme Manager will make a decision about what set of benefits are to be put into payment.

Annual Benefit Statements (ABS) / RSS are covered in paragraphs 5.33 to 5.41 of the consultation and in Regulation 2 of Part 2 of the draft regulations:

18. RSS' will be issued annually for all Deferred Choice members this will be combined with their Annual Benefit Statement so members will see on an annual basis what their current value of benefits are along with those projected to their Normal Pension Age of age 60 for Active members.

What will be in the RSS? The PSPJOA 2022 specified the type of information which must be contained within an RSS as:

- a) A description of the benefits available under the legacy scheme
 - b) A description of the benefits available under the reformed scheme
 - c) A description of the benefits available for any Opted Out Service
 - d) A description of how any election may be made
 - e) A description of the arrangements relating to added pension contributions (if any)
19. HM Treasury Directions provided more details around the content of the RSS and the following corrective amounts and treatment for each item must be contained within the RSS:
 - a) Annual Pension
 - b) Lump Sum
 - c) Employee pension contributions
 - d) Added pension contributions
 - e) Transfers in
 - f) Transfers out
 - g) Annual Allowance
 - h) Compensation amounts owed to the member – typically these are refunds to the member (e.g. contributions, added pension, transfers, annual allowance)

- i) *Interest on each of the individual elements – either owed by the member or to be paid to the member*

Question 3 Ill-health Retirement: Do you think the proposed arrangements for members that qualify for Ill Health Retirement during the remedy period (1 April 2015 – 31 March 2022) may cause any adverse impacts?

No

20. However, we would like to make the following comments about the Ill Health Retirement (IHR) parts of the consultation and draft legislation.

Reassessment

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

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

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

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

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

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

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

IQMP reassessment

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

‘(3) The IQMP must -

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

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

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

5 year review

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

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Ill Health Retirement is covered in paragraphs 5.64 to 5.68 of the consultation and Chapter 2 of Part 7 of the draft regulations.

Question 4 Added pension: Do you think the policy proposals in relation to the scheme members with added pension puts all eligible members in the same position?

Yes

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

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

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Added pension is covered in paragraphs 5.45 to 5.47 of the consultation and Part 5 of the draft legislation.

31. *Added pension contributions in the reformed scheme paid during the remedy period will be refunded in the form of compensation and will be reduced to reflect the amount of tax relief that the member received. Simple interest at 8% will be added.*

32. *For an Immediate Choice (IC) member who chooses legacy scheme benefits, any amounts of annual pension and lump sum which relate to the added pension must be repaid by the member.*

33. *For IC and DC members who choose reformed scheme benefits and had an added years contract in the legacy scheme which commenced during the remedy period, they will be refunded in the form of compensation which will be reduced to reflect the amount of tax relief that the member received. Simple interest at 8% will be added.*

34. *For an IC member who chooses reformed scheme benefits, any amounts of annual pension and lump sum which relate to the added years pension must be repaid by the member.*

Question 5 Transfers: Do you think that the policy proposals that transfers that came into the 2015 reformed pension scheme will be held in the 2015 reformed pension scheme until the point of decision achieves the policy intention of preserving transfer rights?

Yes

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

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

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

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

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

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

39. We would therefore appreciate some clarity over the compensation element and how the equal value will be achieved.
40. We also note that you have decided not to utilise the Additional Pension Benefits as a way of adjustment for these cases. These apply in the all the fire legacy schemes and is how it was determined that temporary promotions that were deemed pensionable, would be treated from 1 July 2013 when the legislation was amended.
41. We believe that the Additional Pension Benefits is a missed opportunity to utilise a framework that is already in existence and is understood by pension administrators and members. If the “compensation” due to members that choose legacy schemes, is to be paid in the form of pension benefits, then we think that this could easily be achieved by an actuarial adjustment.

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Transfers are covered in paragraphs 5.42 to 5.44 of the consultation and Part 6 of the draft regulations.

