



FPS Bulletin 13 – October 2018

Welcome to the thirteenth (unlucky for some) issue of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, don't forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

Contents

[Calendar of events](#)

[FPS](#)

- [FPS 2016 valuation - update](#)
- [Review of scheme factors](#)
- [FPS benchmarking exercise - update](#)
- [ABS survey - deadline extended](#)
- [Ill-Health and Injury Determinations and role of IQMP](#)
- [October query log](#)

[Other News and Updates](#)

- [Budget 2018](#)
- [TPR Governance and Administration survey 2018](#)
- [TPO update](#)
- [LGA website revamped](#)

[HMRC](#)

- [HMRC newsletters/bulletins](#)
- [Contracting-out reconciliation update](#)
- [Reporting non-taxable death benefits](#)

[Training](#)

- [Pensions tax support - update](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

South East regional FPOG	2 November 2018
Cost-effectiveness committee	12 November 2018
South West regional FPOG	15 November 2018
LGA Leadership Essentials Fire & Rescue (Elected members)	28-29 November 2018
Eastern regional FPOG	29 November 2018
SAB	5 December 2018
Firefighter Pensions Technical Community	12 February 2019
North East regional FPOG	19 February 2019
LGA Leadership Essentials Fire & Rescue (Elected members)	26-27 February 2019
LGA annual fire conference and exhibition	12-13 March 2019

FPS

FPS 2016 valuation - update

On 11 October 2018 the Home Office commissioned the Scheme Advisory Board (SAB) for advice under [Section 7 of the 2013 Act](#) and [regulation 4E](#) of the Firefighters' Pension Scheme (England) Regulations 2014, thereby initiating formal consultation, with a view to reaching agreement, under [regulation 150A](#) of the 2014 Regulations.

The SAB is well placed to engage in this consultation. The Board's [cost effectiveness committee](#), constructed from stakeholders across the sector and supported by the Board's independent actuarial advisor, is due to meet in early November to discuss options for rectifying the breach to the cost cap floor.

The consultation will run until 5 December 2018. If agreement cannot be reached at the end of the consultation, there will be a period of three months during which the Home Office will continue to engage with the SAB to attempt to agree a consensus position. If a consensus position is not reached within that three month period, the default position of an increase to the 2015 accrual rate will be applied.

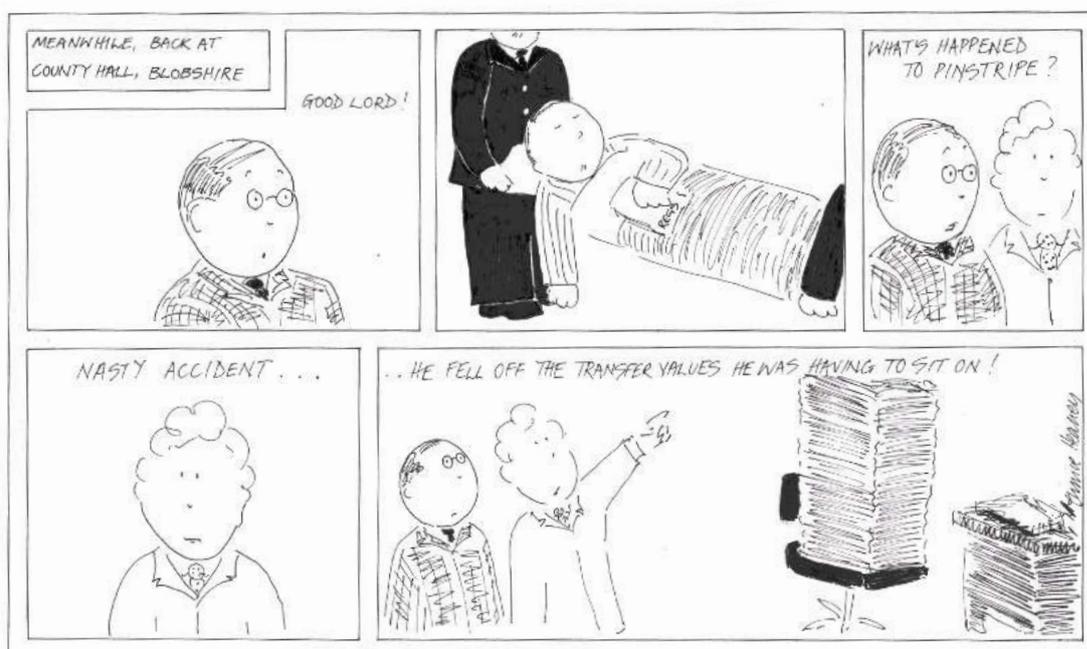
GAD have advised that the indicative accrual rate will be 1/51.2 and based on this, the indicative employer contribution rate would be 30.2% (which includes the costs of ill-health retirements). HM Treasury have indicated that there will be additional funding available in the first year to cover most of the increase in the employer's cost; after this the additional cost will be considered alongside other funding pressures as part of the comprehensive spending review. However, the final employer contribution and accrual rate will not be known until the end of the formal consultation period between the SAB and the Home Office.

Board consultations and responses will be published [here](#) once they are available, and monthly updates will be provided in the bulletins.

Review of scheme factors

As readers will be aware, the change to the SCAPE discount rate means that certain GAD factors have to be reviewed. The Home Office have provided a letter detailing the changes which can be viewed at [Appendix 1](#).

New commutation factors are expected imminently and will be published on www.fpsregs.org as soon as they are available, with an email notification sent to all FPS stakeholders.



As was the case in 2016, transfer calculations will need to be put on hold until new actuarial factors are issued. All factors once available will be published on the [GAD Guidance](#) section of the website.

[FPS benchmarking exercise - update](#)

As detailed in [FPS Bulletin 12 – September 2018](#), a benchmarking review of administration service and costs within the FPS is being undertaken by Aon to address one of the SAB's key objectives in ensuring the cost-effectiveness and efficiency of the schemes.

The Bluelight team has been working closely with Aon and external stakeholders to finalise the survey questions for employers, administrators, and members. The employer and administrator surveys will be issued in Excel format to allow them to be saved during and after completion if input from various departments is needed. Subject to approval of the SAB's [administration and benchmarking committee](#), these surveys will be available during November.

The member survey will be web-based and follow at a later date. We hope to promote this using our network of contacts at FRAs.

Further updates on the progress of the project will be provided in the bulletins and we intend to set up a dedicated page on the FPS regulations and guidance website to hold notes of all meetings and any other related documentation. Please watch this space and take the opportunity to complete the surveys once they are ready for completion.

[ABS survey – deadline extended](#)

We were pleased to launch the [2018 ABS survey](#) in last month's edition of the bulletin.

Thank you to those that have already completed the survey; we have received replies from a good proportion of Authorities. The deadline for responses has been extended to **14 November 2018** to allow for any final submissions to be made.

