



Surrey Local Firefighters' Pension Board November 2021

Scheme Management Update Report

1.1 Introduction:

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

2.0 Scheme Management Activities

2.1 Team Members:

Two new members joined the Pensions Team undertaking the roles of Senior Pensions Advisor and Pensions Project Support Officer both posts will support the Scheme Manager and proceed with the ongoing projects.

2.2 Transition to External Pension Administrator - XPS

Due to resource constraints within the Surrey County Council (SCC) Pension Service, the decision was made to transfer the administration of the Surrey Fire and Rescue Service (SFRS) pension scheme from SCC to XPS Pensions Group (XPS).

XPS are the largest pension consultancy in the UK and specialise in actuarial, investment and administration. Currently providing the administration for over 30 blue-light pension clients, XPS were chosen as the new administrator based on their specialist knowledge and ability provide a high quality and efficient service to scheme members, in line with statutory and regulatory SLAs.

The transfer of administration included:

- All SFRS's member and payroll data has been transferred to XPS, and the transfer audited and confirmed full and correct.
- Pensions are administered on XPS Altair systems
- Transfer of all work in progress to XPS
- Financial reporting in line with current requirements
- Payroll is being run by XPS, to existing payroll schedules

The project to transfer the administration of the Firefighter pension scheme is now complete, effective 1 September 2021. All member data was successfully extracted from the SCC pension administration system and loaded into the XPS system, with two parallel payroll runs taking place throughout July and August to provide assurance and data validation being transferred.

The first payroll completed by XPS was a success, with members paid on time and all internal approvals and authorisation of payment processes completed and verified.

Although XPS now administer the scheme there are elements of the administration that require Surrey County Council employer action, such as informing XPS of;

- New Starters
- Leavers
- Transfers in
- Pensionable pay information
- Year End Submission for Annual Benefit Statements

These functions are employer functions however historically the Surrey Pension Team have been carrying out these actions due to payroll resource constraints. These processes are now required to sit with the payroll team. Work is now underway to establish best practice and provide business continuity in these areas to ensure efficient and effective scheme administration.

XPS will later work with SFRS and the SCC Payroll team to implement i-connect, a monthly report that provides information on new starters, leavers and pay information, which will remove the need for manually processing of these processes and mitigate any resource issues within the payroll team. This will be implemented in April 2022, as SCC are currently changing their payroll system and the i-connect report will be configured on the new system. Interim procedures are currently in place until i-connect is available.

A thorough handover is being provided by the Surrey County Council Pensions Team to the SFRS internal Pensions Team, to ensure the smooth transition of processes. Going forward the Surrey County Council Pensions Team will be available to contact should the service require any assistance.

A member's self service area is now live. This service enables members (both active and retired firefighters) to amend their personal details, review their pension scheme documentations and details, generate a benefit statement and access financial year end statements. XPS will be sending letters to all members as to how to create a login to access the self-service area. The SFRS internal Pensions Team have also communicated to members via Share Point and MS Teams, of the 'go-live' date and the letter they will receive.

2.3 Age Discrimination – Immediate Detriment Remedy

On 8 October 2021, the Service received guidance from the Local Government Association and the Fire Brigade Union in the form of an agreed [Memorandum of Understanding](#). The MoU has highlighted the framework the two parties recommend

FRA's should adopt to provide an immediate detriment remedy to cases which have already arisen, or arise before the Remediating Legislation comes into force. The cases refer to two categories:

- Category 1 cases (approaching retirement – within 12 months)
- Category 2 cases (already retired).

The parties believe the various issues that have arisen in relation to Category 1 and Category 2 cases, will be resolved in accordance with the Framework set out in Annex 1 of the MoU.

The Local Government Association and the Fire Brigade Union anticipate that the Immediate Detriment Framework will provide a mechanism that will allow some matters to be dealt with more conveniently once the Remediating Legislation comes into force in October 2023 (please refer to the MoU to view these matters, which will be calculated once the legislation is in force).

The LGA and the FBU encourage the relevant FRA and Member to document the agreed compensation or remedy in line with the template set out in Annex 3 of the MoU (the Compensation Record).

The Service's pension administrators XPS, have also received the MoU and are currently reviewing the framework set out in the MoU to provide further guidance and actions.

2.4 10% Pensionable Allowance

A total of 166 members have been identified to be affected by the 10% allowance scheme and further assessments are currently taking place to ensure the cohorts previously devised, cater for all members. The current cohorts are:

- Firefighters about to retire in the next 12 months
- Firefighters who have retired after 2014
- Deferred Members
- Active O Members - (10% Supplement ongoing)
- Active C Members - (10% Supplement ceased)
- Transferred
- Deceased Members
- Pensioners Outside 6 year period

Calculations have commenced for members within the first cohorts described above.

The team have been reviewing the letters which were drafted and have noted updates need to be made to ensure the cohorts are communicated to correctly. The changes will be actioned in good time to ensure the letters will be sent to Priority 1 and Priority 2 cohorts by 31 December 2021 which will include their personal calculations.

The processes around each priority group and the management of contributions and benefits are also being reviewed to ensure all parties are involved in an efficient manner.

2.5

Modified Scheme – On-Call Access

Since the Local Pension Board Meeting in August, letters have been sent out to members who returned an Expression of Interest Form (EOI), and members where an EOI was not received. The members who returned a form were notified that the process is taking longer than expected due to the high volume of enquiries received and an update will be sent in 2022. A letter was also sent to those who did not manage to complete the Expression of Interest Form. The deadline to submit the Expression of Interest Form is 31 December 2021. So far one completed form has been returned. Once the deadline has closed, the quotations will be prepared for all affected members and communicated accordingly.

2.6 Risk Management

The Local Firefighters Pension Scheme (LFPS) Risk Register has been reviewed and is a standing agenda item on the LFPB. Item 10.

2.7 Summary

The Board is asked to note the update provided.