



## **Surrey Local Firefighters' Pension Board 21 November 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 Remediable Service Statements (RSS) timetable - to meet the deadline to produce their RSSs. The Pensions team will continue to work on the data collection exercise with XPS to complete any outstanding cases of which there are currently 22 outstanding.

The majority of these are due to waiting for information from other authorities where members opted out and opted back in.

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 (Please see section 2.17 on resourcing). 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 will provide an update and progress with the project plan.

## 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 is 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	101 (8 members ticked ‘No’ to taking part) so 93 people so far interested.
GAD Calculations sent to us	83
Statements sent to members	52 (a further 17 are currently being checked before being sent out)
Options Election Form sent back	21

The Pension’s Team is currently looking at the next stage of the procedure to put the settlements in place with the SCC Payroll and Income Management team.

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.

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 48.5% of individuals (number replied from the 208 we have already contacted).

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 Data Protection Information Agreement (DPIA) has been agreed and a contract has been drawn up. The contract is currently with our legal team awaiting final approval.

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, as required.

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

2.9 The 2024 combined ABS/RSS were planned to be issued by XPS by the 31 August 2024. The intention was for these to 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 SCC Payroll team by the end of May 2024. This was requested 2 months prior to this date but has still not been produced. This has delayed the issuing of all statements by the deadline of 31 August 2024.

On the 02 November the Payroll team confirmed that the End of Year Data reports had been built in Unit 4 and were currently undergoing testing by the Payroll Operations Team. They anticipate that the testing will be completed by the end of the week commencing 04 November 2024.

We will provide further updates on timetables as soon as the testing has been completed. We will be also communicating this out to all staff who this affects.

- 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, was 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 the 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 Scheme Advisory Board (SAB)/Treasury for further guidance.
- 2.12 There are still issues regarding members' tax liabilities and annual allowance calculations around those who took an unauthorised lump sum payment (not tax free one) under McCloud. The guidance has not been clear on this and XPS are trying to establish further clarity.

### **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. A second course was 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 The board / team has been booked onto the LGA training in June 2025.

Once the assistant post is filled the Pensions Team will revisit what the training need is and implement accordingly.

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.

## **Pension Team Resourcing**

2.17 The Pensions Support Assistant role is at shortlisting stage and interviews will be undertaken imminently. This role is for a period of 18 months on a fixed term contract basis due to current recruitment controls being in place across the Council.

Additionally, the role of Senior Pensions Adviser is now vacant. The advert for this role closed on 31 October and we have offered this role to an individual on a bank basis moving forward. Currently we are determining a start date and processing the required information to appoint into post.

It is accepted that there will be continued resourcing challenges in the team for a period whilst we recruit to these roles. 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.

## **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.

The Payroll team have been contacted for further information around what if any communications have been made with members affected by this and timelines for completion of this work.

## **Communications**

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

The Pensions Team are collating a list of items which will need to be updated and added once the Senior Pensions Adviser is in post.

2.20 Since the Pensions SharePoint site was shared with members of the Service, there has been a total of 1,616 visits to the site.

- In the last 90 days there were 133 visits in total.
- In the last 30 days the average time spent visiting the site was 39 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
- Firefighter Pensions Schemes; and
- XPS Administration.

### **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**

1.1 The Board is asked to note the update provided.

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**Sources/background papers:** None

**Annexes:** N/A right care

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