

Fire & Rescue Service Headquarters Summergroves Way Kingston upon Hull HU4 7BB
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| To: Members of the Governance, Audit and Scrutiny Committee | Enquiries to: Samm Campbell Email: committeemanager@humbersidefire.go.uk Tel. Direct: (01482) 393205 Date: 2 July 2021 |
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Dear Member

Kindly find attached the Agenda and papers for the ANNUAL MEETING of the **PENSION BOARD** of the Humberside Fire Authority to be held at **HUMBERSIDE FIRE & RESCUE SERVICE HEADQUARTERS, SUMMERGROVES WAY, KINGSTON UPON HULL, HU4 7BB on MONDAY, 12 JULY 2021 at 10.30AM.**

Public and press attendance at meetings

Due to current social distancing requirements, a **maximum of 2 people** will be permitted entry to the public gallery - **places must be booked in advance** by contacting the Committee Manager on the contact details above.

The business to be transacted is set out below.

Yours sincerely



Mathew Buckley
Monitoring Officer & Secretary to Fire Authority

Enc.

A G E N D A

| Business | Page Number | Lead | Primary Action Requested |
|---|---------------|----------------------------------|--------------------------------------|
| 1. Apologies for absence | - | Monitoring Officer/ Secretary | To record |
| 2. Declarations of Interest (members and Officers) | - | Monitoring Officer/ Secretary | To declare and withdraw if pecuniary |
| 3. Election of the Chairperson of the Pension Board 2021/22 | - | Monitoring Officer/ Secretary | To appoint a chairperson |
| 4. Minutes of the meeting of 1 February 2021 | (pages 1 - 4) | Chairperson | To approve |

| Business | Page Number | Lead | Primary Action Requested |
|---|--------------------|---|---------------------------------|
| 5. Matters arising from the Minutes, other than on the Agenda | - | Chairperson | To raise |
| 6. Calendar of Board Meetings 2021/22 | (pages 5 - 7) | Chairperson and Monitoring Officer/ Secretary | To approve |
| 7. Pension Fund Account | (pages 8 - 10) | Finance Manager | To receive |
| 8. Update Report: Reporting Breaches | Verbal | Procurement Manager | To receive |
| 9. Workstreams Update | (pages 11 - 91) | Head of Finance/Deputy s151 Officer | To receive |
| 10. FPS Member Website | (page 92) | Finance Officer | To receive |
| 11. Sargeant/McCloud Update | Verbal | Head of Finance/Deputy s151 Officer | To receive |
| 12. Any other business | - | All Members | To raise |

Under the Openness of Local Government Bodies Regulations 2014 members of the public may film, record, take photographs or use social networking during Authority and committee meetings that are open to the public. *The Monitoring Officer/Secretary kindly requests advance warning from anyone wishing to film, record or take photographs during open meetings so that suitable provision can be made.*

* - Further details are accessible via an electronic link alongside the agenda papers on the Fire Authority's website (www.humbersidefire.gov.uk/fire-authority/fire-authority-documents)

HUMBERSIDE FIRE AUTHORITY

PENSION BOARD

1 FEBRUARY 2021

PRESENT:

Employer representatives: Councillor Shepherd (Chairperson) and Mr P McCourt (Director of Service Delivery)

Scheme Member representatives: Mr B Johnson and Mr G Marshall

Councillors Briggs attended an observer.

Kevin Wilson - Executive Director of Corporate Services/Section 151 Officer and Scheme Manager, Martyn Ransom - Head of Finance, David Lofthouse - Procurement Manager, Sarah Keyes - Finance Officer, Mathew Buckley - Monitoring Officer/Secretary and Samm Campbell - Committee Manager.

The meeting was held remotely via video-conference (Zoom). The meeting commenced at 10.30a.m.

1/21 APOLOGIES FOR ABSENCE - There were no apologies for absence.

2/21 DECLARATIONS OF INTEREST - There were no declarations of interest.

3/21 MINUTES - Resolved - That the minutes of the meeting of the Board held on 6 July 2020 be confirmed as a correct record.

4/21 MATTERS ARISING FROM THE MINUTES - There were no matters arising from the minutes.

5/21 REPORTING BREACHES - The Procurement Manager informed the Board that there had been no breaches since the meeting held on 6 July 2020.

Resolved - That the update be received.

6/21 PENSION BOARD WORKSTREAMS UPDATE - The Executive Director of Corporate Services/Section 151 Officer submitted a report setting out an update on the Board's workstreams for 2020/21.

The number of complaints received by the Service each year in relation to pensions tended to be low (often zero), with three received in 2020/21. The Risk Register had been enclosed with the agenda (Appendix 3). The security of scheme members' data remained a key risk, as well as the over-reliance on officers to deliver the scheme and changes to legislation (Minutes 8/21 and 9/21 refer). However, the support of West Yorkshire Pension Fund addressed the risks concerning data and reliance on officers. Funding would be received to increase the Service's capacity when the remedy relating to the Sargeant/McCloud case was ready to be administered. Delivery of the scheme and the associated KPIs had not been significantly affected by the Covid-19 pandemic.

A Member queried the Service's abatement policy (Appendix 4) and the guidance published in relation to the Sargeant/McCloud case. The Service could only adopt the guidance in its policies when the Government had legislated the changes. In addition, the focus of the policy on abatement was not on encouraging scheme members to return to work following retirement, only on how the Service would administer a return to work if a scheme member did want to return.

In relation to the KPIs (Appendix 3), a Member asked about the average time taken by West Yorkshire Pension Fund (WYPF) to undertake administrative actions and whether this could be reported in greater detail. The Service reviewed the KPIs with WYPF regularly and the measures could be changed to focus on particular issues.

Resolved - (a) That the report be received and the overall good administration performance by West Yorkshire Pension Fund be noted, and

(b) that the KPIs in relation to West Yorkshire Pension Fund's administration of the scheme be reviewed at the next contract review meeting to ascertain whether there was scope to drive further performance improvements in the administration of the scheme.

7/21 THE PENSIONS REGULATOR UPDATE - The Finance Officer provided the Board with an update in relation to the COVID-19 pandemic.

The Pensions Regulator measured performance nationally in relation to six key processes:

- Documented procedures for assessing and managing risks
- Process for resolving contribution payment issues
- Documented policy to manage board members conflicts of interest
- Process to monitor records for accuracy / completeness
- Access to knowledge, understanding and skills needed to properly run the scheme
- Procedures to identify, assess and report breaches of the law

The Regulator was due to undertake its annual survey in relation to the six key risks and associated quick-guides, summarising the key issues, would be circulated to Members prior to their engagement in the consultation process.

Resolved - (a) That the update be received, and

(b) that the draft response to The Pension Regulator's annual survey be circulated to Members for response prior to the deadline for submission, 12 February 2021.

8/21 SARGEANT/MCCLOUD UPDATE - The Finance Officer submitted a report updating the Board on the Sargeant/McCloud case.

The consultation relating to the remedy for the Sargeant/McCloud case had been published shortly after the Pension Board's meeting of 6 July 2021. The remedy would present a significant administrative burden for fire and rescue services nationally. Affected scheme members would each be able to choose between final salary and career average benefits for the remedy period depending on how their benefits would be affected on an individual basis. This choice could either be made immediately after the remedy was written into legislation, or upon retirement in order that scheme members could review their options. The Home Office was due to engage with all fire and rescue services to help them structure their responses to the remedy.

Guidance had been published in relation to scheme members who would be at an immediate detriment as a result of the remedy, including those who were currently eligible to retire or who would qualify for ill-health retirement under one scheme but not the other. The guidance suggested that such cases could be administered immediately and reviewed later. In all cases, however, before the remedy was written into legislation, the Service would continue to administer the scheme according to current legislation.

A Member asked how scheme members would be informed when the Service began to administer the remedy. The Service had already developed a communication plan to inform scheme members of the processes. However, until the ongoing consultation had concluded and the remedy had been written into legislation, there would be little to report.

Resolved - That the report be received.

9/21 MATTHEWS/O'BRIEN UPDATE - The Finance Officer submitted a report updating the Board on the Matthews/O'brien case.

The Matthews/O'Brien RDS Modified case (Minutes 8/20 and 23/20 refer) was due to conclude at around the same time as the Sargeant/McCloud case, leading to a further significant administrative burden. It was likely that on-call firefighters' FFPS membership would be backdated to cover their full length of service rather than cut off at 1 July 2000. This would entail a significant amount of work for FFPS administrators nationally and they would need to administer changes within 18 months after the passage of the relevant legislation. Following the application of the remedies, the Service would need to re-valuate its Pension Fund.

A Member asked how scheme members would be informed when the Service began to administer the remedy. Communication in relation to the Matthews/O'Brien case would be challenging, as many ex-scheme-members would need to be contacted. However, there was a strategy in place and affected members and ex-members would be contacted when there was an update to be given.

Resolved - That the report be received.

10/21 COVID-19 UPDATE - The Finance Officer provided an update in relation to the effects of the Covid-19 pandemic.

Her Majesty's Treasury had temporarily relaxed the rules around re-employment following retirement so that retired firefighters under the age of 55 in receipt of a pension from the FPS 1992 could be re-employed without a month's gap in employment to keep their protected pension age if the re-employment was specifically related to the Covid-19 pandemic. This easement had ended in November 2020, and no retired members of the FPS 1992 had returned to work as a result of Covid-19.

Covid-19 would be considered as a qualifying injury in relation to the compensation scheme in the same way as other injuries. The Home Office had been asked to provide assurances that Covid-19 would be a qualifying injury under the Compensation Scheme. It had subsequently issued guidance nationally, confirming that it could not provide an assurance and that it would fall to each fire and rescue service to determine a qualifying injury, with each case subject to an IQMP report. The Home Office had listed a number of issues that would need to be considered to determine the circumstances in which Covid-19 was contracted, and whether it could be considered to have been contracted in the course of a Firefighter's duties. While it could be challenging to determine conclusively whether an employee contracted Covid-19 while on duty, the processes already in place were sufficient.

Resolved - That the update be received.

11/21 LGA TRAINING - The Executive Director of Corporate Services/Section 151 Officer updated members in relation to upcoming Local Government Association training.

Resolved - (a) That the update be received, and

(b) that the Local Government Association training session be held prior to the Pension Board's meeting due to be held on 12 July 2021.

12/21 ANY OTHER BUSINESS – There were no items.

Pension Board
12 July 2019

Report by
Monitoring Officer/Secretary

CALENDAR OF BOARD MEETINGS 2021/22

SUMMARY

1. The Annual General Meeting of the Authority sets the calendar of its meetings, and those of its committees, for the forthcoming year.
2. Attached at Appendix 1 is a copy of the Calendar of Meetings which was approved by the Authority (AGM) on 4 June 2021.
3. In terms of meetings of the Pension Board, Article 10A.12 of the Constitution provides that there shall normally be two ordinary meetings of the Pension Board in each year and that the schedule of meetings shall be decided at the Annual General Meeting of the HFA. In addition, extraordinary meetings may be called at such other times as the Board or Chairperson of the Board may determine.
4. The Calendar of Meetings approved by the Authority includes the following dates and times for meetings of the Board:

Friday, 12 July 2021 at 10.30am *(followed by training event)*

Monday, 31 January 2022 at 10.30am *(followed by training event)*

Meetings of the Board will be held at Fire Service Headquarters.

RECOMMENDATIONS

5. Members are asked to consider and approve dates and times for meetings of the Pension Board for 2021/22.

STRATEGIC PLAN COMPATIBILITY

6. The schedule of meetings shall indirectly set a framework which will ensure that the strategic outcomes are monitored and reviewed.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

7. None arising directly.

LEGAL IMPLICATIONS

8. None arising directly.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

9. No direct actions required.

CORPORATE RISK MANAGEMENT IMPLICATIONS

10. No direct actions required.

HEALTH AND SAFETY IMPLICATIONS

11. None arising directly.

COMMUNICATION ACTIONS ARISING

12. The calendar of meetings will be published.

DETAILS OF CONSULTATION AND/OR COLLABORATION

13. Strategic Leadership Team.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

14. None.

RECOMMENDATIONS RESTATED

15. Members are asked to consider and approve dates and times for meetings of the Pension Board for 2021/22.

M BUCKLEY

Officer Contact: Matthew Buckley ☎ 01482 567174
Monitoring Officer/Secretary

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/SJ
June 2021

HUMBERSIDE FIRE AUTHORITY
SCHEDULE OF MEETINGS 2021/22

| Date | Meeting |
|---------------------------------|---|
| Fri 4 June 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY AGM <i>(followed by MEMBER INDUCTION)</i> |
| Mon 14 June 2021 (10.00am) | Governance, Audit and Scrutiny Committee AGM |
| Fri 25 June 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Mon 5 July 2021 (10.00am) | Governance, Audit and Scrutiny Committee |
| Fri 9 July 2021 (10.00am) | Member Day |
| Mon 12 July 2021 (10.30am) | PENSION BOARD AGM <i>(followed by training event)</i> |
| Fri 23 July 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Mon 6 September 2021 (10.00am) | Governance, Audit and Scrutiny Committee |
| Fri 17 September 2021 (10.00am) | Member Day |
| Fri 24 September 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Fri 1 October 2021 (10.00am) | Member Day |
| Fri 22 October 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Mon 15 November 2021 (10.00am) | Governance, Audit and Scrutiny Committee |
| Fri 26 November 2021 (10.00am) | Member Day |
| Fri 3 December 2021 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Fri 14 January 2022 (10.00am) | Member Day |
| Mon 24 January 2022 (10.00am) | Governance, Audit and Scrutiny Committee |
| Mon 31 January 2022 (10.30am) | PENSION BOARD <i>(followed by training event)</i> |
| Fri 4 February 2022 (10.00am) | Member Day |
| Fri 11 February 2022 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Mon 21 February 2022 (10.00am) | Governance, Audit and Scrutiny Committee |
| Fri 11 March 2022 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Fri 25 March 2022 (10.00am) | Member Day |
| Mon 11 April 2022 (10.00am) | Governance, Audit and Scrutiny Committee |
| Fri 29 April 2022 (10.30am) | HUMBERSIDE FIRE AUTHORITY |
| Fri 3 June 2022 (10.30am) | HUMBERSIDE FIRE AUTHORITY AGM <i>(Followed by MEMBER INDUCTION)</i> |



HUMBERSIDE
Fire & Rescue Service

Humberside Fire Authority Pension Fund Account 2020/21

FIREFIGHTERS' PENSION FUND ACCOUNT

The following table analyses movements on the Fund for the year 2020/21

| 2019/20 £'000s | | 2020/21 £'000s |
|-------------------|---|-------------------|
| | Contributions receivable: | |
| (5,839) | Employers' contributions receivable | (5,788) |
| (2,541) | Firefighters' contributions | (2,490) |
| (8,380) | | (8,278) |
| (238) | Transfers in from other authorities | (89) |
| | Benefits payable: | |
| 16,122 | Pensions | 16,649 |
| 5,040 | Commutations & lump sum retirement benefits | 3,391 |
| 21,162 | | 20,040 |
| | Payments to and on account leavers | |
| 72 | Transfers out to other authorities | - |
| 12,616 | Net amount payable for the year | 11,673 |
| (12,616) | Top-up grant receivable to the Firefighters' Pension Fund | (11,673) |
| - | Fund Account balance | - |

| 2019/20 | <u>Net Assets Statement</u> | 2020/21 |
|---------|-----------------------------|---------|
| | Current Assets | |
| 3,141 | Home Office grant debtor | 3,822 |
| 1,423 | Pensions Paid in Advance | 1,443 |
| | Current Liabilities | |
| (4,564) | Humberside Fire Authority | (5,265) |
| - | | - |

Notes to the Firefighters' Pension Fund Account

The funding arrangements for the Firefighters' Pension Scheme (FPS) changed on 1 April 2006. The Pension Fund was established under the Firefighters' Pension Scheme (Amendment) (England) Order 2006. The Pension Fund administers all four of the Firefighters' Pension Schemes (the 1992 Firefighters' Pension Scheme, the 2006 Firefighters' Pension Scheme, the 2015 Firefighters' Pension Scheme and the Modified Firefighters' Pension Scheme).

