

Notice of Meeting

Surrey Local Firefighters' Pension Board



Date & time
Thursday, 5 August
2021 at 10.00 am

Place
Woodhatch Place, 11
Cockshot Hill, Reigate
RH2 8EF

Contact
Joss Butler
Woodhatch Place,
11 Cockshot Hill,
Reigate, Surrey,
RH2 8EF
Tel
joss.butler@surreycc.gov.uk

Chief Executive
Joanna Killian

If you would like a copy of this agenda or the attached papers in another format, eg large print or braille, or another language please either call 020 8541 9122, write to Democratic Services, Woodhatch Place, 11 Cockshot Hill, Reigate, RH2 8EF, or email joss.butler@surreycc.gov.uk.

This meeting will be held in public. If you would like to attend and you have any special requirements, please contact Joss Butler on .

Elected Members

Councillor Nick Harrison (Member Representative (Firefighters' Pension Scheme)) (Chairman)

Independent Representatives:

Richard Jones (Employee Representative (Firefighter's Pension Scheme)), Glyn Parry-Jones (Employee Representative (Firefighters' Pension Scheme)) and Dan Quin (Employer Representative (Firefighters' Pension Scheme)) (Vice-Chairman)

TERMS OF REFERENCE

The Committee is responsible for the following areas:

The role of the Local Firefighters' Pension Board as defined in the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, is to assist the Fire and Rescue Authority Scheme Manager:

a) to secure compliance with:

- i) the scheme regulations;
- ii) any other legislations relating to the governance and the administration of the Firefighters' Pension Scheme and any other connected scheme;
- iii) any requirements imposed by the Pensions Regulator in relation to the Firefighters' Pension Scheme

b) to ensure the effective and efficient governance and administration of the Firefighters' Pension Scheme

AGENDA

1 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS

2 MINUTES FROM THE PREVIOUS MEETING: 22 APRIL 2021

(Pages 5
- 8)

To agree the minutes as a true record of the meeting.

3 DECLARATIONS OF INTEREST

To receive any declarations of disclosable pecuniary interests from Members in respect of any item to be considered at the meeting.

Notes:

- In line with the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012, declarations may relate to the interest of the member, or the member's spouse or civil partner, or a person with whom the member is living as husband or wife, or a person with whom the member is living as if they were civil partners and the member is aware they have the interest.
- Members need only disclose interests not currently listed on the Register of Disclosable Pecuniary Interests.
- Members must notify the Monitoring Officer of any interests disclosed at the meeting so they may be added to the Register.
- Members are reminded that they must not participate in any item where they have a disclosable pecuniary interest.

4 QUESTIONS AND PETITIONS

To receive any questions or petitions.

Notes:

1. The deadline for Member's questions is 12.00pm four working days before the meeting – 30 July 2021.
2. The deadline for public questions is seven days before the meeting – 29 July 2021
3. The deadline for petitions was 14 days before the meeting, and no petitions have been received.

5 ACTIONS TRACKER

(Pages 9
- 14)

The Board is asked to review and note its actions tracker.

6 SCHEME MANAGEMENT UPDATE REPORT

(Pages
15 - 18)

The Board has requested an update on Scheme management activities.

NB. Part 2 Annex as Item 10

7 ADMINISTRATION UPDATE 1 MARCH TO 30 JUNE 2021

(Pages
19 - 72)

To note the Administration Update 1 March to 30 June 2021 and make recommendations as required.

8 RISK REGISTER

(Pages
73 - 76)

The Board is asked to note the content of this report and to make recommendations of any amendments to the Surrey FFPS Risk Register.

9 EXCLUSION OF THE PUBLIC

Recommendation: That under Section 100(A) of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information under the relevant paragraphs of Part 1 of Schedule 12A of the Act.

PART TWO – IN PRIVATE

10 SCHEME MANAGEMENT UPDATE REPORT

(Pages
77 - 98)

The Part 2 Annex to Item 6 is attached.

11 DATE OF THE NEXT MEETING

To note the date of the next meeting as 25 November 2021.

**Joanna Killian
Chief Executive**

Published: Wednesday, 28 July 2021

MOBILE TECHNOLOGY AND FILMING – ACCEPTABLE USE

Those attending for the purpose of reporting on the meeting may use social media or mobile devices in silent mode to send electronic messages about the progress of the public parts of the meeting. To support this, Council has wifi available for visitors – please ask at reception for details.

Anyone is permitted to film, record or take photographs at council meetings with the Chairman's consent. Please liaise with the council officer listed in the agenda prior to the start of the meeting so that the Chairman can grant permission and those attending the meeting can be made aware of any filming taking place.

Use of mobile devices, including for the purpose of recording or filming a meeting, is subject to no interruptions, distractions or interference being caused to the PA or Induction Loop systems, or any general disturbance to proceedings. The Chairman may ask for mobile devices to be switched off in these circumstances.

It is requested that if you are not using your mobile device for any of the activities outlined above, it be switched off or placed in silent mode during the meeting to prevent interruptions and interference with PA and Induction Loop systems.

Thank you for your co-operation

MINUTES of the meeting of the **SURREY LOCAL FIREFIGHTERS' PENSION BOARD** held at 2.00 pm on 22 April 2021 at Remote via Teams.

These minutes are subject to confirmation by the Committee at its meeting on Thursday, 5 August 2021.

(* present)

Elected Members:

- * Nick Harrison (Chairman)
- * Richard Jones
- * Glyn Parry-Jones
- * Dan Quin (Vice-Chairman)

34/21 APOLOGIES FOR ABSENCE AND SUBSTITUTIONS [Item 1]

There were no apologies.

35/21 MINUTES FROM THE PREVIOUS MEETING: 15 JANUARY 2021 [Item 2]

The minutes were agreed as an accurate record of the meeting.

36/21 DECLARATIONS OF INTEREST [Item 3]

There were none.

37/21 QUESTIONS AND PETITIONS [Item 4]

There were none.

38/21 ACTION TRACKER [Item 5]

Witnesses:

Clare Chambers, Pensions Service Delivery Manager
Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. A7/20 – It was reported that the administration team had reduced the number of open cases in the last quarter. It was important to reduce the backlog as far as possible before the transfer to XPS. The Pensions Service Delivery Manager would ensure that focus was given to priority tasks and then identify other batches of transactions – primarily transfers in and out - for attention. There would be a negative impact on performance statistics due to catching up on the backlog.
2. A14 & A15 – The Board noted the update and would consider future training needs. There was a discussion around various external meetings that happened and attended by officers. The Chairman stated that he would log into the Scheme Advisory Board quarterly meetings. These two tracker items to be replaced by a new item on training.
3. A16/20 – The Scheme Manager updated on Pensionable Pay and reported that a new project manager was now in place so this and other projects could be taken forward through a Fire Pensions Programme Steering Group. A timeline for the Pensionable Pay project

would be established. She explained that the Steering Group would meet monthly and this Local Firefighters' Pensions Board would receive an update following each meeting. (*This was discussed under the item of Scheme Manager Update but minuted here for ease of reference*).

4. A1/21 – The Scheme Manager reported that the administration contract with XPS had been signed the day before and the team could now get on with detailing the transition plan. The Chairman welcomed this important step and requested that the transition plan be shared with the Board prior to the next meeting.

Actions/ further information to be provided:

1. A14 & A15 to be replaced by a new item on training needs.
2. The Scheme Manager to share the XPS transition plan prior to the next meeting.
3. That the Scheme Manager update the Local Firefighters' Pension Board following each Programme Steering Group meeting, and a timeline for Pensionable Pay be established.

Resolved:

The Board noted the action tracker.

**39/21 ADMINISTRATION UPDATE: 1 DECEMBER 2020 - 28 FEBRUARY 2021
[Item 6]**

Witnesses:

Clare Chambers, Pensions Service Delivery Manager
Sally Wilson, Scheme Manager

Key points raised during the discussion:

1. The Pensions Service Delivery Manager introduced the administration report and highlighted sections that related to information contained within the fire bulletins, the pensions helpdesk, processing of pension increases and horizon planning.
2. The Scheme Manager was asked if she was concerned about the Immediate Detriment referenced in bulletin 42. She responded that the age discrimination approach could be agreed across the sector and that she was included in all the discussions around this. In terms of data there was no template for collecting data and there was guidance on data provision by electronic means in bulletin 43. In response to a Member question the Scheme Manager confirmed that payment could not be paid until an assessment had been completed and that she was unable to commit to timelines at the moment.
3. The Chairman set the priorities as end of year processes/ ABS, reducing backlogs prior to the transfer to XPS, the XPS transfer itself, and other projects after that. This was confirmed by the Scheme Manager. She restated the complexity of the work but that it was being worked on.

Actions/ further information to be provided:

None.

Resolved:

The Board is noted the content of the report.

40/21 SCHEME MANAGEMENT UPDATE REPORT [Item 7]

Witnesses:

Sally Wilson, Scheme Manager

Clare Chambers, Pensions Service Delivery Manager

Key points raised during the discussion:

1. The Scheme Manager introduced her report and explained that there were several complex issues being dealt with by the service at present. She had also attended a seminar on Immediate Detriment.
2. The Scheme Manager reported that The Pension Regulator had released the six processes factsheet, updated to reflect the results from the Pensions Regulator's most recent Governance and Administration survey. Scheme Managers and the Local Firefighters' Pension Board were asked to consider the six key processes factsheet, assess which they had in place and take action to address any gaps. The six processes were:
 - Documented policy to manage board members conflicts of interest
 - Access to knowledge, understanding and skills needed to properly run the scheme
 - Documented procedures for assessing and managing risks
 - Process to monitor records for accuracy and completeness
 - Process for resolving contribution payment issues
 - Procedure to identify, assess and report breaches of the law
3. The six key processes were in place in Surrey; however the Scheme Manager requested the support of the Board to review these processes to ensure they remained current. It was recommended that the review be undertaken by the Board Chairman and the Scheme Manager.