- 42. Transfers that have been received into the 2015 scheme during the remedy period will not be rolled back to the legacy scheme with other benefits and instead will be held in the 2015 scheme until the member makes their Immediate Choice or Deferred Choice election.*
- 43. If a member elects for reformed scheme benefits, then no action will be required to remedy the transferred in benefits.*
- 44. If a member elects for legacy scheme benefits the transfer will buy equivalent service in the legacy scheme, whether this is possible or not will depend on whether the legacy scheme would permit a transfer and then whether the additional service would breach the service cap.*
- 45. Where the transfer is not permitted, cannot be achieved in full, or where the member does not have relevant reformed scheme service, then the member will be paid an amount of compensation equal to the value of rights to reformed scheme benefits. If, however, the member has relevant reformed scheme service post 1 April 2022, the transfer will become associated with the reformed scheme service. The calculations of the relevant amounts will be based on actuarial calculations.*

Question 6 Bereavement: Do the proposed amendments to scheme regulation achieve the policy intention of ensuring that the resulting 'member representative' can make an immediate choice or deferred choice in relation to the remedy period service of a deceased member?

Yes

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

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Bereavement and child pensions are covered in paragraphs 5.101 to 5.108 in the consultation document and Part 7, Chapter 1, Regulation 48 and the Schedule in the draft legislation.

47. Regulation 48 protects any child's pension that is already in payment and means that it cannot be reduced by any decision made by the members eligible representative who is not the legal parent / guardian of the child, that otherwise would ordinarily result in a reduction to the child's pension.

48. The Schedule sets out the order of priority to determine who the member's representative will be (depending on the circumstances of the specific case), this will apply where a member has died before making an immediate or deferred choice election.

The order is:

- a) An adult survivor (spouse, civil partner, life partner)*
- b) Personal representatives (an executor)*
- c) Parent/guardian of surviving children*
- d) An adult surviving child*
- e) A person agreed upon by parents/guardians and or adult surviving children and if applicable parents/guardians to be the member representative*
- f) The scheme manger*

Question 7 Contingent decisions: Do you think the proposals with regards to contingent decisions give members opportunities to revisit pension benefit decision taken during the remedy period?

Yes

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

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

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

Contingent decision process

51. The process for contingent decisions does not appear to be clear in either the consultation document of the draft legislation. There is no defined election period, and there does not appear to be any timescales for how long a scheme manager may take to decide about any such election. If the contingent decision claim is accepted, then there appears to be no timescales for the provision of an appropriate RSS in relation to the contingent decision. And then how long and what options the member has to make the contributions necessary for any contingent decision.
52. It would be helpful if, scheme managers were all working to the same prescribed timeframes and had the same process to follow, as this will help to ensure consistency both locally and nationally. We would welcome any additions to the legislation or at the least a confirmation of the policy intention.
53. We believe that there is sufficient information in the draft legislation and consultation document to outline the policy intention of what evidence would be acceptable for opted out service, where evidence is required. There does not however appear to be the same level of detail about other contingent decisions and relies on scheme manager decisions.
54. Each Fire and Rescue Authority has its own scheme manager with each able to make their own decisions. Additional guidance or legislation which sets out the criteria and parameters of which contingent decision claim cases can be accepted is required to ensure that there is consistent decision making both locally and nationally.

Opted Out Service

55. Neither the consultation document nor the draft legislation appears to provide any timescales for when a member would be required to pay the contributions for the opted out period of membership. If this was left and not required to be paid until the member made their Deferred Choice election, then this could seem as very favourable to the member.
56. If the intention is that the member would have the same options as a deferred choice member, that is to not make a decision until their benefit crystallisation date, then information about the member, their opted out period, associated benefits and a contribution adjustment record would have to be maintained for an indefinite period of time. There are then questions over who should hold this information as it is not yet

pensionable service and therefore may not be appropriate for the pension administrators to hold this.

Explanation for HIWFRA Board members (this will not be included in the response to the consultation): Contingent Decisions are covered in paragraphs 5.76 to 5.92 of the consultation and Part 3, Chapter 1 and Part 5, Regulation 28 of the draft regulations.

57. There are three types of contingent decisions for members, these are opted out service, purchase of additional service and transfers in or out.

58. For opted out service, members that have opted out service during the remedy period, where the opt out date was no earlier than 6 months before 1 April 2015 or at any point within the remedy period, will have an automatic right to make a contingent decision claim and they will not have to provide any evidence for their claim to be successful.

59. This means that any opt out decision that was made between 1 October 2014 to 28 February 2022 will automatically be able to buy back the opted out service in the period 1 April 2015 to 31 March 2022.