The Pension Fund is administered by Humberside Fire Authority.

The Pension Fund is managed by the Executive Director of Corporate Services and Section 151 Officer.

The benefits payable from the Pension Fund are pensions, lump sum commutation payments and ill health pensions. Injury awards are payable from the Authority's General Fund Account.

The Pension Fund is an unfunded scheme, consequently:

- It has no investment assets;
- Benefits payable are funded by contributions from employers and employees; and
- any difference between benefits payable and contributions receivable is met by top-up grant from the Home Office (HO)

The Pension Fund is statutorily prevented from including interest on cashflows and administration expenses in the pension fund. These expenses are accounted for in the Authority's General Fund Account.

Employee and employer contribution levels are based on percentages of pensionable pay set nationally by HO and are subject to triennial revaluation by the Government Actuary's Department. The employers' contribution rates are determined nationally by the Government Actuary's Department and are currently 21.7% for the 1992 FPS, 11.0% for the 2006 FPS, 21.7% for the Modified FPS and 14.3% for the 2015 FPS.

The membership for the pensions fund is as follows;

| Category of Member | 31/3/2021 1992 FPS | 31/3/2021 2006 NFPS | 31/3/2021 Modified Pension Scheme | 31/3/2021 2015 FPS | 31/3/2020 1992 FPS | 31/3/2020 2006 NFPS | 31/3/2020 Modified Pension Scheme | 31/3/2020 2015 FPS |
|---------------------|-----------------------|---------------------------|--|--------------------------|-----------------------|---------------------------|--|--------------------------|
| Contributors | 34 | 6 | 27 | 641 | 53 | 7 | 36 | 627 |
| Deferred Pensioners | 45 | 111 | 7 | 134 | 48 | 113 | 11 | 98 |
| Pensioners | 977 | 13 | 72 | 19 | 972 | 18 | 58 | 11 |

Statement of Accounting Policies

The Accounting Policies adopted for the Pension Fund follow those set out in the Authority's Statement of Accounting Policies (Note 1 of the Notes to the Financial Statements). Transfer values are an exception to this policy and are on a cash basis.

The following item(s) are estimated and are material to the Pension Fund account:

- Estimation of top-up grant receivable

The Pension Fund Account does not take account of the obligations to pay pensions and benefits that fall due after the end of the financial year. These are reflected in the Authority's accounts in accordance with IAS 19 – Employee Benefits (Please see note 4 in the Notes to the Financial Statements).

WORKSTREAMS UPDATE

SUMMARY

1. This report sets out an update on the workstreams that were originally agreed at the Pension Board in January 2016.
2. The workstreams are designed to ensure that the Board operates in compliance with the Pension Regulator's Code of Practice for Pension Boards.
3. The list of activities is not exhaustive and has evolved over the last 12 months and will continue to do so over the coming months.

RECOMMENDATIONS

4. That the Board considers the workstreams that are set out in this report.

WORKSTREAMS

5. Appendix 1 of this report sets out the workstreams proposed for the Pension Board over the short-to-medium term.
6. The workload aims to meet the requirements of the Code of Practice for Pension Boards and has therefore been shaped into three broad areas:-

Governance, Administration and Communication

7. The elements that are timetabled to be reported upon at this meeting are set out below:-

- **Governance**

G3 workstream – Training

Training has been delivered at regular points since the inception of the Board in July 2015.

In September 2017 a training session for Pension Board Members and Officers was delivered by colleagues from LGA Pensions and the Pensions Regulator and more recently training in relation to tax was delivered in October 2019.

In June 2020, the Scheme Advisory Board delivered Pension Board Wrap up Training.

In March 2021, a training session on the role of the Local Pension Board in the age discrimination remedy was delivered to Pension Board Members by colleagues at the Local Government Association.

G5B workstream – Summary of Complaints Received

A clear process for complaints has been adopted and is a key component of the governance of the Firefighter Pension Schemes (FFPS).

There were no complaints in relation to our administration of the FFPS in 2016/17, 2017/18. There was one complaint in 2018/19 and one in 2019/20 which have now been concluded. There were three complaints in 2020/21, one has been concluded and two are being investigated under the complaints procedure. There have been no complaints in 2021/22 to date.

G6 workstreams – Risk Register

The Authority's team involved in the operation of the FFPS have developed a comprehensive Risk Register attached at Appendix 2.

The Risk Register identifies the three most dominant risks in Risk Areas 1, 2 and 3 as the maintenance of Member data (Risk 2), over reliance on key pensions administration officers (Risk 6), and also legislative change (Risk 7).

These risks reflect the recent significant changes in the FFPS which have brought a much greater emphasis on the completeness and accuracy of data and a number of fundamental scheme changes and legal rulings.

Risks specifically relating to the effects of the Covid 19 pandemic were assessed and included in the Risk Register in Risk Area 4. The most dominant risks are the late payment of benefits (Risk 10) and cyber security breaches due to increased remote working (Risk 12).

These risks reflect the different working practices that have had to be adopted to ensure the ongoing administration of the scheme during the current pandemic.

All of these risks will be monitored carefully, and it is felt that the mitigations and controls in place at present are sufficient.

- **Administration**

A1 workstream – KPIs and Benchmarking, SLAs

The Service has an agreed set of Key Performance Indicators (KPIs) with West Yorkshire Pension Fund (WYPF) who act as administrators of the FFPS on our behalf.

The KPIs are monitored and reported on monthly. Appendix 3 sets out the position for quarter 4 of 2020/21.

The data shows good performance in most of the key areas.

The KPIs provide a sound basis on which to manage performance going forward.

A2 workstream – Costs per Member and Number of Scheme Members

Appendix 4 sets out the latest position of scheme members including those currently contributing to the 1992, 2006 and 2015 schemes and those in receipt of a pension. This information will be brought to each Board meeting.

- **Communication**

C5 workstream – Communication by the Scheme Advisory Board

The most recent Scheme Advisory Board Bulletins are attached at Appendix 5.

STRATEGIC PLAN COMPATIBILITY

8. No direct issues arising.

FINANCIAL/RESOURCES/VALUE FOR MONEY IMPLICATIONS

9. No direct issues arising.

LEGAL IMPLICATIONS

10. The workstreams outlined in this report will ensure that HFRS can run a legally compliant Pension Board.

EQUALITY IMPACT ASSESSMENT/HR IMPLICATIONS

11. No direct issues arising.

CORPORATE RISK MANAGEMENT IMPLICATIONS

12. No direct issues arising.

HEALTH AND SAFETY IMPLICATIONS

13. No direct issues arising.

COMMUNICATION ACTIONS ARISING

14. No direct issues arising.

DETAILS OF CONSULTATION AND/OR COLLABORATION

15. No direct issues arising.

BACKGROUND PAPERS AVAILABLE FOR ACCESS

16. Papers as attached.

RECOMMENDATIONS RESTATED

17. That the Board considers the workstreams that are set out in this report.

K WILSON

Officer Contact: Kevin Wilson ☎ 01482 567183
Executive Director of Corporate Services/S.151 Officer

Humberside Fire & Rescue Service
Summergroves Way
Kingston upon Hull

KW/SK
23 June 2021

PENSION BOARD – PROPOSED WORKSTREAMS

| | Workstream | Progress | Report to Pension Board | | |
|----------------|--------------------------------|---|---|---------------|--------------------|
| | | | Previous | Today | Future |
| GOVERNANCE | | | | | |
| G1 | Establish the Pension Board | Completed | July 2015 | - | - |
| G2 | Code of Practice | Circulated and discussed at the January 2016 meeting - Completed | January 2016 | - | - |
| G3 | Training | Ongoing with initial training completed July/August 2015 and further training in April 2016 and March 2017 LGA training September 2017 WYPF training July 2018 Tax training October 2019 Pension Board Wrap up Training June 2020 | July 2015 June 2016 January and July 2017 January and July 2018 January and July 2019 January July 2020 and February 2021 | July 2021 | Ongoing |
| G4 | Knowledge | Knowledge matrix as a basis on which to identify Pension Board Members' knowledge gaps circulated at January and June 2016 meetings and at April 2016 Pension Board Training | January and June 2016 and January 2017 | - | - |
| G5A | Complaints | Flowchart for the current complaints procedure for the FFPS circulated and discussed at January 2016 meeting. Procedure updated October 2020. | January 2016 | February 2021 | - |
| G5B | Summary of Complaints received | Complaints received in 2015/16 circulated. No complaints in 2016/17 and 2017/18, one in 2018/19, one in 2019/20, and three in 2020/21 to date. | June 2016 January and July 2017 January and July 2018 January and July 2019 January July 2020 and February 2021 | July 2021 | Each Pension Board |
| G6 | Risk Register | The Risk Register is updated on an ongoing basis. | June 2016 January and July 2017 January and July 2018, January 2019 and July 2019 January July 2020 and February 2021 | July 2021 | Each Pension Board |
| G7 | Policies | Abatement Policy published December 2020 | February 2021 | - | When published |
| ADMINISTRATION | | | | | |
| A1 | KPIs and Benchmarking, SLAs | KPIs are reported monthly. | June 2016 January and July 2017 January and July 2018, January 2019 and July 2019 January July 2020 and February 2021 | July 2021 | Each Pension Board |

| | | | | | |
|---------------|---|--|--|-----------|--------------------|
| A2 | Costs per member and number of scheme members | Reported to January 2016 Board and each Board thereafter | June 2016 January and July 2017 January and July 2018, January 2019 and July 2019 January July 2020 and February 2021 | July 2021 | Each Pension Board |
| A3 | Data for CARE and data quality | The recent move to the new ERYC payroll system has facilitated the production of this information by 31 March 2016 - Completed | June 2016 | - | - |
| A4 | Pension expenditure | Compiled as part of the Annual Accounts | June 2016 July 2017 July 2018 July 2019 July 2020 | July 2021 | July 2022 |
| COMMUNICATION | | | | | |
| C1 | By Scheme | Latest publication presented to meetings | January 2016, January and July 2017 July 2018 July 2019 July 2020 | July 2021 | When published |
| C2 | By the Service | Latest publication presented to January 2016 meeting | January 2016 | - | When published |
| C3 | Benefit Statements | Issued week commencing 19 December 2016 and August 2017, 2018 and 2019 | January 2017 | - | - |
| C4 | Calculators | Circulated at the April 2016 Pension Board Training and now on the Authority's website - Completed | April 2016 Pension Board Training | - | - |
| C5 | By the SAB | Latest publications presented to July 2020 meeting | July 2020 and February 2021 | July 2021 | When published |

Firefighters' Pension Scheme - Administration Risk Register

| Risk Assessment Form | | | | | | | | | |
|--|--|--------------------|--------|-------------|---|------------------------|-----------|-------------|---|
| Organisation: Humberside Fire & Rescue Service | | | | | | | | | |
| Scheme Manager: Delegated to Executive Director of Corporate Services and s151 Officer | | | | | | | | | |
| | Risk | Assessment of Risk | | | Risk Control Measures | Owner | Test | Next Review | Comment |
| | | Likelihood | Impact | Risk Rating | | | | | |
| | Risk Area 1 - Operations | | | | | | | | |
| 1 | Operational disaster (fire, flood etc) | 1 | 4 | 4 | Business continuity plans in place for Pension Administrator | Senior Finance Officer | Annual | Jan-22 | |
| | | | | | Business continuity plans in place for Scheme Manager | Senior Finance Officer | Annual | Jan-22 | |
| 2 | Member data incomplete or inaccurate | 3 | 3 | 9 | Annual report from Pension Administrator used as basis for rectification/data cleansing plan | Senior Finance Officer | Annual | Jan-22 | Less likely that data will be incomplete or inaccurate now that monthly returns are being submitted |
| | | | | | Returns from annual statements, Life Certificate checks, and National Fraud Initiative checks | Pension Admin | Annual | Jan-22 | |
| 3 | Administration process failure/maladministration | 1 | 2 | 2 | Formal agreement in place with administrator, including SLAs | Senior Finance Officer | Annual | Jan-22 | KPIs subject to quarterly review |
| | | | | | Authority levels clearly agreed and kept up to date | Scheme Manager | Annual | Jan-22 | |
| | | | | | Review independent reports of administrator's process | Scheme Manager | Annual | Jan-22 | |
| | | | | | Ongoing dialogue with administrator | Senior Finance Officer | Ongoing | Ongoing | |
| | | | | | Contract meetings between Pension Administrator and Senior Finance Officer | Senior Finance Officer | Quarterly | Ongoing | |

