



Surrey Local Firefighters' Pension Board (LFPB)

8 May 2025

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 (Surrey Fire and Rescue's (SFRS) pensions administrator) continue to issue statements to members where they have all the information required to do so and provide regular updates to members on progress. Just over 95% of Immediate Choice members have now received their Remediable Service Statements (RSS).

The remaining cases include those where administrators are still awaiting technical guidance, where there is a data issue which needs to be resolved before an accurate RSS can be provided, or cases where the member is also affected by the Matthews remedy.

Not all members have received their RSSs due to delays in providing XPS with the year-end data. XPS will provide a timeline for publishing the Statements once the data has been verified and uploaded to member records (see 2.2 below)

Section 29(10b) of the Public Service Pensions & Judicial Offices Act 2022 (PSP&JO Act 2022) allows a Scheme Manager to set a later deadline after 31 March 2025, where they consider that they cannot reasonably calculate an accurate RSS. This will include reasons such as those outlined in paragraph 2.1 above.

The Scheme Manager will review this on a case-by-case basis and document any decisions to extend the deadline. This flexibility should only be applied in exceptional circumstances and should not be used where the reason for delay could have been avoided, for example lack of resources to carry out calculations or delays implementing software.

Annual Benefit Statements (ABS) / Remediable Service Statement (RSS)

- 2.2 The Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013 require pension schemes to provide members with an Annual Benefit Statement (ABS) each year outlining their pension benefits. In the Firefighters' Pension Scheme the statutory deadline to provide an ABS is 31 August.

For members affected by the pension remedy, Scheme Managers are required to provide an Annual Benefits Statement (ABS) that includes an RSS. This statement will compare benefits under both the legacy final salary scheme and the reformed 2015 scheme. The legislative deadline to provide an RSS to active members is 31 March 2025. Members not within the scope of the remedy will continue to receive a standard ABS.

The Payroll team has encountered significant challenges and complications in identifying and extracting the correct pay elements for different ranks of firefighter members. The Pensions team has been collaborating with the Payroll team, diligently assessing the data and resolving errors. However, due to software complications, further manual manipulations have been necessary, which has delayed the process. The Financial Year end report was submitted to XPS on 24 January 2025 and the Scheme Year-end report was submitted to XPS on 18 March 2025. All affected members were sent a letter on 20 March 2025 confirming there will be a delay in publishing the statements and a news item has also been published in the SFRS newsletter.

XPS have confirmed they will provide a timeline for publishing the statements following interrogation of the data. Scheme members have been informed of the delays, and the Pensions Team will continue to update them on progress.

Current ABS/RSS production statistics are as follows:

In scope for IC-RSS	IC-RSS issued	In scope for ABS-RSS	ABS-RSS issued	In scope for Deferred RSS	Deferred RSS issued	In scope for Normal / CARE Only ABS	Normal ABS – CARE only issued
223	212 (96%)	207	5	34	2	385	382 (98%)

If an accurate ABS-RSS cannot be provided by 31 March 2025, this is classed as a breach. If a breach is material, it must be reported to tPR.

The Pensions Team have reported the breach to tPR and will continue to keep them informed of progress. A copy of the Breach Assessment is attached to this report for the Board to review

2.3 **McCloud Remedy - Contingent Decisions**

Contingent decisions are decisions that members have made about their scheme membership which they would have made differently had it not been for the discrimination. These decisions can relate to periods where a member opted out of the scheme or where they would have paid voluntary contributions if they had been allowed to remain in their final salary scheme.

Administrators have been waiting for the Government Actuary's Department (GAD) to provide a calculator which will calculate the contributions and interest a member owes to purchase periods of opted out service. In December, an updated version of the calculator was issued, but there remain several outstanding technical queries which GAD are investigating further with Home Office.

In addition, there is an ongoing legal query relating to 1992 members who opted out before or during the remedy period. The 1992 scheme is a closed scheme which means once an employee has opted out, they cannot re-join the scheme.

