



OFFICIAL

Local Pension Board - appointment of Chair and Vice chair 2020 - 21

Local Pension Board

Date: 24 July 2020

Agenda Item:

1

Submitted By: Chief Legal and Governance Officer

Purpose	To appoint a Chair and Vice Chair of the Local Pension Board for 2020 – 21 in accordance with the Terms of Reference.
Recommendations	That appointments be made to the positions of Chair and Vice chair of the Board.
Summary	It is a requirement of the Terms of Reference that appointments to the positions of Chair and Vice chair of the Local Pension Board be made on an “annual rotational basis”. This report invites members to make the relevant appointments from the membership

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager
T: 01274 655740
E: nicky.houseman@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 It is a requirement of the Local Pension Board Terms of Reference that appointments to the positions of Chair and Vice chair be made on an “annual rotational basis”. This report invites members to make the relevant appointments

2 Information

- 2.1 Chair of the Board in 2019 – 20 was Councillor Peter Harrand as Scheme Manager representative with Paul Drinkwater as Vice chair representing the Scheme Members.

- 2.2 In accordance with the requirement to rotate on an annual basis the posts will be as follows for 2020 – 21;

Chair Scheme Member representative

Vice chair Scheme Manager representative

- 2.3 Nominations are invited from the membership for appointment to the posts

3 Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

4 Legal Implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no direct human resources and diversity implications arising from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no direct health, safety and wellbeing implications arising from this report.

7 Your Fire and Rescue Service priorities

- 7.1 The subject of this report supports all the Fire and Rescue Service 2019 – 2022 priorities.



OFFICIAL

Local Pension Board Membership 2020 - 21

Local Pension Board

Date: 24 July 2020

Agenda Item:

2

Submitted By: Chief Legal and Governance Officer

Purpose To advise of membership of the Board in 2020 - 21.

Recommendations That the report be noted.

Summary Appointments to the Board are made on an annual basis. This report advises of the membership for 2020 – 21.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Services Manager
E: nicky.houseman@westyorksfire.gov.uk
T: 01274 655740

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 Appointments to the Local Pension Board are made on an annual basis. This report advises of the appointments for 2020 – 21.

2 Information

- 2.1 The Local Pension Board had four members with equal representation (2) from both Scheme Members and the Scheme Manager.
- 2.2 A change to the Terms of Reference was requested by the Board at its meeting on 31 January 2020 as detailed below;

RESOLVED

- a) *That the Chief Employment Services Officer submit a request at the Authority's Annual meeting in June 2020 that consideration be given to increase the size of the Board with the addition of one Scheme Manager representative and one Scheme Member representative; and*
- b) *That consideration be also given by the Authority to the appointment of independent member(s) to the Board.*
- 2.3 The amendments were considered by the Authority's Human Resources (HR) Committee at its meeting on 27 March 2020 when it was resolved that no support be given to the appointment of an independent member but that the Authority consider an increase in membership at its Annual meeting on 25 June 2020.
- 2.4 The Full Authority duly considered the recommendations of the HR Committee and resolved that approval be given to an increase in membership as follows;
- Scheme Manager representatives : 3 (to be comprised 2 x elected members of the Fire authority and 1 x Officer representative)
- Scheme Member representatives : 3 (to be comprised 2 x pension scheme members (active, deferred or retired) and 1 x representative of the FBU)
- 2.5 Appointments as Scheme Member representatives are made on an annual basis following formal advertisement of the posts, written application and a selection process as appropriate.
- 2.3 At a meeting held on 17 June 2020, the West Yorkshire Fire and Rescue Authority's Executive Committee confirmed the following appointments as **Scheme Member representatives** on the Local Pension Board for 2020 -21;
- Mr Chris Lawton
- Mr Paul Drinkwater
- The third Scheme member representative is from the FBU - Firefighter Jim Davies.
- 2.5 Appointments as Scheme Manager representatives are made at the Annual Meeting of the West Yorkshire Fire and Rescue Authority. At its meeting on 25 June the Fire Authority appointed the following elected members as Scheme Manager representatives on the Local Pension Board for 2020 – 21;

Councillor Peter Harrand

Councillor Angela Wenham

The third Scheme Manager representative is the Chief Fire Officer John Roberts.

3 Financial Implications

- 3.1 Local Pension Board members can submit claims in respect of out of pocket expenses. Provision has been made in the revenue budget for members' allowances claims.

4 Legal implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health, Safety and Wellbeing Implications

- 6.1 There are no direct health, safety or wellbeing implications arising from this report.

7 Your Fire and Rescue Service priorities

- 7.1 This report supports all the Your Fire and Rescue Service 2019 – 22 priorities.

AGENDA ITEM NO 4

DRAFT

EXCLUSION OF THE PUBLIC - SECTION 100A LOCAL GOVERNMENT ACT 1972

RESOLVED : That the public be excluded from the meeting during the item of business specified below as it is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during this time, there would be disclosure to them of exempt information of the description respectively specified.

AGENDA ITEM NO.	TITLE OF REPORT	MINUTE NUMBER (to be added)	Description of exempt information by reference to the paragraph number in Schedule 12a of the Local Government Act 1972
None			

Disclosure of Disclosable Pecuniary Interests (DPI's)

- 1 Members present at the meeting who are aware that they have a DPI in a matter being considered must disclose the details of that DPI to the meeting unless it is already recorded on the Authority Members DPI Register.
- 2 Any Member with a DPI may not participate in any discussion or vote and under Authority Standing Orders is required to leave the meeting during any discussion or vote unless they have been granted a dispensation from exclusion from the meeting by the Executive Committee or in certain circumstances by the Monitoring Officer before any consideration of the item by the committee starts.

Footnote:

- (1) Members are referred to the Authority Constitution and to the provisions of sections 30-34 of the Localism Act 2011 and to the statutory regulations made thereunder which define the meaning of a DPI.
- (2) Members are reminded of the potential criminal sanctions and disqualification provisions under Section 34 of the Act applicable to breaches of disclosure and non- participation requirements.
- (3) A Member with a sensitive DPI need not disclose the details of that interest with the Monitoring Officers agreement but must still disclose the existence of a DPI and must withdraw from the meeting.

Application for dispensation to vote

Attached is a blank "application for dispensation" form which Members of the Committee may use to seek the grant of an individual dispensation on any item on the agenda.

Where possible, the completed form should be returned to the Monitoring Officer in advance of the meeting so that he can consider whether a dispensation should be granted. Block dispensations affecting a significant number of Members will be referred to the Executive Committee for approval, if time permits.

West Yorkshire Fire and Rescue Authority

Sections 31 and 33 Localism Act 2011

Member Participation & Voting Dispensation Request

Section for completion by Member

Name of Member:

Correspondence/ email address:

Dispensation applied for: (1) Participation (2) Voting (3) Both

Details of Meeting/agenda Item:

Full details of why you are applying for a dispensation:

Signed:

Dated:

Please send your application to the Monitoring Officer at Fire & Rescue Service
Headquarters Birkenshaw BD11 2DY – Michael.barnes@westyorksfire.gov.uk

Section for completion by Monitoring Officer:

No in Register:

Received on:

Granted/ Refused

Reasons for refusal / Statutory Grounds relied upon for grant:



Minutes

Local Pension Board

Date: 31 January 2020

Time: 12 noon

Venue: Fire and Rescue Headquarters, Birkenshaw

Present: Councillor Peter Harrand (Scheme Manager representative – Chair), Chris Lawton (Scheme Member representative) and Councillor Angela Wenham (Scheme Manager representative)

In Attendance: Claire Johnson - Technical Adviser
Ian Brandwood – Chief Employment Services Officer
Andrew Bosmans – Chair of South Yorkshire Fire and Rescue Local Pension Board

Apologies: Paul Drinkwater (Scheme Member representative)

17 Minutes of the last meeting

RESOLVED

That the Minutes of the meeting held on 5 July 2019 be signed by the Chair as a correct record.

18 Matters arising

None.

19 Urgent items

None.

20 Admission of the public

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

21 Declarations of interest

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

22 Local Pension Board Activity report

Members considered a report submitted by the Chief Employment Services Officer concerning performance in key areas for the period 1 June to 30 November 2019.

Members raised the following specific issues;

- the number of, and possible reasons for, opt-outs from the Firefighters' Pension Scheme process

RESOLVED

That the report be noted.

23 Scrutiny and review

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

- Discretions made by the Scheme Manager – used on three occasions since the date of the last meeting. The Chief Employment Services Officer provided an update on the suspension of a higher tier ill health pension as detailed in the report now submitted
- Breaches register – one additional breach to report related to failure to comply with the TPR (The Pensions Regulator) deadline related to submission of Additional Benefit Statements. Members were advised this had been due to issues related to the software used by the administrators (West Yorkshire Pension Fund)
- Pension Risk register – Members were reassured that arrangements were being put in place with a report to the Authority's Human resources Committee related to the provision of additional resources to allow for the pension appeal remedial actions to be implemented
- Compliance deadlines
- Data Improvement Plan (administered by West Yorkshire Pension Fund) – It was reported that the information related to Data Quality Scores and Errors was relevant to June 2019 and not as detailed in the report now submitted

RESOLVED

- a) That the report be noted;
- b) That the issue of Additional Benefit Statements be included on the Risk Register;

- c) That the Chief Employment Services Officer formally requests assurance from the West Yorkshire Pension related to compliance with regard the future issue of Benefit Statements and the impact of new ICT software; and
- d) That West Yorkshire Pension Fund be requested to provide an explanation for the high number (80) of missing beneficiary links to pensioners

24 Pension Ombudsman – update

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

- Mr I – ill health benefits
- Mr N – widow benefits
- Mr N – administration
- Mrs H - payments

RESOLVED

That the report be noted.

25 Legislative update

The Chief Employment Services Officer submitted a report which provided an update with regard to the following;

- Transitional protections / legal challenge – it was reported that more than 900 West Yorkshire pensioners would be affected by the Appeal Court adjudication and no formal decision had been taken with regard to who would make these additional payments. Members were provided with information on how the ruling was being communicated with those affected in West Yorkshire together with relevant information published by the Home Office
- Revised GAD factors – these had been circulated in December 2019 following a factor review

RESOLVED

- a) That the report be noted; and
- b) That Members be advised of how the legal challenge implications were provided for within the West Yorkshire Fire and Rescue Authority annual accounts.

26 Firefighter Pensions England bulletins update

Consideration was given to the content of bulletins 22 – 27, which had been circulated to Members upon issue by the Scheme Advisory Board (SAB).

The following issues were highlighted;

- Steps being taken in-house to identify relevant pension scheme members following publication of the Employment Tribunal ruling in the Sargeant legal case.

Members were advised that there were currently no cases with the Independent Qualified Medical Practitioner (IQMP) and that one former employee was affected who did not meet tier 1 of ill-health pension payments following an IQMP assessment under the 2015 Firefighters' Pension Scheme. 145 employees were eligible for immediate retirement and 40 individuals in West Yorkshire who would taper into the 2015 Scheme from January 2020 to January 2022 with an additional 8 transfers into the Scheme.

It was reported that 20 firefighters now eligible for immediate retirement had not been accounted for under the Authority's retirement profile. There was capacity within the system to cover these posts in the short-term and recruitment figures would be amended accordingly.

- SCAPE factors and how this would be accounted for in the 2020 – 21 financial year accounts

RESOLVED

- a) That the content of Bulletins 22 – 27 be noted; and
- b) That the Scheme Manager be requested to write to West Yorkshire Pension Fund to ascertain what plans had been put in place to manage the demands of remedy made by the Employment Tribunal in the Sargeant legal case.

27 Scheme Advisory Board

RESOLVED

- a) That the Minutes of the Effectiveness Committee meetings held on 7 August and 14 November 2019, the Minutes of the Administration and benchmarking / cost effectiveness Committee at a meeting held on 15 August 2019 and the Minutes of the Scheme Advisory Board at meetings held on 13 June, 3 October 2019 and 9 January 2020 be noted; and
- b) That it be noted that one of the Local Pension Board's Scheme Member representatives (Chris Lawton) had been appointed to sit on the Scheme Advisory Board's Benchmarking and Effectiveness Committee.

28 West Yorkshire Pension Fund – key performance indicators

Consideration was given to a report of the Chief Employment Services Officer which advised of West Yorkshire Pension Fund (WYPF) performance in key areas for the periods 1 June – 30 November 2019;

Members were advised that there had been no areas of concern during the period 1 June to 30 November 2019 but sought specific information on the following;

- Payment of spouses child benefits

RESOLVED

That the performance of West Yorkshire Pension Fund in key areas 1 June to 30 November 2019 be noted.

29 The Pensions Regulator survey 2019 – response

Consideration was given to a report which detailed the responses provided to the Pensions Regulator Survey 2019 following consideration and completion by the Pensions Technical Adviser (Claire Johnson), the Chief Employment Services Officer (Ian Brandwood) and the Chair of the West Yorkshire Fire and Rescue Authority's Local Pension Board (Councillor Peter Harrand).

It was reported that some Fire and Rescue Authorities had been challenged on their responses but that no such challenge had been received in West Yorkshire.

RESOLVED

That the responses to The Pensions Regulator survey 2019 be noted.

30 Local Pension Board training - requirements

The Chief Legal and Governance Officer submitted a report which advised of the requirement for Local Pension Board member training as confirmed by the Local Government Association which would equip them with sufficient knowledge of the respective pension schemes and associated administration procedures.

This was followed by a member training session.

RESOLVED

That it be confirmed that members of the West Yorkshire Fire and Rescue Authority Local Pension Board had undertaken, or were in the process of completing, all required training to date.

31 Any other business

Members raised the following concerns;

- West Yorkshire Local Pension Board succession planning
- Constitution of the Board

RESOLVED

- a) That the Chief Employment Services Officer submit a request at the Authority's Annual meeting in June 2020 that consideration be given to increase the size of the Board with the addition of one Scheme Manager representative and one Scheme Member representative; and
- b) That consideration be also given by the Authority to the appointment of independent member(s) to the Board.

Chair



Minutes

Local Pension Board

Date: 20 April 2020

Time: 12.32 pm

Venue: Meeting conducted by email

Present: Councillor P Harrand – Scheme Manager representative (in the Chair), P Drinkwater – Scheme Member representative, Chris Lawton – Scheme Member representative and Councillor A Wenham - Scheme Manager representative

In Attendance: Ian Brandwood – Chief Employment Services Officer / Technical Adviser and Claire Johnson – Technical Adviser

Apologies: None

Minutes of a meeting held in accordance with the West Yorkshire Fire and Rescue Authority Constitution Article 10A (Local Pension Board), paragraph 10.A3(ii)

32 Draft Local Pension Board Annual Report 2019 - 20

In accordance with the Local Pension Board Terms of Reference which allow for urgent business between meetings, in exceptional circumstances, to be conducted, with the approval of the Chair, via communications between members of the Board including telephone conferencing and emails, Members considered the Annual Report 2019 – 20 which had previously been considered at the January 2020 meeting of the Board and had been updated to reflect that meeting.

