



## Surrey Local Firefighters' Pension Board 28 July 2022

### 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.

Bulletins 56 and 57 (Annex 2) have been published since the last Board meeting.

- 1.1 Bulletin 56, FRAs were reminded of the forthcoming deadline to respond to the data request questionnaire in respect of the Matthews/Modified project by 30 June 2022. This was completed by the Service on 14 June 2022.
- 1.2 Readers were reminded of the benefit illustrations which had been created by Barnett Waddington to help members who have been affected by the McCloud ruling, to understand the impact of the remedy benefits to their pension. The illustrations were sent to active members via SFRS News on 29 April 2022.
- 1.3 The Bulletin noted the Scheme Advisory Board (SAB) has submitted a letter to the Home Office acknowledging the consultation response on regulation amendments to deliver prospective remedy for the Firefighter Pension Scheme (FPS). The SAB welcomed the opportunity to engage further with the Home Office on the ill-health process and early retirement factors for FPS 2006. The SAB also noted their concern about the pressure FRA's face with resource and workload to implement the McCloud and Matthews projects within timescales.
- 1.4 Updates from The Pension Ombudsman (TPO) were included in Bulletin 56. These included notifications regarding an updated version of the [factsheet on the Early Resolution Service](#) and confirmation of the publication of the [March Newsletter](#) which included articles on forthcoming webinars and new legal determinations.
- 1.5 The Bulletin reported that since the pledge to combat Pension scams was launched by TPO in November 2020, over 400 schemes have pledged or self-certified they meet the campaigns principles to cover and estimated 16 million pension pots. TPO have stated more needs to be completed by administrators and providers with respect to reporting. [TPO has published a recording of the pension scams webinar on their website](#) to provide more detail on the pension scam landscape, red flags to look out for, and details of the pledge.

- 1.6 Bulletin 56 provided a further reminder that the Government has changed the annual allowance rules. This has been completed by section 9 of the [Finance Act 2022](#) and the [Registered Pension Schemes \(Miscellaneous Amendments\) Regulations 2022](#). The changes apply in certain situations where annual allowance calculations for previous years are retrospectively amended. The LGA emailed an interpretation of the changes, to lead FRA contacts on 5 April 2022.
- 1.7 The Bulletin provided a very comprehensive and detailed update on the changes to annual allowances, noting the steps an employer must take if they become aware that information previously submitted for a Pension Input Period (PIP) was insufficient to enable the authority to correctly work out the annual allowance resulting in the calculations needing to be reworked. Full details of this process can be found in the Bulletin 56 in the appendix.
- 1.8 The Pensions Administration Standards Association published [fraud guidance on vetting new employees](#) following cases where some individuals have been gaining employment with the intention to commit fraud.
- 2.1 Bulletin 57 reminded FRAs that abatement rules need to apply should a member be re-employed after retiring. As there are no prescribed guidance on how abatement should be applied, informal abatement guidance for FRA's has been published by the LGA. This is particularly useful for the Pensions Project Team as we are in the process of creating an abatement policy.
- 2.2 Readers were notified, that software providers Heywood and Civica will be sharing with FRAs in due course their software implementation timelines in respect to the changes needed to respond to the legislation for the retrospective remedy. This is to put FRAs minds at ease that whilst some changes to payroll systems can only be actioned once the guidance is shared; the process is underway.
- 2.3 Following TPR's survey in 2020/2021, the results have been published and the six processes of indicators for public pension scheme performance to be measured against, have been updated. The LGA has [refreshed their six key processes factsheet](#) to reflect the most recent results and give guidance to FRAs and their Local Pension Boards (LPBs) to improve understanding and compliance for the next survey.
- 2.4 Bulletin 57 confirmed TPR launched a consultation on its new consolidated and simpler draft enforcement policy and an updated prosecution policy. The consultation will close on 24 June 2022. The Draft scheme management enforcement policy will replace existing policies for defined benefit, defined contribution and public service pension schemes. The Draft prosecution policy explains how TPR will approach the prosecution of workplace pension criminal offences who are otherwise related to TPR functions.
- 2.5 It was confirmed, the PASA Cybercrime and Fraud Working Group has published a Cybercrime protection checklist for pension administrators. The checklist builds on cybercrime guidance published by the group in November 2020. It provides examples of steps administrators can take to assess their defences against cybercrime.