Actions/ further information to be provided:

None.

Resolved:

The Board noted the update provided and supported the review of the six key processes following the publication of the most recent TPR Governance and Administration Survey results.

41/21 RISK REGISTER [Item 8]

Witnesses:

Sally Wilson, Scheme Manager

Clare Chambers, Pensions Service Delivery Manager

Key points raised during the discussion:

1. Risks F9i/F24 – contained a typo where employees should read employers.
2. Risks F8/F9i – The Chairman will discuss some of the scorings with the Scheme Manager outside of the meeting as he thought some of the scorings were too low.
3. Risk F16 – A Member had asked for this risk to be reviewed as there had been further incidences which showed that the actions were not working. The Scheme Manager reported that she had taken the issue to the Working Group and to JCCN but nothing was raised. The Scheme Manager to speak with Richard Jones outside of the meeting.
4. Risk F24 - The Board requested some re-wording of this risk as it was considered to be a financial risk which was not reflected in wording.
5. Risk F22 – to be closed.
6. Risk F29 – rating to be reconsidered at the next meeting.
7. Risk F30 – the Pensions Service Delivery Manager explained that there is a SAP freeze in place to support the move to the Surrey-wide DB&I project, so a monthly i-Connect link for Fire was not possible in the initial XPS transfer. XPS were content to accept an end of year file.

Actions/ further information to be provided:

Risks F9i/F24 – amend typos
Risks F8/F9i – to be reviewed
Risk F16 – to be reviewed
Risk F24 – to be re-worded
Risk F22 – to be closed

Resolved:

The Board noted the report.

42/21 DATE OF THE NEXT MEETING [Item 11]

The Board noted that the next meeting would be held on 5 August 2021.

Meeting ended at: 2.55 pm

Chairman

SURREY LOCAL FIREFIGHTERS' PENSION BOARD ACTIONS AND RECOMMENDATIONS TRACKER

The actions and recommendations tracker allows Board Members to monitor responses, actions and outcomes against their recommendations or requests for further actions. The tracker is updated following each Board. Once an action has been completed, it will be shaded out to indicate that it will be removed from the tracker at the next meeting. The next progress check will highlight to members where actions have not been dealt with.

KEY			
	No Progress Reported	Action In Progress	Action Completed

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
17 January 2020 A1/20	Administration Update (1 September 2019 - 31 December 2019)	Pensions Administration will update the Board on the backdating of the contracting out certificate to 6 April 2000 - detailing the effect on National Insurance contributions and the Modified Pension Scheme.	Pensions Administration team	As per FPS Bulletin 24 - September 2019 HMRC have now written to all FRAs with regards to backdating their FPS 2006 scheme contracting out certificate to 6 April 2000. This is to allow HMRC to process the refund of National Insurance Contributions and to correct the contracted-out status. In a few cases HMRC have informed FRAs that they do not currently have a valid contracting out certificate for the FPS 2006 and this will first need to be applied for and then backdated. The relevant form to complete has been sent to each FRA by HMRC and is form APSS155b. The backdating should be from 6 April 2000. HMRC goes on to confirm that 'a notice of intention or explanation must be given to all employees and recognised trade unions and the notice period of up to 3 months must have expired'. On the assumption that some form of consultation took place with employees following the ruling about backdating membership HMRC will accept that as having given the necessary notice of intention or explanation.	Ongoing

Item 5

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
				<p>It has been confirmed that DCLG (now Home Office) consulted on changes to the scheme under the retained firefighters pension settlement consultation, so there is no need to issue anything further.</p> <p>In order to reduce the burden on FRAs with regards to providing information for these refunds to be made, it has been agreed with HMRC that only name, date of birth, NI number and period bought back needed to be provided. FPS Bulletin 2 and FPS Bulletin 3 provide more information. This topic was also covered at the special members refresher workshop [slides 52 and 53] to clarify that there was no discretion to not provide this information because it was needed for the HMRC GMP reconciliation project.</p> <p>July 2020: Weightmans are providing advice as part of other work given to them on Modified and 10% Scheme Allowances now we are ready to write back out to members.</p> <p>April 2021: Awaiting details of 2nd options exercise.</p> <p>July 2021: Follow up letters have been sent to members regarding the Modified extending the deadline for Expression of Interest Forms to December 2021. This follows a number of enquires and requests for a second opportunity to express interest.</p>	

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
17 January 2020 A7/20	Administration Update (1 September 2019 - 31 December 2019)	The Pensions Support & Development Manager will address 'Outstanding' cases within the Work in Progress Report prioritising cases dating back to 2015.	Pensions Support & Development Manager	<p>The Pensions Administration team will discuss with the service on how to address the backlog.</p> <p>30/04/20 (informal meeting) - To be progressed in due course taking into account the national situation around Covid-19.</p> <p>January 2021: Plans for clearing the backlog of cases were shared in the previous admin update</p> <p>April 2021: It was reported that the administration team had reduced the number of open cases in the last quarter. It was important to reduce the backlog as far as possible before the transfer to XPS. The Pensions Service Delivery Manager would ensure that focus was given to priority tasks and then identify other batches of transactions – primarily transfers in and out - for attention. There would be a negative impact on performance statistics due to catching up on the backlog.</p>	Ongoing
30 April 2020 A16/20 (Informal meeting due to Covid-19)	Action Tracker and Risk Register	<p>A) Pensionable Pay particularly concerning Duty Systems will be added to the action tracker and key headlines and milestones from Weightmans regarding the project, will be shared with the Board once received.</p> <p>B) A risk to be added to the Risk Register concerning Pensionable</p>	Scheme Manager	30/04/20 (informal meeting) - In response, the Vice-Chairman explained that she had approached Jane Marshall from Weightmans legal service who helped scope that work project, for a report. She noted that the Workforce Information Officer had recently chased a reply from legal colleagues who were not in receipt of Weightmans' report. The Vice-Chairman agreed that once the report was received, the Board would receive key headlines and milestones in relation to that project.	Ongoing

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
		Pay - particularly in relation to Duty Systems.		<p>July 2020: The Project Manager initiated work to look at the allowances to find out what the Surrey County Council situation looked like. He was mandated with a task to prioritise current members and gone back to Weightmans for further advice.</p> <p>An update on pensionable allowances was given to the November Board and a risk has been added to the risk register. The Scheme Manager update will provide the Board with regular updates.</p> <p>April 2021: The Scheme Manager updated the Board on Pensionable Pay and reported that a new project manager was now in place so this and other projects could be taken forward through a Fire Pensions Programme Steering Group. A timeline for the Pensionable Pay project would be established. The Scheme Manager explained that the Steering Group would meet monthly and this Local Firefighters' Pensions Board would receive an update following each meeting.</p> <p>July 2021: Meetings in place and papers are being shared. The previous Project Manager has left. Recruitment is underway for a Senior Pension Advisor.</p>	
30 April 2020 A19/20	Risk Register	The Pensions Support & Development Manager to provide an update to the Board on both short and long term solutions to resourcing	Scheme Manager	Dec 2020: to be discussed at Jan 2021 meeting	Ongoing

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
(Informal meeting due to Covid-19)		FPS Pensions Administration. This would include the impact on the Modified Pension Scheme, Pensionable Pay and payment of scheme member benefits as a result.		April 2021: A Pension Scheme Update is on the agenda for the LFPB. This is a standing agenda item, alongside the Risk Register.	
30 April 2020 A20/20 (Informal meeting due to Covid-19)	Administration Update (1 January 2020 - 31 March 2020)	The Pensions Support & Development Manager will liaise with the Head of Data, Digital & Special Projects on the next steps concerning the Guaranteed Minimum Pension (GMP) reconciliation - the new Project Manager to assist.	Pensions Support & Development Manager/ Head of Data, Digital & Special Projects	No major changes. At this stage Mercer, our outsource company dealing with GMP, is still awaiting final data cut for SFRS. We are expecting to receive the project plan for rectification in January 2021 so we can begin planning our side. April 2021 - Reports sent to scheme manager for review and decisions regarding tolerance setting levels	Ongoing
18 November 2020 A24/20	Action Tracker	The Board concurred with the Member's request for copies of Weightman's reports which the Scheme Manager agreed to consider.	Scheme Manager	April 2021: Action completed. Discussed at the LFPB in January. Copies of legal advice will not be shared with the Board, however the Pension Scheme Update will report on the progress of the projects, including the 10% allowances.	complete
15 January 2021 A1/21	Administration Update	<ol style="list-style-type: none"> The Scheme Manager is requested to: <ul style="list-style-type: none"> send a note to all firefighters with helpdesk telephone numbers to provide briefing to members on resourcing. That the Board receive details of the transition plan when it is completed and before the next Board meeting in April. 	Scheme Manager	<p>April 2021:</p> <ol style="list-style-type: none"> communication went out to firefighters via sharepoint The Scheme Manager reported that the administration contract with XPS had been signed the day before and the team could now get on with detailing the transition plan. The Chairman welcomed this important step and requested that the transition plan be shared with the Board prior to the next meeting. 	Complete delayed