60. For members that opted out between 12 March 2012 to 30 September 2014, they may still make a contingent decision claim, but they will need to provide evidence that they opted out because of the reformed scheme. These claims will be assessed by the Scheme Manager and are not guaranteed. If successful, they will be able to buy back any opted out service in the period 1 April 2015 to 31 March 2022.

61. Paragraph 5.82 confirms that Section 5 of the PSPJOA 2022 allows remedy period service to be reinstated, but does not provide the power to reinstate any service pre or post remedy period. Where a member can demonstrate to the scheme that they had a compelling and reasonable case to do this, schemes will need to use provisions in the existing scheme rules to opt in in respect of any pre or post remedy period service.

Question 8: Are there any other areas which you think should be addressed in these regulations in order to ensure that all eligible members receive a choice of pension benefits at their point of retirement, for the period for which the discrimination existed (1 April 2015 – 31 March 2022) on 1 October 2023?

No

Question 9: Are there any additional points not covered in this consultation paper that need to be considered as part of the proposed amendments to scheme regulations?

Yes

Contributions

Payment of amounts to scheme manager

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

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

63. It could be argued that a firefighter does not have any entitlement to a lump sum benefit as the pension schemes only provide an entitlement to an annual pension. The member must make an election to commute some of the pension to achieve a lump sum. If a member therefore chooses not to commute any part of the pension, then any net liability would have to be deducted from the annual pension. Where this occurs, it should be made clear that as the annual pension payment due is subject to PAYE income tax, then the deduction of the net liability would have to be deducted as a post-tax deduction.
64. It perhaps therefore may prove useful to set out the order of benefits which deductions for the net liability may take place. This may seem obvious, but we know from the first options exercise for the special members of the 2006 Fire Pension Scheme, that when deductions of arrears of pension contributions were deducted from the arrears of annual pension that were due, that not every case was treated correctly for income tax purposes and that some of those deductions occurred on the pre-tax amount.
65. Alternatively, and what may prove to be a better solution is to ensure that there is a legislative requirement for the net liability to be deducted from the lump sum and therefore the member would be required to commute the minimum amount necessary to pay off the net liability.

Contributions adjustment record

66. Whilst we completely agree that there is a need for a contribution adjustment record to be created and held and this would need to be utilised by the pension administrator so that the information can be populated within the Remediable Service statement, but the legislation itself does not create the contribution adjustment record.
67. As many contribution adjustment records will be in place for several years to come, it will be necessary for the detailed information about how the contribution adjustment has been calculated to be available, both for audit purposes and also to provide evidence should any future claims or appeals be made to Fire and Rescue Authorities about the calculations. We would like to see legislation or least some policy intentions of how this is achieved and what framework will be in place to ensure that the correct information is stored and used.

The term roll back

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

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

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

69. The term roll back is not a legislative term and in fact roll back occurs when section 2(1) of the PSPJOA 2022 comes into force on 1 October 2023. But at roll back, members will not know what compensation they are due or what monies they may owe, this information will not be available to members until they receive their first RSS which will be by 1 April 2025. We would be grateful if you could clarify this position.
70. We also note that there does not appear to be any options provided for within the legislation to determine at what points the member may choose to settle their contribution adjustment record. We note that the member will have the option after the initial RSS and that for Deferred Choice members they will have this option at retirement, but some members may want to settle this amount before retirement to avoid more interest being accrued. We would like to see the option to settle this account on an annual basis within 12 weeks of the issuing the RSS included within the legislation.

Abatement

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

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

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

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

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

Question 10: Do any of the proposed amendments unlawfully discriminate against a particular protected characteristic, fail to advance the equality of opportunity between those who share a protected characteristic and those who do not, or fail to foster good relations between people who share a protected characteristic and those who do not?

No

Other information in the draft Regulations or consultation that the Board may find useful this will not be included in the consultation response:

Default option:

74. The default option will be for members to receive legacy scheme benefits. Where an election is not made within the relevant election period, the scheme manager may use their discretion and consult the scheme actuary to determine if reformed scheme benefits are greater and pay these instead.
75. If a member dies after making an election but before the benefits come into payment, the election will be deemed to not have been made and the eligible decision maker will receive a new RSS and will have 12 weeks to make their election.