As the 1992 scheme regulations do not currently allow re-joiners, further legal work needs to be undertaken to establish if and how the legislation can be amended to allow this. Whilst the government reviews the legislation, any affected cases are paused. This will ensure that no rework is required and avoids any unintended consequences for the member. Affected members have been informed of the reasons for this pause

To date, the Scheme Manager has received 4 claims.

- 2.4 SFRS Pension's SharePoint site continues to be updated as a source of reference for members.

10% Pensionable Allowance

- 2.5 The Pensions team has obtained legal guidance regarding the timeline for completing the project. The legal view confirmed that the critical timeline involved payments due to members and this part of the project has been successfully completed. All cohorts of members with payments due have been settled, including all legally required payments.

The remaining tasks involve payments due to the scheme for current and deferred members. Since there are no legal repercussions for the members in this phase, the project can progress at a steady pace. The next cohort to be contacted are current active employees, and statements for these employees have been prepared and are being reviewed before sending to members.

Retained Settlement – Matthew’s cases.

2.6 The project continues to make good progress, with the first group of Special Pensioner members now having received payments.

2.7 To date the following figures apply:

Membership	In Scope	Expressed an interest	Received statement	Elected to join Scheme
Active	37	18	18	10
Deferred	134	56	51	19
Pensioner	40	38	20	13
Deceased	7	On hold	Awaiting amended legislation	
Total	218	112	89	42

2.8 Of the 218 individuals identified to be in scope for the project, the Pensions team has received positive responses from 112 individuals. This is just over 50% of the total membership in scope for the project. ITM were appointed to undertake a member tracing exercise on behalf of the Pensions team. This initiative ensures compliance with the 'reasonable endeavours' clause in the legislation, aimed at contacting individuals within the project's scope. ITM, having been approved as a service provider, has been tasked with delivering this part of the project. To date, ITM has successfully traced just over 90% of the individuals identified as within the scope of the exercise. These individuals have been contacted to encourage their participation. Additionally, the Pensions Team has sent follow-up communications to those who have either failed to respond or previously indicated a negative response.

2.9 The Pensions Team continues to receive completed Expression of Interest (EOI) forms. To date, we have received replies from just over 50% of the individuals contacted. The Pensions Team anticipates that this number will increase because of the ongoing member tracing exercise.

2.10 The Pensions Team continues to report quarterly statistics to The Home Office (HO) and the Government Actuarial Departments (GAD) regarding the number of cases being worked on in relation the Matthew’s second options exercise, as required.

Amendments to the Firefighters’ Pension Scheme (England) 2006

2.11 In December 2023, the HO initiated a consultation on proposed amendments to the Firefighters’ Pension Scheme (England) 2006, specifically addressing technicalities overlooked in the initial consultation document. Key proposals include providing options for members who opted out before April 2015, extending the eligibility for additional death grants, and providing more flexibility for members to convert standard service to special service. The consultation also proposed an extension to the implementation deadline to facilitate the additional requirements. The Pensions Team prepared an informed response to the HO, and this has been published on the SFRS Pensions Information SharePoint site. A formal response is awaited from the Home Office with regards to further legislation being laid to implement the proposed amendments.

It is important to note that, for members affected by both the Matthews and McCloud remedies, the Matthews election needs to take place before the McCloud remedy can be applied. If the member elects to join the Modified Scheme, their roll back scheme for the McCloud remedy will change. Therefore, an RSS cannot be provided until the roll back scheme is confirmed. As the Matthews remedy runs until 31 March 2025, which is the same deadline as when an RSS must be provided under the McCloud remedy, it may not be possible to provide an RSS by this date. However, the regulations do allow flexibility for Scheme Managers to provide RSSs after March 2025 in exceptional circumstances.

- 2.12 As the remedy implementation has progressed, the sector has identified a number of areas of potential challenge. For example, where a member receives a large amount of backpay, they may pay a higher rate of tax on this than they would have paid had they received it at the correct time. This may lead to claims for compensation.