RESOLVED

That the Annual Report 2019 – 20 be submitted for formal ratification by the Human Resources Committee at its meeting on 10 July 2020.

Chair



OFFICIAL

Local Pension Board Terms of Reference - annual review

Local Pension Board

Date: 24 July 2020

Agenda Item:

7

Submitted By: Chief Legal and Governance Officer

Purpose To review the Terms of Reference for the Local Pension Board.

Recommendations That the report be noted and proposals for amendment made as required.

Summary In preparation for the establishment of the Local Pension Board on 1 April 2015, the Authority's Human Resources Committee approved the draft Terms of Reference at its meeting held on 23 January 2015 which were subsequently reviewed and amended in July 2016. Further reviews were undertaken in July 2017 and January 2018 but no amendments were made. A recent review in January 2020 has led to a change in the Terms of Reference relating to the membership of the Board (as approved by the Full Authority on 25 June 2020)

It is a requirement that the Terms of Reference be reviewed on an annual basis.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Services Manager
E: nicky.houseman@westyorksfire.gov.uk
T: 01274 655740

Background papers open to inspection: None

Annexes: Terms of Reference – Local Pension Board

1 Introduction

- 1.1 This report invites Members to review of the Local Pension Board Terms of Reference.

2 Information

- 2.1 The Local Pension Board Terms of Reference have been kept under review since its establishment in April 2015. A copy of the current Terms of Reference is attached at Annex A. These reflect the changes to the Terms of Reference (as detailed at agenda item 2 of this agenda) approved at the 25 June 2020 meeting of the Full Authority.
- 2.3 It is a requirement of the Board that the Terms of Reference be reviewed on an annual basis. Members are now invited, therefore, to consider the Terms of Reference for the 2020 – 21 year and note that any amendment will be included in the Local Pension Board's Constitution document and will require formal approval from the Fire Authority.

3 Financial Implications

- 3.1 There are no direct financial implications arising from this report.

4 Legal implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no direct health, safety or wellbeing implications arising from this report.

7 Your Fire and Rescue Service priorities

- 7.1 The report supports all the Your Fire and Rescue 2019 - 22 priorities.

West Yorkshire Fire and Rescue Authority

Local Pension Board

Terms of Reference

Function and Responsibilities

The function of the Local Pension Board is to assist the Scheme Manager (West Yorkshire Fire and Rescue Authority) in administering the various firefighter pension schemes. This will be achieved by providing governance and by scrutiny of policies, pension documentation, decisions and outcomes.

The Local Pension Board will also assist the Scheme Manager to:

- secure compliance with the Regulations, any other legislation relating to the governance and administration of the Schemes, and requirements imposed by the Pensions Regulator in relation to the Schemes and;
- ensure the effective and efficient governance and administration of the Schemes

Duties of the Board

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of these duties Board members:

- should act always in the interests of the Scheme and not seek to promote the interests of any stakeholder group above another
- should be subject to and abide by the Local Pension Board approved code of conduct

Frequency of meetings

The WYFRA Local Pension Board will meet six monthly (July and January in each municipal year), to review / report on previous actions and determine work streams and priorities for the future.

The Chair of the Board, with the consent of the Board membership, may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

Local Pension Board membership

To comply with the regulations the Board must have a minimum of four members (two Scheme Member representatives and two Scheme Manager representatives. A Local Pension Board membership of four is the most straight forward and cost effective way of providing the Local Pension Board and complying with the Regulations.

Membership of the West Yorkshire Fire and Rescue Authority Local Pension Board will be:

3 X Scheme Member representatives (including 1 x FBU representative)

3 X Scheme Manager representatives (2 x elected Members, 1 x Officer representative)

Non-voting Officer Advisor(s) as appropriate

Scheme Manager (elected Member) representation on the Board will be determined by the Fire Authority at its Annual Meeting (or as otherwise required). The Officer representative will be nominated by the Authority's Management Board.

The Officer Advisor will be a specific officer who is to assist the Board in gathering/analysing information and writing reports. The Board will also be able to request assistance from any officer who has specific knowledge of a subject matter they are investigating.

Scheme Member representatives

Scheme Member representatives shall be appointed to the Board on an annual basis (or as otherwise required) by the Executive Committee of the West Yorkshire Fire and Rescue Authority following a formal application process.

2 x Scheme Member representatives will be active, deferred or retired members of one of the firefighter pension schemes administered by WYFRA.

1 x Scheme Member representative will be nominated by the Fire Brigades' Union.

Scheme Member representatives should be able to demonstrate

- their capacity to represent pension scheme members
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Scheme Manager representatives

2 x elected Member Scheme Manager representatives shall be appointed on an annual basis to the Board at the Annual Meeting of the Authority (or as otherwise required)

1 x Officer Scheme Manager representative shall be appointed/confirmed on an annual basis by the Authority's Management Board.

Scheme Manager representatives with delegated responsibility for discharging the Scheme Manager function of WYFRA may not serve as Scheme Manager representatives on the Board.

Scheme Manager representatives should be able to demonstrate

- their capacity to represent the Scheme Manager
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

Appointment of Chair and Vice chair

Local Pension Board Members will act as the Chair and Vice- chair on an annual, rotational basis ie. when a Scheme Manager representative is appointed Chair of the Board, the position of Vice chair will be filled by a Scheme Member representative and vice versa on an annual basis.

Notification of appointments

On appointment to the Board, WYFRA shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

Objectives

WYFRA Local Pension Board should consider the following:

- Are pension statements timely and accurate?
- How long does it take between retirement and receipt of pension?
- The number of errors made by the pension administrator.
- Are relevant policies in place and of a sufficient standard?
- Are pension estimates accurate and timely?
- Is the West Yorkshire Pension Fund (WYPF) website accurate and user friendly?
- Ensure that annual CARE scheme calculations are being carried out.
- Scrutinise data quality.

- Ensuring pension rules and regulations are being complied with, when officers are making decisions on pension matters.
- If complaints/appeals are being dealt with correctly and the correct procedures being followed.
- Review internal audit reports

This list is not exhaustive. The Local Pension Board will have the power to investigate anything it wishes in relation to the firefighters' pension schemes within WYFRS.

Conduct and Conflict of interest

Members of the Board are responsible for ensuring that their board membership does not result in any conflict of interest with any other posts they hold.

All members of the Board must declare to WYFRA on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board. On appointment to the Board and following any subsequent declaration of potential conflict WYFRA shall ensure that any potential conflict is effectively managed in line with both the internal procedures of WYFRA and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

Members of the Board must not use their membership for personal gain.

Gifts and hospitality should only be accepted with the permission of the Authority - any gifts accepted should be reported on in the Local Pension Board's annual report.

Members of the WYFRA Local Pension Board should maintain confidentiality when discharging their duties.

The WYFRA Local Pension Board has the right to use WYFRA facilities and resources in the course of discharging its duties.

Knowledge and understanding (including Training)

Knowledge and understanding must be considered in light of the role of the Board to assist WYFRA as detailed above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding

policy and framework. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

Term of office

Term of Office should be in accordance with the committee cycle in WYFRA

Board membership may be terminated prior to the end of the term of office due to:

- A Scheme Member representative no longer holding the office or employment or being a member of the body on which their appointment relied
- A Scheme Manager representative no longer holding the office or employment or being a Member on which their appointment relied
- The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training

Board Members may be re-appointed for more than one term of office following an approved appointment / nomination process.

Reporting

The West Yorkshire Local Pension Board will produce an Annual Report which will highlight areas of concern and identify good practice.

The report will also contain information on the number of retirements (natural and ill health), new starters, membership and opt-out numbers.

The Board will report to the Human Resources Committee.

Resourcing and funding

Members of the WYFRA Local Pension Board will be entitled to claim any reasonable out of pocket expense incurred through discharging their Local Pension Board responsibilities.

The Board will not have a dedicated budget. Requests for finance to purchase technical assistance, Board member training and anything else the Board may require to effectively discharge its duties will be made through the WYFRA Finance and Resources Committee.

Quorum

A meeting is only quorate when three Board members are present (including either the Chair or Vice chair).

Voting

The Chair shall determine when consensus has been reached. There will be no casting vote.

Where consensus is not achieved this should be recorded by the Chair.

Relationship with West Yorkshire Fire and Rescue Authority

In support of its core functions the Board may make a request for information to WYFRA with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

In support of its core functions the Board may make recommendations to WYFRA which should be considered and a response made to the Board on the outcome within a reasonable period of time.



OFFICIAL

Local Pension Board - Annual report 2019 - 20

Local Pension Board

Date: 24 July 2020

Agenda Item:

8

Submitted By: Chief Legal and Governance Officer

Purpose To receive the Annual Report for the Local Pension Board 2019 - 20.

Recommendations That the Annual Report for the Local Pension Board 2019 - 20 be noted.

Summary It is a requirement that the Local Pension Board produces an Annual report each year setting out activity during the course of the previous year.

The report has been formally submitted to the Human Resources Committee for approval on 10 July 2020.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager
T: 01274 655740
E: nicky.houseman@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annual Report 2018 - 19

1 Introduction

- 1.1 The Local Pension Board is required to submit an Annual Report for formal ratification by West Yorkshire Fire and Rescue Authority's Human Resources Committee as set out in its Terms of Reference.

2 Information

- 2.1 The draft Annual Report was submitted to the Board for comment at its meeting held on 20 April 2020.
- 2.2 The report was subsequently formally ratified by the Human Resources Committee at its meeting on 10 July 2020.

3 Financial Implications

- 3.1 There are no direct financial implications arising from this report.

4 Legal implications

- 4.1 The Chief Legal and Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no health, safety or wellbeing implications arising from this report.

7 Your Fire and Rescue Service priorities

- 7.1 Production of the Annual Report and its submission for formal ratification by the Human Resources Committee supports all the Your Fire and Rescue Service 2019 – 22 priorities.



LOCAL PENSION BOARD

Annual Report 2019 - 2020

OFFICIAL

Ownership: Legal and Governance

Date Issued:

Version:

Status: Draft



Revision and Signoff Sheet

Change Record

Date	Author	Version	Comments
		V1 – initial draft	To submit to Local Pension Board for final comment and recommendation for approval to HR Committee on 10 July 2020.

Reviewers

Name	Version Approved	Position	Organisation	Date
Nicola Houseman		Committee Manager	WYFRA	16/4/20

Distribution

Name	Position	Organisation
Local Pension Board		West Yorkshire Fire and Rescue Authority
Human Resources Committee		10 July 2020

Document Properties

Item	Details
Document Title	LOCAL PENSION BOARD
Author	Administrator
Creation Date	10 July 2019
Last Updated	16 April 2020

Contents

Contents

1	Foreword.....	3
2	Membership and meetings of the Board	3
3	Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2019 – 20	4
4	Specific investigations and Board resolutions.....	5
5	Conflicts of interest	5
6	Identified Risks and areas of concern	5
7	Expenses and Costs	6
8	Gifts and Hospitality	6
9	Training.....	6
10	Legislative updates	6
11	Scrutiny and review	7

1 Foreword

The purpose of this Annual report is to provide a source of information about the status of West Yorkshire Fire and Rescue Authority Local Pension Board for Scheme members and for the Scheme Manager together with a summary of issues considered in the relevant period (1 April 2019 – 31 March 2020)

In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.

[The Local Government Pension Scheme for Green Book employees is monitored by a separate Local Pension Board established by the West Yorkshire Local Government Pension Scheme and does not form part of this Annual Report].

The Report includes commentary on the following;

- A summary of the work undertaken by the Local Pension Board during 2019 – 20
- Detail of areas investigated and how these areas were dealt with
- Any conflicts of interest and how these were managed
- Any identified risks and other areas of potential concern
- Any expenses and costs incurred by the Board
- Gifts and hospitality received by members of the Board
- Training for Board members
- Breaches
- Scrutiny and review

Information has also been categorised in parts of this Annual Report on the basis of the following Classifications

Classification	Action
	Outstanding
	Partially complete
	Complete

2 Membership and meetings of the Board

2.1 The West Yorkshire Fire and Rescue Authority Local Pension Board comprises 4 members as follows;

2 x Scheme Member representatives (Paul Drinkwater and Chris Lawton)
 2 x Scheme Manager representatives (Councillors Peter Harrand (Chair) and Angela Wenham)

(plus Non-voting Officer Adviser(s) as appropriate)

- 2.2 The Board has met on 2 occasions in the 2019 – 20 year with an additional meeting by email on 20 April 2020.

3 Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2019 – 20

- 3.1 The work undertaken by the Board during the course of the year has been defined by the Terms of Reference approved at the 24 June 2016 meeting of the West Yorkshire Fire and Rescue Authority.

- 3.2 Appointment to the Pensionable Pay working group at the behest of the Local Government Association and appointment to the Scheme Advisory Board's Benchmarking and Effectiveness Committee

- Chris Lawton (Scheme member representative)

- 3.3 During the period 1 April 2019 – 31 March 2020 the following items were also considered by the Board;

- Updates on the work and levy associated with the national Scheme Advisory Board (SAB) & its sub-committee (Ensuring the effectiveness of the Local Pension Board)
- Pension Fund – Key Performance Indicators and corporate risks
- Discretions made by the Scheme Manager
- Annual benefit statements (including Annual Benefit Survey 2019)
- Review of Terms of Reference
- Pension Risk Register
- Compliance breaches Register
- Response to SAB survey 2019 on effectiveness of Local Pension Boards (including West Yorkshire position statement)
- Guaranteed Minimum Pension (GMP) reconciliation
- Data Improvement Plan (administered by West Yorkshire Pension Fund)
- Pension Ombudsman sample cases
- Legislative updates
- Firefighter Pensions England bulletins
- Response to The Pensions Regulator survey 2019
- Constitution of, and succession planning for, the Board

- 3.4 Each Activity report includes detail on the number of;

- pension scheme members across the various schemes
- number of new scheme members
- retirees
- pensioner members
- deferred members
- IDRPs stage 1 and 2 complaints
- Opt-outs

- Pension estimates requested / processed
- Compliance and complaints

3.5 Each agenda also includes the following standing items;

- legislative update (see section 10.)
- scrutiny and review (including discretions, breach and risk registers)
- Pensions ombudsman cases (see section 9.)

4 Specific investigations and Board resolutions

4.1 A summary of the areas considered during 2019 – 20 which warranted further investigation and action and the relevant outcomes are detailed in the table below.

Meeting	Summary	Outcome / resolution	Completed
31 January 2020	Terms of reference to be revised and approved by Full Authority	Constitution and succession planning – increase Board to 6 Members and consider appointment of an independent member	

5 Conflicts of interest

5.1 As statutorily required, members of the Local Pension Board complete a Declaration of Interests. The register is maintained by the West Yorkshire Fire and Rescue Authority Committee Services section. Members of the Board reviewed their Declarations in July 2019.

5.2 There have been no declarations made by any member, adviser or attendee at any meeting of the Board during the relevant period.