Interest

76. Regulation 55 & 58, Chapter 2 of Part 9 in the draft regulations. Paragraphs 5.23 to 5.32 in the consultation
77. Interest will be applied to each debit and credit individually before any netting off occurs, this is so not to disadvantage any member.
78. Interest starts to accrue from the mid point of when the payment was due and is calculated up to the date 28 days after the initial RSS issue date. For example, if the earliest date of an under or overpayment was 30 April 2019 and the 28 days after the initial RSS was 29 January 2024, then the mid point would be 14 September 2021. The exception to this is lump sum amounts where interest accrues from the date of retirement.
79. As per the Public Service Pensions Directions 2022 which came into force in December 2022, we know that money owed to the member will have simple interest at 8% added; and that money owed to the scheme by the member will have compound interest based on the NS&I rates applicable added.

NS&I Equivalent Savings Rate	
Effective from	Gross annual equivalent rate
01/04/2014	1.10%
06/06/2016	0.80%
01/05/2017	0.70%
01/12/2017	0.95%
01/10/2018	1.00%
24/11/2020	0.15%
29/12/2021	0.35%
10/02/2022	0.50%

21/07/2022	1.20%
25/10/2022	1.80%
13/12/2022	2.30%

Contribution adjustment

80. Chapters 3 & 4 of Part 9 in the draft regulations. Paragraphs 5.48 to 5.63 in the consultation
81. Members being rolled back to the 1992 Scheme or to the 2006 Modified Scheme will owe contributions, these can be paid at the point of rollback or they can keep a contribution adjustment record which must be paid off at retirement and deducted from pension benefits.
82. Members being rolled back to the 2006 Scheme will be owed contributions in the form of compensation. Members who are due compensation may either have that paid to them at rollback, or they may elect to keep a contribution adjustment record until retirement. If a member chooses to have the compensation paid at rollback, and they subsequently elect for reformed scheme benefits, the position will be reversed, and the member will owe the contributions which must be paid at retirement and deducted from pension benefits.
83. For Immediate Choice members, the contribution adjustment will be dealt with when the member makes their election, with either a deduction from pension benefits or paid as compensation to the member.
84. Tax relief can only be provided to active scheme members, at the point the contributions are paid tax relief will be calculated based on their marginal rate. For former members of the scheme, an adjustment will be made to the contributions to take account of the approximate amount of tax relief that they would have been entitled to.

Immediate Detriment cases

85. Part 8 confirms that where a member has previously received Immediate Detriment, they are not permitted to make an Immediate Choice Election, in other words, the decision they made is irrevocable.

Divorce

86. Regulations 16 to 25 of Part 4 in the draft regulations. Paragraphs 5.93 to 5.1000 in the consultation
87. Some divorces result in a Pension Sharing Order (PSO) which means there is a court order for a share of the pension to be given to the ex-spouse. To calculate the value of

the pension pot, a Cash Equivalent Transfer Value (CETV) is calculated and a court order determines what percentage of this will be provided to the ex-spouse. In practical terms a debit of the required percentage is applied against the members pension and the debit is used to create a Pension Credit account for the ex-spouse.

88. In all cases, the CETV calculation will calculate both the legacy and reformed and the Pension Credit member will receive the higher amount, regardless of what the member chooses. This means that the ex-spouse will not be affected by any choices that the member makes for themselves.

Overpayments and underpayments – Pensions in payment

89. Paragraphs 5.109 to 5.112 in the consultation document set out the principles for overpayments and underpayments. This will primarily affect Immediate Choice members.

90. Where a pension is already in payment and the member makes an election which will make a change to those benefits in payment, the change is backdated to the original retirement date. Underpayments of additional pension or lump sum owed from the scheme to the member will have simple interest at 8% added. Overpayments of annual pension and or lump sum will have compound interest added based on the NS&I rates; these will have to be repaid by the member.

Abatement

91. Paragraphs 5.69 to 5.75 in the consultation document cover abatement to pensions. This will only apply to Immediate Choice members.
92. Abatement is only applied to the legacy portions of the pension benefits, it does not apply to the reformed scheme benefits. Any member that changes the amount of the legacy scheme benefits in payment and has had abatement applied previously will see a change to the amount of pension abated.
93. The policy intention is that all abatement cases will need to be retrospectively revisited to assess the amount of pension that should be abated. Any overpayments or pension will need to be recovered and any underpayments will need to be repaid. Both underpayments and overpayments will have interest applied. This information will be set out within the RSS that is sent to the member.

