

FPS Bulletin 67 – March 2023

Welcome to issue 67 of the Firefighters’ Pensions Schemes bulletin.

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, suggested items for future issues, or a job you would like to advertise, please email bluelightpensions@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 bluelightpensions@local.gov.uk.

Table 1: Calendar of events

Event	Date
FPS coffee morning	11 April 2023
Matthews Technical Working Group	11 April 2023
FPS Communications Working Group	14 April 2023
Data conference	17 May 2023
SAB	8 June 2023
SAB	14 September 2023
FPS AGM	19-20 September 2023
SAB	14 December 2023

Actions arising

[Consultation on the Firefighters' Pension Scheme \(Remediable Service\) Regulations](#)

[2023](#): All interested parties are encouraged to respond to the consultation by the deadline of 23 May 2023.

[Top up grant 2023 – Collection of pensions accounting data](#): FRAs to start preparing their pensions income/expenditure data in order to submit their returns by the Home Office deadline.

[Spring budget 2023](#): FRAs and administrators to share this information with the relevant parties within their organisation.

[DWP announces delays to dashboard connection deadlines](#): FRAs and administrators to make sure that relevant parties within their organisation are aware of the announcement and TPR's actions.

FPS

[Consultation on the Firefighters' Pension Schemes \(Remediable Service\) Regulations 2023](#)

On 28 February 2023, the Home Office published [a consultation on the Firefighters' Pension Schemes \(Remediable Service\) Regulations 2023](#). These regulations concentrate on the retrospective elements of the 2015 Remedy that are required to fully deliver the remedy. This includes establishing the deferred choice underpin (DCU) and the changes needed to offer pensioners and beneficiaries of deceased scheme members an immediate choice between legacy or reformed scheme benefits.

The LGA will respond to the consultation and share our response before the consultation closes on 23 May 2023.

ACTION: All interested parties are encouraged to respond to the consultation by 23 May 2023.

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Top up grant 2023 – Collection of pensions accounting data

On 2 March 2023, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2021/22 and unaudited 2022/23 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 in the first week of April.

The Home Office has indicated that it will undertake additional internal checks on any financial data submitted. The additional internal checks involve an in-depth and formal check on the audited and unaudited pension income/expenditure data submitted by FRAs.

As part of this additional check, it will be requesting that all FRAs provide the following information:

- Electronic copies of the trial balances from their audited accounts where the pensions income/expenditure data was extracted; and
- Any post balance sheet adjustment events (showing audit adjustments).

The deadline for completing the returns will be mid-May. This should allow sufficient time for the claims to be scrutinised and approved.

It is important to note that the Department will only be able to make Top Up grant payments on any claims that it 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. It is therefore critical that the accounting data submitted on each FRA's claim form reconciles with trial balances that are submitted as supporting evidence.

The Home Office will be writing to FRAs to formally commission this data in April. However, it is essential that FRAs start making preparations now in order to be able to extract the correct data from their accounts and collate the supporting evidence for their claims.

ACTION: FRAs to start preparing their pensions income/expenditure data in order to submit their returns by the Home Office deadline.

FPS annual update 2023

We confirmed in [FPS Bulletin 66 – February 2023](#) that FPS contribution rates remained unchanged for 2023-24.

All relevant thresholds and rate changes for 2023 are available in the [FPS annual update 2023](#).

All relevant legislation can be viewed on our website under annual update Statutory Instruments.

Website downtime

Please be aware that both the FPS Regulations and Guidance and the FPS Board websites will be unavailable on the morning of 19 April 2023 for an upgrade. As the existing page design template is no longer available in the new version of the website's content management system, users will notice that both sites have a new look following the upgrade.

Downtime will commence at five o'clock in the morning and it is anticipated that this will last for a few hours.

Technical query log

The [current log of queries and responses](#) can be accessed by practitioners in the member-restricted area of the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log is updated monthly in line with the bulletin release dates.

Queries have been answered this month in the following categories: survivor benefits, page 130 and two-pensions, page 141.

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FPS England SAB updates

SAB meeting 23 March 2023

The Scheme Advisory Board (SAB) last met on 23 March 2023 and the meeting covered following areas:

- GAD update on the Matthews remedy
- Home Office retrospective remedy consultation
- First Actuarial Spring budget update for the SAB
- GAD update on the 2020 valuation

You can use the links below to find out about the latest updates on the work of the SAB and its committees:

- [SAB membership](#)
- [SAB meeting and agenda papers](#)
- [Committee meetings and agenda papers](#)

Other News and Updates

Farewell from Claire Hey

As readers may know, I am leaving the LGA on 23 April 2023 to take up a role with Heywood Pension Technologies.

It has been a pleasure and a privilege to work with so many committed stakeholders across the Fire sector during my six years with the LGA, and I feel humbled by the support and friendship extended to me during that time.

Following an extremely competitive recruitment process, I am delighted to announce that Claire Johnson has been appointed to the senior adviser role on a permanent basis. And that, as Claire is currently on maternity leave, Elena Johnson has been promoted on a temporary basis to lead the team.