| | | | | | | | | | |
|---|--|---|---|----|---|--|---------|---------|--|
| | Risk Area 2 - Financial | | | | | | | | |
| 4 | Excessive charges by supplier | 3 | 2 | 6 | Annual review of scheme budget, review of costs incurred against budget | Senior Finance Officer | Annual | Jan-22 | Charges may increase with additional work required as a result of McCloud/Matthews judgments |
| | | | | | Periodic review of supplier | Senior Finance Officer | Annual | Jan-22 | |
| 5 | Incorrect employee and employer contributions | 1 | 5 | 5 | Check incoming and outgoing scheme funds against scheme forecast - reconciling all funds | Senior Finance Officer | Monthly | Jan-22 | |
| | | | | | Monitoring of contribution payments | Senior Finance Officer | Monthly | Jan-22 | |
| | | | | | Annual audit | Finance Manager | Annual | Jan-22 | |
| | Risk Area 3 - Regulatory & Compliance | | | | | | | | |
| 6 | Over reliance on key pensions administration officers | 3 | 3 | 9 | Key officers convey specialist knowledge on to colleagues by mentoring | Senior Finance Officer/ Pensions Admin | Ongoing | Ongoing | Additional work caused by McCloud/Matthews may pull key officers away from routine work resulting in potential administrative errors |
| | | | | | Enhance training by bespoke sessions/courses/workshops | Senior Finance Officer/ Pensions Admin | Ongoing | Ongoing | |
| 7 | Changes to legislation | 5 | 4 | 20 | Ongoing review of legislative framework | Scheme manager | Ongoing | Ongoing | McCloud/Matthews judgments will result in legislative changes |
| | | | | | Up to date and documented training log, showing completion of scheme specific and The Pensions Regulator's educational material | Scheme manager | Ongoing | Ongoing | |
| | | | | | Technical advice and updates | Scheme manager | Ongoing | Ongoing | |
| 8 | Delayed Annual Benefit statements (Special Modified Scheme) | 2 | 2 | 4 | Submission of monthly data, and timely submission of year end data | Senior Finance Officer/ Pensions Admin | Ongoing | Ongoing | Procedures put in place to automate production of ABS for Special Modified Scheme Members |
| 9 | Conflicts of interest | 2 | 1 | 2 | Pension board awareness of legal responsibilities | Scheme Manager | Ongoing | Ongoing | |
| | | | | | All pension board members to declare any conflicts and potential conflicts | Scheme Manager | Ongoing | Ongoing | |

| | | | | | | | | | |
|-----------|--|---|---|----|--|----------------|---------|---------|---|
| | Risk Area 4 - Covid-19 | | | | | | | | |
| 10 | Late payment of benefits (including processing death and survivor benefits) | 3 | 3 | 9 | Pension payroll operating largely on a remote basis and subject to ongoing review and testing | Scheme Manager | Ongoing | Ongoing | |
| 11 | Delay in processing retirements | 2 | 3 | 6 | Prioritising retirement processing in accordance with The Pension Regulator's Guidance | Scheme Manager | Ongoing | Ongoing | There may be a slight delay in the payment of retirement lump sums due to payroll processes running weekly, but payment will still be processed within time limits set out in pension legislation |
| 12 | Cyber security breaches due to increased remote working | 3 | 4 | 12 | Supporting good decision making and minimising the risk of scams in line with The Pension Regulator's Guidance | Scheme Manager | Ongoing | Ongoing | |
| 13 | Delayed Annual Benefit Statements | 3 | 2 | 6 | Submission of monthly returns ongoing | Scheme Manager | Ongoing | Ongoing | No delay in Annual Benefit Statement production in 2020, with 100% meeting the statutory deadline |
| | | | | | Administrators performing key duties remotely | | | | |

Risk Matrix

The following model rates the impact and likelihood of an identified risk using a scale of 1 to 5.

The likelihood score is multiplied by the impact score (as shown in the table) to give an overall risk score.

The final score will influence the level of monitoring and/or control required in relation to each risk.

| Likelihood Score | 1 | 2 | 3 | 4 | 5 |
|--|---------------------------------------|--|---------------------------------|---|--|
| Descriptor | Rare | Unlikely | Possible | Likely | Almost Certain |
| Frequency How often might it/does it happen | This will probably never happen/recur | Do not expect it to happen/recur but it is possible it may do so | Might happen/recur occasionally | Will probably happen/recur, but it is not a persisting issue/circumstance | Will undoubtedly happen/recur, possibly frequently |

| Impact Score | 1 | 2 | 3 | 4 | 5 |
|---------------------------------------|---|--|--|---|---|
| Descriptor | Negligible | Minor | Moderate | Major | Catastrophic |
| Risk Area 1 - Operations | Minor problem easily handled by normal day to day processes | Potential for some operational disruption | Significant operational disruption possible | Operations severely damaged | Operational survival at risk |
| Risk Area 2 - Financial | Little/no financial impact | Potential for short term financial impact | Potential for medium term financial impact | Potential for long term financial impact | Potential for permanent long term financial impact |
| Risk Area 3 - Regulatory & Compliance | Little/no impact | Misunderstanding of rules/regulations resulting in reduced performance | Breach of rules/regulations resulting in informal complaint(s) | Breach of rules/regulations resulting in formal report or complaint(s) being lodged | Breach of rules/regulations resulting in legal action |
| Risk Area 4 - Covid 19 | Minor problem easily handled by normal day to day processes | Potential for some disruption to normal processes | Significant disruption to normal processes possible | Normal processes severely disrupted | Operational survival at risk |

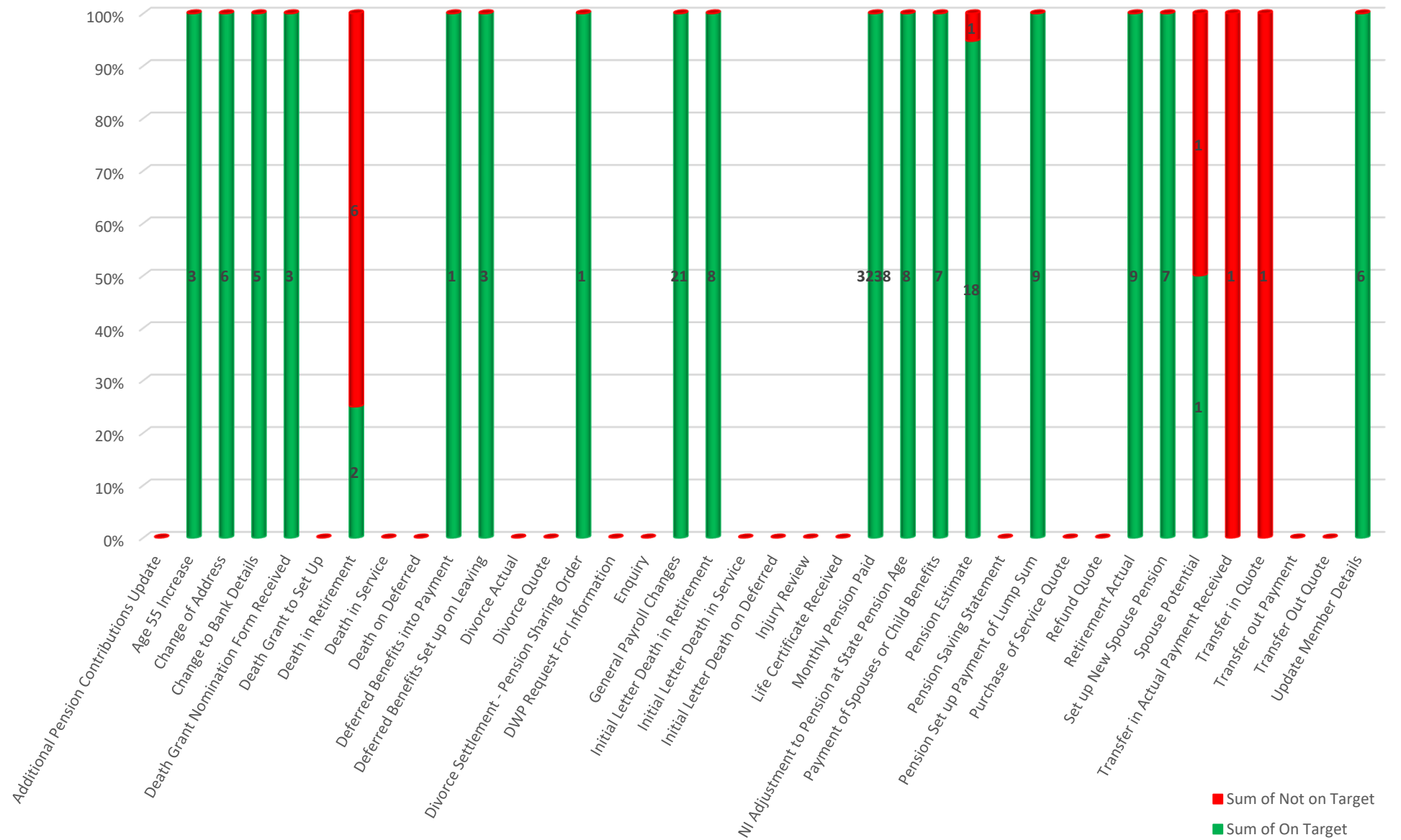
| | Likelihood Score | | | | |
|----------------|------------------|----|----|----|----|
| Impact Score | 1 | 2 | 3 | 4 | 5 |
| 5 Catastrophic | 5 | 10 | 15 | 20 | 25 |
| 4 Major | 4 | 8 | 12 | 16 | 20 |
| 3 Moderate | 3 | 6 | 9 | 12 | 15 |
| 2 Minor | 2 | 4 | 6 | 8 | 10 |
| 1 Negligible | 1 | 2 | 3 | 4 | 5 |

| | | |
|--|----------|---------------|
| | 1 to 3 | Low risk |
| | 4 to 6 | Moderate risk |
| | 8 to 12 | High risk |
| | 15 to 25 | Extreme risk |

KPIs 2020/21 Quarter 4

| Number | Key Performance Indicator | Target Days | Minimum |
|--------|---|-------------|---------|
| 1 | Additional Pension Contributions Update | 10 | 85% |
| 2 | Age 55 Increase | 20 | 85% |
| 3 | Change of Address | 20 | 85% |
| 4 | Change to Bank Details | 20 | 85% |
| 5 | Death Grant Nomination Form Received | 20 | 85% |
| 6 | Death Grant to Set Up | 5 | 85% |
| 7 | Death in Retirement | 5 | 85% |
| 8 | Death in Service | 5 | 85% |
| 9 | Death on Deferred | 5 | 85% |
| 10 | Deferred Benefits into Payment | 3 | 85% |
| 11 | Deferred Benefits Set up on Leaving | 10 | 85% |
| 12 | Divorce Actual | 80 | 100% |
| 13 | Divorce Quote | 35 | 85% |
| 14 | Divorce Settlement - Pension Sharing Order | 80 | 100% |
| 15 | DWP Request For Information | 10 | 85% |
| 16 | Enquiry | 5 | 85% |
| 17 | General Payroll Changes | 20 | 85% |
| 18 | Initial Letter Death in Retirement | 5 | 85% |
| 19 | Initial Letter Death in Service | 5 | 85% |
| 20 | Initial Letter Death on Deferred | 5 | 85% |
| 21 | Injury Review | 20 | 100% |
| 22 | Life Certificate Received | 5 | 85% |
| 23 | Monthly Pension Paid | Due Date | 100% |
| 24 | NI Adjustment to Pension at State Pension Age | 20 | 85% |
| 25 | Payment of Spouses or Child Benefits | 5 | 85% |
| 26 | Pension Estimate | 10 | 85% |
| 27 | Pension Saving Statement | 20 | 100% |
| 28 | Pension Set up Payment of Lump Sum | 3 | 85% |
| 29 | Purchase of Service Quote | 20 | 85% |
| 30 | Refund Quote | 35 | 85% |
| 31 | Retirement Actual | 10 | 85% |
| 32 | Set up New Spouse Pension | 5 | 85% |
| 33 | Spouse Potential | 10 | 85% |
| 34 | Transfer in Actual Payment Received | 10 | 85% |
| 35 | Transfer in Quote | 10 | 85% |
| 36 | Transfer out Payment | 10 | 85% |
| 37 | Transfer Out Quote | 35 | 100% |
| 38 | Update Member Details | 20 | 100% |

KPIs 2020/21 Quarter 4



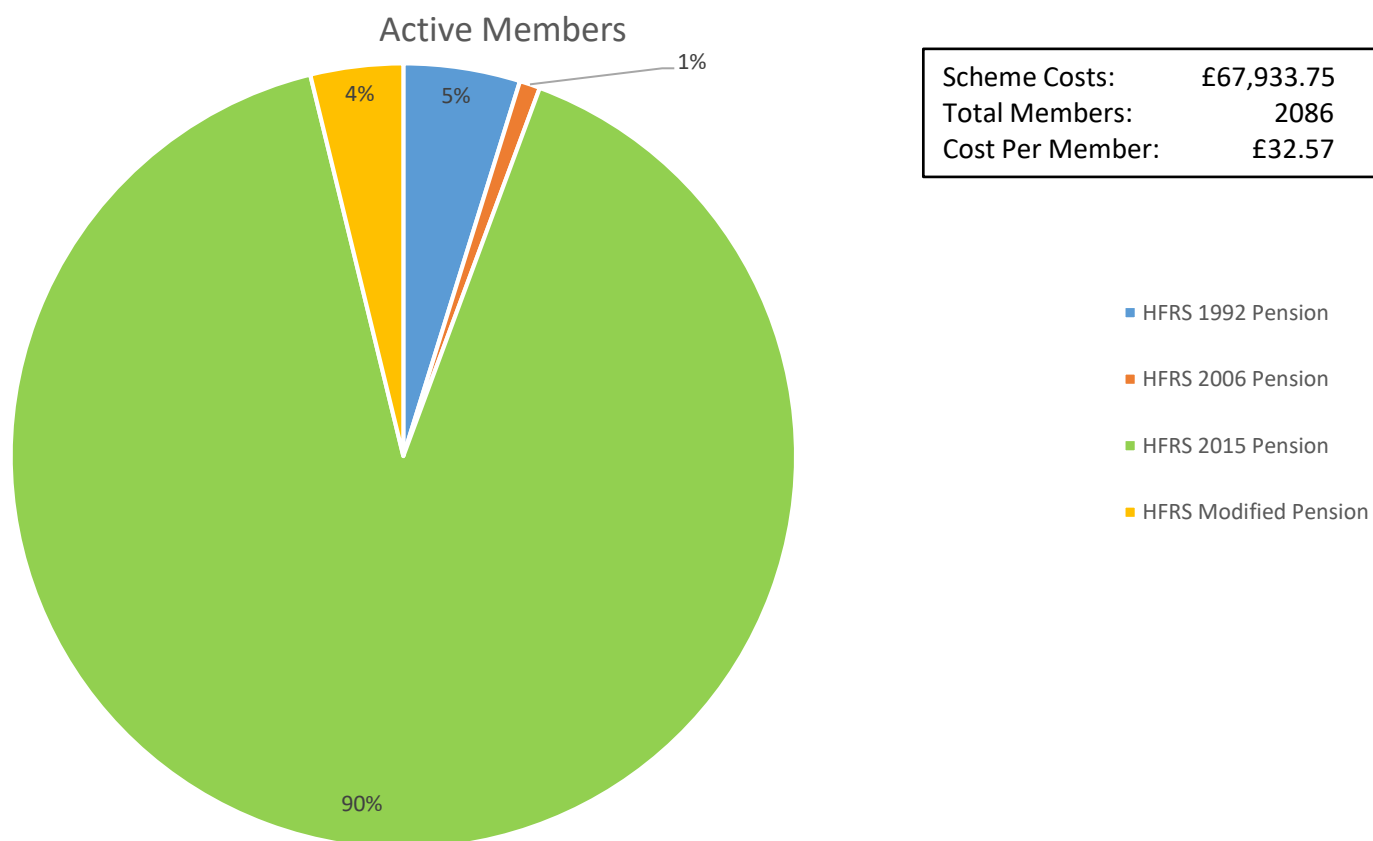
Firefighters' Pension Scheme - Number of Scheme Members and Administration Cost Per Member as at 31/03/2021

Total Members

| Scheme Name | Active | Deferred | Pensioner | Beneficiary |
|-----------------------|-------------|----------|-----------|-------------|
| HFRS 1992 Pension | 34 | 45 | 831 | 146 |
| HFRS 2006 Pension | 6 | 111 | 11 | 2 |
| HFRS 2015 Pension | 641 | 134 | 19 | 0 |
| HFRS Modified Pension | 27 | 7 | 68 | 4 |
| Total | 708 | 297 | 929 | 152 |
| Grand Total | 2086 | | | |

Total Costs

| Service | Cost |
|----------------|-------------------|
| HFRS Salary | £34,448.85 |
| Administration | £28,429.00 |
| Payroll | £5,055.90 |
| Total | £67,933.75 |





FPS Bulletin 41 – January 2021

Welcome to issue 41 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year to all. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

| Event | Date |
|---|---|
| FPS coffee and catch up | Every second Tuesday from 9 February 2021 |
| Midlands regional group | 9 February 2021 |
| North East regional group | 17 February 2021 |
| Eastern regional group | 18 February 2021 |
| SAB | 11 March 2021 |
| SAB | 24 June 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

Actions arising

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

[TPR six key processes](#): scheme managers and LPBs to consider the six key processes factsheet, assess which they have in place and take action to address any gaps.