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

HIWFRA Firefighters Pension Board

Purpose: Approval

Date: **17 April 2023**

Title: **PENSIONS COMMUNICATIONS PLAN**

Report of the Assistant Chief Officer

SUMMARY

1. Due to recent changes in legislation and court rulings government will shortly be providing remedy options for members and eligible members of the Firefighters' Pension Board to consider and act upon. To ensure our staff and past members have a clear understanding of the processes and any timelines it is important the Pensions Board regularly communicates with them. To assist with joint understanding and agreed messaging, it is proposed that a regular agenda item be added to the Pensions Board standing agenda, supported by a communications strategy (WRAP) attached within appendices.
2. The aim of this report is to agree the recommendation to the Pensions Board to add communications to the standing agenda. This meets our commitment to ensure our teams are regularly updated and have clear knowledge of items that may affect them with regards to the firefighter pension schemes

BACKGROUND

3. Changes to pensions following McCloud / Sargeant age discrimination court case. When the Government reformed public service pension schemes in 2014 and 2015, they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.
4. The Government has confirmed that there will be changes to all main public sector schemes, including the Local Government Pension Scheme (LGPS) and the Fire Pension Schemes, to remove this age

discrimination. This ruling is often called the 'McCloud judgment' after a member of the Judges' Pension Scheme involved in the case. There are different approaches to the LGPS and the Fire Pension Schemes.

5. The Fire Pensions Board recognises the volume of activity. Some of the complexities are: For Fire Pensions, there are 3 final salary schemes, the 1992, the 2006 and the 2006 Modified schemes. Members had different amounts of protection applied to them based on age and this determined when they would move to the 2015 CARE scheme. The Public Service Pension Scheme and Judicial Offices Act 2022 closed the final salary schemes on 31 March 2022 and any remaining members were all moved to the only remaining scheme of the 2015 Scheme.
6. The McCloud remedy implementation period will commence on 1 October 2023 and will take up to 18 months to implement fully for all affected members. All members will be given a choice of whether to receive legacy scheme or reformed scheme benefits for the remedy period (1 April 2015 to 31 March 2022). This means for retired and deceased members they will need to make an Immediate Choice and their benefits may need to be amended. For active and deferred members they will make their choice at their retirement.
7. To enable rollback to the legacy schemes, there will be employee pension contribution adjustments, including tax relief and interest to be applied; there will be recalculations of the 7 years of Annual Allowance calculations; there will be difference in pensionable pay for the different schemes; there are differences in ill health and death benefit entitlements, and all of this has to be communicated to the member.
8. In addition, there is the Matthews remedy which will apply to on-call firefighters only. The challenge with this remedy is that it will apply to members who may never have had a pension previously and may have left the service 20+ years ago. Depending on their service and their choices for Matthews remedy this could alter or bring them into scope for the McCloud remedy.

Communication Plan

9. The Board is asked to review and agree the attached Communications Plan which details when agreed information should be communicated with pension board members and those non members who are now eligible.

SUPPORTING OUR SAFETY PLAN AND PRIORITIES

10. The communications agenda item and communications plan support our commitment to ensure all past and present staff eligible under the new legislation have timely up to date information that will support them with their decision making.

RESOURCE IMPLICATIONS

11. The management of the communications plan is within our current resources.

IMPACT ASSESSMENTS

12. There are no impacts from this report. Assessments will be carried out for activities where appropriate.

LEGAL IMPLICATIONS

13. There are no legal implications arising from this report.

BENEFITS

14. The expected benefits will support an improved awareness of current and retired employees to understand the options open to them. Understand the proposed timescales and increase the sign up and use of the Pensions Members Portal.

RISK ANALYSIS

15. Information and timescales indicated changing due to complexities of software and government schemes of remedy.
16. Mixed messaging from other sources operating under different risk strategies and against government guidance.

EVALUATION

17. This will be completed when a review of increased sign up to the Pensions Membership Portal.
18. Engagement with current and ex members of HIWFRS, HFRS and IWFRS for the McCloud / Sargeant age discrimination court case and the Matthews part time workers case.

CONCLUSION

19. The Pensions Board wishes to ensure its past and present membership are provided with timely information to support their decision making and to raise awareness to ex members of the Services that are now entitled to a pension that had been excluded in the past.
20. Within HIWFRS, we have excellent communication teams that can support our desire to inform individuals of the changes to the pension schemes and options open to them. By regularly reviewing the information shared with the Pensions Board and ensuring this is communicated widely, this will support our membership in understanding options available to them and when. You must set out clearly what you are recommending and why.