This month I was also delighted to welcome Tara Atkins to the team to lead on

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communications – as reported in [FPS Bulletin 66](#).

I wish the team all the best for the future and know that they will provide exceptional support and guidance to the sector as we progress through the various challenges ahead.

Judgment on cost cap mechanism

In [FPS bulletin 59 – July 2022](#) we confirmed that public sector unions had been granted a judicial review in relation to the McCloud/ Sargeant remedy costs in the cost control mechanism. The review took place from 31 January 2023 to 3 February 2023.

On 10 March 2023, [the High Court ruled](#) that HM Treasury’s decision to include the McCloud/ Sargeant remedy in the cost cap mechanism was not unlawful. The judge ruled in favour of HM Treasury on all grounds. The judge also refused permission to appeal, but the FBU and other parties are able to apply for permission to appeal directly to the Court of Appeal.

DWP supports expansion of auto enrolment

On 3 March 2023, [the Department for Work and Pensions \(DWP\) confirmed](#) it will support the private members bill expanding Auto Enrolment. [The Pensions \(Extension of Automatic Enrolment\) \(No.2\) Bill 2023](#) proposes to give the government powers to make regulations which:

- abolish the Lower Earnings Limit for contributions – currently £6,250, and
- reduce the age of auto enrolment for eligible jobholders – down from 22 to 18.

The government has not given a timetable for when the changes may take effect.

DWP announces delays to dashboard connection deadlines

On 2 March 2023, the government confirmed its intention to legislate to amend schemes’ connection deadlines. This follows a [written ministerial statement](#) issued by DWP announcing the delays. Delays are necessary to give the Pensions Dashboards Programme (PDP) the time it needs to meet the challenges in developing the digital architecture. DWP will provide an update on dashboards to Parliament before Summer 2023 recess.

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It is not clear if connection deadlines for public service pension schemes will change.

Following the announcement, The Pensions Regulator (TPR):

- will write to those schemes affected by the announcement to confirm when new deadlines are set – [example communication](#)
- has [published updated guidance and checklist](#), to help schemes focus on what they should be doing now to prepare for their dashboard duties
- will produce a ‘content toolkit’ with key messages for administering authorities to copy / paste / edit / include as appropriate in their communications
- held a free webinar on 30 March 2023 about ‘getting to grips with your data’

ACTION: FRAs and administrators to make sure that relevant parties within their organisation are aware of the announcement and TPR’s actions

Spring budget 2023

On 15 March 2023, the Chancellor of the Exchequer delivered his [Spring Budget 2023](#). See [HMRC’s newsletter 148](#) and [Policy paper](#) for more information.

The [Finance \(No.2\) Bill 2022/23](#) was published on 23 March 2023. With effect from 6 April 2023, the Bill proposes to enact some of the changes announced at the Spring budget. This includes:

- increasing the annual allowance from £40,000 to £60,000
- increasing the money purchase annual allowance from £4,000 to £10,000
- increasing the adjusted income level for the tapered annual allowance from £240,000 to £260,000
- increasing the minimum tapered annual allowance from £4,000 to £10,000
- abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events occurring on or after 6 April 2023

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- allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023
- changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (taxable at marginal rate rather than 55 per cent)
- notwithstanding the LTA charge being abolished, ensuring that payments of (or any part of) serious ill-health lump sums, defined benefit lump sum death benefits or an uncrystallised funds lump sum death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income (taxable at marginal rate rather than 55 per cent).

Legislation will be introduced in a future Finance Bill to remove the lifetime allowance from pensions tax legislation.

The SAB's actuarial adviser, [First Actuarial has produced a bulletin](#) which also covers these changes.

ACTION: FRAs and administrators to share the above with the relevant parties within your organisation.

PDP issues March newsletter

In March 2023, PDP [published their March newsletter](#). The newsletter contains articles on:

- DWPs written ministerial statement on pensions dashboards connection times
- FAQs on connection deadlines and revised timeline
- pensions dashboards myth busting videos
- signing up for a new FAQ newsletter
- new PDP website homepage.

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[GAD publishes blog on pensions dashboards data matching](#)

GAD has published [a blog on the role of data matching](#) for pensions dashboards success. The blog looks at the questions administrators need to ask when deciding what data to use. It also emphasises the need for regular data quality reporting and cleansing. In the blog, GAD Pensions Consultant Taylor Brightwell-Smith noted the particular challenge public service pension schemes face with their data and said:

“Public service pension schemes have an added challenge that many other defined benefit schemes do not. They remain open to new members. This means that the data position will never be static. It will continue to ebb and flow. This poses a challenge to schemes when considering their future interactions with pensions dashboards. They will need to take stock of their data when considering the logic of their matching criteria. No one-size fits all.”

The blog continued:

“That’s the reasoning behind matching criteria not being prescribed in legislation. Schemes need to understand their own data challenges and cleanse as far as possible. This will lay the foundation for robust matching criteria to return results to dashboards quickly and accurately.”