These gaps may require a compensatory mechanism to resolve, but the regulations do not currently provide for compensation to be paid. The HO is currently consulting with stakeholders from the fire pensions sector, to establish what those gaps are and how they may be compensated for.

There is also an ongoing Employment Tribunal (ET) claim in progress relating to members who were retained firefighters and before April 2006 became wholetime firefighters and joined the 1992 pension scheme. Currently those members cannot aggregate their retained and wholetime service and the claim seeks to remedy this position. The case is stayed until May 2025.

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.

The Pensions Regulator – General Code of Practice Compliance Report

- 2.14 In March 2024, tPR introduced the new General Code of Practice (the General Code), which consolidates ten of its existing fifteen codes of practice into a single, comprehensive code. This new code aims to provide clear and consistent expectations regarding the governance and administration of Pension schemes.
- 2.15 The Internal Dispute Resolution Procedure Policy (IDRP) has undergone a comprehensive review in line with the guidelines established in the General Code. The Policy has been redrafted to ensure alignment with the Surrey County Council (SCC) Local Government Pension Scheme (LGPS) IDRP policy. The Policy has been reviewed by both the Surrey Pensions Team and Weightmans legal team. In March, it received approval from the Service's Workforce Working Group (WWG). An amendment paper will be presented to the council in May to obtain final approval. Following this, the Policy will be presented to the Board.

Pensions Dashboards

- 2.16 The government is introducing pensions dashboards in 2025 to provide clear information about individuals' pension savings across multiple pots, including the State Pension. These dashboards will help reconnect individuals with lost pensions. On average, people are estimated to have around eleven different pension pots by retirement.

Public sector pension schemes are expected to connect to the dashboards in October 2025 with an anticipated 'live' date of October 2026. The dashboards will initially show savings amounts, projected retirement income, and links to useful information and tools.

XPS have issued a Dashboard Connection Readiness Report for SFRS, and this is attached to the Report for the Board to consider.

Key Findings of the report are as follows:

- Data Accuracy:
 - **81.75%** of data items used for matching pension records are present and accurate.
 - **100.00%** of membership and employer data required for a positive match is present.
- Matching Policy:
 - **90.16%** of members will make an exact match with their scheme data.
 - **4.24%** of members will not make an exact match.
 - **5.60%** of members might make an exact match.

The report suggests conducting a member tracing exercise to improve the accuracy of contact information and verify personal details. Despite this, the initial analysis is highly encouraging, showing over 90% data accuracy

Whilst the dashboards are seen as a positive step, feedback from the public service pensions sector is mixed. In the main, public-sector workers do not have as many pension pots and pension administrators already provide online tools and portals where members can view their pension data and obtain projections. In addition, the McCloud remedy means that the dashboard will need to display two sets of data showing the alternative benefits available to the member, which will add complexity for software providers and may cause confusion for members. However, for individuals with multiple pension pots, the dashboard may be seen as a positive step towards helping with financial planning for retirement

Internal Dispute Resolution Procedure claims (IDRP)

2.17 There have been two IDRP claims raised in the last 6 months.

Summary: Case 1:

Issue: XPS did not provide details in time for the member to buy Additional Pension (AP) within the 2023/24 tax year.

Resolution Date: 26 March 2025

Summary: Case 2:

Issue: The member's IDRP application raised issues regarding the Retained Firefighters' Pension Settlement and misleading correspondence.

Resolution Date: 21 March 2025

Both members have been corresponded with and the outcomes of their cases outlined.

Auto – Enrolment

- 2.18 The Pensions Act 2008 introduced 'automatic enrolment' rules for all employers in the UK, ensuring that eligible employees are automatically enrolled into a pension scheme to help them save for retirement. The next auto-enrolment date for the Firefighters' Pension Scheme is set for 1 April 2025. A communication has been sent out to all members to inform them of this upcoming date, and to remind them of the benefits of being a member of the Scheme.