The survey should be completed by FRAs, administrators, those involved with Local Pension Boards, and any other stakeholders with an interest in the ABS process. We welcome multiple replies from FRAs to enable us to build up a comprehensive picture of the current landscape.

[Ill-Health and Injury Determinations and role of IQMP](#)

We have recently been made aware of a pensions ombudsman adjudicator case, where the adjudicator found the FRA to have 'acted blindly' on their acceptance of an IQMP report. The adjudicator has instructed the Authority to appoint a new IQMP and reconsider the case.

While the rules determine that the opinion of the independent qualified medical practitioner is binding on the Fire Authority, they firstly determine that the Fire Authority is the ultimate decision maker. Therefore the Authority need to ensure processes are in place to question whether the decision has been made properly and the IQMP is in receipt of all the appropriate medical evidence. This is also consistent with employment law, under which it would be unreasonable/unfair to act on a flawed medical report.

Case law further supports the argument that the decision maker must not act blindly in accepting a medical opinion, and should ensure the IQMP reaches their opinion in a proper manner.

- [Court judgment](#) for the police scheme that the Police Authority is the ultimate decision maker not the Selected Medical Practitioner (SMP)
- [PO-9253](#) (para 32) demonstrates that decision makers have a responsibility when seeking and taking medical advice and should not just rely on it at face value.

In order to ensure that Fire Authorities have not ‘acted blindly’, they should ensure they do not simply accept the advice of the IQMP without going through the report, reading it to make sure it makes sense and then asking clarification questions if something is missing or the IQMP does not appear to have considered the right questions as per the requirements of the regulations.

This is not to say that the FRA should go against the IQMP decision, but rather they should satisfy themselves that they have asked pertinent questions and obtained all relevant medical evidence with a view to having a better understanding of the medical evidence and ensuring that the medical evidence addresses the requirements of the regulations.

Local Pension Boards should ensure that scheme managers have the appropriate processes in place.

Relevant Scheme Rules

1992 Scheme	H1
2006 Scheme	Part 8, rule 2
2015 Scheme	Part 12, chapter 1
Compensation Scheme	Part 6, rule 1, paragraph 2

October query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in October.

Other News and Updates

Budget 2018

On 29 October the [Budget 2018](#) was laid before the House of Commons by the Chancellor of the Exchequer, Philip Hammond, setting out the government’s plans for the economy and public finances.

Announcements relating to public service pensions schemes confirmed as expected the reduction of the SCAPE discount rate to 2.4% plus CPI, indicating an increased cost to employers of providing pensions in the long-term. The government further acknowledged that the provisional valuation results of all public service schemes indicate that an improvement to member benefits is needed from 2019-20.

While there were no major announcements in relation to pensions tax, it has been confirmed that Lifetime Allowance for 2019-20 will increase in line with CPI, to £1,055,000.

The government pledged support for pension savers by committing £5m extra funding for the Pension Dashboard, which will allow individuals to see all of their pension pots, including State Pension, in one place. The Budget report confirms that DWP will consult on the project later in the year.

TPR – Governance and Administration survey 2018

As always, the end of the year seems to be a popular time for gathering data, and TPR are shortly due to send out their annual Governance and Administration survey. The survey is really important to the Regulator as it helps them understand the issues that schemes are facing, in a way that is not possible within their day to day engagement activities. Last year, FPS achieved almost a 100% response rate across the UK, demonstrating the fantastic progress that has been made within the governance and administration of the schemes, and we would like your assistance in achieving a full return this year.

Our colleagues at TPR have confirmed that there have been some changes to the survey for 2018. While the survey continues to ask questions about the presence of key governance features, this year it will also be probing how well they operate. In particular, the Regulator will be looking at how well pension boards are working in practice. A new section on cyber-risks has also been introduced, which should allow parallels to be drawn between public service schemes and organisations in the private sector.

As in previous years, the survey is being run for TPR by OMB market research throughout November. We expect that initial contact emails will be sent to scheme managers, pension board chairs and scheme contacts during week commencing 29 October. This will allow schemes a little time to update any out of date details before the survey is sent. If you haven't already, please update any relevant details through the TPR Scheme Return which is currently out for completion.

The survey itself is due to be sent out to scheme managers in the week of 5 November. While the survey is web based, it can be printed off for discussion, and the closing date is the end of November. TPR expect to receive results early in February 2019 and will aim to publish these shortly thereafter.

A summary of last year's results can be found [here](#).

TPO update

Our colleagues at the Pensions Ombudsman (TPO) have provided an interesting and informative update on their FPS casework: currently 11 cases have been accepted for investigation by TPO, and eight are being investigated by the early resolution team.

The outstanding cases include three cases about protected pension ages. These are being delayed by a similar [determination](#) in the Police Pension Scheme which is subject to appeal.

Two other cases relate to individuals who missed the deadline to elect to become special members of the FPS 2006.

The options exercise for eligible individuals joining the Modified Scheme was set out in the 'special section' regulations of the 2006 Scheme. This sets out that the exercise closed on 30 September 2015 and, as such, no elections could be accepted after this date. The rules are definitive about this particular point and there is no intention for them to be amended. An update on this matter was provided in [FPS Bulletin 3 – November/ December 2017](#).

It was the responsibility of each FRA to ensure that they completed the options exercise by the closing date; informing all affected individuals of their entitlement to join and providing them with the opportunity to make an election to join, therefore neither the LGA, Home Office or the SAB intend to comment on what the position should be on rectifying the situation where an Authority have not used reasonable endeavours to satisfy their responsibilities.

The second awaited TPO determination on pensionable pay was published earlier this month under reference [PO-14863](#). This will allow the SAB to progress guidance with the Board's legal adviser. Any guidance issued will be a general set of principles that are based on case law and scheme rules; it will still be the responsibility of each Authority to determine locally which elements of pay are pensionable.

We would remind Authorities of the position taken by the Home Office that it is not for the regulations to determine whether pay for different duty systems is pensionable; the regulations and case law set out the criteria and it is for each FRA to consider whether their duty systems fit this criteria and make the judgment as to whether pay is pensionable. If having considered all the information available to them, they feel they are unable to make a decision, then they should consider taking legal advice.

The following [presentation](#) given by the SAB's legal adviser at the AGM in September gives an update on case law, general principles, and the practical implications to consider.



The LGA Pensions team has been collaborating on a new suite of pages to promote our work across public service schemes, including the Local Government Pension Scheme (LGPS) and Teachers Pension Scheme, as well as the FPS. Information about the Police Pension Scheme will be added at a later date.

Many of the pages are publicly accessible and have been redesigned to be as user friendly and engaging as possible.