FPS

Age discrimination remedy consultation update

We expect that HM Treasury (HMT) will publish their response to the [consultation on changes to the transitional arrangements](#) to the 2015 public service pension schemes in early February.

In preparation, we have created a new section on the FPS regulations and guidance website for [age discrimination remedy](#), which splits out the existing content from the earlier page under Legal Landscape. We will update the new section as more information becomes available.

Factors extended for FPS 2006 special member transfer service credits

Following an administrator request, GAD has provided the following table (Table A) to extend the conversion factors for [transferred-in service credits](#) (standard to special membership) from age 59 to age 60.

| Age last birthday at relevant date | Male Conversion Factors | Female Conversion Factors |
|------------------------------------|-------------------------|---------------------------|
| 55 and under | 0.700 | 0.710 |
| 56 | 0.706 | 0.713 |
| 57 | 0.716 | 0.721 |
| 58 | 0.728 | 0.731 |
| 59 | 0.740 | 0.740 |
| 60 | 0.750 | 0.750 |

The factor at age 60 should be applied in the same way as for factors at other ages. Note that the factors for ages 59 and below in the above table are unchanged from the current published table.

GAD is not aware of any exclusions which prohibit the conversion of transferred-in service credits at age 60 and this position was confirmed by the Home Office.

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

Firefighters' Compensation Scheme

In [FPS Bulletin 39 - November 2020](#) we commented on identifying a qualifying injury. We have received further requests regarding the FRA's position on the compensation scheme, and we offer the following points that may assist when making determinations under the compensation scheme:

- The compensation scheme is the responsibility of the employing FRA, payments from the scheme are paid from the Fire and Rescue operating account, not the notional pension account topped up by Government as per paragraphs 3.23 to 3.29 of the [finance guidance](#).
- There have only been minor amendments to the [compensation scheme rules](#) since 2006.
- The entitlement to an injury award under the compensation scheme occurs if the infirmity is occasioned by a 'qualifying injury' [[Part 2, Rule 1, sub para 1](#)]
- 'Qualifying Injury' is defined in [Part 1, Rule 7](#). There has only been a minor amendment to this rule by [SI 2014/447](#) which substituted 'regular firefighter' for 'regular or retained firefighter' "references in this Scheme to a qualifying injury are references to an injury received by a person, without his own default, **in the exercise of his duties as a regular or retained firefighter.**"

- Regular firefighter is defined in the [interpretations](#) as “regular firefighter” means—
 - (a) a person who is employed—
 - (i) by a fire and rescue authority as a firefighter (whether whole-time or part-time), other than as a retained or volunteer firefighter; and
 - (ii) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting) and whose employment is not temporary;
 - (b) a person who holds office as the London Fire Commissioner where the terms and conditions of appointment to that office include—
 - (i) resolving operational incidents, or
 - (ii) leading and supporting others in the resolution of operational incidents;”
- Retained firefighter is defined by the [interpretations](#) as “retained firefighter” and “retained or volunteer firefighter” mean a person employed by an authority—
 - (a) as a firefighter, but not as a regular firefighter,
 - (b) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting),
 - (c) otherwise than in a temporary capacity, and
 - (d) who is obliged to attend at such times as the officer in charge considers necessary, and in accordance with the orders that he receives;”
- It is for the FRA to consider whether the qualifying injury occurred ‘**in the exercise of duties**’ as a ‘**regular or retained firefighter**’.
- It would not be appropriate for anyone other than the employer to determine what is the exercise of duties as a firefighter; the regulatory definitions of a regular or retained firefighter do not refer to the role map, rather to their **employment** as a regular or retained firefighter.
- FRAs should take into account what the contractual arrangements for additional duties are and whether these are in the context of the existing contract as a firefighter, or whether these are contracted for separately with no reference to being employed as a firefighter. You may be aware of the employers circular FAQs Q12 regarding volunteering for additional duties “*What is the position in respect of my pension*” to which the answer is:

“You are volunteering to assist your service’s response to the pandemic, thereby agreeing to undertake a variation to your normal duties following a reasonable request by your employer. You are therefore undertaking authorised duty within the context of your existing contract and the pension scheme rules.”

January 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: abatement and death benefits.

FPS England SAB updates

IQMP assessments

At their meeting on 10 December 2020, the Scheme Advisory Board (SAB) discussed a [paper updating Board members on medical retirements](#) from the FPS.

The Board agreed that the paper should form a factsheet update to stakeholders on ill-health and injury retirements and that it would proceed with forming a review group for guidance.

In consideration of the question on the ability of an Independent Qualified Medical Practitioner (IQMP) to make an assessment under both the legacy and reformed schemes [paragraphs 30 to 33], the Board agreed for the secretariat to draft a statement on behalf of SAB to confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy/ immediate detriment.

This statement is included below:

“In cases of immediate detriment, some IQMPs have felt unable to make assessments under two schemes, due to wording in the scheme regulations that state the IQMP should not previously have been involved in a case for which his/her opinion has been requested, and they feel that whether the IQMP can express an opinion on both schemes simultaneously is unclear.

While the Board recognise that neither they, the LGA or the Home Office can provide a definitive interpretation of the regulations as only a court can provide a definitive interpretation of legislation, they are satisfied that the regulation wording should not prevent IQMPs from giving an opinion on both schemes, citing the example that this is currently the position for injury and ill-health retirements or deferred pension ill-health retirements, where the IQMP assesses the member under both the compensation scheme and pension scheme, or from both pension schemes for a deferred members retirement.

In consideration of the question on the ability of the IQMP to make an assessment under both the legacy and reformed schemes, the Board confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy.”

TPR six key processes factsheet 2021

We advised readers in [FPS Bulletin 39 – November 2020](#) that the results of the [2019 Governance and Administration survey](#) had been published by the Pensions Regulator (TPR).

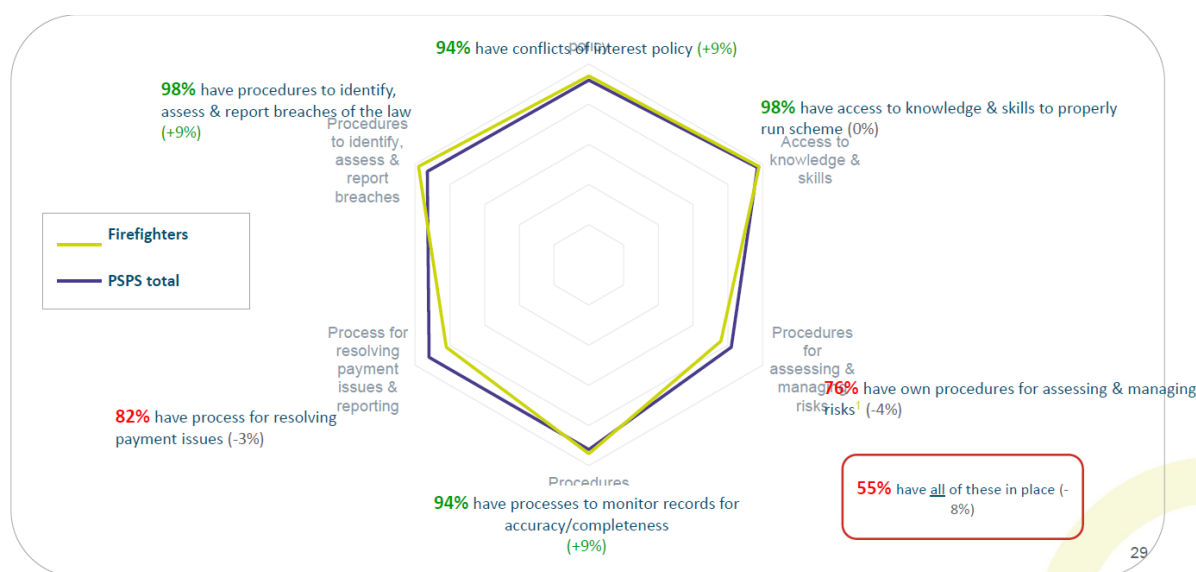
As part of the annual survey, TPR measures six processes as key indicators of public service pension scheme performance.

The six processes are:

1. Documented policy to manage board members conflicts of interest
2. Access to knowledge, understanding and skills needed to properly run the scheme
3. Documented procedures for assessing and managing risks
4. Process to monitor records for accuracy / completeness
5. Process for resolving contribution payment issues
6. Procedures to identify, assess and report breaches of the law

In 2019, 55 per cent of Firefighters' schemes across the UK reported having all six processes in place. This had reduced from 63 per cent in 2018.

Figure 1: Spider graph showing schemes' performance against the six key indicators



Source: [Local Pension Board Wrap Up Training 2020](#) [slide 29]

We have refreshed our [six key processes factsheet](#) to reflect the most recent results and give guidance to FRAs and their Local Pension Boards (LPBs) to improve understanding and compliance in the next survey.

SAB LPB effectiveness committee vacancy

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

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Public Service Pension Indexation and Revaluation 2021

On 12 January 2021, HMT issued [written statement HLWS699](#) confirming the Public Service Pension Indexation and Revaluation for 2021.

Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2020. The increase from 12 April 2021 is 0.5%.

HMT has published the [2021 pensions increase multiplier tables](#) and [covering note](#) to the GOV.UK website in advance of the Pensions Increase (Review) Order being laid.

FPS 2015 will use the figure of 2.4% as set out in the statement for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2021.

Restriction of exit payments update

We confirmed in [FPS Bulletin 39 – November 2020](#) that HMT had published Directions and guidance on the [Exit Payments Regulations](#).

Just before Christmas, amended versions of these documents were published. The documents set out the obligations on individuals and employers and the waiver process for exit payments over £95,000. The new versions can be accessed below:

- [Guidance on the 2020 Regulations](#)
- [HM Treasury Directions](#)

On 21 December 2020, Lord Agnew of Oulton, Minister of State (HM Treasury), confirmed in response to a [written parliamentary question on redundancy pay](#) that employer's national insurance contributions (NICs) are not an exit payment and therefore not included when determining if the £95,000 cap has been breached.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please see [LGPC Bulletin 205 – January 2021](#).

The Pensions Ombudsman (TPO) stakeholder newsletter

TPO has published the latest issue of its stakeholder newsletter: [Issue 10 – December 2020](#). The newsletter includes details of recent appointments, updates on stakeholder and customer surveys, and further enhancements to the TPO website.

Earlier communications from TPO and a full history of determinations in relation to the FPS are held on our [TPO webpage](#).

Pensions Dashboards Programme – welcome to 2021

The Pensions Dashboards Programme (PDP) published a blog on 12 January 2021 entitled '[welcome to 2021 and brighter days ahead](#)'. The blog outlines progress made by the PDP in 2020 and sets out milestones for the year ahead.

A significant step for the PDP will be the [Pensions Schemes Bill 2019-21](#) passing into law. The Bill will set out high-level legislative requirements that schemes and providers must comply with. In addition, the PDP expects to start a program of procurement for the digital infrastructure needed to support dashboards.

Automatic enrolment (AE) earnings trigger annual review

The Department for Work and Pensions (DWP) published its [annual review of the AE earnings trigger](#) on 20 January 2021. The review proposes that the existing trigger of £10,000 should remain unchanged for 2021/22.

FCA publishes DB transfer advice tool

The [Pension Schemes Act 2015 \(Transitional Provisions and Appropriate Independent Advice\) Regulations 2015](#) introduced the requirement for members to take independent advice where the value of their transfer value exceeds £30,000.

On 15 January 2021, the Financial Conduct Authority (FCA) published the [Defined Benefit Advice Assessment Tool](#).

The purpose of the tool is to allow the industry to understand how the FCA assesses advice suitability given before October 2020. The FCA will publish an updated tool reflecting changes made to pension transfer permissions in October 2020 during the coming months.

Government updates Brexit pension guidance

The Government has updated the [Brexit pension guidance](#) to reflect that the State Pension will continue to be increased while the person is resident in the EU and that the transition period has ended.

The guidance explains the rights of UK nationals in the EU, the European Economic Area or Switzerland to benefits and pensions now that the UK has left the EU.

Events

FPS coffee mornings

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

The next event is scheduled to take place on 9 February 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

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](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)

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



FPS Bulletin 42 – February 2021

Welcome to issue 42 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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Calendar of events

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Table 1: Calendar of events

| Event | Date |
|--|--|
| LGA virtual annual fire conference | 1 – 4 March 2021 |
| FPS coffee and catch up | Every second Tuesday from 9 March 2021 |
| SAB | 11 March 2021 |
| SAB | 24 June 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

Actions arising

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

[Remedy data collection](#): FRAs should read the draft data collection guidance and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

FPS

[Age discrimination remedy consultation response published](#)

On 4 February HM Treasury (HMT) published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

The response confirms that discrimination will be addressed in two parts.

To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. This means that all future service for all members will build up in the reformed CARE scheme. Final salary benefits already built up are fully protected.

For benefits built up during the period of discrimination, 1 April 2015 to 31 March 2022, unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement, all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period.

