



## **Surrey Local Firefighters' Pension Board 23 November 2023**

### **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 The data collection exercise was completed and submitted to XPS in August 2023. Data quality has been reviewed and tested by XPS. A few queries have been raised and these are in the process of being addressed by the Pension team.

2.2 The Government published their response to the consultation document, in July 2023, and the legislation came into force on 1 October 2023.

2.3 Warm-up letters have been issued to each cohort of members to advise when they can expect to receive their Remediable Service Statements. This will help to manage members expectations regarding when they can expect to receive their option choices. The FPS website now includes a Remedy Page which includes frequently asked questions and a short video to help members understand the timescales around remedy. There is one video for retired members and one for active and deferred members. The SFRS Pensions SharePoint site has also been updated to include a McCloud Age Discrimination page as a source of reference for members.

2.4 A calculator has been developed by the Government Actuaries Department (GAD) and was released to FRAs at the end of August 2023. This must be used by FRAs to calculate member contributions, tax, and interest due for both legacy and reformed benefits for the remedy period. This is necessary as the pension administrators must hold a

'contribution adjustment account' for each member, The Pension Team have been working with IT and payroll to collate the historical tax information necessary to use in the GAD calculator, as this information was not included in the original data collection exercise. The Pension Team have successfully submitted the relevant GAD calculator data to XPS, for all SFRS members retiring in October and November 2023 to ensure that payment of their benefits is not delayed. The Pension Team are now working on a further data exercise to collate and report the GAD calculator data to XPS, for each cohort of membership, in accordance with the RSS timetable.

### **10% Pensionable Allowance**

2.5 Now that the data collection exercise has been completed, the Pension Team have revisited the member data for this exercise to identify member movements within priority groups. The next groups of members to be contacted are Priority Group Five, (current active members). The Pension Team have also reassessed the data to identify members retiring in the next 12 months to give this cohort priority. The calculations have been completed and checked for these members and letters are currently being drafted.

### **Matthews - Retained Scheme – On-Call Access**

2.6 The Government published their response to the consultation document, in September 2023, and the legislation came into force on 1 October 2023.

2.7 The Government Actuaries Department (GAD) has produced a calculator for use by FRAs. This must be used by FRAs to calculate the cost to each member of purchasing past membership in the Modified scheme. This calculator is due to be released in two phases applicable to different cohorts of membership. The first phase is expected to be released in November 2023 and the second phase is due to be released in January 2024. The LGA have produced draft letters, expression of interest forms and employee leaflets to be sent to members in scope for the Second Options exercise. FRAs must issue these to members by 31 December 2023. The Pension Team have issued the letters, forms and employee leaflets to members on 1 November 2023.

2.8 The Pensions Team have also analysed their membership data to identify 37 members who are in scope for both the McCloud remedy and the second options exercise. This information will be shared with XPS. Regulations dictate that the Second Options Exercise should be implemented prior to the McCloud remedy.

### **Pay Award**

2.11 Pay award details for active members were sent to XPS with the annual end of year membership data on 7 August 2023. XPS are currently preparing Annual Benefit Statements for members, and these are due to be published shortly.

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.

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

2.13 The rectification project was due to be completed by the end of 2023. This is likely to be extended to February 2024 due to delays with the benefit specification sign off. The Pension Team's legal adviser, Weightmans, completed their review of the specification in October 2023 and Mercers are now working on the data. Mercers have raised a few outstanding queries with XPS which need to be resolved before final sign off.

## **Pension Dashboard**

2.14 The Pensions Dashboard (Amendment) Regulations 2023 confirmed that the connection deadline has been extended to 31 October 2026. Further guidance is required from the DWP to confirm this staging date applies to all schemes with 100 or more relevant members at the scheme year end between 1 April 2023 and 31 March 2024, or if there will be a later staging date for FRAs.

## **Pre-Retirement Course**

2.15 The Pension Team have recently appointed a retirement specialist in the public sector, known as 'Affinity Connect', to help members plan and achieve their retirement goals. To date, two courses have taken place online on 29 August and 18 October 2023. Initial feedback has been positive, and the Pension Team are planning to arrange further courses in 2024.