The pages can be accessed from the following central link <https://www.local.gov.uk/our-support/workforce-and-hr-support/local-government-pensions>. If you have any feedback about the website or would like to find out more information about any of the schemes within our remit at the LGA, please email bluelight.pensions@local.gov.uk in the first instance.

HMRC

[HMRC newsletters/bulletins](#)

HMRC have published pension schemes newsletter 104 containing important updates and guidance on pension schemes. The following issues are covered:-

[Pension schemes newsletter 104 – 31 October 2018](#): Autumn Budget 2018 | Pension flexibility statistics | Registration statistics | Manage and Register Pension Schemes service | Reporting of non-taxable death benefits | Relief at source | Non-statutory clearances | Applications to register a pension scheme | Transfers between registered pension schemes | Reporting overseas transfer charges | Master trusts | Operating PAYE on pension payments |

Contracting-out reconciliation update

Thank you for your ongoing work with HMRC to reconcile the Guaranteed Minimum Pension (GMP) data that you hold on your scheme members that have reached State Pension Age since 2009.

FRA's should now have concluded or be in the final stages of reconciling their GMP data. HMRC has now confirmed a deadline of 31 October 2018 for submitting data after which there will be no further opportunity to raise queries direct with HMRC. If this presents any difficulty for your FRA you should raise this with your HMRC contact as a matter of urgency.

We understand that considerable progress has been made over the last few months, but that there may be a large amount of data still to submit. As FRA's may be aware, we made a request for information in [FPS Bulletin 9 – June 2018](#) for details on the progress made on the GMP reconciliation in order to inform HMT conversations with HMRC on completion of the reconciliation and deadlines. Unfortunately we only received a disappointing 16 responses from FRA's out of the 50 FRA's including NIFRS, Scotland and Wales.

The Pensions Administration Standards Association (PASA) has this month issued guidance on resolving stalemate cases with HMRC. The guidance is available at [Appendix 2](#).

Please note that the Home Office has now agreed that any confirmed overpayments identified as part of the HMRC reconciliation process should be written off with no attempt to recover the overpayment from the individual scheme members. FRA's are advised to correct these pension payments going forward as soon as is reasonably possible to avoid any possible unauthorised payment tax charges. To ensure that such tax charges are avoided we recommended that FRA's have a robust process in place to correct any affected pensions immediately once they have been identified. It is worth bearing in mind that any additional tax charges incurred cannot be paid from a FRA's pension account and will have to be paid from operational accounts. Please note it is the responsibility of each FRA to inform each affected scheme member accordingly.

The Home Office has also agreed that any confirmed pension underpayments that have been identified as part of the GMP reconciliation process should be corrected going forward as soon as is reasonably possible. FRA's should reimburse affected members for any past underpayments in their GMP entitlement. While it is not expected that interest will be included with any reimbursed pension, should a FRA decide to include interest this will need to be paid from operational accounts. Again, it is the responsibility of each FRA to inform each affected scheme member accordingly.

ACTION: Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure the correct action is taken for your FRA.

The following bulletin, containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in October.

[Countdown bulletin 37](#)

Updates include:

- financial reconciliation
- import amendment to phase 7 rerun plan
- HMRC banking details
- data quality
- contribution adjustment action as a result of scheme reconciliation

Please see below an addendum to Countdown Bulletin 37, recently received from HMRC:

Subject: *Urgent Amendment to Count Down Bulletin 37 Contribution Adjustment*

In the October Count Down Bulletin 37 we included an article titled ‘Contributions Adjustment Action As A Result of Scheme Reconciliation’. This advised PSAs on the action needed to adjust Contributions from A to D and vice versa.

*As part of the information required in the Trustees Approval letter we incorrectly said that a list of members that the adjustment applies to should be included, this was incorrect all that is required is the **number** of members the adjustment applies to, this number must match the file and the exact file name must be shown.*

Apologies for any confusion this has caused.

Reporting non-taxable death benefits

HMRC have confirmed that the Real Time Information (RTI) online service has been updated to prevent P6 coding notices being incorrectly issued to beneficiaries in receipt of pension lump sum death benefits that are entirely non-taxable, with apologies for the time taken to resolve this.

Reporting of non-taxable pension lump sum death benefit payments can now resume through RTI. For 2018 to 2019 you can find guidance on how to report these payments in part 2.2.7 of the [2018 to 2019: Employer further guide to PAYE and National Insurance contributions](#).

While HMRC appreciate that it may take time for you to amend your processes to report these payments again, but want to encourage you to start reporting these as soon as you’re able to.

Training

Pensions tax support – update

Thank you to those authorities that have completed the pensions tax support pro-forma that was included as an appendix to [FPS Bulletin 12 – September 2018](#). We will consider the responses in our procurement of any additional training and support, and updates will be provided via future bulletins.

We are happy to accept further responses using the [pro-forma](#), which can be completed and returned to bluelight.pensions@local.gov.uk.

Legislation

SI	Reference Title
2018/1102	The Occupational Pension Schemes (Cross-border Activities) (Amendment) Regulations 2018
2018/1103	The Occupational Pension Schemes (Governance) (Amendment) Regulations 2018

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)

Contact details

Clair Alcock (Firefighters' Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Assistant Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk



FPS Bulletin 14 – November 2018

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

If you are looking for information on a certain topic, don't forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

Contents

[Calendar of events](#)

[FPS](#)

- [FPS 2016 valuation - update](#)
- [FPS benchmarking exercise - update](#)
- [Scheme Advisory Board levy](#)
- [Pensionable pay update](#)
- [SI 2018/997 member disclosure](#)
- [A favour to ask...](#)
- [November query log](#)
- [Website resource update – ill health](#)

[Other News and Updates](#)

- [TPR scheme return 2018](#)
- [TPR Governance and Administration survey 2018](#)
- [Updated TPR resources](#)
- [High Court ruling on GMP equalisation](#)
- [Civil partnerships to be extended to opposite sex couples](#)

[HMRC](#)

- [HMRC newsletters/bulletins](#)
- [Contracting-out reconciliation update](#)

[Events](#)

- [A view from Torquay](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

SAB	5 December 2018
LPB effectiveness committee	23 January 2019
Administration & benchmarking committee	7 February 2019
Firefighter Pensions Technical Community	12 February 2019
North East regional FPOG	19 February 2019
LGA Leadership Essentials Fire & Rescue (Elected members)	26-27 February 2019
LGA annual fire conference and exhibition	12-13 March 2019
SAB	14 March 2019
SAB	13 June 2019
Firefighters' Pensions AGM	24-25 September 2019 (provisional)
SAB	10 October 2019
SAB	12 December 2019

FPS

[FPS 2016 valuation – update](#)

Following the initiation of formal consultation between the Home Office and the Scheme Advisory Board (SAB) under [regulation 150A](#) on 11 October 2018, the Board and its [cost-effectiveness committee](#) have met to discuss options for rectifying the breach to the cost cap floor. The draft results of the 2016 valuation show that the employer cost cap set at 16.8%¹ has fallen to 11.6%.