Date of meeting and reference	Item	Recommendations/ Actions	To	Response	Progress
15 January 2021 A2/21	Scheme Management Update Report	Richard Jones to provide details of members that had not received communication in relation to pension contributions to the Scheme Manager to look into.	Scheme Manager	April 2021: No information received from Richard Jones. July 2021: Action complete	
15 January 2021 A3/21	Risk Register	That the Scheme Manager review: <ul style="list-style-type: none"> • Risk F8 • Risks F16 and F24 be reviewed after discussion with Richard Jones • Risk F24 scoring be reviewed • Addition of new risks concerning the transfer to a new administrator, the loss of East Sussex as a back-up, and around cyber security. 	Scheme Manager	April 2021: All risks were reviewed, and actions updated	Ongoing
22 April 2021	Action Tracker	<p><i>The Board agreed to combine Actions A14/20 and A15/20 as they both related to Board Member training.</i></p> <p>The Board to regularly consider future training needs.</p>	Committee Manager		Ongoing



Surrey Local Firefighters' Pension Board August 2021

Scheme Management Update Report

Introduction:

1.1 The Board has requested an update on Scheme management activities.

2.0 Scheme Management Activities

2.1 Age Discrimination Remedy

2.2 The Service is still waiting on guidance from Home Office and Local Government Association (LGA). On the horizon is the immediate detriment. The Home Office has now 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](#).

2.3 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.

2.4 To implement remedy in full, both primary and secondary legislation is required, as well as administration work (at local Fire and Rescue Authority (FRA) level) to implement the changes. The deferred choice underpin will be implemented by October 2023.

2.5 As a result, the guidance does 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.

- 2.6 The guidance provides informal advice but the overall responsibility for interpreting and applying the pension scheme regulations 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.
- 2.7 Following the release of the updated informal Home Office guidance on 10 June 2021, the LGA released a communications note that FRAs may use to respond to increasing number of enquiries about immediate detriment. The note has been provided for FRAs to use if required to update scheme members on the current position and highlights that the recent Home Office guidance is informal and does not deal with pension scheme members who have already retired. It confirms that FRAs have the power to calculate and pay pension benefits from the legacy final salary schemes under Section 61 of the Equality Act. This rule means that members can be treated as though they did not move to the FPS 2015. However, while Section 61 gives the legal power to make payments, it cannot deal with all knock on effects of remedying the pension benefits and so making payments now would mean acting in advance of final Government policy decisions which have not been made. The update also confirms to members that acting in advance of Government policy carries an element of risk, which might be outside of our control to manage.
- 2.8 The Scheme Advisory Board (SAB) survey of FRA's remedy arrangements closed on 30 June 2021. The Service has completed the survey and the data will be collated and analysed to provide a report to the SAB at its September meeting. The outcomes from the survey will provide SAB with a more detailed understanding of where FRAs are with remedy arrangements and the support required.

2.9 Scheme Sanction Charge (SSC)

- 2.10 Following further guidance regarding scheme sanction charges it was established that there is no provision in the Firefighters' Pension Scheme rules that allows for a SSC to be deducted from a member's pension benefits. This was addressed some time ago for members due to retire, however there were a number of members who were entitled to a refund. Letters have been issued and refunds paid in June payroll.

2.11 Modified

- 2.12 Letters have been finalised to go out to members that returned an Expression of Interest Form (EOI) and members where an EOI was not received. The letter is an update to members acknowledging that it has taken longer than expected to put the quotations together given the volume of EOIs received from retained firefighters. It also highlights that there has been a number of further enquiries about the 'modified scheme' from retained firefighters who did not manage to complete the EOI within the required deadline. The letter confirms we have, therefore, written out again to all those retained firefighters who have not yet responded, and have given them until 31st December 2021 to complete and return the EOI.

2.13 Pensionable Allowances

2.14 Letters have been drafted to go out to members affected by pensionable allowances (10%). The letters should be finalised prior to the Local Firefighters' Pension Board meeting (LFPB).

2.15 Training

2.16 Training is a standing agenda item for this Board. A training register has been created to record training sessions Members of the Board have attended plus events which are scheduled for later in 2021 that Members will be encouraged to attend. All Members of the Board have completed The Pension Regulator public service toolkit, a requirement set out in the Terms of Reference of the LFPB.

2.17 The Pension Regulator (TPR)

2.18 Further to our correspondence with TPR the Scheme Manager met with Members of the Board to discuss the response from TPR and the request for an update on the Pension Administration project, training arrangements and the modified pension scheme. The response was sent through to TPR and confirmation of receipt has been received.

3.0 Project Update

3.1 A new Project Manager was appointed at the beginning of March, following a gap in resources from Autumn 2020, unfortunately the Project Manager has now moved on. Recruitment is underway for a Senior Pension Advisor and a Pensions Project Support Officer. Interviews are due to take place at the end of July. Until these positions are filled there is no current resources available. The Scheme Manager will continue to progress the priority items, pensionable allowances and modified.

3.2 The Pension Administration Project is underway following the review of administration arrangements at the end of last year. Meetings have taken place with the third party provider and an update is provided in the Pension Administration Report.

3.3 Risk Management

3.4 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB. Item 8

4.0 Summary

4.1 The Board is asked to note the update provided.

Annex

Part 2 Annex - XPS Implementation. Item 10

Report contact: Sally Wilson

Contact details: sally.wilson@surreycc.gov.uk



Surrey Firefighters Local Pension Board 5 August 2021

Administration Update 1 March to 30 June 2021

Recommendations:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

Background

1. The terms of reference for the Board includes the duty to;

“...help ensure that the Firefighters’ Pension Scheme is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator”.

2. In order to help the Board to measure the effectiveness of the administration of the scheme a set of administrative functions from 1 March to 30 June 2021, and an update of performance and current issues is set out below and in the attached Annexes.

Administration Performance

3. Details of all cases completed between 1 March to 30 June 2021 can be found at **Annex 1**.
4. During the period 1 March to 30 June 2021 a total of 20 cases were reviewed and completed/terminated. This was a combination of new work received and clearance of outstanding casework. This is a decrease from 42 cases completed in the previous period due to work being carried out on other high priority projects such as 10% pensionable allowances and refunds of scheme sanction charges.
5. There are currently 79 KPI cases still open and waiting to be processed, this is a slight increase from 76 at the end of the last period. The priority is to clear as many open cases as possible prior to the transfer to XPS. Now that work has been completed on the projects mentioned in point 6, the administration team will be focussing efforts on clearing as many transfer cases as possible prior to the

migration to the new administrator.

Pension Scheme Opt-Outs

6. It was agreed in October 2018 that Officers would provide details of the number of members opting out of the pension scheme.
7. In the period 1 March to 30 June 2021 there were 5 opt outs.

Fire Bulletins

The Pensions Board has adopted a procedure to ensure that any FPS Bulletins released by LGA are reviewed and any necessary actions are noted and tracked through to completion. There is also the addition of the XPS Bulletin surrounding the McCloud Remedy, which is an internal document shared by XPS with the schemes it administers.

8. Bulletins [44](#), [45](#) and [46](#) (**Annex 2**) have been published since the last Board meeting.
9. Actions arising from Bulletin 44 were as follows:
 - **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. – Please see XPS Bulletin at the front of Annex 2 for more information
 - **Annual Benefit Statements:** FRAs should ensure that projections for protected members do not include final salary benefits projected past 31 March 2022. – This has been implemented for this year as required
 - **IDRP data collection:** FRAs should return the completed IDRP data template by 31 May 2021.
10. Actions arising from Bulletin 45 were as follows:
 - **Remedy self-assessment survey:** FRAs to complete SAB remedy self-assessment survey by 30 June 2021. Survey link has been emailed to authorities.- This was completed through a combination of payroll, Surrey Pension Administration Service and the incoming provider, XPS

Pensions Helpdesk

11. Between 1 January and 30 June 2021, the Helpdesk handled a total of 41,911 enquiries with 87.5% of these being resolved at the first point of contact. 19,720 of the enquiries were received via telephone calls and 22,191 via e-mail. Please be aware, these numbers are across all 6 schemes in which the Helpdesk provides its services for.

12. The team aim to respond to all e-mail enquiries within the corporate service level agreement of 3 working days. As at 30 June, customers 'Happiness Factor' was rated at 88%.
13. The Pensions Helpdesk have recently recruited 7 new agents and training is ongoing. Progress on training has been slower than usual due to the added complexities of carrying this out remotely.

Administration migration to XPS

14. The Pension Administration continues to support the migration of the PAS to its new provider XPS. Project Management has been loaned to the Fire Service to ensure the smooth transition of the administration service, with the aim of minimising any disruption to the members.
15. The key stages of this migration are as follows:
 - a. First data extraction on 21.07.2021
 - b. Test payroll run by XPS w/c 26th July
 - c. A series of reports to be run and provided to XPS which are to be run after the data extraction but, before the payroll period ends on 22.07.2021
 - d. Collation of all administration changes that will affect the payroll to be supplied to XPS for dual payroll run in August
 - e. Live data extraction to take late August
 - f. Surrey Administration closure for Fire scheme 20th August
 - g. XPS go live 1 September 2021
16. Please see annex 3 for latest highlight report.