RECOMMENDATION

21. That the HIWFRA Firefighters' Pension Board receives the Communications Plan in Appendix A and approves the addition of a standing agenda item, entitled Communications, to its future meetings.

APPENDICES ATTACHED

22. Communications plan – Pensions – Appendix A.

Contact: Sean Harrison, Station Manager (Pensions Board Member), sean.harrison@hantsfire.gov.uk, 07584704526



COMMUNICATIONS PLAN

PROJECT TITLE

Pensions

DATE 2 7 0 1 2 0 2 3

OVERVIEW

Changes to pensions following McCloud / Sargeant age discrimination court case

When the Government reformed public service pension schemes in 2014 and 2015, they introduced protections for older members. In December 2018, the Court of Appeal ruled that younger members of the Judges' and Firefighters' Pension schemes have been discriminated against because the protections do not apply to them.

The Government has confirmed that there will be changes to all main public sector schemes, including the Local Government Pension Scheme (LGPS) and the Fire Pension Schemes, to remove this age discrimination. This ruling is often called the 'McCloud judgment' after a member of the Judges' Pension Scheme involved in the case. There are different approaches to the LGPS and the Fire Pension Schemes.

The Fire Pensions Board recognises the volume of activity. Some of the complexities are:

For Fire Pensions, there are 3 final salary schemes, the 1992, the 2006 and the 2006 Modified schemes. Members had different amounts of protection applied to them based on age and this determined when they would move to the 2015 CARE scheme. The Public Service Pension Scheme and Judicial Offices Act 2022 closed the final salary schemes on 31 March 2022 and any remaining members were all moved to the only remaining scheme of the 2015 Scheme.

The McCloud remedy implementation period will commence on 1 October 2023 and will take up to 18 months to implement fully for all affected members. All members will be given a choice of whether to receive legacy scheme or reformed scheme benefits for the remedy period (1 April 2015 to 31 March 2022). This means for retired and deceased members they will need to make an Immediate Choice and their benefits may need to be amended. For active and deferred members they will make their choice at their retirement.

To enable rollback to the legacy schemes, there will be employee pension contribution adjustments, including tax relief and interest to be applied; there will be recalculations of the 7 years of Annual Allowance calculations; there will be difference in pensionable pay for the different schemes; there are differences in ill health and death benefit entitlements, and all of this has to be communicated to the member.

In addition, there is the Matthews remedy which will apply to on-call firefighters only. The challenge with this remedy is that it will apply to members who may never have had a pension previously and may have left the service 20+ years ago. Depending on their service and their choices for Matthews remedy this could alter or bring them into scope for the McCloud remedy.



COMMUNICATIONS PLAN

RISKS AND CONSIDERATIONS

Complexity of Information

Messages need to explain clearly the different options for different individual circumstances

Volume of comms activity required

Low take up of registration on ESS lite and Pension Member Portals may mean individuals do not receive personal updates

Information will potentially be shared during a period of industrial action

OBJECTIVES

OBJECTIVES – what is the Service trying to do?

Provide clear advice for employees so they understand what action (if any) they need to take immediately or in the future.

Colleagues feel informed and know where to seek information about pensions.

Encourage colleagues to register for Pension Member Portal and ESS Lite so that their personal information is up to date for any direct communications to home address or by email regarding their pension.

Give colleagues the opportunity to take part in the Government consultation.

Manage the expectations of colleagues regarding when they will receive pensions information about remedy, including those nearing retirement, once the legislation is in place from 1 October 2023.

For Matthews – contact or get messages out to those that have left the service.



COMMUNICATIONS PLAN

AUDIENCE INSIGHT

DATA OR AUDIENCE INSIGHT – who are we targeting and why?