6 Identified Risks and areas of concern

6.1

Meeting	Summary of risk	Outcome / resolution	Completed
4 December 2015	Ongoing pension dispute –	FBU legal case upheld in Court – Government lost an appeal.	

6.2 IDRPs Stage 1 and 2 complaints are included as appropriate in the Activity report at each meeting of the Board.

6.3 Breaches – the reporting system was bedded in during the course of the year and advice sought with regard to the level of breach required to be escalated.

7 Expenses and Costs

7.1 11 September 2019 Rail £65.07 Pensionable Pay Working Group

7.2 There has been no additional expenditure or costs incurred within the relevant period for the administration of the Board.

8 Gifts and Hospitality

8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

9 Training

9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed related issues in order to effectively carry out their duties.

9.2 The following training has been provided during the course of the year to Local Pension Board members;

- Pensions Regulator e-learning package
- Monthly bulletins from LGA Pension Advisory Service
- LGA National training programme – update / refresher training

9.3 One standing item on the Local Pension Board agendas is consideration of relevant Pension Ombudsman cases. The summaries provided and Ombudsman decisions serve as a learning tool for LPB members.

9.4 During the course of the year, the following cases were reviewed;

9.4.1 Mrs N – ill health benefits (Derbyshire County Council)

9.4.2 Mr I – ill health benefits (Torfaen LGPS)

9.4.3 Mr N – widow benefits (Police Pension Scheme)

9.4.4 Mr N – administration (Lancs. FRS)

9.4.5 Mrs H – payments (Hants. LGPS)

10 Legislative updates

As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.

10.1 The following have been provided during the relevant period;

- Transitional protections and legal challenge
- Revised GAD factors
- Exit payments

- Auto-enrolment

11 Scrutiny and review

11.1 Members are required to scrutinise areas relevant to the administration of the Firefighters' Pension Schemes.

11.2 The following areas were scrutinised during the relevant period;

- Pension Risk and breaches policy
- Discretions
- Breaches register
- Pension Risk register
- Compliance deadlines



OFFICIAL

Activity report

Local Pension Board

Date: 24 July 2020

Agenda Item:

9

Submitted By: Chief Employment Services Officer

Purpose To inform Members of performance in key areas for the period 1 December 2019 to 31 May 2020.

Recommendations That the report is noted.

Summary This report informs Members of the Authority's key areas relating to the Local Pension Board as follows:
Number of pension scheme members across the various schemes
Number of new pension scheme members
Number of retirees in the period
Number of pensioner members of each scheme
Number of deferred members of each scheme
Number of IDRPs stage 1 and 2 complaints
Number of Opt Outs from the pension schemes
Number of pension estimates requested and processed

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:
Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

This report informs Members of the Authority's key areas relating to the Local Pension Board as follows:

- Number of pension scheme members across the various schemes
- Number of new pension scheme members
- Number of retirees in the period
- Number of pensioner members of each scheme
- Number of deferred members of each scheme
- Number of IDRPs stage 1 and 2 complaints
- Number of Opt Outs from the pension schemes
- Number of pension estimates requested and processed

2 Information

2.1 Number of pension scheme members across the various schemes at 31 May 2020:

1992 Fire fighters Pension Scheme	65
2006 Fire Firefighters Pension Scheme	4
2015 Firefighters Pension Scheme	901
Fire Fighters Modified Scheme	16

2.2 Number of pensioner members of each scheme at 31 May 2020:

1992 Fire fighters Pension Scheme	2407
2006 Fire Firefighters Pension Scheme	7
2015 Firefighters Pension Scheme	2
Fire Fighters Modified Scheme	32

2.3 Number of deferred members of each scheme at 31 May 2020:

1992 Fire fighters Pension Scheme	96
2006 Fire Firefighters Pension Scheme	92
2015 Firefighters Pension Scheme	98
Fire Fighters Modified Scheme	18

2.4 Number of 1992 FPS Scheme members with tapered protection

At 31 May 2020, there are **31** 1992 FPS, 2006 NFPS and RDS Modified members that have tapered protection and will transition into the 2015 FPS.

2.5 Number of new pension scheme members

In the period 1 December 2019 to 31 May 2020, there has been **20** new 2015 CARE pension scheme members.

Please note that this does not include members that have transitioned due to taper protection.

This can be broken down into the following demographic:

Age	Male	Female
18 – 30	6	
31 – 40	4	1
41 – 50	1	1
51 – 60	3	
Total	14	2

2.6 Number of retirees

In the period 1 December 2019 to 31 May 2020, **27** members retired to pension.

2.7 Number of Opt Outs

In the period 1 December 2019 to 31 May 2020, **3** members opted out of the pension scheme.

This can be broken down into the following demographic:

Age	Male	Female
18 – 30	2	
31 – 40		
41 – 50		
51 – 60	1	
Total	3	0

2.8 Estimate Requests

In the period 1 December 2019 to 31 May 2020 a total of **40** estimates were processed.

*It's worth noting that our administrators, West Yorkshire Pension Fund, are only willing to process estimates for protected 1992 members. This is due to the uncertainties around remedy.

3 Summary of new recruits

In the period 1 December 2019 to 31 May 2020, we appointed **5** Wholetime Firefighters **11** On Call Firefighter. Of those, **0** recruits chose to opt out of the pension scheme.

The recruits can be broken down into the following demographic:

Age	Male	Female
18 – 30	6	
31 – 40	4	1
41 – 50	1	1
51 – 60	3	
Total	14	2

4 IDRPs

In the period 1 December 2019 to 31 May 2020, there have been **2** IDRPs complaints at stage one and 0 at stage two.

The first case related to an imminent retiree. They took issue with the fact that remedy measures (to treat members affected by the transitional protections as though they had never been taken out of the 1992 scheme) haven't been applied prior to their retirement.

A response was issued that acknowledged the frustrations felt. It confirmed that all is being done to arrive at the promised outcome but, until guidance is received, remedy cannot be progressed.

The other IDRPs centred around three areas:

The first was with the fact that remedy measures (to treat members affected by the transitional protections as though they had never been taken out of the 1992 scheme) haven't been applied prior to their retirement.

The second was in relation to a pension holiday they would have been entitled to should they have remained a member of FPS 1992.

The third was around pensionable pay. They believed that the allowances meet the pensionable pay test and therefore should be treated as pensionable.

Again, a response was issued that acknowledged the frustrations felt with regards to the remedy delays. It's with regret that, until guidance is received, remedy cannot be progressed. This statement also applies to the pension holiday.

In terms of the pensionable pay complaint. A response was issued as to why, in our opinion, the allowances referred do not meet the pensionable pay test.

Both cases are now closed. The complainants have the right to progress to the second stage if they are not satisfied with the response.

5 Grey Book Head Count

The total number of grey book employees at 31 May 2020 was **1115**. Of these, **1008** are current pension scheme members.



OFFICIAL

Scrutiny and review

Local Pension Board

Date: 24 July 2020

Agenda Item:

10

Submitted By: Chief Employment Services Officer

Purpose

To scrutinise and review the following:

- Discretions made by Scheme Manager
- Breaches register
- Pension Risk register
- Compliance deadlines

Recommendations

That the report be noted and further action is taken as identified

Summary

It is one of the requirements of the Local Pension Board that members scrutinise areas relevant to the administrations of the Firefighters' Pension Schemes.

This report identifies four areas of scrutiny.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Pension risk register
Annex B – Compliance deadlines

1 Introduction

- 1.1 Local Pension Board members are to be conversant with Firefighter pension scheme rules and other administration policies relevant to the schemes.
- 1.2 In accordance with this requirement updates have been provided on the following legislative issues:
- Discretions made by Scheme Manager
 - Breaches register
 - Pension risk register
 - Compliance deadlines
- 1.3 Members are invited to consider the remaining annexes and consider if any further action would be appropriate.

2 Information

2.1 Discretions made by Scheme Manager

- 2.1.1 For the period from 1 December 2019 to 31 May 2020 the Scheme Manager has been asked to exercise their discretion on one occasion.
- 2.1.2 The discretion was in relation to the resurrection of spouses benefits. This was originally suspended when the Firefighters widow remarried.
- 2.1.3 FPS 1992 regulations stipulate that, upon remarriage, spouse's benefits are suspended. The regulations do allow recommencement of spouse's benefits should they either divorce or become a widow(er) again.
- 2.1.4 After reviewing the circumstances, and previous decisions on this matter, the Scheme Manager agreed to the reinstatement from the date of their application.
- 2.1.5 On a separate note, West Yorkshire Fire and Rescue Service (WYFRS) discretion policies have recently been updated. They are currently with the Scheme Manager for approval. Once they have been approved they will be shared with Board members for comment.

2.2 Breaches register

- 2.2.1 For the period from 1 December 2019 to 31 May 2020 **0** breaches have been identified.

2.3 Pension risk register

- 2.3.1 The current risk register can be found in Annex A.
- 2.3.2 The risk register has been updated to incorporate the risk associated with the recent COVID 19 pandemic and future pandemics.

2.4 Compliance deadlines

- 2.4.1 Members need to be mindful of 4 key parts of the pension administrative process and the dates associated with it:
- Year End deadline – 31 May
 - Annual Benefit Statement (ABS) deadline – 31 August
 - Pension saving statement deadlines - 6 October

- TPR Survey – November

2.4.2 In anticipation of the Annual Benefit Statement (ABS) and pension saving statement deadlines, West Yorkshire Pension Fund (WYPF) have been approached to see how confident they are with complying with The Pensions Regulator (TPR) deadline. The questions asked and replies received (in red) are as follows:

ABS

Q1) Do you have all the data you require from WYFRS to undertake the ABS process?
Yes

Q2) Did you have any issues with the data quality that WYFRS supplied? If so, please advise. **No, just a small number queries needed resolving**

Q3) When do envisage that ABS production will commence for WYFRS? – **w/c 20 July but a further update given at the Client Meeting**

Q4) Has the issue with the Modified calculations been rectified from last year? – **This is an automated process & they will be produced at the same time as the others**

Q5) Do you envisage any calculation problems that could hinder the process? - **No**

Q6) Will Coronavirus have any impact on production? If so, what? – **Not that we are aware of currently**

Q7) Do you expect to meet the ABS statutory deadline of 31/08/2020? If not, why not? - **Yes**

Q8) It's our understanding that the 2020 ABS' will not take into consideration remedy and will have projects to 30 years and age 55 (where applicable) – please can you confirm that this is the case. – **Yes, that is the case**

Pension savings statements

Q1) Do you have all the data you require from WYFRS to produce the pension savings statement? – **Not necessarily. We don't know who we will require additional information for until the ABS has been produced.**

Q2) Will Coronavirus have any impact on production? If so, what? – **Not that we are aware of currently**

Q3) Do you expect to meet the statutory deadline of 06/10/2020? If not, why not? - **Yes**

2.4.3 Further details can be found in Annex B.

3 Financial Implications

3.1 There are no financial implications arising from this report.

4 Legal Implications

4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

Risk Area 1 - Regulatory and Compliance	Likelihood (1.least likely, 10.most likely)	Impact (1.least likely, 10.most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Failure to put appropriate governance arrangements in place and monitor risk	2	7	14	Scheme Manager and Pension Board awareness of legal responsibilities				
				• Pension Board given up to date information on legal responsibilities	Pension Board Chair	As Required		
				• Terms of reference in place and under review	Scheme Manager	Annual	July 2021	
				• Procedures for assessing and managing risk	Scheme Manager	Annual	July 2021	Procedure agreed in July 2019
				• Procedure to identify, assess and report breaches	Scheme Manager	Annual	July 2021	Procedure agreed in July 2019
• Suitable frequency of Pension Board meetings	Scheme Manager	Annual	January 2021	Discussed in January 2020 meeting - LPB Members happy with 2 per annum, with the option to hold more as and when required.				
Failure to interpret rules or legislation correctly	2	7	14	Appropriate Pension Board Member training				
				• Up to date and documented training log, showing completion of scheme-specific training and The Pensions Regulator's educational material	Scheme Manager	Annual	LPB Meetings	Training records reviewed and maintained
				• Technical advice and regular updates made available	Scheme Manager	Ongoing	LPB Meetings	Legislative update is a standing item on the agenda
				• Ongoing process for acquiring relevant knowledge and understanding, with regular refreshers	Scheme Manager	Ongoing	LPB Meetings	Encouraged to attend LGA seminars, provided with monthly bulletins and given an overview of recent PO determinations
				• Training of new Pension Board Members	Scheme Manager	As Required	LPB Meetings	Provided access to TPR online training and training from LGA
• Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46	Scheme Manager	As Required	LPB Meetings					
Conflicts of Interest	2	5	10	All Pension Board members to declare any conflicts				
				• Conflicts of interest policy in place and fully understood	Scheme Manager	Ongoing	July 2021	Provided to new LPB members and readily available from Corporate Services
				• Request for interests to be declared at each meeting	Scheme Manager	Ongoing	LPB Meetings	Standing item on LPB agenda
Failure to comply with TPR deadlines	5	7	35	All pension Board members to keep upto date with TPR compliance deadlines				
				• Training of new Pension Board Members	Scheme Manager	Ongoing	LPB Meetings	Access given to TPR training with a view to complete within 12 weeks of appointment. Invites sent to all Members on any training and seminars provided by LGA.
				• Technical advice and regular updates made available at LPB meetings	Scheme Manager	Ongoing	LPB Meetings	Standing item on LPB agenda. LGA regularly invited to attend board meetings.
Risk Area 2 - Operations	Likelihood (1.least likely, 10.most likely)	Impact (1.least likely, 10.most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Member data incomplete or inaccurate	5	7	35	Data management and monitoring requirements under SLA fully understood and deemed adequate				
				• Monthly processes to monitor records and carry out reconciliation	Scheme Manager	Monthly	July 2021	Monthly return sent to WYFF for immediate reconciliation
				• Monthly KPI reporting on data issues – provide summary at each PB meeting	Pensions Administrator / Scheme Manager	Ongoing	July 2021	Monthly report received from WYFF. KPIs are a standing item on the LPB agenda
				• Data review arrangements in place including periodic address cleanse	Pensions Administrator / Scheme Manager	As Required	July 2021	Done via contribution return on monthly basis
• Process to enact a Data Improvement Plan and report breaches, if required	Scheme Manager	As Required	July 2021	Data improvement plan in place and reviewed at January 2020 LPB. Breach policy in place and approved at July 2019 LPB				
Administration process failure / maladministration	4	8	32	Formal SLA in place with third party administrator and monitoring arrangements assessed as adequate				
				• Quarterly client meetings and monthly reports including KPIs	Scheme Manager	Monthly	July 2021	Quarterly meetings attended by Pensions Manager
				• Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans	Scheme Manager	Ongoing	July 2021	Data improvement plan in place
				• Clear identification of roles, authority levels, data security and data protection processes	Scheme Manager	Annual	July 2021	
				• Audit reporting on both third party administrator and Scheme Manager's processes	Scheme Manager	Annual	July 2021	
				• Disaster Recovery Plans up to date and appropriate	Scheme Manager	Annual	July 2021	
• Ability to commission independent assurance report, if required	Scheme Manager	As Required	July 2021					
Inadequate, late or inaccurate communications	5	7	35	Communication requirements fully understood and The Pensions Regulator's recommendations applied				
				• Communications provided under SLA fully understood and deemed adequate for basic requirements	Scheme Manager	Annual	July 2021	
				• Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary	Scheme Manager	Ongoing	July 2021	Appropriate action taken from the monthly bulletins

AGENDA ITEM No. 10 – ANNEX B

Compliance Deadlines

Members at the October Local Pension Board (LPB) meeting agreed that it would be useful for them to have a comprehensive list of our compliance deadlines. This will enable Members to scrutinise our position, ensure that we are compliant and avoid fines from The Pensions Regulator (TPR).

