



Surrey Local Firefighters' Pension Board 14 October 2019

Administration Update (1 June 2019 – 31 August 2019)

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 June 2019 to 31 August 2019, and an update of performance and current issues, is set out below and in Annex 1.

Administration Performance

3. Details of all cases completed between 1 June and 31 August 2019 can be found at Annex 1.
4. As discussions are still ongoing regarding Service Level Agreements, the report provides all information on cases completed, and length of time taken to complete.

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.

5. Bulletins 21, 22 and 23 have been published since the last Board meeting.

6. Bulletin 21 covered the decision made by the Supreme Court on 27 June to deny the Government's request for an appeal in the transitional protections case in respect of age discrimination and pension protection. It was noted that, until the remedy has been determined by the Employment Tribunal and any Regulations changed as a result, speculations cannot be made as to how future benefits may change. Therefore, any retirement benefits, Annual Benefit Statements and pensions advice must be based on the Regulations as they stand. **This is for information only and no action is required by the Board.**
7. Also in Bulletin 21 was confirmation that a SAB levy had been approved by the Fire Minister to fund a Technical Adviser post to support FRAs with their understanding and management of the Firefighters' Pension Schemes. A letter was issued to all Chief Fire Officers regarding this matter. **Action for the Board to ensure this letter was received and any actions completed from the letter.**
8. **There was an action in Bulletin 21 for Pension Board Chairs and Scheme Managers to ensure they liaised with the Pensions Administrators for reassurance that new Non Club Transfer In factors had been uploaded to the pensions system. The Operations Manager can confirm that the factors were updated on the pensions system.**
9. Bulletin 22 was labelled as 'The Take-Over Issue'. This bulletin included articles from organisations across the sector contributing to various topics affecting FPS. **This is for information only.**
10. Bulletin 23 included a recommendation for FRAs to read the AON Administration and Benchmarking review – final report and to discuss with their Local Pension Boards. **Action for Board members to discuss the report and discuss with the Fire Authority.**
11. The aim of the report was to establish how much the scheme costs to run and how effective administration is.
12. Based on the findings of the surveys of administrators, FRAs and scheme members, seven practical recommendations were made in the aim of improving the effectiveness and efficiency of the administration of the Scheme. In summary these were: address the complexity of the Scheme, encourage greater collaboration across the Scheme, ensure there is clarity on timescales for key administrative processes, encouragement greater engagement between administrators and FRAs, reduce key person risk, better understand and record breaches of law, and develop a template for collection of administration costs on an annual basis.
13. The SAB is now considering the recommendations made and will issue a report focussing on the actions needed to progress this work.
14. In this Bulletin there was also reference to a note being circulated to all FRAs in the coming weeks following GAD preparing their individual data improvement reports for every FRA to help them understand why data provided for the 2016 Valuation may

not have been considered usable. **Action for this to be added to the Risk Register and for the Board to ensure the Fire Authority receive the note.**

15. There was also an action for FRAs to provide the name, address, telephone number and e-mail address for the pensions manager or senior responsible person by 30 September 2019. This is so HMRC can ensure their records are up to date.

Staffing Updates

16. The Engagement and Education Lead joined the team on 24 June.
17. The role of the Engagement and Education Lead is to increase scheme knowledge across all stakeholders, ensure compliance with legislative changes and improve staff training to ensure sufficiently trained administration resources.
18. The Communications Officer has also now been appointed and will be responsible for increasing self-service by ensuring websites and member portals are fit for purpose and up to date. They will also ensure any documentation (standard letters/forms, newsletters, annual statements, etc.) are easy to understand and provide the required information. Furthermore, this role will be responsible for providing members presentations/surgeries at key times in the scheme year, such as the publication of Annual Benefit Statements and the issuing of Pensions Saving Statements.

Split Pensions

19. An agenda item was raised by Richard Jones relating to Split Pensions, with a view to ascertaining whether the necessary reviews have taken place to ensure that all eligible members were offered Split Pensions at the time of retiring or as a result of a review since retirement, or not at all.
20. Although the pensions team have not yet had a case at retirement, they are aware of the Rule B5 (A) 'Split Pensions' provision and check against a retiring member's pay record to establish if there has been a reduction with a subsequent entitlement to two pensions.
21. There have been a few retirees over the years who had a reduction in pay close to retirement but these have all been covered by the provision in Rule G1 (7) of the FPS 'Best of the last three years').
22. There is one (deferred) member who is entitled to a (yet to be calculated) Split Pension award. The member's pension record has been noted of the entitlement to an award under Rule B5 (A).

GMP Reconciliation

23. The latest report on the GMP Reconciliation was issued on 27 September 2019.

24. This summarised that 99.82% of membership has been matched with 1,681 queries resolved to achieve this.
25. The report also details that 97.46% of GMP values have been matched with 1,442 queries resolved to achieve this.
26. There are only 7 queries remaining.
27. A decision needs to be made by the Fire Authority regarding the final queries.
28. Finally, JLT have been working with HMRC to complete the reconciliation of CEPs. They have confirmed that no bills have been received for Surrey Fire so believe these are in balance and there is no payment due.

Summary

29. The Board is asked to note the update provided/actions required and to advise if any further reporting will assist the Board in monitoring of administration performance.
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Sources/background papers:

Surrey Local Pension Board Terms of Reference

Annexes

Annex 1 – June to August 2019 Performance

Annex 2 – FPS Bulletin 21

Annex 3 – FPS Bulletin 22

Annex 4 – FPS Bulletin 23