Pension Increase:

17. Pension Increase was applied for all members, across all schemes in line with the respective payroll dates. The 1992 scheme was implemented for March 2021 payroll, with all other schemes paid within payroll period 1, April 2021.

Annual Benefit Statements

18. The end of year / annual benefit statement project has progressed well. All fire data has been provided by Surrey payroll and all members ABS' will be produced by the end of July, early August, well in advance of the statutory deadline of 31 August.
19. Due to the service migration dates, Annual Allowance statements will be produced by XPS, the new administration provider.

Data Improvement

20. Prior to the migration to XPS, there is work currently underway to ensure any historic data gaps are filled where possible, these include:

- a. Obtaining any missing end of year data for members between 2008 and 2014. PAS are working with the payroll service to obtain this information and interface the data into Altair pre final data cut.
- b. Interfacing missing CPD payments from 2017/18 and 2018/19. These have now been interfaced, with PI applied where necessary, on members records in Altair.

If required, data will be captured by Surrey PAS but not interfaced into Altair, should this pose a risk to the migration of the data to XPS, in line with the project plan.

Report contact: Clare Chambers and Tom Lewis

Contact details:

T: 07779 971634 E: clare.chambers@surreycc.gov.uk

T: 07583 072853 E: tom.lewis@surreycc.gov.uk

Sources/background papers:

Surrey Local Pension Board Terms of Reference

Annexes

Annex 1 – SFRS March to June 2021 KPI Report

Annex 2 – FPS Bulletins 44, 45 and 46

Annex 3 – Migration Highlight Report

ADMINISTRATION PERFORMANCE REPORT (1) March to June 2021

ADMINISTRATION - ONGOING WORKFLOW

				1 March - 30 June 2021							
No	Description	Performance standard	Tolerable performance*	No of cases received	No of cases completed	No of cases completed within SLA	Percentages of cases completed within SLA (Score and RAG)	Average time from start to finish to complete cases (in days)	Number of cases outstanding (total backlog) end of previous quarter	Number of cases outstanding (total backlog) end of this quarter	Comments
OW 1	OVERVIEW										
OW 1.1	TOTAL SURREY CASES Total number of cases in period	N/A		23	17	9	53	130	76	79	3 cases terminated
OW 1.3	SCHEME MEMBERSHIP Number of members in the Surrey LGPS	N/A									
	Active members	N/A									
	Deferred members	N/A									
	Pensioner members	N/A									
OW 2	CASELOAD DETAIL										
OW 2.1	NEW STARTER New scheme member to be set up on Altair, check payroll details, request any transfers and send a statutory notice sent to the member.	30 working days	80%	0	0	N/A	N/A	N/A	0	0	
OW 2.2	DEFERRED STATUS Calculate pay, check membership, calculate deferred benefits, update Altair and issue a benefit statement.	2 months	80%	3	0	N/A	N/A	N/A	6	8	1 case terminated
OW 2.3	RETIREMENT (INITIAL NOTIFICATION) Calculate pay, membership and retirement benefits and send initial letter and forms to member.	15 working days	80%	1	0	N/A	N/A	N/A	0	0	1 case terminated
OW 2.4	RETIREMENT (COMPLETE) upon receipt of all the forms and pay the retirement grant, update Altair, set up the pension on the payroll and send a benefit statement to the member.	15 working days	85%	1	1	1	100%	0	1	1	
OW 2.5	DEATH NOTIFICATION Stop any pension, send condolences letter, request details of any dependant / beneficiaries and send claim forms for any balance / overpayment / Death Grant.	5 working days	90%	4	5	3	60%	7	1	0	
OW 2.6	SURVIVOR'S PENSIONS Upon receipt of all relevant certificates, forms and supporting evidence set up all survivor's pensions on the payroll and send each beneficiary a pension statement.	10 working days	90%	0	0	N/A	N/A	N/A	0	0	

OW 2.7	DEATH GRANT PAYMENT Upon receipt of all the certificates, claim forms and details of potential beneficiaries the Death Grant and any balance of pension should be paid and the return of any overpayment requested. The Pension Section should notify the relevant parties of any payments / decisions in writing.	10 working days	90%	1	5	4	80%	7	4	0	
OW 2.8	ILL HEALTH RETIREMENT (INITIAL) Upon receipt of all the relevant documents, send an estimate and the claim forms and request the certificates.	15 working days	90%	0	0	N/A	N/A	N/A	0	0	
OW 2.9	ILL HEALTH RETIREMENT (COMPLETE) Upon receipt of all forms / certificates, update Altair, pay the retirement grant, set up the pension on the payroll and update Altair.	15 working days	90%	1	1	1	100%	1	0	0	
OW 2.10	MEMBER CORRESPONDENCE Respond to member queries (Helpdesk)	Note: These are all calls taken for Surrey and not split out between LGPS and Fire	70%	15,822	N/A	N/A	FPF = 92%	N/A	N/A	N/A	
OW 2.11	REFUNDS Check the record, calculate the refund due and make payment	20 working days	80%	1	0	N/A	N/A	N/A	0	1	
OW 2.12	FIRE TRANSFER IN (ESTIMATE) Upon receipt of the service statement, check the service details and inform the member of the option to transfer and advise them of the timescales.	20 working days	80%	0	1	0	0%	432	6	5	
OW 2.13	FIRE TRANSFER IN (ACTUAL) Check that the membership and payment received is correct, update Altair and send a service statement to the member.	20 working days	80%	1	0	N/A	N/A	N/A	9	10	
OW 2.14	NON-FIRE TRANSFER IN (ESTIMATE) Check the transfer quotation and inform the member of the service / pension credit it would purchase, the option to transfer and the relevant timescales.	20 working days	80%	2	1	0	0%	353	28	29	
OW 2.15	NON-FIRE TRANSFER IN (ACTUAL) Check that the payment and the details are correct, update Altair and send a service statement to the member.	20 working days	80%	0	0	N/A	N/A	N/A	0	0	
OW 2.16	FIRE TRANSFER OUT (ESTIMATE) Send deferred benefit statement to the new employer.	20 working days	80%	1	0	N/A	N/A	N/A	1	2	
OW 2.17	FIRE TRANSFER OUT (ACTUAL) Make payment to the new administering authority after twelve months / upon receipt of member's election and update Altair.	20 working days	80%	2	0	N/A	N/A	N/A	4	6	

OW 2.18	NON-FIRE TRANSFER OUT (ESTIMATE) Upon request send transfer quotation and discharge forms.	20 working days	80%	5	3	0	0%	110	16	17	1 case terminated
OW 2.19	NON-FIRE TRANSFER OUT (ACTUAL) Check that all the discharge forms have been completed correctly, check tPA register, make payment and update Altair.	20 working days	80%	0	0	N/A	N/A	N/A	0	0	

This page is intentionally left blank

IN THE LOOP - McCloud/Sargeant

Fire Pensions

July 2021 - Issue 03



Remedy & Immediate Detriment

Prior to the government's consultation response on 4 February 2021, on 20 August 2020 the Home Office issued guidance to FRA's (in England and Wales) on processing prospective 'Immediate Detriment' cases in advance of a decision relating to the Remedy. Since then the following has occurred:

- 4 February 2021: the government has confirmed its final Remedy approach: the Deferred Choice Underpin ("The McCloud Remedy").
- 23 March 2021: the government published a command paper titled "Tax Policies and Consultations (Spring 2021)". The Government stated that in designing the McCloud Remedy, it has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal with cases of this type.
- 11 May 2021: The Public Service Pensions and Judicial Offices Bill was announced in the Queen's Speech. The purpose of the Bill is to ensure equal treatment for all members within each of the main public service pension schemes in order to remedy the discrimination identified in the McCloud Remedy.
- 10 June 2021: The Home Office issued revised informal Immediate Detriment Guidance ("**the Guidance**").

This bulletin will concentrate on the revised guidance, and how we propose to work with FRA's to process member cases falling under this category.

Whilst there has been some progress from the government, there remain a number of administrative, technical, and legal issues which require confirmation and clarification before the McCloud Remedy can be fully implemented. Until legislation is finalised, and technical issues are resolved, administrators are unable to put in place systems which reflect and are able to deliver the McCloud Remedy.

The revised guidance is a policy note, which expands on issues/areas which were not previously covered in the first version. However, it does **not provide a clear instruction** as to the steps that FRA's and Administrators would need to put in place to give effect to it.

Editorial:

Welcome to the latest edition of "In the loop" – our bulletins designed to keep you, the fire authorities, updated with all of the latest developments surrounding public sector pension reform.

In this bulletin we will highlight further developments following the Home Office revising its informal guidance in relation to Immediate Detriment. We will also outline our updated approach and requirements for the calculation and payment of Immediate Detriment benefits and provide details of the member data collection exercise.

The content of this document is based on our assessment of the update and the requirements needed to allow any changes to be made. Whilst care has been taken to ensure its accuracy XPS cannot accept liability for any loss caused as a result of any actions taken based solely on information contained in this document.

We are aware that there will be members who will be approaching retirement in advance of the government's current deadline date of October 2023 to put in place legislation, and administrators updating IT systems to deliver the Remedy.

As such, we have been asked to work with employers to create a process to enable the formulation of FRA Immediate Detriment policies to allow for the calculation and payment of Immediate Detriment benefit options for those officers approaching retirement before implementation of legislation and IT system development, should FRA's chose to offer this. option.