While we expect that transferring remaining members into FPS 2015 at 1 April 2022 will be relatively straightforward, the conversion of CARE benefits into final salary will involve complex administrative processes with adjustments of pay, contributions, tax relief, and pensions tax liabilities.

The consultation response addresses some of these issues, however, further policy decisions are needed in some areas. The Home Office will consult separately on changes needed to the Firefighters' Pension Scheme regulations to enact the remedy.

More information can be found on our [age discrimination remedy implementation](#) page.

We understand that members will have many questions about what these changes mean. At present, employers and administrators can only provide the general information that can be found in the consultation response. Until the necessary changes are made to the pension administration software systems, it will not be possible to provide estimates of benefits for members. This is likely to take some time.

Members do not need to take any action, as remedy will automatically be applied if they are eligible. The Home Office has published a [list of frequently asked questions](#) with information about scope and the decisions that the government have made.

We are working closely and at pace across the whole of the FPS sector and with government departments to support FRAs through the remedy implementation process.

Valuation

At the same time as publishing the response setting out the government's approach to removing discrimination, HMT also announced the position on both the paused 2016 cost cap valuation and the 2020 valuation, in [written statement HCWS757](#).

2016 valuation

The pause on the 2016 cost cap valuation will now be lifted, and the Government Actuary's Department (GAD) will now proceed with finalising the valuations based on the DCU approach to removing discrimination.

The cost cap for the FPS was set as 16.8 per cent¹ as at 1 April 2015. The provisional result of the 2016 valuation before the pause was effected was a cost cap cost of 11.6 per cent², which was 5.2 per cent lower than the cost cap floor set in April 2015.

The current process sets out that any breach to the floor of the cost cap would see improvements to scheme benefits to bring the cost cap back within range and, conversely, any ceiling breaches would see reductions to scheme benefits. Floor breaches refer to a change in value by more than 2 per cent below the established cost cap, i.e. less than 14.8 per cent, and a ceiling breach is a change in value by more than 2 per cent above this figure, i.e. more than 18.8 per cent.

Employers are continuing to pay increased employer contributions based on improving scheme benefits because of the floor breach in the paused 2016 cost cap valuation.

The government confirmed that early estimates of the cost cap taking into account the increased value of public service schemes to members as a result of the McCloud remedy mean that on review some schemes would now breach the ceiling. For the FPS this would mean the cost cap cost once calculated would have to be above 18.8 per cent.

If normal statutory procedure were followed, any ceiling breaches would lead to a reduction in member benefits to bring costs back to target. However, the government have announced that it would be inappropriate to reduce member benefits at this time and the effect of any ceiling breaches on the 2016 valuation would be waived.

2020 valuation

In July 2020 the government announced a [review to the mechanism to control the cost of public service pensions](#) for future valuations. While this review will not affect the process of the 2016 cost cap valuation which will continue on the current mechanism, the 2020 valuation will be subject to any recommendations as a result of this review.

The Government announced in [written statement HCWS757](#) that due to interactions with wider pension policies, in particular the implementation of the McCloud remedy reforms, completion of the 2016 valuation process and the review of the cost control mechanism, any changes to employer contribution rates resulting from the 2020 valuations will be delayed from April 2023 to April 2024.

That has the effect that employer contributions will remain at the same rate as set in the 2016 valuation until 2024. Further updates on any changes to that position will be made when information becomes available.

¹ <https://www.legislation.gov.uk/uksi/2015/465/regulation/5/made>

² <https://www.fpsregs.org/images/Valuation/Valuation2016FV.pdf> [Table 3.6]

Transitional protections pensions claims: Schedule 22 appeal judgment

On 12 February, the Employment Appeal Tribunal (EAT) gave its judgment on the FRAs' appeal based on Schedule 22 of the Equality Act 2010. This appeal was based on the argument that the FRAs did not make the legislation which was found by the Court of Appeal to be discriminatory on grounds of age but were bound to follow it because it was the law. The EAT held that the FRAs cannot rely on the Schedule 22 defence.

Further information has been provided to the person nominated by each FRA to receive communications in respect of this, and related, legal cases.

The Steering Committee and legal representatives are considering whether it is appropriate to appeal the judgment.

Immediate Detriment

Following the decision of the EAT on the FRAs' schedule 22 appeal detailed above and its effect on Section 61 of the Equality Act 2010, FRAs will now want to consider their decision in relation to payments under the [immediate detriment guidance](#), which was issued by the Home Office at the request of the Fire Brigades Union on 21 August 2020.

FRAs now need to determine whether they have the necessary information available to them to make decisions and understand the risk to their organisation. To do this they may want to consider:

1. Is the six-page note provided by the Home Office and in-house scheme knowledge sufficient to enable accurate calculations for members?

The note from the Home Office is labelled as informal guidance only. There has been no update from HMT or the Home Office on this note since it was published in August 2020, albeit a more cautionary note was included under [question 10 of the Home Office FAQs](#) that the legislation that allows schemes to do this is limited in effect (we believe that is a reference to Section 61 of the Equality Act), which does not allow for all consequential matters to be dealt with satisfactorily in all cases. For example, in cases where there are interactions with the tax system, perhaps where members have incurred or will incur tax charges or where contributions differ between the schemes.

The LGA published an [immediate detriment information note for FRAs](#) in October which gave further clarification of the technical issues yet to be commented on by the Home Office or HMT and the issues that would need to be decided by FRAs in their decision making on making any immediate detriment payments.

2. What does the local cohort of membership look like with regards to members whose calculation of benefits would be subject to policy decisions yet to be made, such as CETVs received after 1 April 2015, added pension payments, or pensions tax?

The Scheme Advisory Board (SAB) requested data from FRAs on these cohorts but only received 33 of 45 replies³.

3. What risk is there to the member on accepting payments without key policy decisions in place, and how will the member be told of this risk?

In considering this risk FRAs and members may wish to consider that final policy decisions have not yet been made on issues such as, how to claim tax relief on pension contributions owed, how to apply interest to contributions due, how pension tax might be calculated and paid, and what legislation is in place to deal with these issues before the pension scheme regulations are changed bearing in mind the note of caution in question 10 of the FAQs.

4. What governance might FRAs put in place to assure themselves that:
 - a. The correct benefits will be paid to members
 - b. Members have been satisfactorily made aware of expectations such as future payments owed due to interest being applied to contributions arrears.
 - c. Necessary processes will be in place to calculate and record the payments due bearing in mind that no automated processes or systems are available for the calculations until the significant software development needed has been completed.
5. How might they record their decision making so it is clear and transparent?

Having considered the above points, FRAs will wish to ensure they document their decision making for clarity and transparency. An [assessment matrix](#) was included with the October note to help FRAs identify whether they have all the information necessary to make a payment.

Draft remedy data collection guidance

In order to credit members with their original legacy scheme membership for the remedy period, administrators will need additional data from FRAs to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven years from 1 April 2015 to 31 March 2022.

To assist administrators and FRAs with the process of collecting data and ensure consistency where possible, we intend to provide a template of data items that will be required. We are currently working with the software companies to agree the required data fields and formats. In the meantime, we have written a supporting document in conjunction with the Fire Communications Working Group (FCWG) to allow parties to identify where additional data will be required and what processes might need to be put in place to collate it.

³ [SAB 10 December 2020 - Paper 6 - Immediate detriment data](#)

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

FRAs should now work with their administrators to identify all eligible members and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

FPS contribution rates 2021-22

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

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments⁴, which came into force on 1 April 2015, listed the rates applicable from 2015-2016 to 2018-2019, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

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

For 2019-2020, FRAs were instructed that the 2018-2019 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2021-2022. The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2021.

Lifetime allowance factsheet updated

The [Lifetime Allowance factsheet](#) for members has been updated in collaboration with the FCWG and is available from our website under [guides and sample documents](#).

February 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: compensation scheme.

⁴ [SI 2015/579](#), [SI 2015/590](#)

FPS England SAB updates

SAB LPB effectiveness committee vacancy

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

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email bluelight.pensions@local.gov.uk.

Other News and Updates

Exit payments cap revoked

On 12 February 2021 the government issued the [Exit Payment Cap Directions 2021](#) which disapplied parts of the [Restriction of Public Sector Exit Payments Regulations 2020](#) in England with immediate effect.

As the Directions disapply regulation 3, the exit cap no longer applies in England with effect from 12 February 2021.

HMT issued [guidance on the Directions](#) setting out the expectation that employers should pay the additional sums that would have been paid had the cap not applied for employees who left between 4 November 2020 and 12 February 2021.

On 25 February 2021 [The Restriction of Public Sector Exit Payments \(Revocation\) Regulations 2021](#) were made and laid before parliament and will come into force on 19 March 2021. These regulations confirm the effect of the disapplication Directions made on the 12 February 2021 but are not retrospective.

The regulations contain an obligation for employers to make payments of the difference between what was paid and the exit payments that would have been payable had regulation 3 of the 2020 Regulations not been in force, to affected employees who left during the period between the original regulations coming into force (4 November 2020) and the date of the revocation regulations coming into force. As the cap was disapplied from 12 February 2021, no restricted payments should have been made after this date.

Payments made under the revocation regulations should include interest calculated in accordance with the [Judgment Debts \(Rate of Interest\) Order 1993](#)

As the exit cap had very limited application for the FPS, we do not believe that any relevant exits would have occurred before the cap was disappplied.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please visit the LGPS Scheme Advisory Board [public sector exit payments](#) webpage.

HMT consult on implementation of increased normal minimum pension age

The normal minimum pension age (NMPA) is the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge (unless they are taking their pension due to ill-health). It is currently age 55.

On 11 February 2021 HMT published a [consultation on implementing an increase to NMPA](#) from age 55 to age 57 on 6 April 2028. The consultation confirms that the increase will not apply to those who are members of the Firefighters' Pension Schemes [paragraph 1.12].

The consultation closes on 22 April 2021.

Pension Schemes Bill becomes law

The Pension Schemes Bill 2019/2021 was granted Royal Assent on 11 February 2021 and is now the [Pension Schemes Act 2021](#).

The Act enhances the powers available to the Pension Regulator (TPR) to protect pension savers. On 16 February, David Fairs, Executive Director of Regulatory Policy, Analysis and Advice at TPR, published a [blog examining the new provisions](#).

The Act also drives forward the pensions dashboards agenda, by creating a legislative framework for dashboards and paving the way for the secondary legislation that will make it mandatory for pension providers and schemes to connect to them.

Read more about the [passing of the Pensions Schemes Bill and the impact on pensions dashboards](#) on the Pensions Dashboards Programme website.

PASA publishes GMP equalisation guidance on tax issues

On 15 February 2021, the Pensions Administration Standards Association (PASA) issued [GMP equalisation guidance on tax issues](#). The guidance highlights issues which pension schemes may encounter in adjusting benefits to correct for the inequalities of GMPs and identifies possible approaches for dealing with those issues.

Events

FPS coffee mornings

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

The next event is scheduled to take place on 9 March 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

LGA Annual Fire Conference March 2021

The LGA Fire Conference provides an opportunity to consider key strategic and practical developments that can be expected to impact the fire and rescue sector over the next year.

This year, the conference will be run virtually across four days from **Monday 1 March – Thursday 4 March** with four Zoom webinars and two interactive meeting sessions.

The session dates, timings and links to the booking webpages are below:

[Fire Minister \(Zoom webinar\)](#) Monday 1 March 11.00 – 12.30pm

This session will be an opportunity to hear from Lord Stephen Greenhalgh, Minister of State for Building Safety, Fire and Communities, to discuss the Government's Fire Reform Programme.

[Inspection \(Zoom meeting\)](#) Monday 1 March 2021, 2.00pm – 4.00pm

During this session, Sir Tom Winsor will outline his assessment of the Fire and Rescue Service, following the COVID-19 Inspections and previous State of Fire Report. We will then hear from Roy Wilsher, Chair of the NFCC and Dr Fiona Twycross, Deputy Mayor for Fire and Resilience (London), with their reflections on the future of the service.

[Neurodiversity in the fire and rescue service \(Zoom webinar\)](#) Tuesday 2 March 2021, 11.00am – 12.30pm

This session webinar will focus on neurodiversity in the fire and rescue service, showcasing the work that is already underway and discussing how we can build on best practice. During this session, Dr Nancy Doyle, CEO of Genius Within, will discuss what it means to be neurodiverse, and Dawn Whittaker, CFO, and Tom Glandfield, Firefighter, at East Sussex FRS, will highlight the ways in which we can improve our workplaces and ways of engaging the community to be more inclusive of people who are neurodiverse.

[Building safety – Legislation \(Zoom webinar\)](#) Wednesday 3 March 2021, 11.00am – 12.30pm

[Building safety - Enforcement \(Zoom meeting\)](#) Wednesday 3 March 2021, 2.00pm – 4.00pm

With building safety remaining the largest and most urgent challenge facing the sector, the current work regarding the Building Safety Bill and related enforcement will be explored in this session. There will also be an opportunity to attend an interactive meeting on Building Safety in the afternoon from 2.00pm- 4.00pm and you will need to book on separately for the webinar and the meeting.

[Building community resilience \(Zoom webinar\)](#) Thursday 4 March 2021, 11.00am – 12.30pm

COVID-19 has shaped our lives for the last year, including how our communities think and feel. This session will explore how our communities have been impacted by the pandemic, and the issues that are of key importance to them as we look at recovery, in particular climate change. Many have identified climate change as a particular concern but are unsure of their role in tackling it. This session will explore engaging with our communities on climate change and then look more specifically at the fire and rescue service role.

All of these are stand-alone sessions and therefore you will need to book a place on each session that you wish to attend. The sessions are free to attend for all councils and fire and rescue services who are in LGA membership.

If you have any questions, please contact **Catriona Coyle**, Events Manager, Phone: 020 7664 3385 / 07867 857514 Email: catriona.coyle@local.gov.uk

HMRC

HMRC newsletters/bulletins

On 3 February HMRC published [Pension schemes newsletter 127](#) containing important updates and guidance for schemes. Articles include:

- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – notification of residency status reports for 2021 to 2022
- Gibraltar qualifying recognised overseas pension schemes (QROPS) – new regulations
- Pension flexibility statistics – for period 1 October 2020 to 31 December 2020

Legislation

| Act | Title |
|----------|--|
| 2021 c.1 | Pension Schemes Act 2021 |

| SI | Reference title |
|-----------|--|
| 2021/89 | <u>The Pension Schemes (Qualifying Recognised Overseas Pension Schemes) (Gibraltar) (Exclusion of Overseas Transfer Charge) Regulations 2021</u> |
| 2021/93 | <u>The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2021</u> |
| 2021/157 | <u>The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2021</u> |
| 2021/197 | <u>The Restriction of Public Sector Exit Payments (Revocation) Regulations 2021</u> |

Useful links

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

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



FPS Bulletin 43 – March 2021

Welcome to issue 43 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

| Event | Date |
|---|---|
| FPS coffee and catch up | Every second Tuesday from 20 April 2021 |
| SAB | 24 June 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

Actions arising

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

[Top Up grant 2021](#): FRAs should be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim to the Home Office.

