

		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

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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



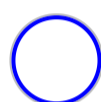
Linked statements

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 manager*

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.