¹ [150A(1) <http://www.legislation.gov.uk/uksi/2015/465/regulation/5/made>]

The cost committee comprises representatives from FRAs working within finance and HR, the technical group chair representing administrators, and representatives from local pension boards. The Board itself is made up of both scheme employer and scheme member representatives (including all trade union bodies operating as representatives of their wider membership), and is supported by First Actuarial offering independent actuarial advice. The SAB have to provide their response to the Home Office for consideration on 5 December.

The Home Office then have ten days to provide an alternative option if the SAB's proposed option is not accepted. If agreement cannot be reached following this, there will be a period of three months during which the Home Office will continue to engage with the SAB to attempt to agree a consensus position.

If a consensus position is not reached within that three month period, the default mechanism is to amend the accrual rate for FPS 2015. GAD have advised that the default accrual rate would be 1/51.2 in order to fully rectify the breach.

Board consultations and responses will be published [here](#) once they are available, and monthly updates will be provided in the bulletins.

FPS benchmarking exercise – update

Following an extended period of stakeholder engagement, we were pleased to issue the final versions of the administrator and employer (scheme manager) surveys by email on 23 November, for completion with a deadline of 31 December.

The surveys were sent by email to our main contacts at administrators and FRAs. If you were expecting to receive a copy and have not, please contact claire.hey@local.gov.uk.

Aon have been commissioned to undertake the review by the Scheme Advisory Board (SAB), to help them establish a measure of the cost and effectiveness of administration and management within the schemes. An update from Aon can be viewed at [Appendix 1](#).

More information about the project can be found [here](#) and further updates will be provided in the bulletin each month.

Scheme Advisory Board levy

On 31 October we emailed all Fire Authorities with details of the 2018/2019 levy, requesting a valid purchase order for the invoice by 30 November 2018. For English Fire Authorities this was set as £7.69 per firefighter defrayed to scheme managers as per the terms of the 2014 regulations. The letter is available at [Appendix 2](#).

Many thanks to all those who have responded with a valid purchase order. To date we have received **24** responses out of an expected 49, so will be writing to those yet to provide a valid purchase order during the next month.

Pensionable pay update

As we reported in [FPS bulletin 13 – October 2018](#), TPO have now published decision [PO-14863](#) on pensionable pay in respect of the Welsh Firefighter schemes that will be of interest to English Fire Authorities. We will be asking the SAB legal adviser to consider giving guidance on what this means for all Fire Authorities

The case considers a number of different pensionable pay elements across the pension schemes which can be summarised below:

Pensionable Element	Scheme	TPO decision - Relevant paragraphs	TPO judgment
Training Allowance	1992	45-49	Pensionable
Day Crewing	2007* & 2015	50-69	Not pensionable
Self-Rostered Crewing	2007* & 2015	70-71	Not pensionable
USAR	2007* & 2015	72-78	Pensionable

*2006 Scheme in England

Please note the issues in pensionable pay cases are finely balanced and often depend on the exact detail and nature of the payments. You should read the judgment with this in mind and obtain legal advice before making any pensionable pay decisions for your Fire Authority. It is possible that TPO decision will be appealed.

SI 2018/997 member disclosure

Under regulation 8 part 1 of Schedule 2 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, schemes must inform members of any material change to basic scheme information within three months.

Authorities will be aware of the recent changes to the FPS following the introduction of The Police and Firefighters' Pension (Amendment) Regulations 2018 which were made on 13 September 2018 and came into force on 8 October 2018 ([SI 2018/997](#)).

To assist FRAs in communicating these changes to scheme members, Shropshire Pension Fund on behalf of the Fire Communications Working Group (FCWG) have produced a [leaflet](#) containing sample text which can be copied and used as required. **Please ensure that this information is provided to members by 8 January 2019.**

A favour to ask...

As you will be aware published Pension Ombudsman (TPO) [decisions](#) are available on our [website](#) ordered by scheme. However, informal adjudicator decisions are not published by TPO. We would like to ask whether schemes would be prepared to share informal adjudicator decisions so that we can publish anonymised case studies, similar to the 'Ill-Health and Injury Determinations and role of IQMP' case study given in [FPS bulletin 13 - October 2018](#).

Within the bulletin, we commented on a recent case where an FRA had been found to be 'acting blindly' in the case of accepting an IQMP opinion, and provided some examples of case-law where this had been determined. This is further confirmed by the following TPO determinations: [PO-13645](#), [PO-19182](#) and [PO-19842](#). In all these cases it is the decision making process itself which has been found to be flawed, not the actual medical decision. Appeals on medical issues should be directed to Health Management Ltd (HML).

November query log

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in November.

Website resource update – ill health

While the FCWG continue to undertake a review of ill health and injury award certificates and guidance, we have collated all existing resources into a new page in the member-restricted area of www.fpsregs.org. If you require a log-in for the site, please contact bluelight.pensions@local.gov.uk.

The [ill health and injury page](#) contains contains guidance and training materials along with forms for each scheme that were prepared in 2015 and circulated as drafts for authorities to use if they wished. Note, however, that these forms have not been endorsed by the LGA or the Home Office. Authorities should satisfy themselves that the certificates meet all of their requirements and do not leave the opinion open to challenge.

Other News and Updates

TPR scheme return 2018

We have been made aware that some FRAs may not yet have completed their annual scheme return to TPR. While we are aware that some delay may have been caused by the new requirement to provide common and scheme specific data scores, we would like to remind scheme managers that submission of the return is mandatory and any schemes that have not yet submitted will now have been moved to the first stage of enforcement – chasers and reminders.

In 2017 a £1,000 fine was issued against the London Borough of Barnet scheme manager for failing to submit its 2016 scheme return:

- TPR issued a scheme return notice to the scheme manager on 9 July 2016, requesting the scheme return be submitted by 12 August.
- The return was not received and further communications from TPR not replied to.
- The matter was referred to TPR's Determinations Panel on 24 February 2017.
- The penalty notice was issued to the scheme manager on 13 April and paid on 9 June.

The £1,000 fine took into account both the size of scheme (23,000 members) and governance and administration being a priority for TPR.

Find out more about the scheme return process [here](#).

TPR Governance and Administration survey 2018

On behalf of Malcolm Eastwood, chair of the Scheme Advisory Board, we would encourage any FRA who has not yet completed or submitted the TPR governance and administration survey to do so as soon as possible. The survey has been sent by email to each FRA's registered Scheme Manager contact with a closing date of 30 November 2018.

If you are experiencing any difficulty in locating the survey, please contact bluelight.pensions@local.gov.uk for clarification of the email address it has been sent to. We can arrange for the link to be resent if necessary.