I have highlighted below the key dates for members to be aware of, it's worth noting that through the year the Scheme Manager is asked comply with additional areas, however, these are just one off pieces of work. Anything significant will be report to Members through the usual LPB channels.

31 May – Year end Data

West Yorkshire Pension Fund (WYPF) has imposed a deadline of 31 May to send all of our year end data to them. This data is required for the production of Annual Benefit Statements (ABS). Although failing to comply would not result in a financial penalty, it means that WYPF can give no guarantees that ABS production will be completed in time for 31 August, which is the TPR deadline.

To reduce the likelihood of non-compliance WYFRS now send data to WYPF on a monthly basis. This has resulted in less work at year end and ensures that all data is sent to WYPF in a timely manner, therefore giving them ample opportunity to produce the ABSs within the compliance timeframes.

31 August – ABSs

TPR have imposed a deadline of 31 August to produce all ABSs.

Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance.

31 October – Pension Savings Statement

TPR have imposed a deadline of 31 October to produce all pension saving statements. These statements are only applicable for employees who have breached their Annual Allowance (AA), generally numbers are relatively low (50-100 max).

Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance. It would also have a knock on effect for the employee. If the employee has breach their AA, and they don't have any carry forward to offset, a tax charge is payable. HMRC have imposed a deadline of 31 January for Voluntary Scheme Pays (VSP) and 31 July for Mandatory Scheme Pays (MSP). If the individual does not comply with these deadlines HMRC can impose sanctions.

30 November – TPR Survey

TPR send out an annual survey, the survey focuses on governance of the scheme. Although this survey isn't mandatory and failure to complete wouldn't result in a fine, failing to reply could damage our reputation with TPR and SAB.

The survey is normally completed by the Pensions Officer, with support from the LPB Chair, Scheme Manager and administrator.



OFFICIAL

Pension Ombudsman - update

Local Pension Board

Date: 24 July 2020

Agenda Item:

11

Submitted By: Chief Employment Services Officer

Purpose To present Members with information on recent Pension Ombudsman rulings related to the Firefighters' Pension Scheme.

Recommendations That the report be noted.

Summary It is a requirement of the Public Service Pensions Act 2013, and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

It is advised by the Local Government Association that, in order to secure compliance with the legislation relating to the governance and administration of the Firefighter Pension Schemes, Members should review Pension Ombudsman cases.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager
T: 01274 655740
E: nicky.houseman@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – decision summary (copy of full determinations available by contacting the Committee Administration Manager, West Yorkshire Fire and Rescue Authority)

1 Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board had a knowledge and understanding of the governance and administration of the relevant pension schemes.

2 Information

- 2.1 Attached to this report is one relevant Pension Ombudsman ruling that has been made since the date of the last meeting as follows;

- Mr S – entitlement to tax-free cash (South Wales FRS)

3 Financial Implications

- 3.1 There are no financial implications arising directly from this report.

4 Legal implications

- 4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

5 Human Resource and Diversity Implications

- 5.1 There are no human resources implications arising directly from this report.

6 Health, Safety and wellbeing implications

- 6.1 There are no health, safety and wellbeing implications arising directly from this report.

7 Your Fire and Rescue Service priorities

- 7.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

8 Environmental implications

- 8.1 There are no environmental implications arising directly from this report.

Ombudsman's Determination

Applicants	Mr S
Scheme	Firefighters' Pension Scheme (the Scheme)
Respondents	Rhondda Cynon Taff (RCT) South Wales Fire & Rescue Service (SWFRS)

Complaint Summary

Mr S has complained that he was not informed by either RCT or SWFRS that if he retired from employment as a Wholetime Duty Firefighter (**WDF**), taking advantage of a protected pension age (**PPA**), undertaking other linked employment within 30 days of retirement would invalidate the PPA.

As a result, his ongoing employment as a Retained Duty Firefighter (**RDF**) forfeited his entitlement to a PPA, and the pension payments received up until age 55, were deemed unauthorised payments, and subject to unauthorised payment tax charges.

Summary of the Ombudsman's Determination and reasons

The complaint is upheld against SWFRS because it misinformed Mr S of his entitlement to tax free cash.

Detailed Determination

Background to PPA

1. From 6 April 2006, under provisions of the Finance Act 2004 (**the 2004 Act**), an individual who accesses pension benefits prior to reaching the statutory normal minimum pension age is liable to an unauthorised payment tax charge, unless they are in ill-health.
2. On 5 April 2010, the normal minimum pension age was increased from age 50 to age 55. However, if a member had an unqualified right, as at 6 April 2006, to take a pension before normal minimum pension age, they become entitled to a PPA and could retire prior to the normal minimum pension age without the tax consequences of the 2004 Act.
3. This right to a PPA comes with various restrictions. Of relevance here is the requirement that the member must cease all employment with the employer at the time they take their benefits. If they remain in employment, they will lose the PPA entitlement and any pension paid until normal minimum pension age is reached is classed as an unauthorised payment.
4. The individual may retain the benefit of the PPA if they have a break in employment of at least one month and the re-employment is materially different.

Material facts

5. Mr S was employed as a WDF from September 1985. As a result of his membership of the 1992 Firefighters Pension Scheme and period of service he was entitled to retire from the age of 50.
6. On 4 December 2007, Mr S was employed as a RDF.
7. On 15 January 2013, HMRC wrote to SWFRS reminding it of its obligation to disclose any unauthorised payments made to members of the Scheme. This letter made reference to individuals with a PPA retiring prior to age 55 and said:

“In the case of regular fire fighters also employed as retained fire fighters both employments have to cease on retirement from being a regular fire fighter in order to retain the protected pension age and take benefits before age 55.”
8. The letter confirmed that failure to cease any linked employment would result in any pension payments or lump sum benefits paid being classed as unauthorised payments.
9. This letter was provided to The Pensions Ombudsman by RCT on the understanding that RCT had received it from SWFRS.
10. On 23 September 2013, SWFRS wrote to Mr S informing him of his pension entitlement in a pre-retirement pension estimate. Included in this was the following information:

“By commuting a quarter of your pension you will be in breach of your personal allowance please see attached figures below outlining the maximum you can commute without going over your personal allowance. If you wish to commute an alternative amount please contact me.”

“Calculation factor for maximum commutation without incurring any tax liability...”

11. The letter provided Mr S with the option of commuting the maximum pension entitlement without incurring a tax liability or a quarter of his pension, but in doing so, he would incur a 55% tax liability. The letter made no reference to the rules relating to PPA.
12. On 14 October 2013, Mr S retired from his employment as a WDF but continued employment as a RDF.
13. On 8 November 2013, HMRC wrote to SWFRS again, highlighting the issues raised in the January 2013 letter and inviting it to provide reports relating to any unauthorised payment made. In the event of an unauthorised payment occurring, there would be an unauthorised payment charge applied to the member's pension and a Scheme Sanction Charge to be paid by SWFRS.
14. On review, SWFRS identified Mr S as having lost his PPA and, as a result, any pension or lump sum paid prior to age 55, was deemed an unauthorised payment and subject to a 55% tax charge.
15. In December 2013, SWFRS met with Mr S and informed him of the situation.
16. In the following months SWFRS sought tax and legal advice and liaised with HMRC. HMRC maintained that the payments were unauthorised and would be subject to a tax charge.
17. On 11 May 2015, SWFRS Finance, Audit & Performance Management Committee met and concluded that the liability for the unauthorised payment tax charges should be paid by Mr S.
18. On 15 May 2015, this decision was communicated to Mr S.
19. On 16 July 2015, SWFRS paid the outstanding Scheme Sanction Charge to HMRC.
20. In October 2015, Mr S paid the unauthorised tax charge of £47,299.12, including interest of £1,004.52.
21. In June 2016, the Fire Brigades Union complained to SWFRS on behalf of Mr S.
22. The matter was considered further by SWFRS but the decision not to meet the tax liability remained the same. This was confirmed on 1 November 2016. No further right of appeal was provided.
23. On 11 July 2019, Mr Justice Morgan issued a judgment in the case of *Corsham & Ors v Essex & Ors* [2019] EWHC 1776 (Ch) (**the judgment**), in relation to an appeal of a

previous Determination that I issued. This related to a similar breach of PPA rules for members of the Police Pension Scheme. That Judgment upheld the appeal and determined that the Police Authority in question was responsible for the tax liability incurred by the members.

Summary of Mr S' position

24. The Department for Communities and Local Government (**DCLG**) released FPS Guidance Note 1/2010 – Protected Pension Age – Implications for Re-employment of FPS Pensions from 6 April 2010 (**the 2010 Guidance**), which explained how this issued could be avoided. The 2010 Guidance was intended to inform employers and should have been acted upon or used to inform employees of the situation. SWFRS had failed to act on this guidance.
25. I had previously ruled, in the case of Cherry (PO-7096), that the employer of an individual with a PPA should inform the member about the possible adverse tax consequences of re-employment following the payment of pension benefits. In this respect the employer had a duty of care towards the employee. While the employer was not required to provide tax or pension advice, providing the information within the 2010 Guidance would not have been advice.
26. On the basis of Cherry, SWFRS should agree to pay the tax liability that had arisen.
27. Other fire authorities had reached settlements with members in similar circumstances.
28. The information regarding PPA is now being provided to members retiring and should have been provided when Mr S retired.
29. It is clear from HMRC's letter, dated 15 January 2013, that SWFRS and RCT were aware of this situation long before Mr S retired. Had this information been acted upon, Mr S would not now be in this situation.
30. It has been custom and practice for SWFRS to re-employ retired firefighters for some time, it should have been aware of this risk and mitigated it to avoid detriment to the employee. It is SWFRS that benefits hugely from RDF with previous WDF experience, and it should look after its employees' interests. SWFRS is not a small employer and has thousands of staff.
31. The information and rules regarding PPA are difficult to find and extremely complex. It is not reasonable to have expected Mr S to know of them.
32. SWFRS was acting disgracefully towards a loyal and dedicated employee.
33. SWFRS had managed to reduce its tax liability but left Mr S without support.

Summary of SWFRS' position

34. SWFRS is the Scheme Manager, not the owner of the Scheme. Responsibility for the Scheme falls to the Welsh Ministers.

35. The Welsh Government ought reasonably to have informed SWFRS and RCT on tax issues such as this through the existing mechanisms, but the 2010 Guidance was never provided to SWFRS.
36. HMRC's position is that it is the individual's personal responsibility to understand the tax implications of their actions and the source documents are technically complex.
37. Membership of the Fire Brigades Union (**the FBU**) among SWFRS' employees is 98%. The FBU has mechanisms for the distribution of information to its members, including circulars and its website. Thus, the information was readily available to 98% of its members. The Fire Brigades Union Circular 2010HOC0158SS (**the FBU Circular**), dated 9 March 2010, shows Mr S should have been made aware of the issue complained of by the FBU.
38. It is administratively and financially impractical for SWFRS to introduce a 'failsafe' mechanism to stop these circumstances coming about.
39. SWFRS has no record of HMRC's letter, dated 15 January 2013, being received and it bears none of the typical signs that it was received, such as a date stamp. The letter, dated 8 November 2013, is clearly date stamped as having been received.
40. SWFRS highlighted the Pensions Ombudsman's determination PO-7511, and the judgment in the case of Scally v Southern Health Board (1992), to show it had no liability where members could reasonably be expected to be aware of PPA implications by other means.
41. SWFRS also highlighted the judgments in the name of Crossley v Faithful and Gould Holdings Ltd [2004], and Andrews v Kings College NHS Foundation Trust [2014]. These cases show that there is "no general implied duty on an employer to take reasonable care of an employee's economic well-being" and an employer is not under a duty to "do everything possible or take steps which were not unreasonable".
42. The case put forward by Mr S to support his claim (PO-7096), was different in that there was no offer of retirement and re-engagement made to him. Mr S merely resigned from one of the two contracts he was employed under. Thus the liability claimed, stemming from PO-7096, does not exist.
43. It is not a proper use of public funds to pay Mr S' tax bill, as it was not responsible for it.
44. RCT, as the administrator, has a far greater responsibility in this matter than the Authority.
45. In response to the Judgment, SWFRS added:
 - The Judgment differs from the circumstances here on a number of points, in particular, it relates to the re-employment of police officers, either before the decision to retire was taken or immediately thereafter. In the case of Mr S, there was no re-employment, he merely remained employed through his RDF contract.

- Additionally, the Judgment refers to the “settled practice” of the police forces of re-employing members after retirement. There is no such practice in the case of SWFRS and re-employment and abatement provisions have only been used on two occasions in the last 14 years. They were actively discouraged by earlier Fire Authorities.
- Finally, the police forces in the Judgment encouraged retirement and re-employment to retain expertise at a reduced cost. That is not the case here.
- SWFRS disputes that the Judgment has similarities to the circumstances of these complaints.

Summary of RCT’s position

46. As the outsourced administrator, it provides the relevant information for the annual HMRC Event Report to SWFRS, which then provides it to HMRC. Correspondence from HMRC is sent on to it by SWFRS.
47. The HMRC letter, dated 8 November 2013, had been forwarded to RCT by SWFRS and it had highlighted to SWFRS the need to identify any members who may have lost their PPA to be included in the HMRC Event Report. It was at this point that SWFRS identified the Applicants.
48. On reviewing the situation, RCT had identified the earlier letter, dated 15 January 2013, addressed to SWFRS from HMRC. This letter specifically explained the implications in the event of retirement if both RDF and WDF posts were held, and that both employments must stop.
49. RCT only maintains records of firefighters who are contributing to the Scheme and so could not have been aware that Mr S held a RDF post.
50. Both RCT and SWFRS receive updates on the Scheme from the Welsh Government and, before 2013, the DCLG. None of the circulars have mentioned the loss of PPA so it was unaware of the implications.

Conclusions

51. There is no dispute that a tax liability was due. However, Mr S complains that either, RCT, or SWFRS, was obliged or ought to have informed him, of the tax consequences of retiring from his WFD contract while continuing in RDF employment. Had he been informed he would have taken action to mitigate the tax liability that has arisen.
52. Before addressing SWFRS’ position and possible liability, in the case of RCT there was clearly reason for it to know of the risk of loss of the PPA by way of the letter, sent by HMRC on 15 January 2013 to SWFRS, and apparently forwarded on to RCT. However, as I understand it, RCT had no way of knowing Mr S’ contractual situation and so, it cannot have communicated the fact that the PPA would be invalidated by

continuing the RDF contract. I find that RCT is not responsible for informing Mr S of the tax liability that would arise in these circumstances.

