



## Surrey Firefighters Local Pension Board 15 January 2021

### Administration Update 1 October – 30 November 2020

#### Recommendations:

The Board is asked to **note** the content of this report and make recommendations if any further action is required.

#### **Background**

1. The terms of reference for the Board includes the duty to;

*“...help ensure that the Firefighters’ Pension Scheme is managed and administered effectively and efficiently and complies with the Code of Practice on the governance and administration of public service pension schemes issued by the Pension Regulator”.*

2. In order to help the Board to measure the effectiveness of the administration of the scheme a set of administrative functions from 1 October to 30 November 2020, and an update of performance and current issues is set out below and in the attached Annex.

#### **Administration Performance**

3. Details of all cases completed between 1 October to 30 November 2020 can be found at **Annex 1**.
4. As agreed at the previous Board meeting, the SLA reporting that is currently in place for Surrey LGPS has been adopted by Surrey Fire going forward.
5. This will include the new style report which includes number of outstanding cases at the start of the period, SLA performance and number of outstanding cases at the end of the period.

6. Colleagues from the East Sussex administration team have been supporting the clearance of backlog cases, specifically focussing on deferred benefits and transfers.
7. During the period 1 October to 18 December a total of 109 cases were reviewed and completed/terminated. This was a combination of new work received and clearance of outstanding casework.
8. There are currently 134 cases still open and waiting to be processed.

### **Pension Scheme Opt Outs**

9. It was agreed in October 2018 that Officers would provide members' reasons for opting out of the pension scheme.
10. In the period October to November 2020 there was 1 opt out. The member stated reduced salary due to sickness so unable to afford pension contributions.

### **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.

11. Bulletins [38](#), [39](#) and [40](#) (**Annex 2**) have been published since the last Board meeting.
12. Bulletin 38 contained reference to a draft note with additional information to FRAs on the key considerations on implementing the Home Office informal guidance on immediate detriment.
13. Bulletin 38 also commented on the UK government recognising that retained firefighters have the right to elect to become a special member of the 2006 scheme from the start date of their employment rather than 1 July 2000.
14. Bulletin 38 confirmed that it is the responsibility of the Fire and Rescue Authority to pay a scheme sanction charge on an unauthorised payment, and that there is no provision to deduct the SSC from the member.
15. Bulletin 39 confirm that the protected pension age easement will not be extended and would expire on 1 November 2020. HMT have confirmed that the expiration of the exemption remains unchanged and that there are currently no plans to change this approach. Those who have returned to support the government's response to COVID-19 before 1 November will however not lose their protected pension age if they continue working after that date. This pension age is protected irrespective of whether they move jobs or employers.
16. The Board may recall that questions have been previously asked as to whether a firefighter being identified with a positive case of COVID-19 would be treated as a qualifying injury for the purposes of eligibility to benefits under the compensation

scheme, and the Home Office were asked to provide clear assurances that any firefighter who dies from COVID-19 will be recognised as having died from a qualifying injury.

17. Bulletin 39 contained the following statement from the Home Office: “The Home Office is unable to provide such assurances as this this would interfere with the established legal process for determining an entitlement to awards payable under the FCS and may set unhelpful future precedents. The responsibility for making such decisions rests with employing FRAs, who are best placed to consider the relevant facts in each case.
18. In Bulletin 39 it was stated that the results of the 2019 Governance and Administration survey have now been published by The Pensions Regulator (TPR). The performance of the Firefighters’ Schemes is commented on throughout and the Scheme Advisory Board will consider any further actions they may take. The TPR six key processes factsheet will be updated to reflect the latest performance and give further guidance to FRAs in order to achieve a higher rate of understanding and compliance ahead of the 2020 survey.
19. This Bulletin also commented on DB schemes having to equalise past GMP transfers. On 20 November 2020, the High Court ruled that trustees who do not equalise a member's guaranteed minimum pension (GMP) benefits at the time of calculating a cash equivalent transfer value (CETV) have committed a breach of duty. Defined benefit (DB) schemes providing GMPs should revisit historic CETVs made in the past 30 years and top them up where necessary. The judgment does not force organisations to actively correct all pensions transfers, however, employers may look to do so to avoid legal proceedings from members affected. This latest judgment on GMP equalisation follows the initial judgment made in October 2018 involving Lloyds banking group. The LGA are discussing implications for the FPS with the Home Office.
20. Readers were asked to note an **action** in Bulletin 40: **2020-21 statutory levy**: FRAs to provide a valid purchase order number for invoicing of the annual levy, based on the number of employees eligible to join one of the Firefighters’ Pension Schemes at 1 April 2020.
21. Bulletin 40 also contained a joint statement by the Home Office and LGA Bluelight Team regarding public service pensions age discrimination. The note is intended to outline next steps for delivery of the remedy. It states that it is essential that Fire and Rescue Authorities start the process of considering what technology/administration processes will be required to implement the remedy.
22. Standard wording was provided by HMT to include in all Cash Equivalent Transfer Quotes issued prior to remedy.

## Common and Scheme Specific Data Reports

23. In October Heywood's provided the Common and Scheme Specific data quality analysis reports for the Surrey Fire scheme (see **Annex 3**).
24. The percentage of member records without a single common data failure within the Pension Regulator's (TPR) definition of common data is **97.5%** and this is the figure that TPR will be requesting on the scheme return. This represents an improvement over the 2019 score of 85.8%.
25. The percentage of member records without a single scheme-specific data failure is **82.2%** and this is the figure that TPR will be requesting on the scheme return. This represents an improvement over the 2019 score of 72.1%.

## Pensions Helpdesk

26. The Pensions Helpdesk are currently experiencing a high volume of e-mail enquiries (due in part to customers e-mailing documents that would normally be posted pre Covid-19) and response times are longer than normal. There is an auto acknowledgement message on the mailbox explaining the current delays.
27. The Pensions Administration Team (PAT) are supporting the Helpdesk in identifying e-mails that should be directed to PAT i.e. retirement claim forms, transfer forms etc. and where we can update correspondence, so the correct mailbox is used going forward. The Helpdesk have recently recruited some new agents which will take them back up to a full complement of staff, in addition some temporary agents have been recruited to support with the clearance of the e-mail backlog.

## Summary

28. The Board is asked to note the update provided/actions required and to advise if any further reporting will assist the Board in monitoring of administration performance.

---

**Report contact:** Clare Chambers and Tom Lewis

### Contact details:

T: 07779 971634 E: [clare.chambers@surreycc.gov.uk](mailto:clare.chambers@surreycc.gov.uk)

T: 07583 072853 E: [tom.lewis@surreycc.gov.uk](mailto:tom.lewis@surreycc.gov.uk)

### Sources/background papers:

Surrey Local Pension Board Terms of Reference

### Annexes

Annex 1 – SFRS Oct - Nov 2020 KPI Report

Annex 2 – FPS Bulletins 38, 39 and 40

Annex 3 – Common and Scheme Specific Data Reports