Taylor Brightwell-Smith is due to be a panel member during the [Fire and Police Data Conference](#) on 17 May 2023.

[Police remedy consultation launched](#)

On 28 February 2023, [the Home Office published a consultation](#) to enact the second phase of the McCloud remedy for the Police Pension Scheme.

The consultation closes on 23 May 2023.

[The Pension Regulator publishes blog](#)

On 21 March 2023, Charles Counsell, the Chief Executive of TPR published [a blog](#) which covers delivering the best possible outcome for savers and the steps TPR is taking to become a data-led, digitally enabled organisation.

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SCAPE Discount Rate methodology consultation response

In [FPS Bulletin 46 – June 2021](#), we indicated that a public [consultation on the discount rate \(the “SCAPE rate”\) methodology](#) had been launched. 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.

The consultation sought views on the appropriate methodology for setting the discount rate used in scheme valuations. The consultation closed on 19 August 2021.

On 30 March 2023, the UK Government [announced](#) the publication of its [response to the June 2021 consultation](#) on the methodology used to set the SCAPE discount rate and has concluded that the existing methodology best meets the balance of the Government’s objectives for the SCAPE discount rate, and therefore does not intend to modify the methodology.

The SCAPE discount rate to be used as part of the ongoing 2020 valuations will therefore be based on the expected long-term Gross Domestic Product growth figures, published by the Office for Budget Responsibility in July 2022. Based on these figures, the new SCAPE discount rate is CPI+1.7% p.a.

Administrators will recognise that usually where the SCAPE rate changes, CETV calculations are suspended until the factors can be amended in line with the new SCAPE rate. We understand that HMT will shortly suspend the [technical note](#) used for the SCAPE rate in calculating CETVs and we will notify you when this happens

HMRC

Pension schemes newsletter 148

On 16 March 2023, HMRC published [pension schemes newsletter 148](#). It contains articles on the Spring Budget 2023, net pay arrangements for low earners, accounting for tax returns and event reporting.

The newsletter also confirms where unfunded public service pension schemes

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operate final salary and CARE scheme as different arrangements, they will be treated as one arrangement when calculating the annual allowance.

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 are pleased to include the presentations from recent sessions below:

[14 March 2023 – Pensions dashboard preparations](#) (TPR)

[21 March 2023- Home Office retrospective remedy consultation](#)

If you do not already receive the meeting invitations and would like to join us, please email bluelightpensions@local.gov.uk. Please note that attendance at the coffee mornings is generally restricted to FPS practitioners and managers.

Fire and Police pensions data conference - 17 May 2023

We are pleased to invite readers to a data conference being held at 18 Smith Square, London on Wednesday 17 May 2023, from 10.00 to 15:30. This conference is being held jointly with the National Police Chiefs' Council (NPCC).

With McCloud remedy and pensions dashboards fast approaching, the conference will explore the following themes:

- successful project implementation
- member engagement
- costing the schemes
- owning the narrative

We have put together an agenda of industry speakers to reflect on why data is so

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important for the Firefighters and Police Pension Schemes and how technology can help us to get it right.

The event is aimed at Fire and Rescue Authorities and Police Authorities including scheme managers and Local Pension Board representatives, pension practitioners and administrators, along with software providers and industry professionals.

[Book your place now!](#)

Training and events - 2022/23 facts and figures

Between April 2022 and March 2023, we have delivered 20 local or regional training sessions for Local Pension Boards (LPBs) and scheme managers as follows:

Local Pension Board Training: Avon, Bedfordshire, Cheshire, Cumbria, Devon and Somerset, Durham and Darlington, East Sussex, Gloucestershire, Greater Manchester, Hampshire and IOW, Hertfordshire, Kent, Mid and West Wales, Northern Ireland, South Yorkshire, Staffordshire, West Midlands.

Scheme manager training: London Fire Commissioner, West Midlands, and West Sussex.

We have provided administrator updates to Hampshire County Council, WYPF, and XPS, as well as Scheme Advisory Board training for the SABs in England, Wales, and Northern Ireland.

Four meetings of the English SAB have taken place with eight additional SAB collaboration sessions on remedy with NPCC and the Home Office. We have attended 15 regional Fire Pension Officer Group meetings and have facilitated three communications group and three technical group meetings.

We were also pleased to hold our first in-person two-day AGM since the pandemic. Information about our events can be found on our [Events page](#).

Finally, we have been regular virtual visitors to the devolved SAB meetings to provide an overview of issues arising in England and continue to represent FPS interests at sector specific forums including HMT led meetings.

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Legislation

SI	Reference title
SI 2023/338	The Pensions Increase (Review) Order 2023
SI 2023/279	The LGPS (Amendment) Regulations 2023
SI 2023/270	The Guaranteed Minimum Pensions Increase Order 2023
SI 2023/252	The Public Service Pensions Revaluation Order 2023

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](#)
- [Scottish Public Pensions Agency - Firefighters](#)
- [Welsh Government Fire circulars](#)

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