## **Firefighters' Pensions Annual Conference**

2.16 The Firefighters' Pensions Annual Conference was held on 19 and 20 September 2023. Discussions included current legislation updates and challenges facing FRAs, and the importance of communicating with members to manage expectations. The update from The Pensions Regulator included findings from their 2023 'Governance and Administration survey'.

The key themes from the survey were:

- Time and resources to run pension schemes is a growing issue, particularly in terms of recruitment and retention of staff
- Risks are being taken more seriously
- Breaches of the law are rarely reported to TPR
- TPR's new enforcement policy has not yet had noticeable impact

## **Pension Team Resourcing**

2.17 The Pensions Team are pleased to report the role of Pensions Support Assistant has been filled and the new member joined the team on 23 October 2023. This is a permanent role and will support the team over a variety of activities across all projects.

At the time of writing, the interviews for the role of Senior Pensions Adviser have been completed, and an offer is expected to be made in the next few days.

## Communications

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

- **Pre-Retirement course News Item:** An article was published in SFRS news on 21 July 2023 advising members of new online pre-retirement course run by affinity connect.
- **Thinking of Retiring Soon News Item:** An article was published in SFRS news on 4 August 2023 regarding retirement process for members impacted by the McCloud legislation and retiring soon.
- **McCloud Remedy News Item:** An article was published in SFRS news on 4 August 2023 advising members of updated Remedy page on SharePoint.
- **McCloud Remedy Scams News Item:** An article was published in SFRS news on 18 August 2023 alerting members to pension scams.
- **Pre-Retirement course News Item:** An article was published in SFRS news on 18 August 2023 reminding members of new online pre-retirement course run by affinity connect.
- **McCloud Remedy Warm up Letters:** Letters were issued to members on 31 August 2023, with guidelines for when to expect to receive Remediable Service Statements.
- **Returning to Work after Retirement News Item:** An article was published in SFRS news on 15 September 2023 advising members of important information regarding re-employment principles and abatement on returning to work after retirement.
- **New XPS contact number News Item:** An article was published in SFRS news on 15 September 2023 advising members of a new telephone number for XPS from 1 October 2023
- **McCloud Remedy News Item:** An article was published in SFRS news on 13 October 2023 advising members of updated Remedy page on the FPS website including FAQs and member videos.
- **New Starter Pack for New recruits:** A pension information starter pack has been produced for distribution to new starters. The Pension Team have also arranged to give a presentation to new recruits at Wray Park on 6 December 2023.

2.19 Since the Pensions SharePoint site was shared with members of the Service, there has been a total of 5004 visits to the site. The below table shows a summary of site traffic since 1 August 2023.

Time Period	Total Number of Visits to the SharePoint Site	Number of Visits to Pensions SharePoint Site in this period	Number of individual member visits	Average time spent visiting the Site
1 August – 31 October 2023	5004	2211	715	3 minutes 43 seconds

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

- Thinking of returning to work after retirement
- Planning for Retirement
- Ready to Retire checklist.

The 'News items' also continue to attract a lot of site traffic. Most recent popular items include the 'Pre-retirement course' and 'Age Discrimination Remedy update'.

### Training from the LGA

2.20 From the training the LGA delivered to the Board in March 2023, the actions for the Service to work through, have been updated. These actions are applicable to all FRAs in England. An update of the progress the Service has made on the actions can be found below.

Project	LGA Advised Actions	Status
<b>McCloud / Age discrimination</b>	<ol style="list-style-type: none"> <li>1. Monitor optant 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> </ol>	<ol style="list-style-type: none"> <li>1. Completed</li> <li>2. Completed</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

2.21 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.

---

**Report contacts:** Sally Wilson and Janine May  
**Contact details:** E: [sally.wilson@surreycc.gov.uk](mailto:sally.wilson@surreycc.gov.uk)  
E: [janine.may@surreycc.gov.uk](mailto:janine.may@surreycc.gov.uk)

**Sources/background papers:** N/A  
**Annexes:** N/A

This page is intentionally left blank