2.6 Bulletin 57 also confirmed HMRC has published two pension scheme newsletters – number 138 and 139.

[Pension scheme newsletter 138 covers:](#)

- The update HMRC has made to its annual allowance calculator to include the 2022 to 2023 tax year.
- Changes to Scheme Pays reporting deadlines in some cases following the introduction of the Registered Pension Schemes (Miscellaneous Amendments) Regulations 2022.
- A reminder to take action now to migrate pension schemes to the Managing Pension Schemes service.
- Reminder that accounting for tax returns for the quarter ending 31 March 2022 must be submitted through the Managing Pension Schemes service.

[Pension scheme newsletter 139 covers:](#)

- Relief at source — annual return of information for 2021 to 2022.
- Digitisation of relief at source.
- Managing pension schemes service.
- Accounting for Tax (AFT) returns.

3.1 In Bulletin 58, FRA's were reminded of the deadline of 19 August 2022, to submit pension income/expenditure forecasts for the period of 2023-2023 to 2027-2028. The finance team is aware of this deadline and work is underway to ensure the relevant information is provided in time.

3.2 The bulletin provided links to a document created by the Home Office, which details the lessons learned from the first special members options exercise. [This high level paper](#) identifies areas of improvement from the first exercise and suggests how changes can be implemented. This will provide the team with some useful information as they were not involved in the first options exercise.

3.3 FRA's were notified in bulletin 58 of spreadsheets available in the members area of the FPS Regs website, which should be used to calculate the cost of adopting the Immediate Detriment Framework for category 1 and category 2 cases. The Pensions Project Team have obtained the information required to work through the files and will start the utilising the files shortly.

3.4 Bulletin 58 recommended for administrators to send the Annual Benefit Statement factsheet with the 2021/2022 benefit statements to those who are affected by remedy as part of the McCloud ruling. This decision to include the factsheet was made at the Fire Communications Working Group. It was noted by the group that whilst the benefit statements at this stage cannot include member's remedy benefits, it would provide the timelines as to when remedy will be implemented. **The Pensions Project Team have been in contact with XPS Administration who have confirmed the factsheet will be sent to this cohort accordingly.**

3.5 The bulletin updated readers that the Scheme Advisory Board has sent a second letter to the HMT following on from the withdrawal of the Home Office informal guidance on the immediate detriment framework. The purpose of the letter was to seek further clarification on Sections 61 and 62 of the Equality Act 2010 and the tax implications

3.6 Bulletin 58 highlighted a consultation from the Department for Work and Pensions is currently open to receive views from pension scheme managers consumer organisations and trustees, on [Helping Savers to understand their pension choices](#). The consultation

closes on 25 July 2022. Any information shared following the consultation will be useful for the Service in terms of the communications it should be providing to its members.

3.7 A further update was provided in the bulletin on the Pensions Dashboard Programme. It was confirmed:

with the regulations likely to be laid in parliament later this year.

- Dashboards are still on track for 2023, with less than 12 months until some schemes begin onboarding.
- Later in the year PDP will be running a further consultation on the specific standards for dashboards, which they will look to work with the industry through webinars and events.
- PDP has successfully tested an end-to-end version of the dashboards ecosystem and that the alpha phase of the project was complete.

3.8 Bulletin 58 highlighted The Pensions Regulator has launched a new campaign to urge scheme managers to prepare for their pension scheme to onboarding to the pensions dashboard. The Pension Project Team has been informally updated by XPS Administration that they do not foresee any issues with the onboarding deadline of June 2024. However the Service is hesitant the date will be met due to the implementation of the secondary legislation for the McCloud ruling and the second options exercise for the Matthews case – both of which are due to commence autumn 2023.

3.9 Readers were also made aware that Chancellor Rishi Sunak has stated the state pension triple lock will be reinstated next April after it was put on hold in April 2021. The triple lock is likely to be based on the September 2022 consumer price index, which is expected to be around 10 per cent.

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### **Annexes**

Annex 1: FPS Bulletin 56

Annex 2: FPS Bulletin 57

Annex 3: FPS Bulletin 58