FPS

LGA project management approach to age discrimination remedy

We confirmed in [FPS Bulletin 42 – February 2021](#) that HM Treasury (HMT) had published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

We are continuing to work closely with government departments and FPS stakeholders to support FRAs through the implementation of remedy.

To show how we intend to work with the sector, we have produced a [Project Implementation Document](#) (PID) which sets out the scope, deliverables, and high-level timeline for the project.

To sit alongside the PID we have developed a [remedy risk register](#) to track potential challenges to successful implementation and measure our mitigations to these risks.

We will continue to provide regular progress updates through the monthly FPS bulletins.

Remedy data collection guidance

Under deliverable 1b of the PID we are collaborating with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template.

In working through this process, we have made some changes to the draft data collection guidance issued in February. Changes have been made to the existing 'Identifying affected members' and 'Pay' sections and we have added new sections on 'Added Pension contracts' and 'Ill-health retirement'. Links to clean and tracked versions of the guidance can be accessed below.

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 clean](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 tracked](#)

FPS annual update 2021

We confirmed in [FPS Bulletin 42 – February 2021](#) that FPS contribution rates remained unchanged for 2021-22.

All relevant thresholds and rate changes for 2021 are available in the [FPS annual update 2021](#).

All relevant legislation can be viewed on our website under [annual update Statutory Instruments](#).

Top Up grant 2021: Collection of pensions accounting data – action required

On 31 March 2021, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim. This year's pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live.

ACTION: In addition to the pensions income/expenditure data to be submitted on DELTA, the Home Office are also requesting that all FRAs provide electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2019/20 DELTA return by email, to include any post balance sheet adjustment events. These should be sent to Anthony.Mooney@homeoffice.gov.uk.

Please note that this information is needed by **Friday 14 May** to enable the relevant checks to be undertaken (and further clarification sought from FRAs where necessary) in time to make the next batch of grant payments in July.

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

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

1. a cross-reference check on the audited 2019/20 pension income/expenditure data with the unaudited 2019/20 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3-year financial cycle; and
2. a cross-reference check on the unaudited 2020/21 pension income/expenditure data with the updated forecast 2020/21 pensions income/expenditure data (submitted by each FRA in August 2020).

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

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

March 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. No new queries have been added this month.

FPS England SAB updates

SAB Administration and Benchmarking committee renamed

To achieve the objectives outlined with the remedy PID, the Scheme Advisory Board (SAB) will play a key role by providing governance oversight and engaging with the Board secretariat on policy issues. The [SAB's three committees](#) will be crucial to this process as they provide a direct link between practitioners and the Board.

To better reflect the SAB's legal requirement under [Regulation 4E\(3\)](#) to provide "advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme", the Administration and Benchmarking committee has been renamed as the [Scheme Management and Administration \(SMA\) committee](#).

The committee will work closely with the FCWG to support the communications pillar of remedy delivery.

FRA remedy self-assessment survey warm-up

To make sure that the LGA and SAB can offer the right level and type of support, we will shortly be asking FRAs to complete a self-assessment survey to tell us how prepared they feel for implementing age discrimination remedy.

The survey will be completed via Survey Monkey and we will be offering telephone appointments to all FRAs to go through the questions. We expect that this will take place during May 2021.

Other News and Updates

Government publish response to consultation on GMP Indexation in Public Service Pension Schemes

On 23 March 2021, the government published their [response to the consultation on Guaranteed Minimum Pension \(GMP\) Indexation in Public Service Pension Schemes](#).

The response concludes that the government has decided to discount conversion as a long-term policy solution and make the interim solution the permanent solution for GMP indexation in public service pension schemes. This approach will mean that public service pension schemes will be directed to provide full indexation to those public servants with a GMP, reaching State Pension age (SPa) beyond 5 April 2021.

The accompanying HMT Direction (issued under section 59A of the Social Security Pensions Act 1975) is being finalised and will be published shortly.

Meanwhile, an increase of 0.5 per cent should be applied:

- on 6 April 2021 to the post-5 April 1988 GMP element of a pension in payment (by way of the [Guaranteed Minimum Pension Increase Order 2021](#) [SI2021/163]), and
- on 12 April 2021 to the pre-6 April 1988 GMP element of a pension in payment (by way of the [Pensions Increase \(Review\) Order 2021](#) [SI2021/275]) if the individual reached SPa after 5 April 2016, provided the member's pension increase (PI) date is before 6 April 2020. If the individual reached SPa after 5 April 2016 and their PI date is after 5 April 2020, then a pro-rata increase will apply to the pre-6 April 1988 GMP element of their pension in payment.

TPR consult on new modular code of practice

On 17 March 2021 the Pensions Regulator (TPR) published a [consultation on the draft content for a new code of practice](#).

The first phase of the new code consists of 51 shorter, topic-based modules. These replace 10 of the existing codes of practice and mainly deal with the governance and administration of pension schemes.

The consultation incorporates changes introduced by the [Occupational Pension Schemes \(Governance\) \(Amendment\) Regulations 2018](#) relating to effective systems of governance and own-risk assessment.

The new code has been designed to be a web-based product. An [early version of the web-based code](#) is available during the consultation. Views are also sought on the design, usability, and navigation of this version of the code.

The consultation closes on 26 May 2021.

Tax Day

23 March 2021 was Tax Day and the government announced a number of tax related policies and published [a range of documents and consultations](#).

Of note is paragraph 3.8 relating to an updated framework to deal with ‘McCloud’ age discrimination:

3.8 Pensions tax technical updates

The government is finalising the remedy for the age discrimination found in the 2015 public service pension reforms (the ‘McCloud case’). In the process of designing the remedy, the government has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal properly with cases of this type. For example, the current framework does not straightforwardly permit individuals to ask their pension scheme to settle annual allowance charges from previous tax years by reducing their future pension benefits (‘Scheme Pays’). The government will therefore make technical updates to pension tax rules to remove such anomalies.

PASA guide to preparing for pensions dashboards

The Pensions Administration Standards Association (PASA) has this month released [guidance on getting ready for pensions dashboards](#), with a strong focus on what schemes should be doing now to make sure they have the right data in place.

You can sign up for updates on pensions dashboards at the [Pensions Dashboards Programme website](#).

Events

FPS coffee mornings

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

We will be taking a break over Easter and the next event is scheduled to take place on 20 April 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

Setting the standard Lifetime Allowance from 2021/22 to 2025/26

At the [Spring Budget on 3 March 2021](#), the government announced that legislation will be introduced in the Finance Bill 2021 to remove uprating in line with the consumer price index for tax years 2021/22 up to and including 2025/26.

The amount of the pension lifetime allowance for tax years 2021/22 up to and including 2025/26 will remain at £1,073,100.

More information can be found in the [HMRC Tax Information and Impact Note](#) published on 3 March 2021.

HMRC newsletters/bulletins

On 4 March 2021 HMRC published [Pension schemes newsletter 128](#) containing important updates and guidance for schemes. Articles include:

- Spring Budget 2021 – annual allowance and lifetime allowance
- Extension to the temporary changes to pension processes as a result of coronavirus
- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – Scottish Income Tax rates, Welsh Income Tax rates, members residency status for relief at source 2021 to 2022, annual return of information, APSS590 declaration
- Increasing the normal minimum pension age – consultation on implementation
- Public service pension schemes – changes to the transitional arrangements to the 2015 schemes

Managing Pension Schemes service

On 16 March 2021 HMRC published a [Managing Pension Schemes Newsletter](#), with information about the new practitioner features available on the Managing Pension Schemes service. This also includes information on migration of pension schemes from the Pension Schemes Online service to the Managing Pension Schemes service and how you can prepare for this.

Given the current limitations, because of COVID-19, HMRC are rethinking how to work with stakeholders to discuss upcoming changes and functionality on the Managing Pension Schemes service and share your questions, feedback and concerns about migration.

[Please let HMRC know](#) if you would be interested in attending a virtual session to discuss migration of pension schemes on to the Managing Pension Schemes service, if you have any specific questions or topics you would like to raise, or if you have an alternative suggestion on how you would like your feedback communicated.

Contracting-out reconciliation update

On 25 March 2021 HMRC published [Countdown bulletin 54](#) with an update on issuing final data cuts to pension scheme administrators.

If your scheme has not received its final data cut and you were appointed administrator before 31 July 2020, contact the Customer Relationship Team by email to CRM.schemereconciliationservice@hmrc.gov.uk.

The deadline for requesting the final data cut is 31 July 2021.

Legislation

| SI | Reference title |
|----------|---|
| 2021/163 | The Guaranteed Minimum Pensions Increase Order 2021 |
| 2021/214 | The Occupational and Personal Pension Schemes (General Levy) (Amendment) Regulations 2021 |
| 2021/267 | The Social Security Revaluation of Earnings Factors Order 2021 |
| 2021/275 | The Pensions Increase (Review) Order 2021 |
| 2021/276 | The Public Service Pensions Revaluation Order 2021 |
| 2021/314 | The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2021 |

Welsh circular W-FRSC(2021) 04.

The Welsh Government has issued a circular outlining the implications of [The Firefighters' Pension Schemes and Compensation Scheme \(Wales\) \(Amendment\) Regulations 2021](#) on Firefighter Pension Schemes in Wales. The Regulations came into force on 23 February 2021.

All circulars issued by the Welsh Government can be accessed via the link below.

<https://gov.wales/fire-circulars>

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](#)

- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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FPS Bulletin 44 – April 2021

Welcome to issue 44 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video.

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

| Event | Date |
|---|--------------------------------------|
| FPS coffee and catch up | Every second Tuesday from 4 May 2021 |
| South East regional group | 14 May 2021 |
| North East regional group | 19 May 2021 |
| Virtual SAB update event – Zoom | 20 May 2021 |
| SAB | 24 June 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

Actions arising

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

[Remedy data collection](#): FRAs and scheme administrators should familiarise themselves with the data collection tools and consider any processes or additional resources that need to be put in place.

[Annual Benefit Statements](#): FRAs should ensure that projections for protected members **do not include** final salary benefits projected past 31 March 2022.

[IDRP data collection](#): FRAs should return the completed IDRP data template by 31 May 2021.

FPS

Remedy data collection tools

We told readers in [FPS Bulletin 43 – March 2021](#) that we were working with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template to sit alongside the draft data collection guidance.

With thanks to all involved, we are now pleased to provide the links to the template and notes for completion, and clean and tracked versions of the latest data collection guidance.

[FPS remedy data collection template](#)

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

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

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

The data products have been provided to complement internal processes and workflow between FRAs and administrators; they are not provided as standalone tools.

Please note that the template and associated documents have been provided to collect data relating to cases that will be remedied following implementation of legislation and software solutions. It is not intended as a data collection mechanism for immediate detriment cases.

We will be holding a workshop session at the FPS coffee morning on 4 May to discuss how documents have been developed and give colleagues the chance to ask questions.

Annual Benefit Statements 2021

The yearly process for producing Annual Benefit Statements (ABS) will have now started and readers will be familiar with the requirement for statements to be issued by 31 August 2021. The following comments have been made to recognise the position of HM Treasury (HMT) policy decisions on ABS for this year

Current Values

The scheme regulations require benefit statements to produce a current value at 31 March of the relevant scheme year and, as per paragraph A.56 of the [HMT consultation response](#), future statements will need to provide both values of legacy and reformed benefits for the remedy period within that current value.

We understand that it will be disappointing to members that the current values on this year's ABS will not be able to reflect the remedy choice between legacy and reformed benefits at this stage. However, those calculations will require significant software amendment which are not expected until 2023, therefore current values for this year will reflect members' current scheme membership only.

Projections

Traditionally it has been common for the Firefighters' Pension Scheme to include projections to normal pension age as part of the ABS. We understand these projections are valuable to members as it allows them to understand the likely value of their benefits at retirement age; however, projecting CARE benefits can be an imperfect science as the projections cannot cater for a future change in accrual rate due to a change in cost cap, nor can it cater for inflation on future pay and promotions.

Chapter 3 of the [consultation response](#) deals with the decision to close legacy schemes for future accrual on 31 March 2022, and the final paragraph of that section [3.56] confirms that primary legislation will be introduced to close the legacy schemes on 31 March 2022. Currently protected members of the scheme were protected based on achieving normal pension age by 31 March 2022, therefore most protected members are expected to retire before 31 March 2022. However, it is possible that a small cohort of members will continue past 31 March 2022 to reach their 30-year service date. After 1 April 2022 they will continue in the scheme as a member of FPS 2015.

Benefit statements for protected members should not reflect final salary benefits accrued past 31 March 2022.

Therefore, any projections that would ordinarily have been projected past 31 March 2022 (such as to 30 years' service) should not be included in the ABS issued this year. Unfortunately, due to the significant software amendments that are required, it is not currently possible to accurately project future benefits in FPS 2015 for currently protected members. Administrators may take different approaches with regards to this depending on whether they issue paper statements or via self-service; however, members due to retire before 31 March 2022 should be able to request an estimate in their usual way.

Appropriate messaging

It is recommended that this approach should be communicated to members in the ABS using the following caveat:

***“Important: Please note that this year’s Annual Benefit Statement provides an estimate of your pension benefits built up in your current scheme membership to 31/03/2021.*”**

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters’ and Judges’ pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes.

The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. This work is complex and will take time. For further information please see the Written Ministerial Statement from 4 February 2021: <https://questions-statements.parliament.uk/written-statements/detail/2021-02-04/hcws757>

We understand that it will be disappointing to members that the current values of this year's statement will not be able to reflect the remedy choice between legacy and reformed benefits at this stage, however, the rules and systems are not yet in place to calculate benefits with discrimination removed. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

*Any projections on your pension entitlement are based on the assumption that your current membership will continue until your normal pension age. All currently **protected members** will be placed in the FPS 2015 for service after 1 April 2022 (the end of the remedy period). Due to the software changes needed to illustrate this, it will not be possible to reflect this position in projected benefits this year. [Optional for those who wish to provide estimates - **Members due to retire before 31 March 2022 should be able to request an estimate in their usual way.**]*

You can find more information about removing age discrimination on the FPS Regulations and Guidance website: <https://www.fpsregs.org/index.php/age-discrimination-remedy/implementation>

In advance of statements being issued, you may also wish to re-confirm the two-stage approach¹ taken by HMT to remove the discrimination and reassure members that although remedy may not be able to be reflected in the ABS, members will in due course be able to choose to receive legacy pension scheme benefits for the remedy period (1 April 2015 to 31 March 2022). Membership of the Firefighters' Pension Schemes after 1 April 2022 will continue for all members in FPS 2015.