53. With regard to SWFRS, the situation is different. SWFRS should have been aware of Mr S' employment situation and the tax implications of the PPA rules being breached, either by way of the letter from HMRC, dated 15 January 2013, and if not explicitly by that letter, then by its general obligation to know the relevant legislation.
54. SWFRS has argued that there is no evidence that the January 2013 letter was received by it and it had not received any wider guidance relating to the PPA rules. It highlights that the letter from HMRC was not date stamped as received by SWFRS. Its position is that at the point Mr S retired, it was not aware of the circumstances of when PPA would be lost. It only became aware when the letter, dated 8 November 2013, was received.
55. I do not accept the argument that there is no evidence that the letter was received by SWFRS. It was addressed to SWFRS specifically, and without having been received by SWFRS, I cannot see how it could have then been passed to RCT. SWFRS is responsible for providing reports to HMRC and should have sought to understand the implications of this letter, particularly, as it highlights the Scheme Sanction Charge which SWFRS would be liable to pay.
56. However, regardless of whether the January 2013 letter was received by SWFRS, it has a general obligation to know relevant law.
57. The Firefighters' Pension Scheme is treated as a split scheme under The Registered Pension Schemes (Splitting of Schemes) Regulations 2006, and divided into sub-schemes, of which SWFRS is listed as one. It does not appear that SWFRS was specifically appointed as the Administrator of the sub-scheme for the purposes of the 2004 Finance Act. But SWFRS has nevertheless been treated as such by HMRC, as it was liable for the Scheme Sanction Charge and the deduction of other pension tax liabilities.
58. On the understanding that SWFRS was the Scheme Administrator, I find that regardless of the receipt of the January 2013 letter, it should have been aware of the tax consequences of breaching the rules relating to the PPA. It had a duty to notify HMRC of such breaches and there were serious tax consequences for the rules being breached. Additionally, information was issued by HMRC and the Home Office relating to these changes; there is no justification for SWFRS to say it was unaware of the circumstances in which the PPA would be breached or the implications of such a breach.
59. I note that SWFRS has argued that irrespective of the knowledge it had or ought to have had, Mr S was made aware of the implications through the FBU, which had issued an announcement on this issue in a circular dated March 2010. I do not agree that this circular implies Mr S knew or ought to have known of the implications of taking pension benefits whilst still under a RDF contract. I would consider the contents of the circular to be of niche interest to FBU members, and I would not

expect typical members to have read the Circular at the time it was issued, unless they were actively in the process of taking benefits. Mr S was more than two years away from retirement, and I do not think it can be reasonable to say that when he came to retire, and without any indication of the risk of an unauthorised payment being made that time, he should be expected to have searched historical FBU Circulars for this specific information.

60. I am satisfied that SWFRS knew of Mr S' employment situation, and if it did not know, then it ought to have known, the implications of his employment in the event of exercising his right to a PPA.
61. In the Judgment, Mr Justice Morgan highlights that the applicants in that case were informed of the availability of a tax-free lump sum at retirement, when in fact, because of their re-employment and the loss of PPA, the tax-free lump sum would be an unauthorised payment and taxed as such. Mr Justice Morgan concluded that the employers in that case ought to have been aware of the implications of the 2004 Act, the fact that re-employment without a break would invalidate the PPA, and therefore that the reference to a tax-free lump sum amounted to negligent misstatement.
62. Mr S received a pre-retirement pension estimate which referred to tax-free cash whilst he was under contract as an RDF. Unless SWFRS had reason to think the RDF employment was going to end, which it did not, reference to tax-free cash at the point of retirement, was materially wrong, and SWFRS ought to have known that it was wrong. I consider it was reasonable for Mr S to rely on the letter received to understand that a tax-free lump sum would be payable and it was foreseeable that this information would be relied upon.

Mr Justice Morgan's application of the law of negligent misstatement, is applicable to this complaint, as SWFRS knew of the concurrent employment and ought to have known of the implications of concurrent employment in the context of the 2004 Act, I find that it was responsible for providing accurate information, which it failed to do. This misstatement gave rise to a financial loss for Mr S, which was foreseeable, and SWFRS is liable for the financial losses that have arisen.

63. I uphold the complaint against SWFRS on the basis that the content of the pre-retirement pension estimate issued constitutes negligent misstatement.
64. The failures on the part of SWFRS will no doubt have caused Mr S severe distress and inconvenience. He has been deprived of the enjoyment of his full pension entitlement for many years and these circumstances will have caused severe worry and loss of expectation. I consider this warrants a severe distress and inconvenience award.

Directions

65. Within 28 days of the date of this Determination SWFR shall pay Mr S a sum equivalent to the tax liability he paid HMRC in 2015.

PO-15170

66. In recognition of the severe distress and inconvenience caused, additionally, SWFRS shall pay Mr S £2,000 within 28 days of this Determination.

Anthony Arter

Pensions Ombudsman
21 May 2020



OFFICIAL

Legislative Update

Local Pension Board

Date: 24 July 2020

Agenda Item:

12

Submitted By: Chief Employment Services Officer

Purpose To provide a legislative update to Members on matters related to the Firefighters' Pension Scheme(s)

Recommendations That the report be noted

Summary It is a requirement of the Public Service Pensions Act 2013 and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters. This report provides an update on the latest relevant legislative issues.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board have a knowledge and understanding of the governance and administration of the relevant pension schemes.

1.2 In accordance with this requirement updates have been provided on the following legislative issues:

- Age Discrimination
- RDS Modified
- Statutory Instrument updates
- Protected Pension Age
- COVID 19 - Additional activities
- Compensation scheme – Qualifying injury

2 Information

2.1 Age Discrimination Case

2.1.1 In terms of the age discrimination case the position at the moment remains as per FPS Bulletin 28 - January 2020. That all entitlements, including immediate, ones should remain under the existing rules for the time being.

2.1.2 This position is no doubt disappointing and frustrating for members. In order to reassure them, they have been informed that the Government accepted the Courts' findings in the Sargeant and McCloud legal cases and are committed to treating claimants and non-claimants in the same manner.

2.1.3 Discussions on remedy are ongoing and the guidance required for processing immediate cases is still not available. The need for this information to be made available as soon as possible is frequently highlighted to the Home Office and HM Treasury by colleagues at LGA.

2.1.4 It is understood from written statement HCWS187 that initial proposals are to return members to their former final salary scheme for the 'remedy period', but to offer a choice to the member, including those who were deemed protected in the final salary scheme, to receive benefits based on the current Career Average Revalued Earnings (CARE) scheme if it is better to do so.

2.1.5 At this stage it is not clear when the end of the 'remedy period' will be, however, it is not expected to be before 2022, as the current working assumption is that it will take three years to bring in these proposals.

2.1.6 As yet we do not know when the member might make the choice. We understand that this could be either:

- At the end of the remedy period, this will be the same time right across public sector,
- At the members retirement age

2.1.7 The Scheme Advisory Board (SAB) were invited to consult on the immediate/deferred choice options. Comments have been submitted, however, remain confidential.

- 2.1.8 A further stakeholder consultation is planned for late summer. Members of the scheme will be able to review the proposals and provide comments.
- 2.1.9 The Employment Tribunal was expected to meet again on 17 July 2020. However, we have since been informed that this hearing has been vacated. A new date is yet to be confirmed.
- 2.1.10 We will continue to monitor developments and ensure that employees and LPB Members are fully informed throughout the process.

2.2 RDS Modified

- 2.2.1 A recent ruling in the [O'Brien](#) case confirmed that fee paying judges should be allowed into a pension scheme from the start date of their employment.
- 2.2.2 The Home Office has recognised that this will have application to retained firefighters.
- 2.2.3 There are no timescales yet on this the Home Office are in discussion with their legal department and employers regarding the scope and mechanics of the settlement exercise.
- 2.2.4 More information will be provided when available.

2.3 Statutory Instruments

- 2.3.1 Since our last meeting (January 2020) the following SI have been implemented:

SI	Reference title
2020/193	The Social Security Revaluation of Earnings Factors Order 2020
2020/230	The Public Service Pensions Revaluation Order 2020
2020/235	The Guaranteed Minimum Pensions Increase Order 2020
2020/290	The Pensions Increase (Review) Order 2020
2020/299	The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2020
2020/342	The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2020
2020/372	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2020

2.4 Protected Pension Age (PPA)

- 2.4.1 Due to the Coronavirus pandemic rules around PPA have been relaxed.
- 2.4.2 HMT has agreed that the temporary relaxation of the tax rules as detailed in [written statement HCWS196](#) and the HMRC guidance in their [April 2020 newsletter](#) applies across the public sector and **does include Fire and Rescue if people are returning to roles as a result of COVID-19.**
- 2.4.3 The relaxation means that the re-employment conditions as set out in [rule 7F](#) of the Finance Act 2004 will be considered to have been met where re-employment is directly connected to undertake work related to COVID-19 only, and the member will not lose their protected pension age and be subject to unauthorised payment tax on their pension and lump sum as a result.
- 2.4.4 This relates to the tax position only and does not impact upon general break in service requirements for other purposes.

- 2.4.5 On 2 June 2020 HMT/HMRC announced an extension to the easement of the tax rules relating to PPA. The deadline has been extended to 1 November 2020 for retired firefighters re-employed in relation to FRAs' response to the coronavirus pandemic.
- 2.4.6 HMT have confirmed that the effect of the statement is that anyone re-employed between 1 March and the deadline would be deemed as having satisfied the re-employment conditions, regardless of how long the employment lasted.
- 2.4.7 LGA recommend that the reasons for re-employment being COVID-19 related are clearly documented and shared with your Local Pension Board.

2.5 COVID 19 – Additional activities

- 2.5.1 The National Employers, FBU and NFCC have agreed a number of additional activities during the COVID-19 pandemic.
- 2.5.2 A comprehensive list of duties can be found on the [FPS Regs and Guidance](#) website.
- 2.5.3 These are to be regarded as part of the core job and are therefore eligible for injury benefits and pension benefits under current arrangements.
- 2.5.4 The extent of additional activities will be kept under review and may therefore increase.

2.6 Compensation scheme – Qualifying injury

- 2.6.1 LGA has been asked to give advice with regards to the qualifying injury status for a Firefighter that dies from COVID-19.
- 2.6.2 LGA has confirmed that this matter has been raised with officials at the Home Office.
- 2.6.3 Home Office have confirmed that the matter is being discussed with HM Treasury and other Government Departments.
- 2.6.4 Further updates will be provided in due course.

3 Financial Implications

- 3.1 At this stage financial implications are unclear.
- 3.2 Government are yet to confirm if they will be financing the fallout from remedy and/or the RDS case.

4 Legal Implications

- 4.1 The Chief Legal & Governance Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.



**Firefighters'
Pensions England**
Scheme Advisory Board

33LPB EFFECTIVENESS COMMITTEE

ACTIONS AND AGREEMENTS

Thursday 5 March 2020

West Midlands FS HQ, Vauxhall Road, Birmingham B7 4HW

PRESENT

Tristan Ashby (TA)	Chair
Matt Lamb (ML)	SAB Scheme member representative
Cllr Roger Phillips (RP)	SAB Scheme employer representative
Ian Howe (IH)	Technical/ Admin representative (Leics CC)
Alan Tranter (AT)	FRA/ LPB representative (West Midlands LPB)
Becky Smeathers (BS)	FRA/ Finance representative (Nottinghamshire FRS)
Debbie Yeates (DY)	FRA/ HR representative (Lincolnshire FRS)
Claire Hey (CH)	LGA – Board secretariat (minutes)

1. Introductions and apologies

- 1.1. Apologies were received from Malcolm Eastwood and Clair Alcock. CH passed on Malcolm's thanks to the Committee for their contributions during his term as SAB chair.

2. Chair's welcome

- 2.1. TA welcomed all to the meeting and thanked all for attending.

3. Changes to membership

- 3.1. TA advised of two forthcoming changes to membership. TA confirmed that he is resigning from the SAB and his position as chair of the Committee. A new chair will be recruited from the Board.
- 3.2. Leicestershire CC are withdrawing from the FPS administration market, therefore IH will be stepping down from the committee. IH will attend one further meeting. TA thanked IH for his contribution to the group.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E bluelight.pensions@local.gov.uk

4. Review previous actions ([14 November 2019](#))

4.1. The minutes of the previous meeting were agreed. CH apologised for the lack of progress against the actions from the meeting due to conflicting priorities.

- i. CA to develop RAG matrix of board engagement, with a checklist for committee members attending meetings.*
- ii. TA to draft letter to scheme managers to accompany commentary on TPR survey.*
- iii. CH to distribute LPB engagement infographic with minutes.*
- iv. CA/ CH to review source data and provide further update at March meeting (new action iii).*
- v. CH to add engagement report to www.fpsboard.org and www.fpsregs.org.*

4.2. Actions iii. and v. have been completed. All other actions are carried forward.

5. Remedy update and actions for LPBs

5.1. CH gave an update on the informal HMT proposals for remedying the age discriminatory transitional protections of FPS 2015. CH confirmed that the SAB have had sight of a working paper outlining these proposals, in order to test government thinking. The Board are working with a group of cross-sector stakeholders to provide a response ahead of the formal consultation scheduled for spring.

5.2. Under the proposals, members will revert to their final salary scheme and will then be able to make a choice for the solution implementation period to receive either final salary or CARE benefits. The options proposed are currently a) immediate choice, an irrevocable choice made at the end of the remedy period, or b) deferred choice made at retirement where the member will have the benefit of hindsight, in respect of events such as promotion, ill-health, and death.

5.3. 'Immediate' choice will not be immediate, as it would not take place until the end of the 'remedy period'; a yet unspecified date which is not likely to be before 2022 and may well be longer. In order to bring legislative change to end the discrimination, primary and secondary legislation will be necessary as well as lengthy discussions on tax implications, all of which will affect the timeframe.