Training

- 2.19 In accordance with the new tPR compliance code, we are obligated to ensure that our team and Pension Board members possess a comprehensive knowledge and understanding of pensions. The Pensions Officer and Pensions Assistant are scheduled to attend the Local Government Association (LGA) training sessions in May 2025. These sessions will focus on the Firefighters' Pension Scheme, providing valuable insights and knowledge to enhance their expertise in this area. Additionally, there is an opportunity to pursue a formal qualification in partnership with Barnett Waddingham. The Level 2 Award in Pensions Essentials (APE) is specifically designed for individuals new to pensions. The Pensions Officer will also be undertaking this qualification upon its release.

The LGA is currently planning a training course in relation to IDRPs and a course tailored specifically for Scheme Managers. These are expected to be launched in 2025 and will be added to the Pension Team training plan as soon as further details are released.

The board along with the Pensions team have been booked onto the LGA training in June 2025.

Communications

- 2.20 The following communications have been sent since the last LFPB meeting took place:
- **Pre-retirement course:** An article was published on 1 March 2025 advising members of online pre-retirement course dates for 2025, run by Affinity Connect.
 - **Update regarding publication of Annual Benefit Statements:** An article was published in SFRS news on 14 March 2025 informing members of progress and delays with ABS / ABS-RSS publication.
 - **Auto-enrolment:** An article was published in SFRS news on 14 March 2025 informing members of the upcoming auto-enrolment date of 1 April 2025 for the Firefighters' Pension Scheme.
 - **Information on Pensions tax and self-assessment:** An article was published in SFRS news on 13 January 2025 to inform members of ongoing issues and delays with publishing Annual Benefit Statements and Remediable Pension Savings Statements
 - **ABS-RSS update for members affected by age discrimination remedy:** An article was published on 14 March 2025 informing members of the extra information to be included on their 2024 ABS-RSS including the contribution adjustment process.
 - **ABS-RSS Delay letters to members:** Letters were posted to members on 20 March 2025, to advise of the delay in ABS-RSS publication.
 - **Delay in publication of ABS-RSS:** An article has been submitted for publishing in SFRS News in April 2025, to advise of the delay in ABS-RSS publication.

- 2.21 The Pensions SharePoint site continues to be updated as a source of reference for members. Since the last LFPB meeting, updates have been added as follows:
- **Auto Enrolment:** To alert members to upcoming auto enrolment date.
 - **New Starter Slide deck and Short Guide:** Slide deck and short guide to the Firefighters' Pension Scheme added to highlight benefits of the Scheme.
 - **Annual Benefit Statement FAQs and example Statements:** FAQs and example statements added ahead of upcoming publication of ABS-RSSs

A summary of site usage, for the period 1 January 2025 to 31 March 2025, is shown below:

- In the last 90 days there were 836 visits in total.
- In the last 30 days the average time spent visiting the site was 2 mins 28 seconds; and in the last 90 days 100% 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.
- Remediable Savings Statements; and
- Guide to the Firefighters' Pension Scheme.

Station Engagement visits

- 2.22 To enhance member communications, the Pensions team is actively visiting Fire Stations to engage with members. Since the last LFPB meeting, they have visited Fordbridge, Epsom, Woking, and Salfords to increase their visibility, support ongoing projects, and personally address individual member queries.

Pre-retirement Course

- 2.23 Following positive feedback from the courses held by Affinity Connect in 2023, and 2024, further courses are planned with Affinity for 2025. These will continue to be publicised in the staff newsletter and full details are available on the Pensions Information SharePoint site.

Risk Management

- 2.24 The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB. The Board is asked to note the changes in the risk register and the overview of changes since the last meeting.

3.0 Summary

- 3.1 The LPB is asked to note the update provided.

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Sources/background papers: None

Annexes: N/A