TPR have reported that completed responses have been received from 17 Fire schemes up to 23 November, with 15 schemes yet to open the survey.

Updated TPR resources

TPR, in conjunction with the FCA, have launched a new ScamSmart TV advertising campaign to raise awareness of pension fraud and the most common tactics used by scammers.

As part of the ScamSmart campaign a [new customer leaflet](#) and other communication materials have been introduced. The new leaflet replaces the scorpion leaflet with immediate effect and, as before, should be included with transfer packs and is suitable to accompany annual benefit statements.

TPR have also recently issued [updated guidance on Annual Benefit Statements](#). The new guidance includes some examples of good and bad practice from the 2017 ABS run on a no-names basis and should be of interest and use to scheme managers and pension boards. Some of the points made have application beyond their specific reference to ABS too, reflecting more general issues within scheme operations.

These and other resources can be found on TPR's [new website](#) which was launched on 12 November to give more than three million yearly visitors a clearer and simpler experience. The new site is a key part of TPR's redesigned branding which highlights how the organisation is changing its approach to become clearer, quicker and tougher.

Authorities may wish to check their communications to make sure that any links to the old TPR website still work, or update where necessary.

High Court ruling on GMP equalisation

On 26 October 2018, Mr Justice Morgan handed down [judgment](#) in Lloyds Banking Group Pensions Trustees Limited v Lloyds Bank PLC, HBOS PLC, Angela Sharp, Judith Cain, Susan Dixon, Secretary of State for Work and Pensions and HMT. The High Court has held that schemes must equalise the discriminatory effects of GMPs and that this can be achieved using several methods.

We are aware that concern has been raised as to the impact to Public Service Pension Schemes. HMT have confirmed that this judgement "*does not impact on the current method used to achieve equalisation and indexation in public service pension schemes*". For more information concerning the current method of equalisation of Public Service Pension Schemes, please consult the outcome to the Government consultation [on indexation and equalisation of GMP in public service pension schemes](#) published on 22 January 2018.

Civil partnerships to be extended to opposite sex couples

At the Conservative Party Conference, Prime Minister Theresa May announced that heterosexual couples will be able to enter into civil partnerships. The move follows a [decision](#) of the Supreme Court [UKSC 2017/0060] on 27 June 2018 that the existing law around civil partnerships was incompatible with the European Convention on Human Rights as it only permitted civil partnerships between same-sex couples.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 105 containing important updates and guidance on pension schemes. The following issues are covered:-

[Pension schemes newsletter 105 – 23 November 2018](#): Double taxation – bulk requests for certificates of residence| Relief at source pension schemes newsletter| Overseas transfer charge - draft regulations| Manage and Register Pension Schemes service newsletter | Reporting of non-taxable death benefits | Joint article from HMRC and The Pensions Regulator |

Contracting-out reconciliation update

As you will be aware the deadline for automated queries with HMRC was 31 October 2018, with the deadline for the full exercise to be completed by the end of the year. HMT are meeting with public sector schemes to understand what if any further steps need to be taken to bring this exercise to a successful conclusion, and have asked us to provide some information with regards to the Firefighters' Pension Scheme.

Please can administrators provide us with a return for each FRA, setting out the number of cases reconciled and the number outstanding. It would also be helpful if you could include an estimate of how long you would expect is needed to reconcile the outstanding cases a) with further HMRC support and b) without such help. Reflecting past experience, can schemes also advise how many cases it might not be possible to reconcile under either scenario. If schemes are unable to provide this information, we would welcome an assessment of why it is not possible.

The following bulletins, containing important guidance and information about the end of contracting-out and the scheme reconciliation process, were published by HMRC in November.

[Countdown bulletin 38](#)

Updates include:

- Scheme Reconciliation Service (SRS) stalemate queries
- phase 7 automated rerun plan
- scheme financial reconciliation
- contribution adjustment action
- requests for SRS data
- scheme cessation

Of particular interest is the article on stalemate queries. The article sets out three scenarios and confirms that HMRC will accept stalemate queries (based on their three scenarios) up to 31 December 2018. Thereafter, various processes may be followed depending upon the outcome.

[Countdown bulletin 39](#)

Updates include:

- Scheme Financial Reconciliation
- scheme cessation
- scheme reconciliation service
- Contributions Equivalent Premiums notified by automated responses

In [FPS bulletin 13 - October 2018](#) we included an addendum to [Countdown Bulletin 37](#) from HMRC regarding contribution adjustment. HMRC have subsequently provided further clarification on this issue:

Important Note

The recent updates around 'A to D' and 'D to A' cases were only to clarify what is required in terms in Trustee Approval. There is no change to the circumstances in which these cases should be submitted i.e. a scheme must be confident that their records are correct and indicate that one of their employers has deducted the wrong rate of contributions. HMRC will therefore have to have provided employer details and contribution category letters according to their records for schemes to confirm this. Schemes also need to carefully consider the impact on the individual and the employer when requesting contribution adjustment.

Here is a further update

The clerical deadline of 31st October for A-D D-A cases still stands, however, the business will give the schemes up to 4 weeks after submission of those cases to obtain that trustee approval.

If no trustee approval is received within that timeframe, the cases will at that point be rejected.

In respect of multi SCONs then we'll accept these on one letter as long as the letter is specific with file names and numbers.

On submission the files should be clearly noted by the PSAs as "contribution adjustment cases"

Events

A view from Torquay

This month saw the popular pensions managers conference for LGPS in Torquay, so what can Fire learn from LGPS?



As you might expect the focus was on many of the same areas affecting Firefighter Pensions: increasing scheme complexity and the challenges facing administrators; what to expect from this year's TPR survey and their focus for next year; measuring and cleansing Data; an engaging session on how TPO are modernising the way they work followed by a topical look at ill-health processes from Eversheds Sutherland; the importance of member communications and ways to engage members in their pensions, and of course a topic facing all public sector schemes, the outcome of the 2016 valuations.

The Bluelight team came away with copious notes and plenty of ideas for next year's seminars and conferences so watch this space!

Legislation

SI	Reference Title
2018/1217	The State Pension Revaluation for Transitional Pensions Order 2018
2018/1218	The Occupational Pensions (Revaluation) Order 2018
2018/1219	The State Pension Debits and Credits (Revaluation) Order 2018

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)

Contact details

Clair Alcock (Firefighters' Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Assistant Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk



Home Office

Fire and Rescue Authorities (in
England)

Anthony Mooney
Police Workforce and Professionalism
Unit

2 Marsham Street
London SW1P 4DF
0207 035 5474

Anthony.mooney@homeoffice.gsi.gov.uk

31 October 2018

Dear All

A change to the SCAPE discount rate was formalised in the Budget on 29 October 2018. It has reduced from 2.8% pa above CPI to 2.4% pa above CPI from that date.