Details of how the Government intend to remove the discrimination can be found on the [age discrimination remedy implementation](#) page of www.fpsregs.org. We will provide an updated version of the standard ABS template in the next bulletin.

Technical query log

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

No new queries have been added this month.

¹ The discrimination will be removed in two parts; the first is prospectively for future benefits from 1 April 2022, the second is retrospectively for benefits built up during the period of discrimination 1 April 2015 to 31 March 2022 (the remedy period), eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the reformed pension scheme.

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

FPS England SAB updates

IDRP data collection: action needed

In [FPS Bulletin 30 – March 2020](#) we began the first round of data collection for Internal Dispute Resolution Procedures (IDRPs). We advised FRAs that this would be an annual process in line with the scheme year, to collect numbers of cases and any emerging themes.

As the next scheme year has recently ended, we ask that FRAs complete the spreadsheet at [Appendix 1](#) and return this to bluelight.pensions@local.gov.uk by 31 May 2021.

Notes for completion:

- FRAs should complete the number of Stage 1 and Stage 2 complaints received against the categories listed within the scheme year. Categories can be added to the list as required.
- The columns ask FRAs to differentiate between cases that are upheld and overturned. The complaint is always raised by the member, so if the complaint is upheld, it means that the decision maker agreed with the complainant. If it is overturned, it means that the decision maker did not agree.
- The final piece of information required is the decision maker(s) at each stage.

Figure 1: Example of completed spreadsheet

| Scheme year 2020-21 | Stage 1 | | | Stage 2 | | |
|--|------------------------------|--------------------------|--------------------------|----------|--------------------------|--------------------------|
| Fire and Rescue Authority | Type | Upheld | Overturned | Total | Upheld | Overturned |
| (Select from the drop down list) | (Add any others to the list) | (Give scheme year total) | (Give scheme year total) | | (Give scheme year total) | (Give scheme year total) |
| FRA drop down | | | | | | |
| | Pensionable Pay | | 1 | | | 1 |
| | Ill-Health | 1 | | | | |
| | Refund | | 1 | | | |
| | Transfer | | 1 | | | |
| | Special Member Contributions | 1 | | | | |
| | Remedy related | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| Total | | 5 | 2 | 3 | 1 | 1 |
| (Please state decision maker for each stage) | | | | | | |
| Stage 1 decision maker: | | Chief Fire Officer | | | | |
| Stage 2 decision maker: | | Appeals panel | | | | |

The [findings of the first IDRP data request](#) were presented to the Scheme Advisory Board (SAB) in May 2020 and we published updated informal IDRP guidance at that time. We are still working on guidance for decision makers and guidance for members to complement the factsheet.

FRA remedy self-assessment survey

As detailed in [FPS Bulletin 43 – March 2021](#), we will be launching the age discrimination planning survey to FRAs in the coming month.

FRAs will be provided with the questionnaire in advance of completing the online survey and all authorities will be offered a telephone or Teams appointment to help them fill it in.

Look out for more information at the [SAB update event](#) on 20 May 2021.

Other News and Updates

Hampshire and Isle of Wight FRs combine

Forty-five became forty-four on 1 April 2021 when Hampshire and Isle of Wight Fire and Rescue Services combined into a brand-new organisation.

[Find out more about this momentous day](#) on the Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) website.

Focus on... Pension scams

The Pensions Scams Industry Group (PSIG) has published [version 2.2 of its 'Code of Good Practice on Combating Pension Scams'](#).

The new version is effective from 1 April 2021 and is updated to improve usability and to reflect recent regulatory changes as well as the evolving nature of pension scams. The code includes a section outlining the key changes.

On 8 April 2021, the Pensions Regulator (TPR) published a recording of their [webinar on the pledge to combat pension scams](#).

The webinar included speakers from TPR, PSIG, the Money and Pension Service and the City of London Police. It also included recordings of calls from victims of scams.

On 20 April 2021, Action Fraud launched a new campaign on pension scams called [#ProtectYourPension](#), following figures from the national reporting centre for fraud and cyber crime that revealed £1.8 million has been lost to pension fraud already in 2021.

The campaign reminds scheme members of the importance of doing research before making changes to their pension arrangements.

TPO turns thirty

This month sees the start of a campaign to mark [30 years of the Pensions Ombudsman \(TPO\)](#) resolving pension disputes.

The service was launched on 1 April 1991 and since that time has received 100,000 written enquiries and issued nearly 9,000 determinations.

As well as investigating and determining complaints and disputes about pension schemes, TPO issues leaflets and factsheets. TPO published the following factsheets for members in March 2020:

[The Early Resolution Service](#)

[How we investigate complaints](#)

[Complaining to the party/parties at fault](#)

Events

Virtual SAB update event

On 20 May 2021, Joanne Livingstone will be hosting a [virtual SAB update event](#) on Zoom.

We would be delighted if readers can join us for this session. Joanne will be launching the brand-new FPS member website and discussing preparations for age discrimination remedy.

The event is open to all and joining details for the 90-minute session are shown below:

When: May 20, 2021 01:00 PM

Please click the link below to join the webinar or scan the QR code:

[Firefighters' England Scheme Advisory Board \(SAB\) Update](#)



Passcode: 576813

Dial-in details can be provided on request.

FPS coffee mornings

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

The next event is scheduled to take place on 4 May 2021 and will focus on the data collection tools for gathering remedy data.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021

[The Pension \(Non-Taxable Payments Following Death\) \(Real Time Information\) Regulations 2021](#), which commence on 6 April 2022, will require pension schemes to report certain non-taxable payments made to beneficiaries following a member's death.

Schemes will report this information to HMRC using the Real Time Information (RTI) system. This will not apply to non-taxable defined benefits lump sum death benefits and non-taxable uncrystallised funds lump sum death benefits.

HMRC has prepared [a tax information note](#) giving more information about the changes for pension scheme administrators and employers who pay pensions.

Guidance on pension scheme rates and allowances

HMRC has updated its [guidance on pension schemes rates and allowances](#) for 2021 to 2022. The guidance includes limits on the lifetime and annual allowances, as well as relevant tax charges on payments from registered pension schemes.

Guidance for members on [valuing pension for lifetime allowance protection](#) has also been updated with the standard lifetime allowance for 2021 to 2022.

Legislation

| SI | Reference title |
|----------|---|
| 2021/197 | Correction Slip 1 to the Restriction of Public Sector Exit Payments (Revocation) Regulations 2021 |
| 2021/506 | The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021 |

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](#)
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FPS Bulletin 45 – May 2021

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Calendar of events

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Table 1: Calendar of events

| Event | Date |
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| FPS coffee and catch up | Every second Tuesday from 8 June 2021 |
| North West regional group | 9 June 2021 |
| Eastern regional group | 10 June 2021 |
| SAB | 24 June 2021 |
| North East regional group | 18 August 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

Actions arising

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

[Remedy self-assessment survey](#): FRAs to complete SAB remedy self-assessment survey by 30 June 2021. Survey link has been emailed to authorities.

FPS

FPS Member website launched

We were delighted to launch the first national website for Firefighters' Pension Scheme members on 20 May 2021 at the Scheme Advisory Board (SAB) update event. The site is now live at www.fpsmember.org.

The aim of the site is to have a central resource for firefighters to find out about their pension scheme and the benefits and options that are available. We want every firefighter in the country to have access to the same level of information, regardless of where they work or what their role is. We want to remove some of the myth and mystery that surround Firefighters' Pensions and make sure that members and their dependents are not relying on colleagues or social media for information or decision-making that may impact their future benefits.

The site is based on the scheme rules and so only provides facts, rather than opinion and speculation. We want to provide members with the tools and knowledge to be informed about the scheme and what any future changes will mean for them.

The [homepage](#) is divided into sections for each of the current schemes. As stated in the welcome text, the site is based on the current rules that are in force now.

We know that there are going to be changes to the schemes in the next couple of years, based on the implementation of age discrimination remedy. However, following extended discussions with the Fire Communications Working Group (FCWG), we took the decision to launch the site now in this structure, so we can bring the changes to members in real time – or as close to as possible.

Members can find more information about the changes in the news or remedy sections.

We would like to extend our thanks to our partners in developing the website, Avon Pension Fund, and to the FCWG who provided initial feedback and reviewed much of the site content. The bulk of the content itself has been adapted from written guides drafted by Eunice Heaney, formerly of Oxfordshire and Staffordshire Fire and Rescue Services, and we offer our thanks to Eunice also.

We are committed to keeping the site up to date and relevant. We will add further information about age discrimination and changes to the scheme rules as soon as it becomes available. We will update any articles and factsheets with changes to annual limits and thresholds each year. We will continue to work to make sure the site is accessible to all and that we are complying with the law.

Future development is planned in the following areas:

- Compensation scheme
- Additional glossary content (A-Z terms)
- Extra page under FPS 2006 Special Members on eligibility to join
- Extra page under Need to know on Pensions Increase
- Examples for Annual Allowance and Lifetime Allowance
- Extra information for devolved FRAs such as early retirement factors
- Replacement of PDF factsheets with standalone web pages

Annual Benefit Statements 2021

In [FPS Bulletin 44 – April 2021](#) we commented on the position of Annual Benefit Statements (ABS) for protected members and recommended that projections be removed for this cohort.

We also provided a standard caveat that could be used on the statements.

The standard [ABS template and notes](#) have been updated with the new scheme year and the revised caveat and published on the Regulations and Guidance website. Examples in the annexes have been brought up to date.

We will continue to review requirements for ABS over the coming years in line with HM Treasury (HMT) policy decisions on remedy.

Technical query log

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

No new queries have been added this month.

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

FPS England SAB updates

FRA remedy self-assessment survey launched

The SAB update event on 20 May also saw the launch of the FRA remedy self-assessment survey. The Survey Monkey link was shared with FRAs by email after the Zoom session.

As part of their statutory role to provide advice to scheme managers and Local Pension Boards in relation to the efficient and effective administration and management of the Firefighters' Pension Scheme, the Board want to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.

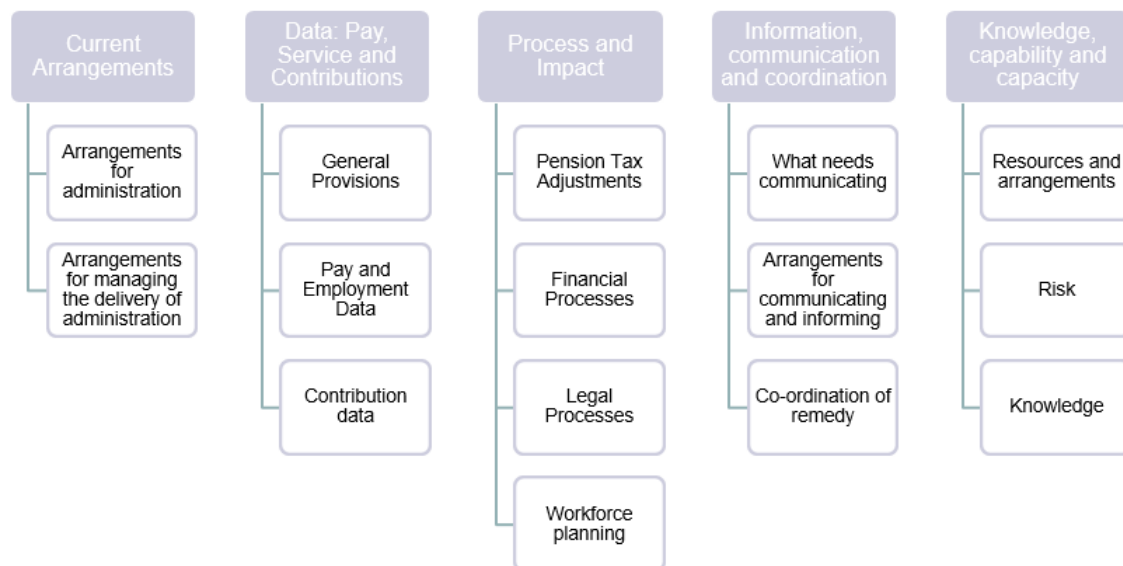
To do this, the Board has prepared a self-assessment survey to take a temperature check of current arrangements. The survey should only be completed once per FRA and we would expect this to be completed by the delegated [scheme manager](#) or an appropriate representative of the delegated scheme manager. It should not be completed by scheme administrators.

The closing date of the survey is 30 June 2021. Once the survey has closed, we will analyse the data and provide a report to the SAB for their September meeting. Welsh FRAs are also invited to complete the survey and the data will be shared with the Welsh Scheme Advisory Board.

We ask that FRAs are as open as possible when completing the survey, this will help the Board consider what additional support and advice will be needed. A PDF version of the questionnaire was provided for data gathering in advance of online completion. The LGA team are also offering some survey support slots. Please complete the [doodle poll](#) to book a slot; further slots will be made available through June as necessary.

Figure 1: Self-assessment survey areas

Self-Assessment Survey Areas



Open letter from SAB to HMT on remedy consultation response

The SAB has written an [open letter to HMT](#) about the specific policy issues listed below that will affect the application of the Firefighters' Pension Scheme (FPS).

1. How to adjust contribution amendments for members of the FPS 2006
2. How the policy decision for taper members will be applied to taper members who have passed their 30-year service date.
3. Contingent decisions

The Board notes the publication of the Government response to the consultation confirming the decision to introduce retrospective remedy via Deferred Choice Underpin (DCU), and the decision to allow for implementation by October 2023, giving more time to bring in the significant processes that will be needed to implement DCU.

The Board's [response to the consultation](#) dated 9 October gave their fuller views on the wider issues with regard to age discrimination.

Other News and Updates

PDP Call for Input on dashboard staging dates

The Pensions Dashboard Programme (PDP) has launched its latest [call for input, on staging dates for the dashboard](#).

The call for input outlines the proposed order and timings for pension providers and

schemes (data providers) to connect to the pensions dashboard. The recommended timescales have been developed with the Department for Work and Pensions (DWP), the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR).

The PDP is asking for feedback from pension providers, third-party administrators and software providers, consumer groups and other stakeholders on these initial proposals, to help shape the formal DWP consultation later in the year.

Pages 24-25 and questions 22 and 23 are especially relevant to public service pension schemes.

The call for input is open until Friday 9 July.

Data providers can find more information about the [timeline and steps for connection](#) on the PDP website.

National Audit Office publish public service pensions report

In March, the National Audit Office (NAO) published a [report into public service pensions](#). It found that the Government's reforms to public service pensions in 2015 have helped contain rising costs to the taxpayer.

However, the report says that the Government should monitor more than just affordability and should consider how good pension provision could help to recruit and retain staff, and where more flexibility could be offered to employers.

The NAO makes five key recommendations on issues which it says the Government needs to address soon, including the impact of age discrimination remedy and how the cost control mechanism works.

DWP consultation on pension scams

On 14 May 2021, the DWP launched a [consultation on pension scams: empowering trustees and protecting members](#). The consultation asks for views on proposed regulations which place new requirements on trustees and scheme managers before a pension transfer can be completed.

