



## **Surrey Local Firefighters' Pension Board 8 February 2024**

### **Scheme Management Update Report**

#### **Recommendations:**

The Board is asked to note the report and actions taken.

#### **1.0 Introduction:**

1.1 The Board has requested an update on Scheme management activities.

#### **2.0 Scheme Management Activities**

##### **McCloud - Age Discrimination Remedy**

2.1 The queries raised by XPS in relation to the data collection exercise, have now been addressed and the data is currently being interrogated by XPS before final upload onto their system.

2.2 The legislation come into force on 1 October 2023. Members retiring since 1 October have received retirement options including the remedy.

2.3 Warm-up letters have been issued to each cohort of members to advise when they can expect to receive their Remediable Service Statements. Letters have also been sent to members falling within the 'Contingent decisions' cohort to provide information on how the Age discrimination legislation may affect them. The SFRS Pensions SharePoint site continues to be updated as a source of reference for members.

2.4 The Pension Team continue to work on the GAD data collection exercise to collate and report the GAD calculator data to XPS, for each cohort of membership, in accordance with the RSS timetable.

## **10% Pensionable Allowance**

2.5 Now that the data collection exercise has been completed, the Pension Team have revisited the member data for this exercise to identify member movements within priority groups. The next groups of members to be contacted are Priority Group Five, (current active members). The Pension Team have also reassessed the data to identify members retiring in the next 12 months to give this cohort priority. The calculations have been completed and checked for these members and letters are in the process of being drafted.

## **Matthews - Retained Scheme – On-Call Access**

2.6 The Government published their response to the consultation document, in September 2023, and the legislation came into force on 1 October 2023.

2.7 The Government Actuaries Department (GAD) has produced a calculator for use by FRAs. This must be used by FRAs to calculate the cost to each member of purchasing past membership in the Modified scheme. The first phase of the calculator was released in November 2023. The Pension Team issued the Expression of Interest packs to members on 1 November 2023. As of January 2024, the SFRS Pension Team have received seven returned letters from the last known address of some individuals. There is also some concern that the Pension Team have only received a response from about a third of individuals contacted. This is approximately 30% of individuals. The legislation stipulates that 'reasonable endeavours' must be made to contact all individuals in scope for the Second Options exercise. As a 'nil' response does not substantiate proof of contact, the Pension Team have submitted a business case regarding their intention to appoint a specialist 'member tracing' service 'ITM', to ensure communications are being sent to the correct addresses. The business case will be reviewed at the Workforce Working Group on 25 January 2024.

2.8 The Home Office and GAD have confirmed that they will require FRAs to report quarterly statistics regarding the number of cases being worked on in relation the Matthews second options exercise.

## **Annual Benefit Statements**

2.9 There were a number of errors in the data submitted to XPS. These errors were partly due to a double backdated pay award and the introduction of a new payroll system. This has caused a delay in the publication of the Annual Benefit Statements. The Pension Team and payroll have worked collectively to resolve these errors, and revised year end data was submitted to XPS on 4 January 2024. This has been reported to the Pensions Regulator. XPS have not yet confirmed when the ABS statements will be available and sent to members, however this is being followed up accordingly.

2.10 In recognition of the significant impact of Remedy on the administration of pensions, the legislative deadline for issuing 2022/2023 Pension Saving Statements for Annual Allowance purposes to those affected by the McCloud/Sargeant Ruling, has been extended to 6 October 2024 by HMRC. In addition, the deadline to elect for Scheme Pays has also been extended, to 31 July 2025 by HMRC.

Anyone impacted by the McCloud remedy, who has breached the annual allowance for 2022/23, will be subject to a new separate reporting framework which will be created by HMRC especially for the McCloud/2015 remedy.

2.11 Further advice is still anticipated from the LGA with regards to possible impact of the backdated pay award on members tax liabilities and annual allowance calculations.

### **Guaranteed Minimum Pension (GMP) Rectification**

2.12 The rectification project is due to be completed by the end of February 2024. Mercers have raised a few outstanding queries with XPS which need to be resolved before final sign off.

### **Pension Dashboard**

2.13 The Pensions Dashboard (Amendment) Regulations 2023 confirmed that the connection deadline has been extended to 31 October 2026. Further guidance is required from the DWP to confirm this staging date applies to all schemes with 100 or more relevant members at the scheme year end between 1 April 2023 and 31 March 2024, or if there will be a later staging date for FRAs. It is currently expected that the staging date for Public Service Pension Schemes will be in the summer of 2025.

### **Pre-Retirement Course**

2.14 Following positive feedback from the first two courses held by Affinity Connect in 2023, the Pension Team have arranged two further course dates, in April 2024 and September 2024. This has been publicised in the staff newsletter and full details are available on the Pensions Information SharePoint site.