HM Treasury's CETVs guidance

A corresponding change has been made to the discount rate used for calculating cash equivalent transfer values (CETVs) payable by the public service pension schemes. The effect of this is that the determination of CETVs, including for divorce purposes, must use the revised rate with immediate effect i.e. 29 October 2018.

On this basis, we are now advising administrators that following the issue of revised HM Treasury's CETV guidance **the following calculations should be suspended until new factors are made available:**

- > Cash Equivalent Transfer Values;
- > Divorce Cash Equivalents; and
- > Transfers In (non-Club).

The Government Actuary's Department (GAD) has started work on reviewing these factors and we will issue them as soon as this work has been completed.

Cash Equivalent Transfers Out

Where possible, **CETV out cases should not be quoted between 29 October 2018, the date the HM Treasury CETV guidance changed, and the date when new factors are provided.** If quotes are provided administrators should explain that factors are due to change, and requests to proceed with a CETV within the guarantee period and after 29 October 2018 should have factors more beneficial to the member applied. Therefore, if quotes are provided administrators may need to revisit once new factors are available.

Divorce Cash Equivalents

The advice on Cash Equivalent Transfers Out also applies. In addition, HM Treasury has advised that administrators **should identify those divorce cases quoted on the old factors where the final determination has yet to be made, and to provide a revised quotation on the new factors when provided.** This will mitigate the risk of challenge due to a failure to notify the court of a change in valuation.

Cash Equivalent Transfers In (non-club)

Where possible, administrators **should not provide Transfer In (non-club) quotes between 29 October 2018 and provision of revised factors**. If quotes are provided administrators should explain that factors are due to change, and quotes received within the guarantee period and after 29 October 2018 should have factors more beneficial to member applied. Therefore, if quotes are provided administrators may need to revisit once new factors are available.

1992 Scheme commutation factors

Administrators should also note that GAD are due to complete their revision of the commutation factors for the 1992 Scheme shortly at which stage they will be issued to administrators. These are expected to be more beneficial to retiring members and will take effect from the date of issue.

Other Scheme factors

The change in the discount rate will very likely impact on other Scheme factors, such as factors for scheme pays, and are therefore subject to change. GAD has also started work to review these factors as well. Any changes to these other scheme factors will apply from the date that revised factors have been completed by GAD and the current factors will apply until such date that revised factors are issued.

In the meantime, administrators should **ensure that they are advising members that the Scheme factors are subject to change** (for example when members are obtaining benefit quotations for exercising options).

Yours sincerely

Anthony Mooney
Firefighters' Pensions Team



PASA GUIDANCE

GMP Stalemate Cases

October 2018

Acknowledgments

PASA is grateful to the authors of the Guidance:

Geraldine Brassett (Author) Chair of the PASA Industry Policy Committee

Capita Employee Solutions (Co-author) Corporate PASA member

ITM Limited (Co-author) PASA Experts for GMP Reconciliation and Data Management

PASA is also grateful to the organisations shown below, who generously gave time to review the Guidance and provided technical input.

Lynsey Ellis Willis Towers Watson

Lane Clark & Peacock LLP

1. Introduction

It is likely that, on completion of any GMP reconciliation exercise, there will always be some queries remaining which could not be resolved under the standard GMP reconciliation process and have reached a “stalemate” in terms of trying to resolve them with HMRC. Often trustees and administrators assess what other schemes are doing in these cases so PASA thought it would be helpful to prepare some guidance setting out details of the types of queries that can arise in stalemate situations and suggesting some options for resolving these. PASA does not intend that the options specified are recommendations or that the list is exhaustive. Every scheme is different and so different solutions may be needed but this guidance is designed to facilitate the discussion between the trustees and the administrator to help in bringing any remaining GMP reconciliation queries to a conclusion and so putting both parties in a position where this exercise can effectively be closed down.

Possible options

In all these cases there are three possible options as follows:

- Accept that HMRC are correct which may mean accepting a liability or that the figures held by the administrator need to be corrected
- If the trustees are confident the GMP figure they hold is correct they can choose to effectively ‘do nothing’
- Undertake further investigative work

The right solution will depend on a number of factors including:

- Past precedents
- Confidence in data quality
- Extent of investigations already undertaken
- Impact on members
- Impact on liabilities
- Cost effectiveness of undertaking further work

Timing

At present many schemes that were previously contracted out on a defined benefit basis are undergoing a GMP reconciliation exercise. This has been prompted by the abolition of contracting out in April 2016. The final date for schemes to submit queries to HMRC for clerical review is 31st October 2018 and HMRC have undertaken to respond to all queries raised by 31st March 2019. HMRC will accept further “automated” queries for three batches of automated reviews (any cases requiring clerical reviews submitted to these batches will not be reviewed). The cut-off date for these final three automated batches is 21st December 2018. There is a possibility that some queries may resolve themselves through being addressed under another trustees’ exercise (disputed transfers out are an example of this).

Types of stalemate cases

Set out below are examples of some of the types of cases that may fall into the 'stalemate' scenario. This list is not intended to be exhaustive but covers the type of cases that occurs most frequently. PASA would be happy to add further examples and suggested solutions so please do let us know if there are any that it would be useful to add.

Geraldine Brassett
Chair of the Industry Policy Committee

October 2018

2. Membership reconciliation

The first types of stalemate case relate to the reconciliation of the scheme membership. These can be split into the following two broad categories:

- Members on HMRC records but not on scheme records
- Members on scheme records but not on HMRC records

2.1. Members on HMRC records but not on scheme records

Background	Options for resolution	Status	Number of queries
No liability members – Scheme believes member has received a refund			
<p>There may be members who, according to the administration records, have received a refund of contributions. However, HMRC have no record of the refund which may be due to HMRC not having received a Contributions Equivalent Premium (“CEP”).</p>	<p>CEP < £17: Legally there is no requirement to pay the CEP if it is less than £17. Notify HMRC and accept the scheme record.</p> <p>CEP is greater than £17 but relatively small: Consider paying the CEP with no further investigation.</p> <p>CEP is substantial: For larger amounts it may be worth carrying out investigative work to determine whether or not a CEP does indeed need to be paid.</p> <p>Accept scheme record: Where it is not possible to query cases with HMRC then the trustees may decide to accept the administration record and therefore accept the risk that the member could contact the scheme in future regarding their refunded benefits and/or state scheme benefits.</p>		
No liability members – Scheme believes member has transferred out			
<p>These are cases where the administration system indicates that the members have transferred out of the scheme, extinguishing the GMP liability.</p> <p>However, the records do not show where the benefits were transferred to and a subsequent check of any paper files does not similarly provide this information.</p> <p>HMRC will not accept the transfer out status without a qualifying SCON or ASCN.</p>	<p>Contact member: Although theoretically it may be possible to resolve these cases by contacting the member to obtain evidence of where their benefits were transferred to, in practice this approach is rarely successful.</p> <p>Accept scheme record: Accept scheme record but reconsider in the event that the member who supposedly transferred-out ever comes forward claiming membership of the scheme.</p>		

