



Minutes

Local Pension Board

Date: 11 January 2019

Time: 12 noon

Venue: Fire and Rescue Headquarters, Birkenshaw

Present: Paul Drinkwater (Scheme Member representative – in the chair), Councillor P Harrand (Scheme Manager representative) and Stuart Wilson (Scheme Member representative)

In Attendance: Ian Brandwood – Chief Employment Services Officer, Claire Johnson – Technical Adviser and Alison Wood (Chief Finance and Procurement Officer for items 1 – 4 and 6 only Min nos. 29 – 33 refer)

Apologies: Councillor T Austin

29 Minutes of the last meeting

RESOLVED

That the Minutes of the last meeting held on 5 October 2018 be signed by the chair as a correct record.

30 Urgent item – Opting out request for information

A request for information relating to opting out of the pension scheme had been received in Bulletin 15 (December). The response to the Scheme Advisory Board had not been available at the time of despatch of papers. The Chair agreed that the item would be included on the agenda at agenda item 10c) (Min no. 37 refers).

31 Admission of the public

There were no items which required the exclusion of the public and press.

32 Declarations of interest

There were no declarations of disclosable interest in any matter under consideration in the meeting.

33 Employers' Pension Contributions

Consideration was given to a report of the Chief Finance and Procurement Officer which advised of a reduction in the discount rate used to determine firefighter employers' pension contribution rates from 3% to 2.4%.

The reduction in the discount rate would result in an average increase in employers' pension contributions of 12.6% from 1 April 2019. Members were advised however that no confirmation had been received to date from Government Actuary Department with regard to the final contribution rate.

It was further reported that the reduction had been greater than anticipated - a 3% increase had been included in the Medium Term Financial Plan (MTFP). Some financial assistance would be made available in 2019 – 20 only and, in the absence of confirmation of any additional government funding, further savings would have to be found to meet the increased cost.

RESOLVED

- a) That the report be noted; and
- b) That Members be advised of any response from HM Treasury to the concerns raised in a letter from that National Fire Chiefs Council dated 1 November 2018.

34 Scrutiny and review

The Chief Employment Services Officer submitted information relating to the following areas for scrutiny and review;

- Guaranteed Minimum Pension (GMP) reconciliation – notification received in November 2018 indicated that the required data had been submitted by West Yorkshire Pension fund by the 31 October 2018 deadline (Min no. 25 refers). Members were advised that HMRC had a 3-month target date for responses
- Discretions made by Scheme Manager – one case had been considered since the date of the last meeting relating to an extension of time limits for "transfer in". Based on the individual nature of the case the request had been approved.
- Compliance breach register – no new breaches had been recorded since the date of the last meeting and the 11 cases of incorrect deduction of pension contributions reported at that time had been resolved with the establishment of individual payment plans
- Pensions risk register – Members were advised that there had been no change since the date of the last meeting
- Compliance deadlines – members were provided with a list of compliance deadlines to enable effective scrutiny of compliance issues

RESOLVED

- a) That the report be noted; and
- b) That advice be sought with regard to any requirement to report the incorrect deduction of pension contribution breach.

35 Pension Ombudsman – update

Members received a report of the Chief Employment Services Officer which presented two relevant cases reviewed by the Ombudsman since the date of the last meeting as follows;

- Mr W et al – Mid and West Wales Fire and Rescue Authority – pensionable pay
- Mr N – Kent and Medway Fire and Rescue Authority – overpayment of injury pension

RESOLVED

That the report be noted.

36 Legislative update

Consideration was given to a report of the Chief Employment Services Officer which provided an update with regard to a number of relevant issues as follows;

- Transitional protections- it was reported that the Fire Brigades' Union legal case had been won. Members were advised that the Government had already lodged an appeal against the decision. It was possible that the appeal court could remit a remedy to the employment tribunal in due course but any financial implications for the Authority were impossible to predict at this stage.
- Ill health injury compensation pensions – tax issues – all affected pensioners (8) had been contacted to make them aware that they would be able to reclaim tax from HMRC. Any shortfall in payments from the HMRC would have to be met by the Authority. Proposals had been submitted to the Scheme Manager for repayment of tax in the form of a compensation payment to other pensioners affected outwith the relevant period. This would require the approval of the Authority.
- Revised GAD factors – new cash equivalent transfer values had been issued by the Home Office and would be applied to those pensioners affected by the temporary suspension of payments. A revision had been also been made to the commutation factors which would benefit 1992 Pension Scheme members. West Yorkshire Pension Fund had confirmed that the payments would be actioned without delay.

RESOLVED

That the report be noted.

37 Survey responses

The Chief Employment Services Officer submitted a report which advised of responses which had been given to recent surveys issued since the date of the last meeting as follows;

- The Pensions Regulator (TPR) survey – annual survey about scheme governance
- Administration benchmarking survey – to enable the Scheme Advisory Board to better understand the costs associated with the administration of the pension schemes.

RESOLVED

That the report be noted

37 Firefighter Pensions bulletins

Consideration was given to the content of bulletins 13 – 15 which had been circulated to Members upon issue by the Scheme Advisory Board (SAB).

The following issues were highlighted;

- Cost cap breach – 2015 scheme
- Ill health and injury – role of the IQMP
- Contracting out and GMP reconciliation – overpayments to be written off
- GMP equalisation
- Survivor benefits and same sex marriages – consultation issued
- Revised factors
- Opt out rate data – a copy of the response was circulated for Members at the meeting

RESOLVED

That the content of Bulletins 13 – 15 be noted.

[The opt out rate data response had been considered as an urgent item as this was not available at the time of despatch of papers for the meeting.]

38 Scheme Advisory Board – update

In addition to the SAB Minutes that had been published Members also considered detail of the Scheme Advisory Board levy for 2018 – 19 which would equate to £7.69 per active firefighter – totalling a cost of £8405.17 for the Authority. The figure included a now statutory levy to fund the Firefighters' Pension Schemes adviser post.

RESOLVED

- a) That the Minutes of the Scheme Advisory Board Effectiveness Board at a meeting held on 25 September 2018 be noted; and
- b) That detail of the Scheme Advisory Board levy for 2018 – 19 be noted.

39 Local Pension Board activity report

The Chief Employment Services Officer submitted a report which set out performance in key areas for the period 1 September – 30 November 2018.

It was noted that there had been

- 23 new entrants into the Scheme during the relevant period (new recruits)
- 20 retirements to pension
- 1 IDRPs stage 1 appeal
- 2 opt-outs, and
- 57 pension estimates processed

RESOLVED

That the report be noted.

40 West Yorkshire Pension Fund – key performance indicators

Consideration was given to a report the Chief Employment Services Officer which advised Members of West Yorkshire Pension Fund performance in key areas for the period 1 September - 30 November 2018 together with total performance from 1 April – 30 November 2018.

It was reported that, during the period 1 September – 30 November 2018 the minimum performance target had not been reached in respect of the following;

- Pension estimates – did not reach the target due to the volume of requests received (it was anticipated that these would reduce following the recent court case decision)
- Transfer-in quotes – below target due to the withdrawal of factors on 31 October 2018 and consequent stockpiling of cases

Similarly, performance for the year to 30 November 2018 had not reached target on the following;

- Pension lump sum set-up payments – all the work had been completed well in advance of retirement and no late payments of lump sums had been made
- Transfer-in quotes – due to withdrawal of factors and impact on workloads

RESOLVED

That the report be noted.

41 Date of next meeting

RESOLVED

That the Local Pension Board meet on a date in July to be agreed by the Full Authority at its meeting on 21 February 2019.

Chair