The consultation closes on 10 June 2021.

Eversheds Sutherland has produced a helpful [article summarising the proposed transfer conditions](#).

Guidance for employers on providing support with financial matters

We know that employers and administrators are often asked by members for advice on decision making. This is likely to become more common as we move into implementation of the Deferred Choice Underpin and members will need to choose between legacy and reformed scheme benefits for the remedy period.

TPR has produced a guide with the FCA on [providing support to employees with financial matters](#) without being subject to FCA regulation. The guide gives information on what can be done without needing authorisation and signposting employees to publicly available resources.

Events

Virtual SAB update event

On 20 May 2021, Joanne Livingstone hosted a virtual SAB update event on Zoom to launch the new [FPS Member website](#) and FRA remedy self-assessment survey.

Clair Alcock gave an update on remedy data requirements and reminded delegates of the data collection tools that were provided with [FPS Bulletin 44 – April 2021](#).

We will upload the recording of the session to our [Events page](#) soon.

FPS coffee mornings

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

The next event is scheduled to take place on 8 June 2021.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

HMRC newsletters/bulletins

On 30 April 2021 HMRC published [Pension schemes newsletter 129](#) containing important updates and guidance for schemes. Articles include:

- Pension flexibility statistics
- Registration statistics
- Relief at source
- Pension scheme returns
- Winding up pension schemes
- Enrolling on the Managing Pension Schemes service
- Signing in to online services
- Annual allowance calculator
- Non-taxable payments following a member's death and Real Time Information reporting

Migration to the Managing Pension Schemes Service

HMRC has recently held a series of Managing Pension Schemes Workshops. The workshops focussed on migration and what action needs to be taken and discussed raising awareness amongst scheme administrators and practitioners about the need to enrol on the Managing Pension Schemes Service prior to migration.

Migration of pension schemes to the Managing Pension Schemes service will begin in 2022.

A message from John Bhandal, HMRC's Head of Compliance for Pensions, Savings and CISC, is attached at [Appendix 1](#).

You can find more information on the migration of pension schemes in the [Managing Pension Schemes service newsletter – March 2021](#).

If you have any further questions after reading the newsletter or encounter any issues, please email migration.mps@hmrc.gov.uk.

Useful links

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

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FPS Bulletin 46 – June 2021

Welcome to issue 46 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video.

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

If you have any comments on this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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

Table 1: Calendar of events

| Event | Date |
|---|--|
| FPS coffee and catch up | Every second Tuesday (13 and 27 July 2021) |
| SAB LPB effectiveness committee (TBC) | 8 July 2021 |
| SAB Cost-effectiveness committee (TBC) | 13 July 2021 |
| Fire Communications Working Group | 13 July 2021 |
| Firefighters' Technical Community | 15 July 2021 |
| SAB SMA committee (TBC) | 16 July 2021 |
| North East regional group | 18 August 2021 |
| SAB | 9 September 2021 |
| SAB | 9 December 2021 |

FPS

Home Office informal immediate detriment guidance (June 2021)

On 10 June 2021, the Home Office issued an update to the existing informal and non-statutory guidance on immediate detriment cases. This can be found here: [Home Office informal detriment guidance 10 June 2021](#)

The guidance applies to pipeline immediate detriment cases (i.e. those cases where the member is about to retire and receive their pension) and does not cover where a pension is already in payment. This is technical guidance and aimed primarily at pension managers and practitioners.

As readers will know, to implement remedy in full, both primary and secondary legislation are required, as well as administration work (at local FRA level) to implement the changes. The deferred choice underpin will be implemented by October 2023.

As a result, the guidance will not offer resolution to all the current issues – there are outstanding technical issues that are being worked through across the public sector pension schemes and the responsible Government departments. The updated guidance aims to provide ways forward where possible.

The guidance provides informal advice but the overall responsibility for interpreting and applying the pension scheme regulations still remains with each FRA as the relevant scheme manager. FRAs and administrators will need to consider the guidance in relation to their own process and systems.

To note, the Home Office guidance only applies to England as firefighters' pensions policy is devolved in Scotland, Northern Ireland, and Wales.

LGA immediate detriment information note - version 2

Following the release of the updated informal Home Office guidance on 10 June, we have updated the LGA information note to take account of this additional guidance:

[LGA immediate detriment information note – version 2](#)

The purpose of this information note is to provide FRAs with additional information relating to immediate detriment.

If your FRA is receiving and considering processing claims, please liaise with your FRA's nominated contact.

We are aware that FRAs may be receiving an increasing number of enquiries following publication of the updated information. A member note was provided directly to FRAs on 18 June 2021 for them to use if required to update scheme members on the current position.

Factsheets updated

The following factsheets have been updated in line with new limits or thresholds for 2021/22:

- [Topping up your State Pension](#)
- [FPS 2015 Added Pension](#) – Word factsheet and election form

We have taken the opportunity to convert the State Pension factsheet into a standalone webpage on the [FPS Member](#) site.

The [Added Pension information](#) is also available on the member website, but without the election form.

Technical query log

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

Queries have been added this month in the following categories: contribution banding and pension sharing.

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

FPS England SAB updates

IDRP data request update

In [FPS Bulletin 44 – April 2021](#) we launched this year's Internal Dispute Resolution Procedure (IDRP) data request to monitor trends and establish where further guidance or advice may be needed.

The [IDRP 2020-21 data request update](#) was presented to the Scheme Advisory Board (SAB) at its meeting on 24 June 2021. The key findings are summarised below.

Thirty-four FRAs submitted data, equating to around 76 per cent. Of those responses, nine FRAs reported a nil return.

The FPS retains a two stage procedure and the [IDRP factsheet](#) issued in 2020 set out that Stage One decisions should be heard by the Chief Officer or a delegated senior manager, and the Stage Two decision should be heard by a nominated panel of representatives of the FRA.

Of the 25 FRAs who responded with an IDRP during 2020-21 there were 57 Stage One decisions; around one quarter (14) of those were upheld in the member's favour. Twenty Stage Two cases were reported. This is around half of the overturned number of cases from Stage One (43).

The data showed that the number of IDRPs received remains relatively low and that decision makers at both stages are generally in line with guidance.

Pensionable pay complaints were by far the most common type of dispute. Ill-health was also a common cause for complaint. The number of cases in relation to transfers and special members had increased and seven IDRPs about age discrimination remedy were received during the year.

Despite the development of resources to improve knowledge and understanding, pensionable pay and ill-health continue to be areas of contention. More development is planned in these areas, including a factsheet on resolving historic pensionable pay errors, and a review of the ill-health documentation.

The increase in other types of complaint could be linked to ongoing legal proceedings and may therefore be a continuing trend until resolution is reached.

Almost half of the number of overturned Stage One decisions went to Stage Two, showing that the second stage is still of value, albeit a low number of decisions were changed during the Stage Two process.

FRA remedy self-assessment survey closing date

The SAB survey of FRA's remedy arrangements closes today – 30 June 2021.

Thank you to the authorities who have submitted a response to date. We will contact those outstanding within the next three weeks to offer any extra support needed to make a submission.

The data will be collated and analysed to provide a report to the SAB at its September meeting.

Other News and Updates

GAD review of the cost control mechanism published

In 2018, the then Chief Secretary to the Treasury (CST) announced a review of the cost control mechanism by the Government Actuary to examine whether it was operating appropriately and in line with the original policy intentions.

On 15 June 2021, the CST laid [written statement HCWS90](#) to announce the publication of the [Government Actuary's review](#). The final report sets out the Government Actuary's assessment of the current mechanism and recommendations on possible changes. These changes are being now being consulted on.

HMT consultations published: cost control mechanism and discount rate methodology

HM Treasury (HMT) published two public consultations on 24 June 2021 alongside [written statement HCWS117](#). The consultations seek views on proposals to changes to the cost control mechanism in public service pension schemes, and secondly on the appropriate methodology for setting the discount rate used in scheme valuations.

The consultations run for eight weeks and close on 19 August 2021.

[Consultation on changes to the cost control mechanism:](#)

As detailed above, the Government Actuary has recently concluded his review of the cost control mechanism in the public service pension schemes. The Government has considered the report and is now consulting on three changes to the mechanism, all of which are recommendations by the Government Actuary:

1. Moving to a reformed scheme only design: to remove any allowance for legacy schemes in the cost control mechanism, so the mechanism only considers past and future service in the reformed schemes.
2. Widening the corridor: to widen the corridor from 2 per cent to 3 per cent of pensionable pay.

3. Introducing an economic check: currently the mechanism does not include changes in long-term economic assumptions and therefore cannot consider the actual cost to the Government of providing pension benefits. The Government proposes introducing an economic check so that a breach of the mechanism would only be implemented if it would still have occurred had the long-term economic assumptions been considered.

The outcome of the consultation will not impact on the 2016 cost control valuations.

[Consultation on the discount rate \(the “SCAPE rate”\) methodology:](#)

The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate is a discount rate used in the valuation of unfunded public service pension schemes to set employer contribution rates.

It expresses future pension promises that are being built up in present-day terms and is set by HMT following a prescribed methodology. The current methodology for setting the SCAPE discount rate has been in place since 2011. This consultation seeks views on the objectives for the SCAPE discount rate and the most appropriate methodology for setting the SCAPE discount rate going forward.

The options are broadly:

- In line with long-term GDP growth (current approach); or
- In line with the Social Time Preference Rate (the previous approach).

The current level of the rate will not be changed by this consultation; the Government will carry out a separate exercise to set a new rate in line with the chosen methodology following this consultation.

Next steps

The SAB will be considering a response to both consultations.

PDP: Staging Call for Input

As confirmed in [FPS Bulletin 45 - May 2021](#), the Pensions Dashboard Programme (PDP) has launched a [call for input on staging](#) for the dashboard. For those looking to submit a response, the [dashboard staging date discussion paper](#) provided to the SAB gives a useful summary of the PDP proposals and their impact on the FPS.

Stakeholders may wish to respond to the PDP with their views on how the dashboard staging date would interact with age discrimination remedy and its effect on providing value to firefighters.

The SAB will be providing a response to the call for input recommending a later staging date for Fire, which would follow the first successful run of annual benefit statements on a remedied basis, most likely in 2024.

The deadline for responses is 9 July 2021.

TPR publishes Equality, Diversity and Inclusion Strategy

On 24 June 2021, The Pensions Regulator (TPR) published its [Equality, Diversity and Inclusion Strategy](#).

The strategy sets out how TPR will embed diversity and inclusion throughout its organisation and how it will support the schemes it regulates to do likewise.

Finance Act 2021 receives Royal Assent

On 10 June 2021, the Finance Act 2021 received Royal Assent.

The Act gives legal effect to the Government's decision to [freeze the lifetime allowance at £1,073,100 for tax years 2021/22 to 2025/26](#), as announced at the last budget.

MaPS MoneyHelper goes live

On 18 March 2021, the Money and Pensions Service (MaPS) revealed plans to launch [a single offering for consumers called MoneyHelper](#). This will replace the Money Advice Service, the Pensions Advisory Service and Pension Wise, although Pension Wise will continue as a named service under the MoneyHelper umbrella.

The MoneyHelper website is now live at www.moneyhelper.org.uk.

Links to one of the legacy websites (Money Advice Service, The Pensions Advisory Service and Pension Wise) will automatically redirect to the new location on MoneyHelper. If the article(s) or tool(s) no longer exist, it will redirect to the most relevant landing page on the topic.

Following the launch of MoneyHelper, you will need to change how you reference MaPS in your communications. You will need to change any reference to:

- The Money Advice Service and The Pensions Advisory Service to 'MoneyHelper', and
- Pension Wise to 'Pension Wise a service from MoneyHelper'.

You can find support and messaging to help you prepare on the MaPS [Introducing Moneyhelper](#) webpage.

DWP publishes consultation response on TPR powers

The Pension Schemes Act 2021 ("the Act") gained Royal Assent on 11 February 2021. [Part 3 of the Act](#) relates to new powers for TPR and contains various provisions to make associated regulations

On 29 June 2021, the Department for Work and Pensions (DWP) published its response to the consultation [Strengthening The Pensions Regulator's Powers: Contribution Notice and Information Gathering Powers Regulations 2021](#), which sought views on the proposed drafting of two sets of regulations.

[The Pensions Regulator \(Information Gathering Powers and Modification\) Regulations 2021](#) [SI 2021/754] come into force on 1 October 2021.

Events

FPS coffee mornings

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

The next events are scheduled to take place on 13 and 27 July 2021. We will then be taking a short break over the holiday period and will resume the sessions in September.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

HMRC newsletters/bulletins

On 25 June 2021 HMRC published [Pension schemes newsletter 130](#) containing important updates and guidance for schemes. Articles include:

- an extension to some of the temporary changes to pension processes as a result of coronavirus
- managing the Pension Schemes service
- signing into online services
- self-invested personal pensions (SIPP) and small self-administered scheme (SSAS) pensions – connected tenants

Practitioners and administrators who use HMRC's online services should make sure that they have signed in recently to avoid losing access.

Legislation

| Act | Title |
|-----------|---|
| 2021 c.26 | Finance Act 2021 |
| SI | Reference title |
| 2021/620 | The Pension Schemes Act 2021 (Commencement No. 1) Regulations 2021 |
| 2021/752 | The Pension Schemes Act 2021 (Commencement No. 2) Regulations 2021 |
| 2021/754 | The Pensions Regulator (Information Gathering Powers and Modification) Regulations 2021 |

Useful links

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

Local Government Association



< How will my benefits be affected by the Sargeant legal case? || >

Following a legal challenge known as Sargeant, the courts determined that the protections provided to members were age discriminatory.

Welcome

Welcome to the Firefighters' Pension Schemes Member website. The site has been developed to give scheme members information about the benefits and options available to them.

The site is based on current scheme rules that apply. Changes to the schemes are going to take place in 2022 and 2023 to remove age discrimination found by the courts. The site will be updated in line with those changes when they happen.

You can find out more about these changes in the News section.

| | | | |
|--|---|--|---|
| | Which scheme am I in? If you don't know or you are unsure which scheme you pay into you can click here to find out | | Firefighters' Pension Scheme 2006 Benefits and the options available to you in the Firefighters' Pension Scheme 2006 (FPS 2006) |
| | Firefighters' Pension Scheme 2015 Benefits and the options available to you in the Firefighters' Pension Scheme 2015 (FPS 2015) | | Firefighters' Pension Scheme 1992 Benefits and the options available to you in the Firefighters' Pension Scheme 1992 (FPS 1992) |
| | FPS 2006 Special Members Benefits and the options available to you as a special member of FPS 2006 (FPS 2006 Special) | | No longer paying in Find out about the benefits that you built up as a former member of the Firefighters' Pension Scheme |

ps-2015