Purpose of the Revised Immediate Detriment Guidance and Legal Basis

The purpose of the June 2021 revised guidance is to provide informal guidance and advice (in England and Wales) on processing "Immediate Detriment" cases in **advance** of the government introducing legislation to remove the unlawful age discrimination identified by the Court of Appeal in the McCloud/Sargeant litigation.

The guidance is non-statutory and informal and it does not place legal obligations on FRA's. However, the guidance states FRA's have "the power to calculate and pay pension entitlements for those members who fall within the [Immediate Detriment] category under their legacy schemes, through the application of Section 61 of the Equality Act 2010".

Section 61 is overriding legislation and provides that the rules of an occupational pension scheme must be taken to include a non-discrimination rule and that the scheme's provisions take effect subject to that rule. **Therefore, the government assert in this guidance that this provision means that affected members have the right to be treated as though they have been in service in their legacy scheme since 1 April 2015, if that is what they want and they inform the scheme about this.**

Notwithstanding, the Home Office's assertion that S61 underpins the application of the revised guidance, it is not clear from the guidance if S61 provides the relevant authority to treat consequential matters that rely on other legislation. It is clear however, that S61 is unable to deal with all consequential effects of remedying pension benefits: in the government's Tax and policies consultations published on 23 March 2012, it stated that amendments were needed to the tax legislation as a consequence of the McCloud ruling, which have yet to be enacted.

The latest ID Guidance continues to be subject to review to ensure that it is consistent with any Court judgement or legislative proposals. Furthermore, a number of issues raised within the document are the subject of ongoing litigation.

The Guidance is caveated and states it "**should not be seen as providing a definitive resolution to all of the consequences arising from the discrimination, rather as a way to progress certain immediate detriment cases . . . It is important to note that ALL cases processed using this guidance will need to be revisited once the full detail of the government's approach is finalised, and legislation is in place. Legislation is expected to be in place by October 2023**".

The area of members with 30 years accrued service and taking a contribution holiday still requires further Home Office clarification, which we hope to receive and share with you in due course.

Members in Scope of Immediate Detriment

The latest guidance provides clarity regarding those members who fall in and out of scope for Immediate Detriment.

The guidance has clarified that the following **are in scope** for Immediate Detriment:

- (a) Individuals who were members or eligible to be members of a legacy scheme immediately prior to 1 April 2012, **and have a period of service** after 31 March during which they were **members of a legacy or reformed scheme**, where those periods of service are continuous, including those with a qualifying break in service of less than 5 years, and become eligible to retire **for any reason**;
- (b) Those members eligible to retire are claimants and non-claimants including those with all forms of ill health, **and** want to have **all** their benefits **paid from their legacy scheme**;
- (c) Immediate Detriment applies to qualifying active and deferred members;
- (d) Qualifying individuals can be members of any qualifying legacy or reformed scheme post 31 March 2015.

The following individuals **will not be in scope** for Immediate Detriment under the Guidance:

- (a) Where eligible members have already retired and are in receipt of their pension payments;
- (b) Payments to beneficiaries of members who have died in service.
- (c) Where a fully protected member wishes to access reformed scheme benefits.
- (d) Where a member has overpaid contributions, their case should not be processed.

In addition to the above, the following **will not be in scope** for Immediate Detriment because technical issues need to be resolved or further detail is required:

- (a) Members with pension sharing orders.
- (b) Transferred-in **non-fire** benefits where the transfer could not have been accepted into the legacy scheme at the date of the transfer payment.
- (c) Any member who has purchased added years/pension.

XPS suggested approach to meet Immediate Detriment requirements:

General issues:

Please note the following regarding the process XPS is proposing to meet the Immediate Detriment requirements:

Requirement for a policy: We will require a policy confirming that each FRA wishes to adopt and take forward Immediate Detriment retirements. This is consistent with good governance.

Case by case review: There are limitations as to which members can be offered Immediate Detriment; each application for Immediate Detriment will be looked at on a case-by-case basis to determine if calculations are possible.

Immediate Detriment calculations will be based on our interpretation: We will be processing cases based on our interpretation of how the McCloud Remedy will be delivered i.e. ahead of the government finalising its legislative approach and resolving a number of technical issues (including the taxation framework).

Member to sign Agreement confirming Immediate Detriment Election: We will require all members to sign an agreement confirming their election to take benefits via the Immediate Detriment route **before** we process any Immediate Detriment cases. This requirement is further supported in the revised government Guidance, which states the member should:

- (a) confirm their election in writing by reference to S61 of the Equality Act 2010; and
- (b) agree to accept the government’s final approach, and any future adjustments that this requires.

Absence of written confirmation: The Guidance states that in the absence of any written confirmation, the default position should be the current regulatory position for a transition member, i.e. the pension paid will be in accordance with their pension entitlement as provided under both the legacy scheme regarding accrual from years before the remedy period, and 2015 CARE Scheme regarding accrual for remedy period years.

Draft Agreement: In the Loop 2, refers to our waiver which is now referred to as an Agreement, which we attach together with guidance for members regarding the Immediate Detriment process. We ask that you review the Agreement and guidance, and share with your legal teams, as it is our intention for all FRA’s that adopt an Immediate Detriment policy to use this Agreement as part of the retirement process.

Immediate Detriment is for formal retirements: The Immediate Detriment process should not be used as an estimate mechanism; therefore, all members must follow the formal Immediate Detriment process before any options or estimates are issued.

Please see below the Member Immediate Detriment Agreement and Immediate Detriment Guidance for Employees in addition to our Immediate Detriment process chart and amended flowchart which reflects a few changes to our final policy and requirements.



Fire Member ID Agreement.pdf



Fire Member ID Guidance.pdf



Action required!

FRA’S SHOULD CONSIDER THEIR OWN ID POLICY FORMATION SHOULD THEY DECIDE TO APPLY ID. ADDITIONALLY FRA LEGAL TEAMS WILL NEED TO CONSENT TO THE USE OF THE ID MEMBER AGREEMENT IN CONJUNCTION WITH THE FRA POLICY.

Project Initiation Document: Immediate Detriment cases fall outside of current legislation and therefore calculations will need to be performed manually outside of the software system by the XPS project function. This will mean that there will be limited disruption to the blue light administration team who will continue to provide service on a business-as-usual basis. You will be sent our Project Initiation Document under separate cover which illustrates the project phases and details our charges and terms for processing Immediate Detriment cases, in addition to charges for data collection.



Action required!

PLEASE SIGN AND RETURN YOUR ACCEPTANCE OF OUR TERMS AND CHARGES OUTLINED IN THE PID ALONG WITH ANY REQUESTED PURCHASE ORDER TO COMMENCE REMEDY PROJECT WORK.

Immediate Detriment Process

Our ID process is summarised below and should be read in conjunction with the attached flowchart and process note below.



Basic ID Process -
Employer & XPS.pdf



Draft XPS Fire
Immediate Detriment

- Firstly, the FRA must have an Immediate Detriment Policy in place and the member **MUST** satisfy Immediate Detriment criteria detailed above and in the policy.
- XPS will look at each Immediate Detriment member on a case-by-case basis.
- XPS will require data on final salary entitlements during the period of Reformed Care Scheme service, including hours changes or breaks in service, such as pay, so that we can calculate the benefits that would have been paid under legacy terms.
- In the case of an Ordinary Retirement the member must contact the FRA with at least **80 days'** notice or more to confirm their formal retirement and intention to request legacy scheme benefits for the Remedy Period. The 80-day notice period is required to provide employers with additional time to obtain information to enable the member's legacy benefits to be calculated, and to calculate any additional pension contributions which would have been paid into the legacy scheme had the member remained there. [Additionally, it also provides XPS time to calculate the alternative benefits that may be available to the member, and for the member to consider the information, and seek independent financial advice, before selecting their final retirement options].
- Given the nature of ill-health retirements, there will be flexibility around the **80 days** notice, where the member is retiring under these circumstances.
- Under the revised Guidance the government has stated that where an individual has overpaid contributions, their case should **not be processed** at this time.
- Further, **XPS are unable to process** Immediate Detriment cases for members who have already retired and/or have pension sharing orders and/or have transferred-in non-fire benefits and/or have purchased added years; these technical issues require further policy decisions from the government, which presently remain unresolved.
- Employer will determine if the member is in scope for an Immediate Detriment calculation (this should include an assessment as to whether the member falls in scope of the McCloud Remedy i.e. they were a member of a relevant public service pension scheme on or before 31 March 2012 and remained in a relevant pension scheme on or after 1 April 2015).

- Once employer decides that member is in scope of the McCloud Remedy **AND** satisfies the criteria for Immediate Detriment calculations, the member **must sign** the Member Immediate Detriment Agreement.
- Employer / Payroll will determine member contributions due and arrange for the member to sign a form to agree to re-payment of contributions via payroll adjustments prior to retirement to enable Immediate Detriment tax relief. Additionally, a leaver form will need to be completed and payroll details provided for the remedy period and forwarded to XPS. A new Immediate Detriment Leaver Form and Immediate Detriment pay details form will be published onto the employer section of our website over the next few weeks, to be used for all Immediate Detriment retirement cases.

