



FPS Bulletin 43 – March 2021

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

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

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

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

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Calendar of events

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

Table 1: Calendar of events

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

Actions arising

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

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

FPS

LGA project management approach to age discrimination remedy

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

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

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

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

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

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Remedy data collection guidance

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

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

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

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

FPS annual update 2021

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

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

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

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

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

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

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

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

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

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

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

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

March query log

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

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

FPS England SAB updates

SAB Administration and Benchmarking committee renamed

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

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

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

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FRA remedy self-assessment survey warm-up

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

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

Other News and Updates

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

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

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

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

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

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

TPR consult on new modular code of practice

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

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

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

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

The consultation closes on 26 May 2021.

Tax Day

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

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

3.8 Pensions tax technical updates

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

PASA guide to preparing for pensions dashboards

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

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

Events

FPS coffee mornings

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

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

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HMRC

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

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

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

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

HMRC newsletters/bulletins

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

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

Managing Pension Schemes service

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

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

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

Contracting-out reconciliation update

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

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

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

Legislation

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

Welsh circular W-FRSC(2021) 04.

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

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

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

Useful links

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

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

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