- 5.4. CH confirmed that the Committee did not need to consider the proposals but should think about the impact on LPBs and any necessary changes to governance. However, several points were raised by members in relation to the proposals.
- 5.5. DY and IH commented on implications for contributions, tax relief, annual allowance, and pension sharing orders. IH confirmed that queries on tax issues were already being received. DY said that 900 queries were received from members during the FPS 2006 special members exercise and that FRAs do not have dedicated resource for pensions. DY suggested that representative bodies should work with authorities to provide support to members.
- 5.6. RP stated that there are pros and cons to both options, although the working group have expressed an inclination towards deferred choice. The priority for government is avoiding future legal challenge. RP noted the increase in cost for administrators and FRAs, citing the potential for New Burdens and highlighting that the reduction in administration options may have further impact.
- 5.7. DY pointed out that resources would also be affected. TA confirmed that this had influenced the working group's thinking as there would be significant pressure on resources for immediate choice, whereas deferred choice would spread the load. BS asked if 2022 is a reasonable timescale for changes to software to be implemented.
- 5.8. ML stated that the Committee should look to highlight the role and resources of LPBs and consider what needs to be put in place to support local boards, particularly in terms of monitoring action on immediate cases.
- 5.9. DY expressed concern that information may not be provided early enough for members to make a decision. DY asked whether formal endorsement of independent financial advice (IFA) companies could be considered, as FRAs are not able to provide relevant advice and this may have affected members' decisions in the special members exercise. BS agreed that FRAs do not have enough available resource.
- 5.10. TA confirmed that the Committee will play a pivotal role in supporting boards, however, there is no action that can be taken at present due to the number of unknowns within the informal proposals. RP stated that the Board will make representations to support extra resources and capacity and highlighted the need for consistency.

- 5.11. CH asked the group for views on what boards should be doing now. IH noted that LPBs should ensure that FRAs are working closely with their administrator. IH stated that communications and assistance obtaining financial advice will be important. IH said that boards should be made aware of risks and try to mitigate them where possible. IH acknowledged that LPBs have a lack of knowledge and resource and suggested these could be pooled.
- 5.12. BS suggested that national training be provided for administrators, FRAs, and LPBs. IH queried whether this could be made mandatory. TA said that the implications of not accepting advice and support should at least be highlighted.
- 5.13. ML suggested writing to all FRAs outlining plans for training. IH added that this should also explain resource implications. TA asked RP if he would act upon such a communication. RP concurred, if addressed to the chair and CFO, accepting that there would be problems with those authorities who habitually do not engage.
- 5.14. BS said that the National Fire Chiefs Council (NFCC) and Fire Finance Network (FFN) forums could be useful. DY highlighted that there has been no NFCC engagement on pensions for some time but felt that the FFN would be key due to budget implications. BS confirmed that the Home Office provided a remedy update at the last FFN meeting.
- 5.15. IH commented that LPBs and FRAs should add remedy to their risk registers. RP stated that unilateral engagement is needed as an inconsistent approach could affect the integrity of the schemes.
- 5.16. DY said that issues around taxation and ill-health could be used to engage FRAs as discussions of a financial nature tend to promote interest. IH added that increased time spent on IDRs and the prospect of legal challenge could also encourage FRAs to take note, using the cost of special projects from the Aon [administration and benchmarking review](#) to illustrate financial implications.
- 5.17. BS said that software and administration capability would be key discussion points. BS asked if Heywood and Civica are involved in conversations at a national level. CH confirmed that both software suppliers have been party to the working group and other technical discussions.

6. ABS survey 2019 research report

- 6.1. The first draft of the ABS research report was circulated to the Committee with the meeting agenda. CH talked briefly through the executive summary to highlight key points and members were asked for comments. CH explained that separate surveys had been issued to administrators and FRAs which had allowed more accurate analysis of the data as questions could be targeted.
- 6.2. The Committee were pleased to note that the response rate was higher than last year. CH confirmed that most data had been submitted on time and that only a small fraction of records were returned for query. CH noted the discrepancy between administrators and FRAs stating that the deadline was met and highlighted possible reasons for this. DY commented that there had been known issues around FPS 2006 special members and stated that it may also be dependent on who completed the survey.
- 6.3. In terms of internal controls, RP recommended that there should be discipline in reporting to the LPB, so this should be done whether the deadline was met or not. DY pointed out that depending on the timing of meetings, a delay is more likely to be reported to the scheme manager and fed back to the LPB later. CH suggested changing the wording of the question to “made aware of” rather than “reported” for next year and noted the challenge of wording the questions appropriately for different stakeholders.
- 6.4. AT said that the survey outcomes could be useful for peer review if the data could be tapped into in respect of individual evidence. CH confirmed that data in respect of each FRA had been exported and could be provided to boards for review.
- 6.5. DY commented that the paid Survey Monkey allowed partial responses to be saved which was helpful. DY added that the data export will allow FRA responses to be compared to the administrators.
- 6.6. AT said that the empirical data results will allow benchmarking to show annual improvement. TA agreed that the quality of data appears to be improving year on year which ties in with TPR’s focus on data quality.
- 6.7. Where one-third of administrators stated the ABS process was completed in less than one month, IH asked that this is cross-referenced against those that request monthly data returns. This will be reflected in the second draft of the report. IH suggested that a further question be added to next year’s survey on the three biggest ABS risks.

- 6.8. While there were several FRAs whose administrator did not respond and vice-versa, the Committee noted particular concern where neither party had submitted a response. CH noted that this could highlight a lack of internal controls, as the four FRAs in this category have demonstrated a consistent lack of engagement.
- 6.9. RP suggested that the Committee recommend the SAB to contact the authorities involved. CH to check whether responses have been received in previous years.
- 6.10. POST-MEETING UPDATE: Additional analysis of respondents has shown FRA responses are up from 18 to 33 this year. Ten of those that did not submit a reply are the same as last year, and three of those fall into the category at paragraph 6.8. Two FRAs submitted a response last year but not this year. This may have been due to the change to the deadline. Unfortunately, a list of respondents to the 2017 survey is not available for comparison.

7. Peer review framework

- 7.1. AT explained that he has spoken to colleagues at West Midlands Fire Service (WMFS) and via the Midlands regional HR group regarding the feasibility of a peer review framework for LPBs. AT said that he will work with LPBs at a regional level to obtain views and support and provide a further update in June. AT noted that pension practitioners were less enthusiastic due to lack of resource.
- 7.2. BS agreed that FRAs have a lack of experienced staff and that training new staff is time-consuming. IH commented that Leics CC require 7 years pension experience plus a relevant qualification for FPS staff. AT said that WMFS have 1.5 colleagues dedicated to pensions. DY highlighted that Lincolnshire have no dedicated resource and no facility to recruit as part of an LGPS shared service.
- 7.3. AT agreed that resourcing is affected by different governance structures.
- 7.4. TA asked AT if he was happy to progress the framework with WMFS. AT confirmed that he will take forward with HR. DY noted that it would be helpful to get a model in place.
- 7.5. In relation to resourcing, IH noted increased pressure on the LGA team due to remedy and wondered if anything could put in place to support resourcing, such as working groups. DY suggested pushing for a higher levy to provide more resource for the team, to act as a central point of contact for queries and ensure advice is consistent.

7.6. TA noted that this would require a robust business case. RP considered whether the Committee could make a recommendation to the SAB. RP highlighted that there must be a consistent message regarding capacity, cost, and resource. CH pointed out that there is limited resource within the sector and recruiting to the team would potentially mean drawing experienced staff away from another organisation. DY remarked that it would be worthwhile for the greater good.

8. 2020 work-plan

8.1. The items discussed will form the basis of the committee's work-plan for the year:

- i. Consider whether items arising from the outcomes of SAB and TPR surveys demonstrate need for a business case to the Home Office for regulatory change – no longer deemed to be an issue given current difficulty in effecting any legislative change.
- ii. Publication of LPB annual report template – [Nottinghamshire FRS](#).
- iii. Committee members to attend LPB meetings and/ or training – standing item.
- iv. Publish commentary on combined survey results – completed via LPB training.
- v. Publish joint board guidance and promote support available to applicants.
- vi. Consider how to engage with LPBs who do not respond to requests for information nor attend training and events – standing item.
- vii. Publication of ABS 2018 survey research report.
- viii. Engage with software suppliers on FPS2006 special members and online self-service. Replaced by new item xii.
- ix. Revise and publish draft LPB Terms of Reference.
- x. Develop SAB survey of LPBs to be launched in March 2020.
- xi. Develop matrix of LPB performance to benchmark survey results.
- xii. Engage with software suppliers on Sargeant remedy.
- xiii. Consider peer review framework for LPBs.
- xiv. Highlight the role and resources of LPBs in relation to remedy and consider what needs to be put in place to support local boards.
- xv. Recruitment of new Committee member(s) and chair.

8.2. CH proposed closing item iii. as to date only TA has been able to visit LPBs and he will no longer chair the Committee. The group were opposed to this. AT suggested visits should be undertaken on a rota basis and BS proposed that priority should be given to those four FRAs identified via the survey with Committee members trying to obtain an invitation to attend. This was also relevant to item iv.

8.3. RP added that he would promote the work of the Committee and LPBs at the forthcoming annual LGA Fire conference. CH noted that Clair Alcock was delivering a lunchtime fringe session on scheme changes.

8.4. Two further items were added at the suggestion of the group: an action on remedy (DY) and recruitment (AT).

9. Future meeting dates and venues

- June 2020 - TBC (18 Smith Square)

9.1. TPR will be invited to the next available meeting of the committee after the results of the 2019 governance and administration survey are published. The survey results are not likely to be released before May although there is no fixed timescale.

10.AOB

10.1. CH gave a brief update on the TPR scheme return, governance and administration survey, and supervision activity following a meeting at LGA on 4 March.

10.2. All Fire schemes measured common data, 10 FRAs did not return a scheme-specific data score. A drop in scores for both categories was noted. CH confirmed that this ties in the experience of the Committee. TPR understand that processes are bedding in and would expect to see future improvements in common data. TPR appreciate that remedy will impact on scheme-specific scores in the short term and are taking a pragmatic view. The main concern is whether schemes are measuring data in the first place.

10.3. TPR noted an excellent response to the survey with only one FRA that did not respond. There was good representation from scheme managers and LPB chairs indicating better collaboration. There had not been a great deal of movement against the six key processes measured each year.

- 10.4. There was a 10% reduction in schemes indicating they had procedures in place to assess and manage risk due to a change of wording in the question. TPR confirmed that having a risk register is a good indicator of strong governance and internal controls.
- 10.5. At least half of FRAs are now scheduled to have four LPB meetings a year, with a 10% increase across the board in the number of meetings that took place. There has been general improvement in schemes having sufficient time and resources and access to skills and knowledge; evaluation of knowledge and understanding has increased for FPS. TPR noted a correlation between lack of time/ resources, and this being a barrier to improving governance.
- 10.6. Two new questions were added around knowledge and understanding: how many hours of training per year do board members undertake, and do members have access to all information needed to fulfil their role. FPS reported eight hours of training per year, although there was some discussion around what constituted training. Almost all FRAs (98%) stated they had access to all relevant information.
- 10.7. Turnover of board members is consistent at around 20%. TPR have no view on term but would encourage staggering and handover/ induction process. CH highlighted that the revised draft terms of reference recommend a period longer than 12 months. LGPS recommend 4-5 years with opportunity for re-election in alignment with UK corporate governance code. The Committee felt that this is too long. Just under half of FPS boards have a succession plan in place and 78% have a scheme manager delegation in place for day to day operations.
- 10.8. Top governance and administration risks for Fire were record keeping and securing compliance with regulations. Only 2% stated McCloud/ Sargeant. Over half of FRAs stated they have a pension administration strategy in place, although CH was unsure that this is correct. CH confirmed that a template strategy is being drafted in line with the recommendations from Aon's administration and benchmarking review.
- 10.9. The use of SLAs to measure administrative performance is high, but there do not appear to be any other measures in place for FPS. CH noted that this tied in with Aon's findings on variance in reporting standards. Administration is never covered at 6% of FRA board meetings and is generally less likely if carried out in-house. New questions were asked around the automation of processes, which included almost all calculations and ABS. TPR expressed surprise that verification of employer data and reconciliation of contributions was largely manual. Barriers to automation were seen to be cost of set up, integration with existing systems, and lack of available technology.

- 10.10. The proportion of timely and accurate data returns decreased for the FPS. Both categories were affected by whether data is provided electronically or not, and whether it is provided monthly or annually.
- 10.11. There were improvements in cyber risk across the board, including reporting to the LPB and system controls. A decline in fraudulent email activity was noted.
- 10.12. The survey reported a 10% increase in Fire schemes carrying out a data review. Provision of ABS on time was down across the board, with an 11% reduction for FPS which did not seem to correspond with the Committee's ABS survey outcomes. However, there was improvement in the proportion of ABS containing full and accurate information.
- 10.13. Overall, fewer complaints were recorded, with 67% of FPS complaints progressing to Internal Dispute Resolution Procedure (IDRP); 30% of these were upheld. CH said that the SAB intend to collect data on IDRP cases to monitor trends across the sector. Procedures on breaches of the law had increased for all schemes and breaches identified in the last 12 months had also increased for FPS.
- 10.14. Scheme complexity and lack of time/ resources as barriers to improving governance and administration had decreased, which TPR attributed to improvements in support and increased understanding of scheme rules.
- 10.15. TPR were asked for a view on including projections on ABS in light of remedy. CH explained that the SAB will be asked to provide direction to FRAs to ensure consistency, with the consensus being that basic projections of minimum benefits are included with a strong caveat. IH opposed this, as Leics CC have already determined not to project.
- 10.16. TPR's view was that scheme must comply with the current law in force, and that it may be preferable to accept criticism from members than risk reputational damage. TPR were supportive of SABs issuing a statement on scheme requirements with a caveat on McCloud (Sargeant) and ongoing Employment Tribunals.
- 10.17. TPR gave an update on supervision relationships with selected FRAs. All four have now been contacted and provided the requested information. One has had a review day and the evaluation is being completed. Concern has been noted so far over key personnel risk and lack of documented procedures. While the report will be confidential to the FRA, TPR have fed back that it would be helpful for key themes to be shared.
- 10.18. There were no further items of AOB. The meeting closed at 14:30.