Background	Options for resolution	Status	Number of queries
Members with no record on administration system			
<p>There may be members where HMRC hold a GMP but the scheme does not even have a record for that member.</p> <p>In this category we are focussing on members who have contracted-out periods of service that exceed the maximum time limit for a Contributions Equivalent Premium (“CEP”) to be permitted. The trustees may wish to consider separately any members where a CEP could be paid.</p>	<p>Contact member: Although theoretically it may be possible to resolve these cases by first tracing and then writing to these members to identify where their GMP liability is held, in practice this approach is rarely successful. It may be appropriate to consider a de minimis level under which the cost of the above approach is deemed disproportionate.</p> <p>Accept scheme record: Accept scheme record but reconsider in the event that the member who supposedly has a GMP liability ever comes forward claiming membership of the scheme.</p>		

2.2. Members on scheme records but not on HMRC records

Background	Options for resolution	Status	Number of queries
HMRC records indicate GMP liability lies with a different scheme			
<p>There may be instances where HMRC records indicate that although the member has a GMP for the relevant period of contracted out service that GMP liability lies with a different scheme.</p>	<p>'Wait and See': Some of these cases may resolve themselves as part of the industry-wide reconciliation activity currently in progress and when final SRS cuts are issued in March.</p> <p>Contact other scheme: If a review of scheme records is inconclusive, consider writing to the other scheme to establish whether they hold the liability. This option is rarely pursued given the cost implications and limited likelihood of a helpful outcome.</p> <p>Accept the administration record: If after a review of scheme records, it is still believed that the GMP lies with the scheme, accept the administration records.</p>		
HMRC believe there is no GMP liability			
<p>HMRC may have advised they have no GMP liability on their records for the members. This may be because:</p> <ul style="list-style-type: none"> Members may have died and HMRC have advised that their spouse does not qualify for WGMP. This could be due to the spouse being young or never claiming bereavement allowance. Members were never contracted out. This could be because members were working overseas, were contracted-in, were paying women's reduced rate national insurance contributions, or had a partial transfer transferring out GMP benefits only. 	<p>Accept the administration record:</p> <p>Whilst there is an option to accept that there is no GMP and amend member benefits accordingly, there is no evidence to suggest that the administration records are incorrect. For such cases the Trustees may decide to accept the current position and make no changes to the administration record.</p>		

Background	Options for resolution	Status	Number of queries
Spouses pension in payment but no record of original member			
<p>A common type of stalemate case is where there are spouses who have a pension currently in payment but where the administrator is unable to locate a record for the original deceased member.</p> <p>This lack of historic information on administration records causes an issue and potentially the only way of resolving this is to write to the spouse directly to confirm their partner's NINO.</p>	<p>Contact spouse: Consider writing to the affected spouses and ask them to complete a form regarding the original members' basic details. Once this is received the administrator can use the gathered information to correspond with HMRC on the applicable cases. Before undertaking such an exercise schemes should assess the likelihood of success, particularly for cases where the deceased member passed away more than a decade ago.</p> <p>Accept scheme records: If records for the original members cannot be traced or it is not practical to do so, consider accepting the scheme records</p>		
Member with records held in Isle of Man			
<p>HMRC may advise that the GMP liability for a specified member is held in the Isle of Man. HMRC will therefore not hold data for the specified member.</p>	<p>Contact HMRC Isle of Man - In order to resolve this, the administrator will need to write to HMRC Isle of Man.</p> <p>Accept scheme records: Where it is not possible to contact HMRC Isle of Man then the alternative outcome for trustees may be to accept the current position as there is no data available to contradict it. For such an approach no change to the administration record would be required.</p>		
National Insurance Number held on Scheme Records does not match HMRC Records			
<p>HMRC may return some cases stating that the National Insurance number held on the scheme records is incorrect and as such they cannot trace this member.</p>	<p>Contact member: Consider writing to these members to confirm their National Insurance Number and date of birth. Without this information it will not be possible to complete the GMP reconciliation for these members. Incorrect National Insurance number would normally only be held for preserved members. Normal practice is to write to the last address held on file. Should this prove to be inaccurate, it may be necessary to perform a trace to locate the members' current address. Before undertaking such an exercise, the Trustees should assess the cost to the scheme, the likelihood of success (which may be low) and the benefit this will bring.</p> <p>Accept scheme records: If records for the original members cannot be traced or it is not practical to do so, consider accepting the scheme records</p>		

3. Reconciliation of GMP amounts

The other type of stalemate cases relate to the reconciliation of GMP amounts. It is assumed that schemes have already adopted a specified tolerance whereby differences below a specified amount are not pursued further.

Possible reasons for the discrepancy are detailed below along with options for resolution:

Background	Options for resolution	Status	Number of queries
Transfer-in documented on HMRC records but not scheme records			
<p>HMRC believe the scheme has received a transfer-in but a review of the administration records shows no trace of the transfer in.</p>	<p>The following actions should have already been undertaken or rejected:</p> <ul style="list-style-type: none"> • Query with HMRC - Request details of transferring employer, transferred-in contracted-out service period, transferring scheme's SCON. • Query with the employer – is it an internal transfer or bulk transfer that the employer recognises. • Query with the transferring scheme – if you have details of the supposed transferring scheme, it may be possible to query the transfer with the administrator. In practice, this option is generally not considered practical to pursue. <p>The likelihood of success in contacting another scheme or employer should be assessed before any such action is taken.</p> <p>Accept the Administration Record: If it is not possible to determine the transferring scheme then the scheme records can be accepted as is with no change to the administration record being required.</p>		
Transfer-in on scheme records but not HMRC records			
<p>Administration records clearly show a transfer in but HMRC have no record / were not notified.</p>	<p>Query with HMRC: If the scheme has clear evidence of a transfer-in, provide HMRC with details of the transfer including the SCON for the transferring-scheme. The scheme records can then be accepted.</p> <p>Accept the Administration Record: If it is not possible to query the case with HMRC then the scheme records can be accepted as is with no change to the administration record being required.</p>		