The following will be provided to the member, which is also reflected in the revised guidance:

- (a) Two sets of benefit options reflecting the pension benefits that the member would receive under **each choice**:
- **Quote 1:** current scheme benefits – final salary and CARE to date of retirement (i.e. a quote which reflects the current legislative position);
 - **Quote 2:** benefit calculations reflecting the benefits you would receive had you remained a member of your legacy scheme to your date of leaving or 31 March 2022, whichever is the earliest.
- (b) Each set of quotes will include the recurring annual pension (before and after commutation).
- (c) Commutation retirement lump sum entitlement, together with details of tax consequences such as receiving an unauthorised lump sum or limiting the lump sum, so it does not trigger a tax charge.
- (d) Details of dependant benefits.
- (e) Additionally, the Guidance recognises that any decision by a member to take benefits from their legacy scheme may impact earlier Annual Allowance tax liabilities on the increase in members' pension savings. The Guidance, makes it clear that FRA's will provide the following to members:
- Recalculated Pension Input Amounts for every year of the Remedy Period to date; and
 - Pension Input Amounts for the years 2012-13, 2013,14, and 2014 – 15
 - [Revised details of Pension Input Amounts beyond the statutory times limits and which are out of scope for tax correction so member can claim compensation where they have paid higher Annual Allowance charges on reformed scheme benefits for out of scope remedy period years].
- (f) Each quote will contain a clear statement that all Immediate Detriment calculations are provisional and will be revisited and recalculated to ensure that the member has the correct benefit entitlement once the government has finalised its approach to implement the McCloud Remedy. Therefore, depending on decisions to be made by government, and changes to the governing scheme rules, with specific reference to interest and tax treatment, further additional payments, refunds and revised benefit amounts are possible.
- (g) XPS will issue both sets of options to the member with an Election form for completion before payment is processed. The member will have a choice of which benefits they wish to take.

Member Agreement requirement

The Immediate Detriment calculation is an interim method of calculating benefits for members who have transferred to the Firefighters Pension Scheme 2015 and will retire before remedy is fully available. The calculation used to

determine the level of benefits payable is based on guidance provided by the Home Office in advance of primary and secondary legislation being made. The Immediate Detriment calculation can only be applied if the member signs an Agreement, which is required for the following reasons:

- The revised Home Office Guidance is clear that members electing for Immediate Detriment should confirm the election stating that the election is made by reference to the S61 of the Equality Act 2010. Once written confirmation has been received from each member, the FRA can put the chosen pension into payment, once scheme pays elections have been made.
- Any benefit calculated and paid via the Immediate Detriment process will be recalculated once the government has agreed its final approach to Remedy. The Agreement requires members to accept and acknowledge this point.
- The member will need to agree to accept the government's final approach and any future adjustments to their pension in payment that this requires.
- Ensure the member understands the financial and taxation risks in agreeing to the calculations in advance of the government finalising legislation and related policies to implement the Remedy.
- Obtain the member's authority to make presently and/or at a future date the relevant tax and administrative adjustments/financial deductions to reflect their chosen option at the point of payment, and at the point of recalculation once the government has agreed its final approach.
- To highlight XPS's liability exclusions regarding our interpretation of the Remedy.

Main tax and financial implications of Immediate Detriment and XPS calculation assumptions

In calculating the member's Immediate Detriment pension options we will take into account the following technical issues:

Recovery of outstanding employee contributions and tax relief

If the member chooses to take their full pension benefits under their legacy scheme it will be necessary to charge them the appropriate contribution for the benefits that they accrue. Therefore, their pension contributions will be adjusted, the member will either owe employee pension contributions or they will be entitled to a refund of overpaid contributions. The revised Guidance confirms that any employee contributions owed will need to be paid **before** their legacy scheme pension can be put into payment, to ensure that any tax relief at source can be applied.

Any contributions owed will need to be based on the pay that is considered to be pensionable under the legacy scheme, which may vary from that pay which is considered pensionable under the 2015 Scheme. The employing FRA will need to make an assessment if contributions are owed.

It is our understanding, that if the member chooses to have their outstanding contributions deducted from their lump sum or from any other personal source, it is highly likely that they will **NOT** qualify for tax relief under the current HMRC PAYE or self-assessment process. This position may change once a wider review has taken place of the final legislation to implement and give effect to the Remedy. **This is why XPS suggest to approach the issue of member contributions via payroll adjustment.**

The Guidance recognises that it will not be possible in all cases for any outstanding contributions to be paid before the member's pension is put into payment, for example, deferred members. In these cases, the scheme member will have to wait until legislation has been implemented to receive any appropriate compensation.

The consultation response and the guidance refer to compensation for tax relief but neither document covers any detail of how the compensation scheme will operate. We advise that all member communications should highlight that tax relief will be subject to further government policy and legislation coming into force.

Where the member is owed a return of overpaid scheme contributions, the government consultation response has stated that they will receive a payment to cover the value of their overpaid contributions, but with an amount deducted to reflect underpaid tax.

Interest charges will be applied to sums owed to and by members

It is the government's policy intention to apply interest charges to any contributions owed. The Treasury are currently reviewing the appropriate rate of interest to apply, until this detail is received any scheme contributions due will need to be paid **without** the application of interest. If a member's benefits are paid under Immediate Detriment, they will be required to make payment of additional charges as soon as the rate of interest has been set. It is understood that the government will be consulting the Government Actuary on the appropriate rate of interest to add to sums owed to and by members.

Annual Allowance Impact

Under the Remedy the member will be moved back to their legacy scheme. This will potentially alter pension benefits they have accrued in each of the tax years during the Remedy Period, this could mean they may breach the annual allowance limits in former pension input period years.

If benefits are put into payment under Immediate Detriment, the member needs to know that the pension growth in the 4 input periods up to and including the payment year will need to be recalculated. The revised pension growth could impact on any carry forward arrangements, and other pension entitlements elsewhere.

If, on recalculation, it is found that the member exceeds their annual allowance limit, and there is no carry forward to mitigate the breach, a tax charge will fall due on the excess over the annual allowance.

In terms of calculating annual allowance charges for Immediate Detriment calculations XPS's view is that the calculation should be backdated to 2015 (but subject to the current statutory 4-year time limit for reassessing tax for previous years), as opposed to calculating annual allowance growth in the final year when the member makes their election.

It is understood the Treasury are reviewing and are expected to issue guidance as part of their final review of the Remedy, which could mean could that any over/under paid tax or charges may become payable at a later date.

Payment of Tax Charge

The revised guidance offers more narrative on the position of calculating and paying pension tax where it is due.

The guidance states that where tax is to be paid or refunded, this can only be corrected within the tax system, with HMRC, for years within the statutory time limit, which is the current tax year and the previous four year statutory time limit, and where it is due it will be refunded for the whole period (i.e. beyond the statutory time limit) via a compensation scheme, details of which are not yet known.

Given that S61 of the Equality Act 2010 allows members to be treated as though accruing benefits in their legacy schemes since 2015, the Guidance states that schemes should provide members with the following:

- Recalculated Pension Input Amounts (PIAs) for each year of the remedy period to date; and
- PIAs for 2012-13, 2013-14, and 2014-15 (which would not be changed by election under 61).

Whilst the Guidance states that the above information related to PIAs should be provided to members it does not provide commentary on the steps needed to calculate whether there is a tax liability, i.e. by recalculating the pension input amount over each of the pension input periods in the remedy period as opposed to calculating annual allowance growth in the final year when the member makes their election.

As we state above XPS's view is that the calculation should be backdated to 2015 (but subject to the current statutory 4 year time limit for reassessing tax for previous years).

The Guidance provides brief commentary where reassessment will result in the annual allowance being exceeded, resulting in a tax charge, the Guidance provides comments on how any pension tax charge can be paid. Tax charges can usually be satisfied either individually with a payment from the member, or by scheme pays. The Guidance provides brief comments on the two types of Scheme Pays: Mandatory Scheme Pays (MSP) and Voluntary Scheme Pays (VSP).

MSP can only be used to the immediately preceding tax year, therefore, it cannot be used to pay tax breaches of the annual allowance in previous years within the remedy period. It clearly, has limited reach.

Where in certain circumstances, a member is unable to use MSP to pay a HMRC tax charge, then they may be able use VSP. Under VSP, the member is individually responsible. As a VSP is a voluntary arrangement there are no conditions attached to it other than the scheme agreeing to pay it. It is noted that the Guidance is encouraging pension schemes to offer VSP to help individuals affected to pay any additional Annual Allowance charge.

The current limit for VSP is £1000; therefore, amendments to scheme regulations would be necessary to change this limit.

Finally, the Guidance makes it clear that members should contact HMRC about any changes to their Annual Allowance liabilities for the remedy period, i.e. it is a member responsibility.

Processes and Governance

We will work with FRA's to ensure strong governance and formal processes are in place to implement the government's policy. The following areas have been identified as key governance and process issues:

- (a) Calculation validation and assumption processes;
- (b) Recording details of calculations to enable correction/adjustment once legislation is in force.
- (c) Decision-making regarding calculation of benefits
- (d) TPR requirements, which we can discuss with FRA's (for example, recording breaches of the law).
- (e) Support to members when revisiting reassessments.

Tapering

It is our understanding that FRA's are considering the removal of member tapering prior to 31 March 2022. The removal of tapering members across to the reformed scheme will have implications for FRA's, members, payroll, calculations and member record reporting and it is therefore very important that this area is given a lot of consideration.



Action required!

FRA'S TO CONSIDER THEIR STANCE WITH REGARDS TO THE REMOVAL OF TAPERING MEMBERS BEFORE 31 MARCH 2022 AND THE POTENTIAL IMPLICATIONS. FRA'S TO CONFIRM TO XPS THEIR DECISION ON TAPERING AS SOON AS POSSIBLE.