OFFICIAL

West Yorkshire Pension Fund - Key Performance Indicators

Local Pension Board

Date: 24 July 2020

Agenda Item:

14

Submitted By: Chief Employment Services Officer

Purpose	To inform Members of West Yorkshire Pension Fund performance in key areas for the periods 1 December 2019 to 31 May 2020
Recommendations	That the report is noted
Summary	This report informs Members of the Authority's key areas which West Yorkshire Pension Fund measure their level of service against

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund in a number of key areas. Some of the areas included are as follows:

- Transfer in and out quotes
- Divorce quotes
- Pension estimates
- Deferred benefit set up
- Retirement quotes
- Retirement actuals
- Payroll changes
- Death notifications

2 Information

2.1 Data from 1 December 2019 to 31 May 2020:

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Age 55 Increase to Pension	34	20	33	85	97.06	15.35
Change of Address	33	20	33	85	100	1.45
Change of Bank Details	22	20	22	85	100	2.32
Death Grant Nomination Form Received	19	20	19	85	100	5.26
Death in Retirement	39	5	37	85	94.87	1.46
Deferred Benefits Into Payment " Payment of Lump Sum	3	3	3	85	100	1.75
Deferred Benefits Set Up on Leaving	16	10	7	85	43.75	19.63
Divorce Quote	1	40	1	85	100	2
Divorce Settlement " Pension Sharing order Implemented	3	80	3	100	100	3
General Payroll Changes	130	20	130	85	100	1.52
Initial letter Death in Retirement	39	5	39	85	100	1.21
Life Certificate received	95	5	90	85	94.74	1.81
NI adjustment to Pension at State Pension Age	16	20	16	85	100	12.31
Payment of Spouses _Child Benefits	17	10	17	100	100	0.59
Pension Estimate	40	10	37	85	92.5	3.45
Pension Saving Statement	3	20	3	100	100	0
Pension Set Up Payment of Lump Sum	27	3	26	85	96.3	2.56
Purchase of Service Quote	1	20	1	85	100	3
Refund Actual	1	20	1	85	100	6
Refund Quote	1	10	1	85	100	0
Retirement Actual	27	10	27	85	100	2.81
Set Up New Spouse Pension	17	5	17	85	100	0.76
Spouse Potential	6	10	4	85	66.67	6.17
Transfer In Actual	13	10	1	85	7.69	72.23
Transfer In Quote	19	10	16	85	84.21	7.26
Update Member Details	20	20	20	100	100	0.05

2.2 Data from COVID 19 lockdown (23 March 2020) to 31 May 2020:

WORKTYPE	TOTAL CASES	TARGET DAYS FOR EACH CASE	TARGET MET CASES	MINIUM TARGET PERCENT	TARGET MET PERCENT	AVERAGE TIME TAKEN
Age 55 Increase to Pension	16	20	15	85	93.75	15.56
Change of Address	15	20	15	85	100	2.73
Change of Bank Details	7	20	7	85	100	3
Death Grant Nomination Form Received	11	20	11	85	100	7.73
Death in Retirement	18	5	18	85	100	0.39
Deferred Benefits Into Payment " Payment of Lump Sum	2	3	2	85	100	2.5
Deferred Benefits Set Up on Leaving	5	10	1	85	20	15
Divorce Quote	1	40	1	85	100	2
Divorce Settlement " Pension Sharing order Implemented	2	80	2	100	100	2.5
General Payroll Changes	59	20	59	85	100	2.29
Initial letter Death in Retirement	18	5	18	85	100	1.39
Life Certificate received	11	5	8	85	72.73	4.64
NI adjustment to Pension at State Pension Age	4	20	4	85	100	14.5
Payment of Spouses _Child Benefits	8	10	8	100	100	0.63
Pension Estimate	11	10	10	85	90.91	3.82
Pension Saving Statement	1	20	1	100	100	0
Pension Set Up_Payment of Lump Sum	9	3	8	85	88.89	1.22
Retirement Actual	9	10	9	85	100	1.33
Set Up New Spouse Pension	8	5	8	85	100	0.63
Spouse Potential	1	10	0	85	0	12
Transfer In Actual	2	10	0	85	0	43
Transfer In Quote	4	10	4	85	100	2.25
Update Member Details	3	20	3	100	100	0



OFFICIAL

Administration Strategy Consultation

Local Pension Board

Date: 24 July 2020

Agenda Item:

15

Submitted By: Chief Employment Services Officer

Purpose	To allow and encourage members to consult on the Administration Strategy set out by the Local Government Association (LGA).
Recommendations	That the consultation is noted and comments are provided where appropriate.
Summary	Members are invited to comment of the proposals set out in the Administration Strategy.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Consultation document
Annex B – Example strategy template document

1 Introduction

- 1.1 In 2018, Aon were commissioned by the Firefighters' Pensions (England) Scheme Advisory Board (SAB) to undertake a benchmarking review of the administration and management of the Firefighters' Pension Scheme (FPS).
- 1.2 One of the recommendations made within the report was the implementation of a locally developed pension administration strategy to formalise standards and expectations of the Fire and Rescue Authority (FRA) and their administrator.

2 Information

- 2.1 Over the past few months LGA, with support of the Communications group, have been working on a strategy that can be shared and used by FRAs. [FPS bulletin 34](#) makes reference to the strategy.
- 2.2 LGA have asked stakeholders to consult on the strategy. The consultation will run until 31 August 2020.
- 2.3 The consultation document can be found in Annex A and an example strategy template can be found in Annex B.

Firefighters' Pension Scheme: Consultation on draft template FPS Administration, Management, and Governance strategy

Contents

1	Topic of consultation	2
2	Scope of consultation	2
3	Background	2
4	Consultation questions	3
4.1	Do you agree with the employer duties and responsibilities listed? If not, please outline why.	3
4.2	Do you agree with the administrator duties and responsibilities listed? If not, please outline why.	3
4.3	Are there any additional functions/ tasks which should be added to section 8: Service standards?	3
4.4	Are the standard timescales listed in Appendix 1 reasonable and in line with statutory deadlines?	3
4.5	Will you adapt and implement the template strategy for your authority in line with best practice? If not, please explain why.....	3
4.6	Please detail any other comments not covered by the above.....	3

1 Topic of consultation

Introduction of a [template pension administration strategy](#) to complement any formal service level agreement in place by clearly setting out the roles and expectations of scheme managers and administrators, helping to formalise standards between both parties, as well as improving communication and engagement.

2 Scope of consultation

This consultation seeks responses from interested parties on the draft document. In particular we would like to hear from administrators, scheme managers, and Local Pension Boards. The consultation applies in England only.

The consultation will run from 30 June to 31 August 2020.

Please send any enquiries to bluelight.pensions@local.gov.uk. Responses should be sent to the same address.

3 Background

In 2018, the SAB commissioned a [review of FPS administration and management](#). Following a procurement process, Aon were the successful bidder and carried out a survey of employers, administrators, and members in order to publish a comprehensive report on the cost and efficiency of running the schemes.

One of the recommendations arising from review was the development and implementation of a pension administration strategy.

One of the key proposals was that the strategy should include “expected timescales or key performance indicators which could be aligned with the provision of an effective and efficient administration service”¹.

Pension administration strategies are not commonly held for FPS, as each FRA is the single employer and scheme manager, and administration is generally contracted out. In addition, there is no legislative requirement for a strategy to be in place.

However, Aon identified that implementation of an administration strategy, to complement any formal service level agreement in place by clearly setting out the roles and expectations of scheme managers and administrators, would help to formalise standards between both parties, as well as improving communication and engagement. A clear preference emerged from the [SAB administration and benchmarking committee](#) (the “Committee”) that this should incorporate administration, management, and governance of the schemes.

A [template strategy](#) has been drafted in collaboration with the Fire Communications Working Group (FCWG) and the Committee. We are now seeking stakeholders’ views on the document.

4 Consultation questions

- 4.1 Do you agree with the employer duties and responsibilities listed? If not, please outline why.**
- 4.2 Do you agree with the administrator duties and responsibilities listed? If not, please outline why.**
- 4.3 Are there any additional functions/ tasks which should be added to section 8: Service standards?**
- 4.4 Are the standard timescales listed in Appendix 1 reasonable and in line with statutory deadlines?**
- 4.5 Will you adapt and implement the template strategy for your authority in line with best practice? If not, please explain why.**
- 4.6 Please detail any other comments not covered by the above.**

¹ [Firefighters' Pension Scheme - Administration and Benchmarking Review](#) [Page 69]

 **Compliance**

FPS Administration, Management, and Governance Strategy

Contents

1	Background	2
2	Introduction	3
3	Compliance	3
4	Review	3
5	Liaison and communication	4
5.1	Employer contacts	4
5.2	Administrator contacts	4
6	Employer duties and responsibilities	5
6.1	Discretions.....	5
6.2	Internal Dispute Resolution Procedure (IDRP).....	5
6.3	The Pensions Regulator (TPR).....	6
6.4	Data transfer.....	7
6.5	Contribution bands.....	7
6.6	Reporting breaches	7
6.7	Top-up grant	7
6.8	HMRC reporting.....	8
6.9	General Data Protection Regulation (GDPR).....	9
6.10	Disclosure.....	9
7	Administrator duties and responsibilities	10
7.1	Performance reporting	10
7.2	Improving performance	10
7.3	Overriding legislation	11
7.4	Data standards	11
7.5	Audit	12
7.6	Benchmarking.....	12
8	Service standards	12
9	Local Pension Board responsibilities	18
	Appendix 1. Standard timescales	19

1 Background

In 2018, Aon were commissioned by the Firefighters' Pensions (England) Scheme Advisory Board (SAB) to undertake a benchmarking review of the administration and management of the Firefighters' Pension Scheme (FPS).

One of the recommendations made within the report was the implementation of a locally developed pension administration strategy to formalise standards and expectations of the Fire and Rescue Authority (FRA) and their administrator:

"We suggest that the Board considers recommending regulatory changes to encourage best practice among all scheme managers/FRAs and administrators across the Scheme. This could be achieved by setting out requirements for each Scheme Manager to have a locally developed pensions administration strategy in place. This could be mandated but as a minimum it could set out the need to have one to demonstrate best practice (as is the case in other schemes such as the LGPS). An administration strategy should set out the scheme manager's aims and objectives and how those are going to be achieved in conjunction with the administrator. Performance against those aims, and objectives, must then be appropriately measured and monitored and where administration levels are not to the required standard, plans should be in place to address those areas of concern. An administration strategy should be determined locally (with support in doing so made available from centrally prepared guidance).

A range of target timescales should be determined by each FRA and it is good practice for them to be included in an administration strategy. Scheme managers may wish to set shorter timescales or other targets for specific processes rather than relying on legal timescales in all cases. The administration strategy should be publicly available for all stakeholders (including members). It could also set out the consequences of what not achieving those targets would be."

While there is no legislative requirement for FRAs to have such a strategy in place, the SAB secretariat have provided this template for authorities to adopt to demonstrate best practice in the administration and management of the FPS. With each of the 45 FRAs in England responsible for managing the scheme and making decisions in their own right, this document also seeks to ensure a level of consistency in the service offered to scheme members, with FRAs working in conjunction with their administrator. There are currently 18 different administrators providing administration services across the 45 FRAs.

As the FRA as [scheme manager](#) has responsibility for both administering and managing the scheme, it was determined by the SAB [Administration and Benchmarking committee](#) ("the Committee") that the scope of the document be extended to include each of these roles, and that the expectations of Local Pension Boards in their role of assisting the scheme manager should also be included.

This document has been prepared by the SAB secretariat in conjunction with the Committee and the Fire Communications Working Group. Our thanks go to the following organisations for assistance with the project: Shropshire Pension Fund, West Yorkshire Pension Fund, and Leicestershire County Council.

2 Introduction

[INSERT NAME Fire and Rescue Authority/ PFCC/ London Fire Commissioner] (“the Employer”) is defined in law as the scheme manager¹ and is therefore responsible for the management and administration of the Firefighters’ Pensions Schemes for scheme members employed by [INSERT NAME of Fire and Rescue Service].

Administration of the scheme has been outsourced to [INSERT NAME of administrator].

This document is the FPS Administration, Management, and Governance Strategy statement which outlines formal standards and expectations of the Fire and Rescue Authority (FRA) and their administrator, along with expectations of the Local Pension Board² in their role of assisting the scheme manager.

The aim of the document is to ensure that a consistent, cost-effective, and high-quality pension service is provided to members, recognising that full and transparent collaboration between stakeholders is key to achieving this aim.

3 Compliance

The following stakeholders have been consulted in the development of this statement: (delete as appropriate) Local Pension Board; administrator [INSERT NAME]; software provider [INSERT NAME]; other [INSERT DETAILS].

The scheme manager is the owner of the document. A copy can be found at [INSERT WEB ADDRESS].

This strategy does not override any provision contained with the scheme regulations or any administration guidance provided by the Local Government Association (LGA).

The document has been presented, considered, and ratified by the Local Pension Board on [INSERT DATE] and applies to all interested parties from this date.

4 Review

The strategy will be reviewed following any changes to scheme rules, processes, or procedures which affect this strategy, including a change of administrator, or every three years if this is sooner.

Changes will be made following consultation with the above-named bodies and a copy of the updated strategy will be made available online. Full consultation will not take place when there has been a change of contacts details only in 5.1 or 5.2 below.

Suggestions for improvement to this strategy are welcome from stakeholders at any time.

¹ <http://www.legislation.gov.uk/ukxi/2014/2848/regulation/4/made>

² <http://www.legislation.gov.uk/ukxi/2015/465/regulation/4/made>

5 Liaison and communication

5.1 Employer contacts

The employer will nominate contacts in the following areas to allow correspondence to be directed to the most relevant individual. These contacts will be provided to the administrator and the LGA.

<p>Scheme manager (strategic) contact for valuation, scheme consultations, surveys, discretions, and Internal Dispute Resolution Procedure (IDRP)</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Pension liaison contact for day to day administrative duties such as completion of forms, responding to queries, and HR functions</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Payroll contact for queries relating to pay, year-end postings, or pensioner payroll</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Finance contact for submission of monthly/ annual returns, SAB levy payment requests</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>

The delegated scheme manager is responsible for keeping the nominated contacts up to date and providing prompt notification of changes.

5.2 Administrator contacts

The administrator will provide the following contact information for employers and their members [ADMINISTRATOR TO COMPLETE/ DELETE AS APPROPRIATE]:

<p>Pension Fund representative for regulatory or administration queries, training, advice and guidance</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Finance contact to assist with the monthly returns process/ year end</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Systems contact to assist with the monthly returns process/ year end</p> <p>[INSERT ROLE] or [INSERT NAME] and [CONTACT DETAILS]</p>
<p>Member helpline for queries</p>

[INSERT CONTACT DETAILS]

6 Employer duties and responsibilities

6.1 Discretions

As a matter of best practice, **the scheme manager shall prepare and publish a written statement on the exercise of discretions** which are available to them under each set of FPS regulations. The discretions policy will be kept under review and the revised version published within one month of the effective date.

A full list of [scheme manager discretions](#) is available.

6.2 Internal Dispute Resolution Procedure (IDRP)

If a scheme member, prospective member, dependant, or other person with an interest in the scheme, is dissatisfied with a decision made by the FRA (or the failure to make a decision) there are rights of appeal available. Each set of scheme rules contains arrangements for Internal Dispute Resolution Procedures (IDRP) based on the requirements of the Pensions Act 1995 and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

Firefighters' Pension Scheme 1992 (FPS 1992)	Rule H3 (as amended by SI 2013/1392)
Firefighters' Pension Scheme 2006 (FPS 2006)	Part 8, paragraph 5
Firefighters' Pension Scheme 2015 (FPS 2015)	Regulation 163
Firefighters' Compensation Scheme (FCS)	Part 6 rule 3

The scheme manager will nominate appropriate persons to hear each stage of the appeal and respond to the individual within the specified timescales.

The nominated contacts for [INSERT NAME of FRA] are

Stage 1	
Stage 2	

Guidance on IDRPs can be found here:

- [IDRP factsheet](#)
- Guidance for decision makers [pending review]
- Guidance for individuals [to follow]

6.3 The Pensions Regulator (TPR)

[TPR](#) is a public body established by the [Pensions Act 2004](#) to make sure that pension schemes within the UK are run properly and can provide secure benefits for their members upon retirement. TPR has powers to "educate, enable, and enforce", and is responsible for promoting good scheme administration. The Regulator is sponsored by the Department for Work and Pensions (DWP).