Background	Options for resolution	Status	Number of queries
Revaluation rates differ on scheme records and HMRC records			
<p>HMRC or the scheme may have recorded an incorrect rate of revaluation.</p>	<p>Notify HMRC of correct revaluation rate – this may impact on the member’s state pension.</p> <p>Pay any outstanding premium due - if the scheme revalued the GMPs at Limited Rate Revaluation, when the member left contracted-out employment was the Limited Rate Revaluation Premium paid? If not, HMRC may have recorded the revaluation rate as Section 148. Payment of the premium should resolve the issue.</p> <p>The scheme records can then be accepted.</p> <p>Accept the Administration Record: If it is not possible to request that HMRC adjust the revaluation basis, and the revaluation basis recorded on the Administration record is correct, then the scheme records can be accepted as is with no change to the administration record being required.</p>		
Other cases			
<p>These would normally cover cases where the member files have been reviewed for evidence and, where possible, the GMP has been recalculated using the Contracted Out Earnings on file. In some circumstances, however, despite undergoing all possible checks the outcome is that it is still not possible to reconcile the GMP held by the scheme with that held by HMRC so a decision needs to be taken as to which figure to accept.</p>	<p>Accept HMRC: If there is a lack of evidence to support the scheme position, and the difference in GMP amounts is small, there is an argument to accept HMRC’s figures. This also provides the benefit of consistency with state pension figures.</p> <p>Accept the Administration Record: If there is evidence to support scheme records and no reason to doubt them, there may well be a good argument to accept the scheme records.</p>		



THE PENSIONS ADMINISTRATION STANDARDS ASSOCIATION

Get in touch:

info@pasa-uk.com

www.pasa-uk.com

FPS Administration and Benchmarking Exercise Update

Administrator and Employer (Scheme Manager) Survey released

We are delighted to announce that the Administrator and Employer Surveys are finalised and have been released ready for completion. Thank you to everyone who contributed and provided feedback during the consultation period; we have incorporated as much of your feedback as possible.

We have listened to your concerns that you may not be able to complete the entire survey in one session which has prompted the surveys being reconfigured to be completed in excel format. This allows you to partially complete sections, saving as you go along. You should have received an email from Claire Hey on November 23 inviting you to complete the survey. Please get in touch with Claire (Claire.Hey@local.gov.uk) if you have not received this email.

Recap

We are excited to be working with the Firefighters' Pension Scheme community in carrying out this inaugural exercise. The primary purpose of the review is to provide answers to the following:

- How effective is the management and administration of the scheme?
- What are the costs of running the scheme?

We are keen to discover any emerging themes and patterns from the analysis and to identify any areas where things could be done more efficiently.

It is therefore very important for the SAB to receive and understand the answers to these questions.

We need your help

We appreciate you have received several requests for surveys from various bodies recently but the success of this exercise hinges on the responses we receive so the SAB, the LGA and ourselves all strongly encourage you to complete this survey.

We urge everyone to be as honest and open with their responses – all data received will be treated in the strictest of confidence. This is a golden opportunity for your voice to be heard and for you to shape how future disclosures will be collected.

Next steps

Please complete your survey and encourage your administrator / scheme manager to complete theirs by 31 December 2018 by returning them to Nicky Russell (Nicky.Russell@aon.com). However, it is important that you do not pass your survey to your administrator / scheme manager to complete as they will have their own to complete.

We are in the process of finalising the member survey which will soon be available to complete online. We expect this to be live within the next few weeks.

If you have any questions about these surveys, please don't hesitate to get in touch.

Contact Information

Craig Payne

Benefits Consultant

+44 (0)117 945 3523

craig.payne@aon.com

About Aon

[Aon plc](#) (NYSE:AON) is a leading global professional services firm providing a broad range of risk, retirement and health solutions. Our 50,000 colleagues in 120 countries empower results for clients by using proprietary data and analytics to deliver insights that reduce volatility and improve performance.

Aon Hewitt Limited

Registered in England & Wales No. 4396810

Registered office: The Aon Centre | The Leadenhall Building | 122 Leadenhall Street | London | EC3V 4AN

Copyright © 2018 Aon Hewitt Limited. All rights reserved.

Aon Hewitt Limited is authorised and regulated by the Financial Conduct Authority.

Nothing in this document should be treated as an authoritative statement of the law on any particular aspect or in any specific case. It should not be taken as financial advice and action should not be taken as a result of this document alone. Consultants will be pleased to answer questions on its contents but cannot give individual financial advice. Individuals are recommended to seek independent financial advice in respect of their own personal circumstance



BY E-MAIL

31 October 2018

Dear Chief Fire Officer,

Firefighters' Pensions – Scheme Advisory Board levy

I am writing to advise of the scheme advisory board levy due for the 2018/2019 year.

Under the terms of the 2014 regulations [4H(2)] this levy will be defrayed to scheme managers at the following rate.

2018/2019 year £7.69 per active firefighter

This levy of £7.69 is calculated based on a total SAB budget @ £363,772 / 33934 = £7.69 per active firefighter

As advised in my letter of September last year, the 2018/2019 return will be collected on the numbers of active firefighters disclosed with the 2017/2018 return. The total return for the 2017/2018 year confirmed there were 33,934 active firefighters.

In previous years the board levy also included an additional £2 levy for the adviser post. However, in order to simplify the budget and be clearer on costs, this post has been brought in under the statutory levy.

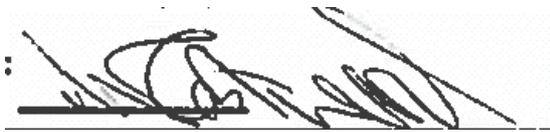
It is recognised that the proposed levy is an increase from the previous levy, however in setting the budget the objective was to look for cost savings to Fire Authorities and an improved service to members by reducing duplication and undertaking guidance and communications centrally. It is the opinion of the SAB that the budget for 2018/2019 as agreed by the minister will allow the SAB to provide increased centralised support. Feedback from Fire Authorities, is that the support from the SAB has been highly successful and has directly contributed to the increased efficiencies in running the pension scheme, and is highly appreciated by Fire Authorities.

Please complete the attached form, including a valid purchase order number by 30 November 2018 in order to issue the invoice to your authority. Please ensure the PO is made out to the 'Improvement and Development Agency'.

The 2019/2020 year will be collected on the numbers of firefighters disclosed with the 2018/2019 return.

If you have any questions, please contact the Scheme Advisory Board Secretariat on bluelight.pensions@local.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Malcolm Eastwood', written over a horizontal line. The signature is stylized and cursive.

Malcolm Eastwood, CBE, CStJ, QFSM, FIFireE.
Chairman, English Firefighters' Pension Scheme Advisory Board

Scheme Advisory Board Statutory Levy 2018/2019

Name	
Job Title	
Fire and Rescue Authority	
Address	
Email address	
Telephone number	
Number of employees eligible to join one of the Firefighters' Pension Schemes as at 1st April 2018	
Purchase Order number, payable to the Improvement and Development Agency*	

Return to

Liz Cole, LGA, email Liz.Cole@local.gov.uk

*In 2011 the Local Government Association and its associated companies integrated operations so that they in effect now operate as one organisation under one management structure, but for financial and legal purposes, we still need to transact through the legal company names. The budget for this work sits in the Improvement & Development Agency company and as such all purchase orders/invoices/contracts/agreements need to be addressed accordingly.