



Surrey Local Firefighters' Pension Board 26 April 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 XPS continue to supply remedy options for retirement cases.
- 2.2 GAD calculation data was sent to XPS for the unprotected & tapered pension members in March 2024 in order to meet the deadline for the production of their Remediable Service Statements (RSS). 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.
- 2.3 The SFRS Pensions SharePoint site continues to be updated as a source of reference for members.

10% Pensionable Allowance

- 2.4 This project has currently been put on-hold due to low resource in the Pensions Team and issues with the implementation of Unit 4. Cases are being dealt with for members coming up to retirement and on request. Once the team is up to full capacity this will be reviewed, the project plan updated and taken forward.

Matthews – Retained Scheme – On-Call Access

- 2.5 The Government published their response to the consultation document, in September 2023, and the legislation came into force on 1 October 2023.
- 2.6 The Government Actuaries Department (GAD) has produced various versions of their calculator for use by FRAs. The Pensions Projects Team have been using the tool 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 and the last and 5th update was received mid-March 2024. The Pension Team continue to calculate and issue letters and statements to members but not all have been sent in the required timeframe of 3 months from when the Expression of Interest (EOI) forms were received. To date 11 statements have been sent of the 60 that should have been issued. This is due to low resource, the complexity of the calculations and statement completion and the data needed to complete the calculations.
- 2.7 The Pensions Team continue to receive completed EOI forms and currently have received replies from roughly 41% of individuals. The Workforce Working Group agreed to a tracing exercise in January 2024. The Pensions Team are currently looking at any potential data protection issues before carrying out the trace. Surrey CC have done a similar exercise in the past for the LGPS using the same tracing company. Comparisons are being made to this previous trace as DPIA issues may have already been covered.
- 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 and will continue to be supplied, when required.

Annual Benefit Statements / Remediable Service Statement

- 2.9 The 2023 Annual Benefit Statements have been produced by XPS are on the members' online pension record to be viewed. Members were informed by email on 4 April 2024 and will need to register online to view it. Statements do not include details of benefits during the remedy period as they cover the period up to March 2023, before the date the ruling came into force. The 2024 combined ABS/RSS planned to be issued by 31 August 2024 will include remedy pension options. The Pensions team continue to support members in understanding their statements.
- 2.10 In recognition of the significant impact of Remedy on the administration of pensions, the legislative deadline for issuing 2022/23 and 2023/24 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 and/or 2023/24, will be subject to a new separate reporting framework which will be created by HMRC especially for the McCloud/2015 remedy.
- 2.11 Immediate Choice RSSs will start to be issued but there are further issues regarding tax liabilities on the interest added to arrears paid to immediate choice members. The LGA are waiting on SAB/Treasury for further guidance.

- 2.12 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. Communications were sent out to members in the newsletter signposting to the information which was placed on the SharePoint site on the 28 March 2024.

Guaranteed Minimum Pension (GMP) Rectification

- 2.13 The Pensions Team have requested an update on the completion of the GMP rectification and for details of any issues.

Pension Dashboard

- 2.14 XPS have created a document to help schemes get Pensions Dashboard ready, copy enclosed. They will follow with a Dashboard Connection Readiness Report which will be more specific to SFRS. The expected staging date for Public Service Pension Schemes will be around September 2025.

Pre-Retirement Course

- 2.15 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

- 2.16 Training was carried out by a specialist training company known as 'Isio'. Isio tailored the sessions specific to the Firefighters' Pension Schemes. The sessions were over a 4-week period during February and March and covered the McCloud/Sargeant age discrimination remedy and Matthews Second Options exercise, as well as pensions tax for higher earners. The sessions were quite high level and gave a good insight to the issues affecting the Scheme. There is requirement in the team for lower-level pensions knowledge, this will be covered on an in-house basis within the team.

Pension Team Resourcing

- 2.17 The Pensions Team had appointed to the post of Pensions Officer in the team. Unfortunately, the individual concerned secured another role elsewhere in the Council. The Job description is currently being reviewed and will be placed out to advert imminently. It is anticipated however that this process will take some months. In the meantime, it is accepted that there will be resourcing challenges in the team. Priorities have been identified and the team will continue to focus on these until such a time that it is at full capacity and can reassess what additional projects can be pursued.

Unit 4 Payroll Adjustments

- 2.18 Errors in the implementation of the Unit 4 system resulted in incorrect pension contributions being deducted from some SFRS Scheme members. Payroll will contact

the affected members to arrange for the under/overpayments to be adjusted. The Pensions Team will keep an eye on the project.

Mutually Agreed Resignation Scheme (MARS)

2.19 SFRS have been carrying out MARS and part of the decision process is potentially retirement benefits. During the estimate request process and despite XPS agreeing to give the MARS estimate requests priority, some members did suffer delays in receiving their figures. This delay has now been mitigated to enable members to make an informed decision.

Communications

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

- **Publication of annual benefit statements News Item:** An article was published in SFRS news on 28 March 2024 to inform members about the production of their 2023 annual benefit statements.

2.21 Since the Pensions SharePoint site was shared with members of the Service, there has been a total of 6,546 visits to the site.

- In the last 90 days there were 707 visits in total.
- In the last 30 days the average time spent visiting the site was 2m 41 seconds; and
- In the last 90 days 99.7% of visitors accessed the site via a desktop device.

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

- XPS administration contact page
- Firefighter Pensions Schemes; and
- Frequently Asked Questions.

Training from the LGA

2.22 The LGA have proposed 4 dates for the Local Pension Board (LPB) training in 2024 and early 2025. The training is open to new and existing LPB members, and any other individuals who are involved in the governance of their LPB. It is planned to join the training session on 23 January 2025, for those who can attend, at Woodhatch Place. Those who cannot attend will be able to join online.

2.23 There has been a slight update to the actions for the Service to work through, this can be found below.

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

Risk Management

2.24 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: Dashboards January 2024 update (Public Sector)

Annexes: N/A

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