Data Collection Exercise

We have been working closely with our software provider Aquilla Heywood and the LGA to develop reports and a data template to aid in the collection of employee data in order to build legacy and reformed scheme records for the remedy period for all affected members for the eventual Deferred Choice Underpin option.

The member data needed for remedy records includes information for the period 1 April 2015 to 31 March 2022 in the areas of member part time hour details, service history, breaks in service and financial details including legacy scheme pay, reformed scheme pay and member pension contributions.

The data collection process will focus on extraction and reporting of members affected by remedy and the details held for these members on the pension software system.

A report will outline all affected members which will be extracted and will be populated on the Data Collection Template. All details held, reported and produced will be checked over before we refer the data templates to employers for further verification and completion where employers will be required to provide missing member information.

It is our intention to begin the data collection exercise over the next few weeks once we have been provided with all of the reports required to extract member data from our software provider and agreements for the commencement of the project have been received.

Please see below the data collection notes and guidance issued by the LGA to assist with the data collection process and a copy of the unpopulated template.



Fire LGA Data
Collection Guidance.p



Fire LGA Data
Collection Template -



FPS remedy data
collection template.xls



Action required!

FRA'S SHOULD CONSIDER THE DATA HELD ON THEIR PAYROLL AND HR SYSTEMS AND HOW THIS INFORMATION CAN BE COLLECTED AND UPDATED TO THE DATA COLLECTION TEMPLATE.

If you have any queries relating to the content of this bulletin, please contact Leanne Ferreira at leanne.ferreira@xpsplc.com.



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.

Contents

Calendar of events	3
Actions arising	3
FPS	3
Remedy data collection tools	3
Annual Benefit Statements 2021	4
Technical query log	6
FPS England SAB updates	7
IDRP data collection: action needed	7
FRA remedy self-assessment survey	8
Other News and Updates	8
Hampshire and Isle of Wight FRSs combine	8
Focus on... Pension scams	8
TPO turns thirty	9

Events	9
Virtual SAB update event	9
FPS coffee mornings	10
HMRC	10
The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021	10
Guidance on pension scheme rates and allowances	10
Legislation	10
Useful links	11
Contact details	11
Copyright	11
Disclaimer	12

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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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.

The [findings of the first IDRPs data request](#) were presented to the Scheme Advisory Board (SAB) in May 2020 and we published updated informal IDRPs 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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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

[Click here to return to Contents](#)

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](#)
- [Welsh Government Fire circulars](#)

Contact details

Clair Alcock (Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk

Copyright

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

Disclaimer

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

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



FPS Bulletin 45 – May 2021

Welcome to issue 45 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.

Contents

Calendar of events	3
Actions arising	3
FPS	3
FPS Member website launched	3
Annual Benefit Statements 2021	4
Technical query log	5
FPS England SAB updates	5
FRA remedy self-assessment survey launched	5
Open letter from SAB to HMT on remedy consultation response	6
Other News and Updates	6
PDP Call for Input on dashboard staging dates	6
National Audit Office publish public service pensions report	7
DWP consultation on pension scams	7

Guidance for employers on providing support with financial matters	7
Events	8
Virtual SAB update event	8
FPS coffee mornings	8
HMRC	8
HMRC newsletters/bulletins	8
Migration to the Managing Pension Schemes Service	8
Useful links	9
Contact details	9
Copyright	9
Disclaimer	10

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 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.

[Click here to return to Contents](#)

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.

Member 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.

[Click here to return to Contents](#)

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.

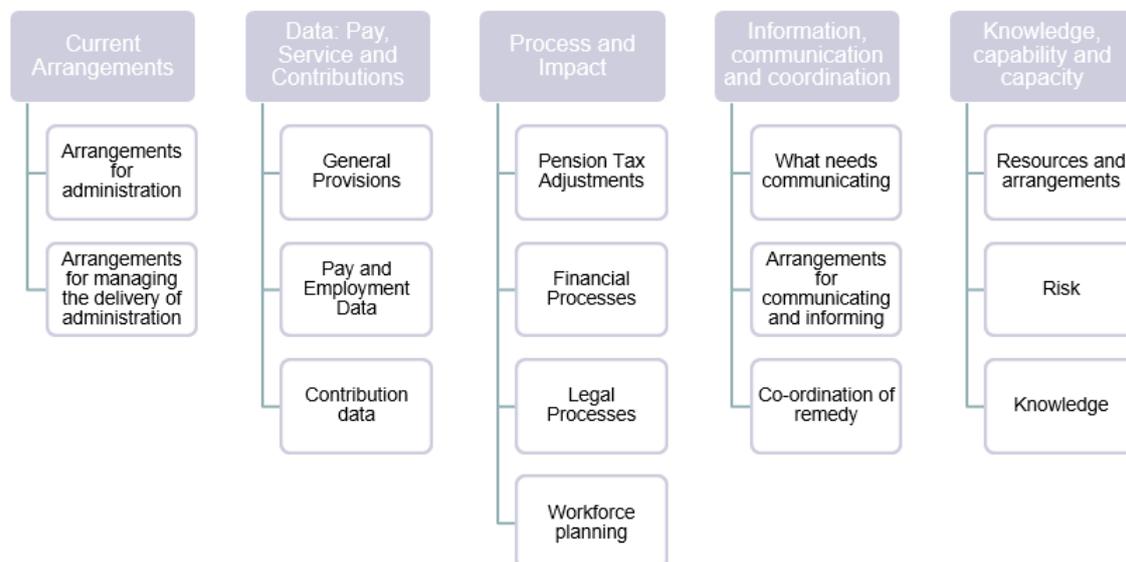
To do this, the Board has prepared a self-assessment survey to take a temperature check of current arrangements. The survey should only be completed once per FRA and we would expect this to be completed by the delegated [scheme manager](#) or an appropriate representative of the delegated scheme manager. 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

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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](#)
- [Khuh 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](#)

Contact details

Clair Alcock (Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk

Copyright

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

[Click here to return to Contents](#)

Disclaimer

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

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



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.

Contents

Calendar of events	3
FPS	3
Home Office informal immediate detriment guidance (June 2021)	3
LGA immediate detriment information note - version 2	4
Factsheets updated	4
Technical query log	4
FPS England SAB updates	5
IDRP data request update	5
FRA remedy self-assessment survey closing date	5
Other News and Updates	6
GAD review of the cost control mechanism published	6
HMT consultations published: cost control mechanism and discount rate methodology	6

Pension Dashboards Programme: Staging Call for Input	7
TPR publishes Equality, Diversity and Inclusion Strategy	8
Finance Act 2021 receives Royal Assent	8
MaPS MoneyHelper goes live	8
DWP publishes consultation response on TPR powers	8
Events	9
FPS coffee mornings	9
HMRC	9
HMRC newsletters/bulletins	9
Legislation	9
Useful links	10
Contact details	10
Copyright	10
Disclaimer	11

Calendar of events

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

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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.

[Click here to return to Contents](#)

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

[Click here to return to Contents](#)

Useful links

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

Contact details

Clair Alcock (Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk

Copyright

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

Disclaimer

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

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

This page is intentionally left blank

Highlight Report – SFR Pension Transfer – Project Phase: In Delivery

Date of Report:	21 July 2021	Upcoming Milestones		
Project Lead	Chloe Painter	Item	Due (* = estimated)	Status
Prepared by:	Chloe Painter	Test data extract	21/07/21	Complete
Project RAG Status	Green			
Project Scope				
<p>The administration of Surrey Fire and Rescue Service (SFRS) is to transfer from Surrey County Council to XPS Pensions Group (XPS) effect from 1 September 2021. Aquila Heywood has been engaged and will be providing a detailed implementation study, extracting member data (including all pensioner payroll data) and image documents from Altair to transfer to XPS.</p> <p>The scope of this administration transfer includes;</p> <ul style="list-style-type: none"> • Migration of all SFR pension administration to XPS, including pensioner payroll and all historic payroll data • Transfer of all work in progress for both admin and payroll to new provider • Financial reporting in line with current requirements • Ensure XPS provide continue to run payroll in line with current payroll schedule • Delivery of all annual scheme / regulatory events 		Parallel run 1	22/07/21	On schedule
		Test data loaded to XPS	26/07/21	On Schedule
		Live extract – Start of P06	25/08/21	On Schedule
		Parallel run 2	26/08/21	On Schedule
		Live extract of data from SCC and upload to XPS	30/08/21	On schedule
		Go Live	01/09/21	On Schedule

Project Summary

The first test data extract of the Surrey Fire Pension Schemes member data and documents was taken from Surrey County Council Altair on 21 July by Heywood, and securely uploaded to XPS in order to run the test parallel payroll run. Data reports are also being run and sent to XPS in order to ensure all data from SCC systems match what is input into XPS system. From July to August, any changes to scheme member records that affect payroll (bank changes, address changes, payable values, deaths, suspensions, tax codes, deduction changes etc) will need to be collated and shared with XPS weekly to ensure their system mirrors ours, ensuring the parallel running goes smoothly and both systems balance ready for Go Live.

To accompany the transfer of administration, a new PAYE reference is required for the Fire Scheme Members. The standard HMRC P350 process (new PAYE references from 6th April) will not work because it would require both XPS and Surrey County Council to co-administer the PAYE for the remainder of the 2021/2022 tax year. In light of this, a formal request has been made to HMRC Complex Case Team for an “in year P350” in order split out the Fire Scheme members onto a new PAYE reference. A response from HMRC is due week commencing 26 July.

