



Surrey Local Firefighters' Pension Board

27 April 2023

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 66, and 67 (Annex 1 and 2) have been published since the last Board meeting.

- Bulletin 66 notified readers of a new webpage, now available on the FPS Member website, relating to the [2015 Remedy](#). The new webpage provides useful information for members as well as a timeline for those affected. A notice to members was included in the SFRS newsletter dated 17 March 2023 and a summary has been added to the SFRS pension SharePoint site.
- Fire and Rescue Authorities (FRA's) were reminded of the need to compile the relevant data needed to prepare for the 2015 Remedy. The Pension Team are currently working with XPS Administration to complete the data collection exercise ahead of 1 October 2023.
- The bulletin confirmed there will be no change to the [FPS employee and employer contribution rates for 2023-24](#). All relevant thresholds and rate changes for 2023 are available in the [FPS annual update 2023](#), and the legislation is available on the FPS website under [Statutory Instruments](#).
- Bulletin 66 notified FRA's of [The Bereavement Benefits \(Remedial\) Order 2022](#). This order extends the eligibility for Widowed Parent's Allowance (WPA) and the higher rate of Bereavement Support Payment (BSP) to include surviving cohabiting partners with dependent children, who were not in a legal union with the deceased on the date of death. Eligible beneficiaries can claim back to 30 August 2018.
- Bulletin 66 notified readers of the [Public Service Pension Schemes \(Rectification of Unlawful Discrimination\) \(Tax\) Regulations 2023](#). The legislation comes into force on 6 April 2023 and sets out changes to pension tax rules because of the 2015 Remedy. The regulations include changes to how schemes will need to report and pay, or reclaim, extra tax charges relating to the 2015 Remedy. FRA's, together with scheme administrators, must ensure they are implementing and reporting the extra tax charges correctly and ensure that pension benefits can be treated as authorised payments.
- The Bulletin confirmed that, on 20 February 2023, the HM Treasury issued written statement HCWS566 confirming the Public Service Pension Indexation and

Revaluation for 2023. This statement confirmed that FPS deferred pensions, and pensions in payment, will be increased in April 2023 by 10.1 per cent. In addition, the earnings element of revaluation for active members will be 7 per cent.

- Bulletin 67 notified readers of the publication of the [Consultation on the Firefighters' Pension Schemes \(Remediable Service\) Regulations 2023](#), by the Home Office. These regulations outline the proposed framework to deliver the retrospective elements of the 2015 Remedy. The Pension Team are working on a response to the consultation which will be submitted to the Home Office before 23 May 2023.
- Bulletin 67 reminded FRAs of the need to submit pensions accounting data for 2021/22 and 2022/23 as part of the Top Up Grant arrangements for 2023.

The Home Office have indicated that they will be undertaking additional internal checks on any financial data submitted and require all FRAs to provide:

- 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 Home Office will be writing to FRAs to formally commission this data in April. However, FRAs must begin preparing now to ensure the correct data is extracted from their accounts and collate the supporting evidence for their claims. The Pension Team is currently liaising with the finance team to ensure the returns can be submitted via the DELTA online data collection system.

- The bulletin notified readers that the FPS websites are being upgraded on 19 April 2023 and will be unavailable for most of the morning whilst the pages are updated.
- The bulletin advised that, on 10 March 2023, the [High Court ruled](#) in favour of HM Treasury, regarding the inclusion of the McCloud/ Sargeant remedy in the cost cap mechanism. Permission to appeal was denied, however, it is possible for the FBU to apply for permission directly to the Court of Appeal.
- The bulletin notified readers that, on 3 March 2023, the [Department for Work and Pensions \(DWP\)](#) confirmed it supports 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.

- Bulletin 67 confirmed that the government will legislate to amend pension dashboard connection deadlines. This follows a [DWP ministerial statement](#) announcing the delays. However, it is not clear if connection deadlines for public service pension schemes will change.
- The bulletin advised that The Pensions Regulator (TPR) will write to schemes affected by the announcement and has published updated [guidance](#) to help schemes focus on what they should be doing now to prepare for their dashboard duties.
- Bulletin 67 confirmed the [Spring Budget 2023](#), included changes enacted by [The Finance \(No.2\) Bill 2022/23](#), published on 23 March 2023. The changes come into effect from 6 April 2023 and include:

- 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.
- allowing members to accrue new pension benefits without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023.
- taxation of the LTA excess lump sum, and any other payments that would have incurred an LTA charge, to be taxable as pension income at marginal rate.

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. The Pension Team has included a notice in the SFRS newsletter, dated 17 March 2023, to highlight these changes to members.

- The bulletin advised that the PDP has a new [website homepage](#) and includes FAQs on connection deadlines and the revised timeline.
- Bulletin 67 highlighted a blog by the [Government Actuaries Department \(GAD\)](#) and the challenges facing public sector pension schemes to meet the pensions dashboard data requirements. It emphasises the need for regular data quality reporting and cleansing in public sector schemes where the data position is never 'static' due to the constant ebb and flow of members.

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Annexes

Annex 1: FPS Bulletin 66

Annex 2: FPS Bulletin 67

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