### **Training**

2.15 A training need has been identified for newer members of the Pension Team as well as interested Board members. In recognition of this, the Pension Team have prepared a business case to appoint a specialist training company, known as 'Isio'. Isio are offering tailored sessions specific to the Firefighters' Pension Schemes. The sessions will cover the basics of the pension schemes, the McCloud/Sargeant age discrimination remedy and Matthews Second Options exercise, as well as pensions tax for higher earners. Similar courses have been procured and run successfully in the Police sector.

### **Pension Team Resourcing**

2.16 The Pensions Team are pleased to report the role of Senior Pension Adviser has now been confirmed and the new member will join the team at the end of February 2024.

### **Communications**

2.17 The following communications have been sent since the last local Pension Board meeting took place:

- **New Starter information Slide Deck:** A new starter information slide deck has been created for use by a member of the Service during new recruit training. The Pensions Project Officer attended Wray Park to present the slide deck to new recruits in December 2023.

- **Late publication of annual benefit statements News Item:** An article was published in SFRS news on 24 November 2023 to inform members of delay in publishing annual benefit statements.
- **Contingent decisions News Item:** An article was published in SFRS news on 8 December 2023 alerting the contingent decision claim process to employees who had previously Opted out of the Pension Scheme that they be potentially in scope for the McCloud remedy,
- **Matthews Second Options Exercise News Item:** An article was published in SFRS news on 22 December 2023 to inform members of updates to FPS website to include FAQs and member guidance to explain options.
- **Pre-Retirement course News Item:** An article was published in SFRS news on 5 January 2024 advising members of new dates for 2024 for the online pre-retirement courses run by affinity connect.
- **McCloud Remedy contingent decision Letters:** Letters/emails were issued to eligible members on 18 December 2023, with details of the contingent decision process, if they had previously opted out of the Pension Scheme.

2.18 Since the Pensions SharePoint site was shared with members of the Service, there has been a total of 5004 visits to the site. The below table shows a summary of site traffic since 1 August 2023.

<b>Time Period</b>	<b>Total Number of Visits to the SharePoint Site</b>	<b>Number of Visits to Pensions SharePoint Site in this period</b>	<b>Number of individual member visits</b>	<b>Average time spent visiting the Site</b>
1 November 2023 – 8 January 2024	5728	727	210	1 minute 38 seconds

An analysis of the data shows the most popular pages visited in the last period, were:

- XPS administration contact page
- Matthews Second Options Exercise
- Frequently Asked Questions.

The 'News items' also continue to attract a lot of site traffic. Most recent popular items include the 'Matthews Second Options Exercise update' and 'Age Discrimination Remedy update'.

### **Training from the LGA**

2.19 The LGA are looking to change the way that they deliver Local Pension Board (LPB) training in 2024 to allow them to provide more dynamic and engaging sessions. The training is likely to take place every quarter and will be open to new and existing LPB members, and

any other individuals who are involved in the governance of their LPB. The LGA are in the process of finalising the agenda and more information will follow shortly.

2.20 From the training the LGA delivered to the Board in March 2023, the actions for the Service to work through, have been updated. These actions are applicable to all FRAs in England. An update of the progress the Service has made on the actions can be found below.

<b>Project</b>	<b>LGA Advised Actions</b>	<b>Status</b>
<b>McCloud / Age discrimination</b>	<ol style="list-style-type: none"> <li>1. Monitor optant outs.</li> <li>2. Update websites and other resources.</li> <li>3. Consider possible upcoming Independent Qualified Medical Practitioner (IQMP) referrals.</li> <li>4. Collection and cleansing of remedy data.</li> </ol>	<ol style="list-style-type: none"> <li>1. Ongoing</li> <li>2. Ongoing</li> <li>3. Ongoing</li> <li>4. Completed</li> </ol>
<b>McCloud IDF</b>	<ol style="list-style-type: none"> <li>1. Consider adoption of the Immediate Detriment Framework.</li> <li>2. Maintain communication with members and local rep bodies.</li> <li>3. Continue data collection work for cases.</li> </ol>	<ol style="list-style-type: none"> <li>1. N/A as IDF did not proceed.</li> </ol>
<b>Matthews / Modified</b>	<ol style="list-style-type: none"> <li>1. Respond to consultation.</li> <li>2. Identify members in scope.</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> </ol>
<b>Pensions dashboard</b>	<ol style="list-style-type: none"> <li>1. Consider how to connect.</li> <li>2. Consider what resources will be needed.</li> <li>3. Begin / continue to cleanse data.</li> </ol>	<ol style="list-style-type: none"> <li>1. Underway</li> <li>2. Underway</li> <li>3. Underway</li> </ol>
<b>Abatement</b>	<ol style="list-style-type: none"> <li>1. Review existing policies.</li> <li>2. Revisit previous cases if required.</li> <li>3. Monitor cases for consistency in decision making and processes followed.</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Ongoing</li> </ol>

## **Risk Management**

2.21 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB.

## **3.0 Summary**

3.1 The Board is asked to note the update provided.

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**Sources/background papers:** N/A

**Annexes:** N/A

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