Finance have granted approval for the financial reporting process currently in place to be transferred to XPS, which will see the development of the same GL report into the XPS Altair system. This will ensure that finance processes remain the same going forward and remove any risk associated with adopting any new processes for this area.

Over the coming weeks, the next steps are:

- XPS to provide SCC letter templates to send to scheme members informing them of the change in pension administrator
- Finalising the access required by XPS to ensure payments are made to members through the SCC bank account
- August parallel payroll run
- Live on XPS admin from 1 September 2021

Key Risks & Issues

Item	Detail	Action/Update
Unit4 system implementation	Due to the move from SAP payroll system to Unit4, Orbis payroll team have raised a risk of resource as there is a SAP development freeze resulting in resource issues to develop the necessary payroll and finance reports.	It has been agreed with both XPS and Orbis that the monthly employer data report will not be required at migration go live and can be created after unit4 has been implemented to ease resource issues within Orbis. The agreement to mitigate this risk will see the reports being developed between XPS and Surrey Payroll in 2022 and an annual employer data report to be submitted for the end of year process. This is an acceptable mitigation as current the employer data is sent annually, so follows current process.
SFR Project Manager resource	The current Project Manager within the fire service has now left which will impact on the current service projects timeline and rectification of any data issues prior to the transfer until a new PM is appointed.	Recruitment to commence for a new Project Manager, however this will remain an issue for at least two months due to recruitment and selection timeline.

Risk Ref.	Risk Description	Risk Owner	Inherent Risk					Control actions	Action by whom	Residual risk					Reviewed on		
			Impact				Likely			Total risk score	Impact					Likely	Total risk score
			Fin	Service	Rep'n	Total					Fin	Service	Rep'n	Total			
F1	Incorrect data due to employer error, user error or historic error leads to service disruption e.g. incorrect annual benefits statements being processes. Data not secure or appropriately maintained.	SW	2	4	5	11	2	22	TREAT 1) Implementation and monitoring of a Data Improvement Plan by the pension administration team. 2) The Board will be made aware of the 2020 data scores. The service will work with Pensions Admin on improving the data in the system and make recommendations.	TL/CC	2	3	3	8	2	16	Jul-21
F2	Risk of manual intervention in administration reporting. No manual intervention day to day outside of the project e.g. Miskey errors.	SW	2	4	2	8	3	24	TREAT 1) Automated extraction of data where viable and agreed process for audit assurance.	TL/CC	2	3	2	7	3	21	Jul-21
F4	Failure to communicate adequately and timely with scheme members	LS/RT	2	4	4	10	3	30	TREAT 1) Ensure the website is updated, that newsletters are published and annual benefit statements when due to be communicated. 2) Develop a COMMS strategy for scheme members in relation to scheme changes 3) Pensions SharePoint Site 4) Pension Admin to send out ABS 5) Communicated with Members the new LGA pensions website	LS/Pension Admin/MS	2	4	4	10	2	20	Jul-21
F5	Failure to recognise and manage conflicts of interests of Board members	Dem serv/LFPB Chair	1	1	5	7	3	21	TREAT 1) Declaration of interests at the beginning of each meeting.	Dem serv	1	1	5	7	1	7	Jul-21
F6	LFPB Policies and strategies not in place or reviewed.	LFPB Chair	2	2	3	7	3	21	TREAT 1) Reviewed by the Board 2) Ensure roles and responsibilities are clarified.	LFPB	2	2	3	7	2	14	Jul-21
F8	The lack of available skilled resources coupled with the absence of a coordinated training plan to address knowledge gaps, results in inefficiencies in Pension Admin.	SW	3	4	4	11	3	33	TREAT 1) Project underway to transfer pension administration to a third party. expected transfer date is September 2021. 2) Migration to XPS who do have this knowledge will continue to process key cases using the 2 bank staff we have retained to work on fire. 3) Recruitment underway within the Service for a Senior Pension Advisor and Project Support Officer	CC/TL	3	4	4	11	3	33	Jul-21
F9	Failure to administer the scheme in line with regulations and policies, compliance towards regulations and assurances need to be built in to ensure the pension scheme is administered in line with current in force regulation and policy.	SW	2	2	4	8	4	32	TREAT 1) Up to date knowledge through various sources such as SAB and the LGA. Up to date training. Attendance at regional fire administrator working groups. Information on the scheme is held on the Firefighters website. 2) Through strong governance arrangements and the active reporting of issues, seek to report all breaches as soon as they occur in order to allow mitigating actions to take place to limit the impact of any breaches. 3) LGA local pension training undertaken on 17/03/2021 4) Training log in place and TPR toolkit completed by all Board Members	CC/TL	2	2	4	8	2	16	Jul-21
F9i	Failure to notify staff of the Modified Pension Scheme means the employer and employee has to collect contributions and make contribution shortfalls.	SW	3	2	4	9	4	36	TREAT 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 3) Awaiting further communications regarding second options exercise. 4) Letters have gone out to members who returned an expression of interest form and to those that did not respond. Response deadline December 2021.	TL/CC	3	2	4	9	4	36	Jul-21

F10	Gaps in skills and knowledge of Board members to adequately make decisions, provide assurance and to scrutinise the efficiency of the SFRS Pension Schemes.	LFPB Chair	2	3	3	8	3	24	TREAT 1) Members of the Board will be mindful of the Attendance and Knowledge and Understanding Policy when setting objectives and establishing training needs. 2) The board has approval from Audit and Governance committee to establish substitutes. 3) All board members to attend LGA provided training. 4) Training log in place and all members have completed TPR toolkit for Board Members	LFPB	2	3	3	8	2	16	Jul-21
F11	Inability to respond to a significant event leads to prolonged service disruption and damage to reputation.	SW	3	3	3	9	3	27	TREAT 1) Disaster recover plan in place 2) Ensure system security and data security is in place 3) Business continuity plans regularly reviewed, communicated and tested 4) Assess compliance with the Government's National Cyber Security Strategy 2016-2021	CC/TL	3	3	3	9	1	9	Jul-21
F16	Workforce Reform leads to changes within our working arrangements without consideration of the pensions implications	SW	3	3	2	8	3	24	TREAT 1) Regular monitoring by the scheme manager 2) Regular discussion at Assurance and Transformation SLT meetings 3) Scheme Manager added to the Workforce Working Group attendees 4) JCCN meetings are in place for escalating concerns not resolved through internal governance.	SW	3	3	2	8	2	16	Jul-21
F21	Moving out of County Hall could adversely affect team morale as majority of the staff are within a few miles of County Hall. A move to an office further away may result in employees finding jobs elsewhere to minimise the commute. Resulting in: - Significant loss of skilled and experience staff.	TL/CC	2	3	3	8	3	24	TREAT 1) Pensions admin exploring other arrangements. 2) Engage with staff early and to understand their concerns which should be fed into the consideration of new location. 3) Following the recent closure of County Hall, Kingston the Pensions Team have temporary accommodation at Fairmount House in Leatherhead. The majority of the team are continuing to work from home, however we do have staff going to the office twice a week to open, scan and index post. In late Summer 2021, the Pensions Team will move to their permanent new location of Dakota. This building will only allow for 60% capacity so we are currently planning what attendance in the office will look like in the future.	TL/CC	2	3	3	8	2	16	Mar-21
F23	Pension administration service disrupted due to Covid 19. A number of staff may be off work due to the virus and there is also an impact on the productivity due to prolonged working from home without sufficient support.	TL/CC	2	4	3	9	3	27	TREAT: 1) Encourage working from home where it is possible and providing appropriate guidance to help individuals to work effectively. 2) Encourage cross training where it is possible. 3) Using secure email, instead of sending out letters.	SW/TL/CC/NM	1	3	2	6	3	18	Jul-21
F24	Failure to respond to legal advice for staff of the 10% pensionable pay allowances. There is a risk the employer may not collect all contributions due.	SW	2	2	4	8	4	32	TREAT 1) Officers to report to the Board. 2) Legal advice has been received. Contact has been made with members. 3) Letters going to Fire Services to communicate with members who have transferred out. 4) Members that are currently in receipt of the 10% allowance are now making regular contributions. 5) Letters being finalised to go out to Members.	SW	2	2	4	8	4	32	Jul-21

F25	Following the European Court of Justice's decision in O'Brien v Ministry of Justice which is a case concerning fee paid judges in the Judicial Pension Scheme, the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member from the start date of their employment. A second options exercise will require additional resources which are limited.	SW		2	2	4	8	4	32	<p>TREAT:</p> <p>1) A second options exercise is required, for which legal discussions have commenced between central government, the LGA on behalf of FRAs and trade union legal representatives to consider who is in scope and the details of the settlement exercise.</p> <p>2)The most recent LGA Factsheet relating to this case stated that regulations for England will be drafted and consulted on following the conclusion of the legal discussions. It is expected further regulations and consultations for the devolved governments will follow later. No timescales are known at this stage.</p> <p>3) It is likely that the options exercise will be undertaken post a decision on future pension administration services. The scope of the activity will be considered as more information becomes available.</p>	SW/TL/CC/NM		2	2	4	8	4	32	Jul-21
-----	--	----	--	---	---	---	---	---	----	---	-------------	--	---	---	---	---	---	----	--------

This page is intentionally left blank

By virtue of paragraph(s) 4 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank