



## **Surrey Local Firefighters' Pension Board 25 July 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 has been sent to XPS for the remaining tranches of membership in May and June 2024 in accordance with the RSS timetable - to meet the deadline to produce their Remediable Service Statements (RSSs). The Pensions Team will continue to work on the data collection exercise with XPS to complete any outstanding cases.
- 2.3 The Surrey Fire and Rescue Service (SFRS) Pensions SharePoint site will continue to be updated as a source of reference for members.

##### **10% Pensionable Allowance**

- 2.4 This project will commence once we have recruited to the Pensions Assistant role. As before, cases are being dealt with for members coming up to retirement and on request. Once we have appointed to the Pensions Assistant role we update and progress with the project plan updated and take this forward.

##### **Retained Settlement – Matthew's cases.**

- 2.5 As the board is aware, the legislation came into force on 1 October 2023.

- 2.6 Since the last board the team have been working on ensuring that further calculations were complete and statements sent out to members using the most up-to-date GAD tool - this is currently version 2.3.0 released in mid-May 2024. Although there are still more to do, we are confident we will meet the deadline of March 2025 for this exercise to be completed.

To date the following figures, apply:

Members Contacted	208
Expression of Interest forms returned	100 (8 members ticked 'No' to taking part) so 92 people so far interested.
GAD Calculations sent to us	51
Statements sent to members	51
Options Election Form sent back	8

The Pension's Team are currently looking at the next stage of the procedure to put the settlements in place.

Members should not be affected financially by the statements being issued later than expected as interest on arrears is recalculated to the date of payment. However, interest is also calculated on the contributions owed, so the completion of active and deferred members remains a priority. Due to the complexity of creating the statements, where some members are also under the Retained Settlement exercise they may be affected by the remedy issues. this may impact the production of their Annual Benefits Statements (ABS) / Remedial Service Statements (RSS).

The funding for the settlements comes from central government and will be picked up by employers at future valuations. The cost increase in administration is covered by a government grant with Fire and Rescue Authority (FRA) applying for funding. The Local Government Association (LGA) will present a business case if any further funding is needed.

- 2.7 The Pension's Team continue to receive completed Expression of Interest (EOI) forms. So far we have received replies from just over 44% of individuals.

The Workforce Working Group (WWG) agreed to a tracing exercise in January 2024. A decision was taken to focus on the calculations and creation of the statements over the last few months and the tracing exercise will be commenced in due course. The Pension's Team understands the urgency of the tracing exercise and hope to have made some progress very soon.

- 2.8 The Home Office (HO) and GAD have confirmed that they will require FRAs to report quarterly statistics regarding the number of cases being worked on in relation the Matthew's second options exercise and will continue to be supplied, when required.

### **Annual Benefit Statements / Remediable Service Statement**

- 2.9 The 2024 combined ABS/RSS are planned to be issued by XPS by 31 August 2024. These will include remedy pension options.

The End-Of-Year (EOY) return for 2023/24 has yet to be issued to XPS. The data was due to be supplied by the payroll team by the end of May 2024. This was requested 2 months prior to this date but has still not been produced. This could delay the issuing of some statements by the deadline of August 31<sup>st</sup>.

The Pensions team continue to remain in close contact with the payroll team to do as much as possible to support them in getting the data to XPS as soon as possible.

- 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 Remedy (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 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 by XPS 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 There are still issues regarding members' tax liabilities and annual allowance calculations.

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

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

### **Pension Dashboard**

- 2.14 XPS will be issuing a Dashboard Connection Readiness Report which will be more specific to SFRS. The expected staging date for Public Service Pension Schemes still is planned for 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 will continue to arrange additional course dates. The next course will be run in September 2024, and another is being planned with Affinity for March/April 2025. This will continue to be publicised in the staff newsletter and full details are available on the Pensions Information SharePoint site.

### **Training**

- 2.16 There continues to be a requirement in the pensions team for further training on the basics of the different schemes. This will be facilitated on an in-house basis within the team.

The board / team will be booked onto the LGA training in June 2025.

## **Pension Team Resourcing**

- 2.17 The Pensions Team are pleased to report that the Pensions Support Assistant was successful in being recruited to the Pensions Officer role.

This therefore leaves the Pensions Support Assistant post vacant. With current recruitment controls in place all vacancies have to be considered by a panel as to whether they can be recruited to. We have been able to gain agreement to move forward with the recruitment for this role for an initial period of 18 months to be reviewed.

It is accepted that there will be continued resourcing challenges in the team for a period of time whilst we recruit to this role. 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.

We have also gained agreement to resource a bank member of staff to support with collating information into statements for those impacted by the Matthews case.

## **Unit 4 Payroll Adjustments**

- 2.18 Payroll continue to correct the contribution errors for SFRS Scheme members and will contact the affected members to arrange for the under/overpayments to be adjusted. The Pensions Team will continue to keep an eye on the project.

## **Communications**

- 2.19 No bulk communications have been sent since the last local Pension Board meeting took place:

- 2.20 Since the Pensions SharePoint site was shared with members of the Service, there has been a total of 1,455 visits to the site.

- In the last 90 days there were 119 visits in total.
- In the last 30 days the average time spent visiting the site was 43 seconds; and
- In the last 90 days 97% of visitors accessed the site via a desktop device.

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

- Home page
- Firefighter Pensions Schemes; and
- Opting out.

## **Training from the LGA**

2.21 The LGA Local Pension Board (LPB) training is still to be planned – the board / team will be booked on the June 2025 LGA training session - further details to follow.

2.22 There has been a slight update to the actions for the Service to work through, this 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 opt 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> <li>3. Start calculating and issuing statements.</li> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</li> <li>3. Ongoing</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**

2.23 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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**Report contacts:** Danni Lamaignere and Gary Bartliff

**Contact details:** E: [danni.lamaignere@surreycc.gov.uk](mailto:danni.lamaignere@surreycc.gov.uk) E: [gary.bartliff@surreycc.gov.uk](mailto:gary.bartliff@surreycc.gov.uk)

**Sources/background papers:** None

**Annexes:** N/A

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