All colleagues – pension changes are coming
 Grey Book – changes to Firefighter pension schemes including options to re-join previous scheme/ pay lump sums or staged payments into the scheme for on-call colleagues.
 Green Book – changes to LGPS less complex and will be targeted with separate messages later.
 Ex-service colleagues – for Matthews remedy, we may not have up to date contact details and need to reach out as far as possible

AUDIENCE INTENDED OUTCOME

AUDIENCE GROUP	THINK	FEEL	DO
All Grey Book	Awareness and understanding Manage expectations for those in last few years		
On call (could be WT) Joined before 2006 Matthews scheme	Understand they have entitlement to buy back years Could take it off final pension (affects life)	Pay back Benefits (Q&A)	
Some affected by both (joined the Service before 2015)			
Green Book/Members of LGPS			



COMMUNICATIONS PLAN

STRATEGY

OUR APPROACH

Communicate more regularly in line with a timeline of activities – drip feed messages to audiences

Explain in clear steps what will be happening and how it fits with what is going on

Help people understand what decisions they need to make now

Signpost people to the SharePoint site and Pensions Member portal

Encourage sign up to ESS lite as specific updates to home addresses will use the personal data from here – promote other benefits of this (example – they need to go to the site for their P60 and payslips)

Provide posters to be put up in stations for Matthews remedy

KEY THEMES FOR MESSAGING

All public pension schemes (Firefighter and LGPS) will be affected by new legislation which will be introduced in October 2023

Complex changes mean Individuals will be required to take differing actions depending on their pension and contract type.

Different rules will apply to different people

Make sure your personal information is up to date. Register on the relevant pension member portal and ESS lite to ensure you receive personal updates



COMMUNICATIONS PLAN

Remedy in place from 1 Oct, but updates for individual cases will not become available straightway, do not bombard Pensions team.

Signposting: Check the Pensions SP site/Members portal for the latest updates



COMMUNICATIONS PLAN

WRAP

WHATS HAPPENING?

Significant changes to pension schemes expected in 2023 due to McCloud/Sargeant discrimination case.
 There will be changes to LGPS and Firefighter pension schemes benefits following the outcome of a consultation in 2023, expected in October 2023.
 Changes for members of the Firefighters Pension Schemes will be more complex with different rules for different staff groups.

REASONS WHY?	
1.	Government changes to public sector pensions following McCloud/Sargeant discrimination case
2.	Consultation on new legislation begins in Feb/March 2023
3.	Outcome/solution expected October 2023, which will affect all public sector pensions

ACTIONS OR ACTIVITIES	
1.	Members of Firefighter pension schemes need to understand complex changes and how they are individually affected
2.	On call firefighters will have opportunity to re-join old scheme or make payments into scheme as appropriate
3.	All colleagues required to sign up for ESS Lite/Pensions Member portals and ensure their details up to date

PAYOFF OR BENEFITS?	
1.	Colleagues understand changes and make informed decisions about their pension
2.	Colleagues' expectations are managed, they understand timescales and implications of changes on their pension
3.	Pensions team does not become overwhelmed with enquiries



COMMUNICATIONS PLAN

IMPLEMENTATION

CHANNEL MIX

Routine notice, SharePoint pensions page* and homepage, email, Drill night download, talking head short videos by Pensions Board, input by pensions board members at Managers and Group Managers Forums

Posters in stations and PMA for Matthews

*Regular numbered updates on the pensions portal page, so people can easily catch up with any updates they have missed

DATE	MILESTONE	AUDIENCE	ACTIVITY
early Mar (CN)	Consultation on legislation opens	Grey book	Portal homepage update RN/DND article
April (TBC)	Warm-up comms on in scope of Matthews	Grey book	RDS/ex RDS plus RDS to WDS - Portal homepage update RN/DND article
May 2023 (tbc)	Reminder of consultation closing date	Grey book	Portal homepage update RN/DND article
Early Summer (tbc)	Share remedy timetable	Grey book	Portal homepage update RN/DND article
Summer	How remedy will affect members of Firefighters pension scheme	Grey Book	Pensions Board webinar
Summer	How remedy will affect members of LGPS	Green Book	Pensions Board webinar
1 October	Start of implementation period	Grey book	Portal homepage update RN/DND article



COMMUNICATIONS PLAN

ACTIVITY SCHEDULE

EVALUATION

HOW WE INTEND TO MEASURE OUR SUCCESS

Good understanding throughout HIWFRS and ex members on their options and take up.

OUR SCORING - what happened as a result of our plan?

INPUTS	OUTPUTS	OUTAKES	OUTCOMES	ORGANISATION IMPACT
e.g., Content Development	e.g., analytics & reach	e.g., awareness	e.g., advocacy & Action	e.g., reduction in incidents



COMMUNICATIONS PLAN

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