TPR's oversight of public service pension schemes, including the Firefighters' Pension Schemes, was introduced by schedule 4 of the [Public Service Pensions Act 2013](#).

The scheme manager will ensure that they are familiar with TPR's [Code of Practice 14: Governance and administration of public service pension schemes](#).

Each year TPR issue two requests for information which the scheme manager and Local Pension Board (LPB) shall ensure are completed:

[Scheme return](#) – the scheme return is a statutory return which allows TPR to keep their register of workplace pension schemes up to date.

The return asks for information about what type of scheme the FPS is and how many members each employer has, as well as requesting up to date contact details.

The return also asks schemes to provide their common and scheme specific data scores, which enables TPR to monitor continuous data improvement. Information on data scoring for the FPS is available below

[Advice on TPR data scoring 2019](#)

[Data score weighting template 2019](#)

TPR can and will take enforcement action if the scheme return is not completed.

[Governance and Administration survey](#) – scheme managers are invited to complete the annual governance and administration survey in conjunction with their LPB. Although the survey is not mandatory, participation is strongly encouraged by both TPR and the Scheme Advisory Board, so that improvements in running the FPS can be monitored and evidenced.

TPR do not take any regulatory action based on survey responses, but overall trends may inform their engagement activity with schemes.

Familiarity with [TPR's six key processes](#) will assist schemes with understanding and compliance.

One of TPR's key areas of focus is record keeping and data quality. **Scheme managers shall ensure that [data is reviewed annually](#) and that a [data improvement plan](#) is in place.**

Non-completion of either of the above requests for information may indicate wider governance failings to TPR.

6.4 Data transfer

The scheme manager will ensure that processes are in place for timely and accurate transfer of data.

Data will be transferred to the administrator electronically on a [monthly/ annual] basis in line with the deadlines set out in [8. Service standards](#).

6.5 Contribution bands

Banded contribution rates apply to the FPS based on a member's pensionable pay.

The scheme manager will ensure that there are processes in place to allocate members to the correct contribution band at the start of each scheme year.

Contributions are laid in legislation for each scheme and can be found on the [annual updates](#) page of the Regulations and Guidance website.

Until remedy in the transitional protections case is implemented, the scheme manager will have a process in place to manage members tapering from FPS 1992 or 2006 to FPS 2015. The process should confirm how the taper date is notified to payroll and what kind of monitoring is in place to ensure contributions are changed on the correct day.

6.6 Reporting breaches

Scheme managers and pension board members have a statutory obligation to report breaches of the law.

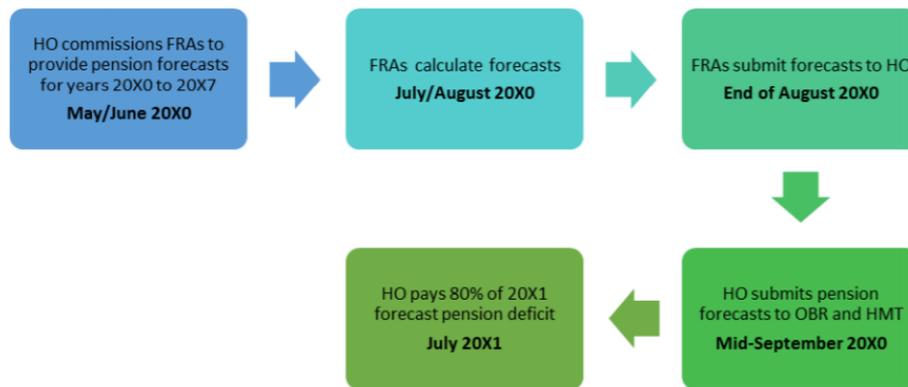
When a potential breach has been identified, the [breach assessment template](#) should be completed to assess the breach for materiality to determine whether it needs to be reported to TPR. This can also be stored as documentary evidence if the decision is later challenged.

Although a breach may not seem material in terms of numbers of members affected, if the same members are consistently affected, this should be considered, along with likely timescales for rectification and what action may be taken to ensure that the breach does not reoccur.

Further information about breach recording and reporting can be found in the [TPR six key processes](#) factsheet and from TPR at <https://www.thepensionsregulator.gov.uk/en/public-service-pension-schemes/scheme-management/reporting-breaches-of-the-law>.

6.7 Top-up grant

Each year the Home Office commissions FRAs to submit pension forecasts for the following seven financial years in line with the following timescales.



The pension forecasts for the financial year following the collection are used to make an initial assessment on each fire authority's annual top up grant entitlement for that year.

The collection of accurate annual pension forecast data is critical for ensuring sufficient budget cover is secured to make pension top up grant payments to FRAs each year.

The scheme manager is responsible for ensuring this information is submitted accurately and on time.

Full details are available in the [guide for fire authorities \(in England\) when calculating pension forecasts for the Firefighters' Pension Top Up Grant](#).

6.8 HMRC reporting

HMRC reporting may be delegated to the administrator under the terms of the service level agreement.

Event Reporting – the scheme administrator of a registered pension scheme must tell HMRC when certain reportable events occur no later than 31 January following the end of the tax year. This is done by submitting the Event Report for a tax year.

These reportable events are split into two categories:

- reportable changes, and
- reportable fund movements.

There are 23 reportable events. [HMRC guidance on sending pension scheme reports](#) provides more information on all events that you must report.

Full details on Event Reporting can be found in [HMRC Pensions Tax Manual 161100](#).

Accounting for tax (AFT) – the scheme administrator³ is liable for payment of certain tax charges in connection with the scheme. When a scheme administrator does have a tax liability, the return that the scheme administrator must complete to account for that liability is called the Accounting for Tax return.

The scheme administrator is responsible for making the AFT return and for ensuring it is correct and complete.

A third-party administration provider can file the AFT on behalf of the scheme administrator but the scheme administrator remains responsible for ensuring that it is submitted on time and the contents are correct. Where a provider submits the AFT the scheme administrator should have seen and approved its content before it is submitted to HMRC. The provider must make a declaration that the scheme administrator has approved the contents before they can submit it to HMRC

Full details on AFT can be found in [HMRC Pensions Tax Manual 162100](#).

6.9 General Data Protection Regulation (GDPR)

Each FRA is a Data Controller for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

Resources to assist authorities in complying with their duties under the regulations are available have been made available on the following [dedicated GDPR webpage](#).

[INCLUDE STANDARD DATA PROTECTION PARAGRAPH e.g:]

[INSERT NAME of FRA] is a Data Controller as part of the Data Protection Act 2018 which incorporates the General Data Protection Regulation (GDPR). This means we store, hold and manage personal data in line with statutory requirements to enable us to provide pension administration services. To enable us to carry out our statutory duty, we are required to share information with certain bodies, but will only do so in limited circumstances. More information about how we hold data and who we share it can be found in the Authority's Privacy Notice on [INSERT WEB ADDRESS].

6.10 Disclosure

Under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations, **the scheme manager must provide certain information to scheme members within certain timescales.**

Please refer to the [guide to disclosure of information requirements](#) for more information.

³ Please note this is not a reference to the pension administration provider. This refers to the duties of the Fire and Rescue Authority as stated in paragraph 3, sub paragraph 2 of [2006/569](#) which confirms that references to 'scheme administrator' as set out in schedule 3 should be read as a reference to the sub-scheme administrator as per schedule 2, in which the FRAs are listed.

7 Administrator duties and responsibilities

7.1 Performance reporting

Ensuring compliance is the responsibility of both the administrator and the FRA. Parties should work closely together to ensure compliance with all statutory requirements, whether they are specifically referenced in the regulations, in overriding legislation, or in this administration strategy.

Both employer and administrator targets will be measured on a quarterly basis against specific tasks set out in the service level agreement and these will be reported to the FRA. The FRA may choose to provide the information to their Local Pension Board.

[The administrator] will ensure that they are appropriately resourced to meet the service level agreement in place.

The service level agreement can be viewed [INSERT LINK].

Minimum standards for completing tasks in line with industry good practice and regulations, where applicable, are included at [Appendix 1](#). These are provided as a guide to the minimum requirements. As a matter of best practice, administrators may want to implement shorter local timescales.

A key factor in calculating the time taken to complete a process is the point at which the 'time clock' is started. This may be from the date of the relevant event or when the administrator is informed or receives all necessary information. The clock may also need to be 'paused' during the process, for example to await instruction or documentation from the member or employer, and these waiting days can reasonably be excluded from the total time taken.

Pension administration software typically contains task-management/ work-flow modules which allow timescales to be built in.

7.2 Improving performance

Where areas of poor performance on either side are identified, [the administrator] will work closely with the FRA to provide the opportunity for necessary training and development and put in place appropriate processes to improve the level of service delivery.

- Initially [the administrator] will liaise with the FRA setting out the area(s) of poor performance and how they can be addressed.
- Where no improvement is demonstrated or there has been a failure to take agreed action, [the administrator] will write to the scheme manager setting out the area(s) of poor performance that has been identified and the steps taken to resolve those area(s).
- If lack of improvement continues or there has been ongoing failure to take agreed action, [the administrator] will write to the

Local Pension Board setting out the area(s) of poor performance that has been identified and the steps taken to resolve those area(s).

Administrators rely on timely and accurate data from the FRA. Where persistent and ongoing failure occurs and no improvement is demonstrated, [the administrator] will escalate this to the scheme manager and Local Pension Board.

Where an employer fails to operate in accordance with the standards described in this Strategy, which leads to extra costs being incurred by the administrator, the administrator may issue a written notice requiring that these be met by the employer.

Any third-party costs or regulatory fines incurred by the administrator as a result of poor performance by the employer will also be recovered. Such costs may include fines imposed by the Pensions Ombudsman or Pensions Regulator, and additional charges in respect of actuarial or software fees, and additional printing and distribution costs.

7.3 Overriding legislation

In addition to the scheme regulations, the administrator and FRA will comply with any overriding legislation, including:

- the Occupational Pensions Schemes (Disclosure of Information) Regulations 2015;
- the Pensions Act 1995, 2004 and 2014;
- any Transitional Regulations currently in place;
- the Data Protection Act 1998;
- the Freedom of Information Act 2000;
- the Disability Discrimination Act 1995;
- the Age Discrimination Act 2006;
- the Finance Act 2004;
- Health and Safety legislation;
- Employment Rights Act 2010;
- HMRC Legislation and Current GAD Guidance;
- Public Service Pensions Act 2013;
- The Public Service Pensions (Record Keeping and Miscellaneous Amendments) Regulations 2014
- The Occupational and Personal Pension Schemes (Automatic Enrolment) Regulations 2010

and any future amendments to the above legislation.

7.4 Data standards

The administrator will ensure that suitable and secure methods of data transfer are available for the FRA to use.

Personal data will only be transferred from one party to the other via an acceptable method specified by the administrator which may include any of the following:

- a. Data transfer service (Internet based application)
- b. Secure email
- c. Paper forms signed by an authorised officer from the employer
- d. Password protected excel spreadsheet

7.5 Audit

[The administrator] is subject to an annual audit of its processes and internal controls. It is proposed that [the administrator's] internal audit will provide assurance to the Local Pension Board by auditing the pension administration service provided to the FRA.

FRA's are expected to fully comply with any requests for information from both internal and approved external auditors.

Any subsequent recommendations will be considered and where appropriate implemented (following any necessary discussions with the FRA).

7.6 Benchmarking

[The administrator] will periodically monitor its costs and service performance against the initial Aon report and any other benchmarking tool which may become available, to ensure that FRA's continue to receive value for money.

8 Service standards

The FRA and administrator responsibilities expected in relation to member events are outlined in the table below. Minimum standards for completing each task in line with industry good practice and regulations, where applicable, are included at [Appendix 1](#).

Function/ task: New starters	
Employer responsibility	Administrator responsibility
<p>Ensure pension information is included in new starter documentation e.g. appointment letter, contract of employment.</p> <p>Ensure eligible new starters are put into the scheme from their start date.</p> <p>Provide accurate member data to the administrator on the appropriate form/via electronic interface. (within 4 weeks/ 10 working days).</p>	<p>Create accurate member records on the pensions administration system following notification of a new entrant to the scheme.</p> <p>Provide new members with confirmation of joining (within 8 weeks of notification).</p> <p>Record and update member data on the pension administration system following the receipt of a completed new member form.</p>

<p>Provide starters with a new member form and access to a scheme guide with their contract of employment.</p> <p>Determine the correct contribution band and rate for the member.</p> <p>Inform the administrator of any eligible employees subject to automatic entry, who opt out of the scheme within three months of joining.</p> <p>Process payroll refunds for these members.</p> <p>Where there is more than one contract of employment with the same employer, each membership shall be treated separately for the purposes of the above.</p>	
--	--

Function/ task: Change in circumstances (active members)	
Employer responsibility	Administrator responsibility
<p>Inform the administrator of all material changes in circumstance on the appropriate form/via electronic interface (within 4 weeks/ 10 working days).</p> <p>Changes may include</p> <p>Personal information:</p> <ul style="list-style-type: none"> • Change of name or address • Marital status • National insurance number <p>Conditions of employment affecting pension such as:</p> <ul style="list-style-type: none"> • Contractual hours • Changes in pay • Contribution rate • Periods of reduced pay or unpaid absence <p>During periods of reduced or nil pay as a result of sickness, injury or relevant child related leave (i.e. ordinary maternity, paternity or adoption leave or paid shared parental leave and any paid additional maternity or adoption leave) assumed</p>	<p>Accurately update member records on the pensions administration system.</p>

<p>pensionable pay should be applied for pension purposes.</p> <p>N.B. As an increase in pay may cause a member to exceed their Annual Allowance, the administrator must be informed of:</p> <ul style="list-style-type: none"> • Promotions • Additional allowances 	
---	--

Function/ task: Annual return, Valuation, Annual Benefit Statements (ABS)	
Employer responsibility	Administrator responsibility
<p>Ensure the administrator receives accurate year to date information to 31 March by [INSERT DEADLINE].</p> <p>Provide the administrator with details of all CPD, temporary payments deemed pensionable and details of any temporary promotions from 1 July previous year to 30 June current year by [INSERT DEADLINE], to enable the appropriate APB to be calculated and awarded.</p> <p>Provide any additional information that may be requested to produce ABS for service up until the 31 March in each particular year by [INSERT DEADLINE].</p> <p>Provide the administrator with up to date and correct information as and when requested in accordance with agreed timescales and the regulations.</p> <p>Ensure that all errors highlighted from the annual contribution and pensionable pay posting exercise are responded to and corrective action taken promptly.</p>	<p>Process employer year end returns within [INSERT DEADLINE].</p> <p>Produce ABS for all active members by 31 August.</p> <p>Highlight if an individual has exceeded their annual allowance and issue a pensions saving statement by 6 October.</p> <p>Produce ABS for all deferred members by [INSERT DEADLINE] (no information from employers is required).</p> <p>Provide data to the scheme actuary to carry out the 4-year valuation of the scheme</p>

Function/ task: Estimates (Retirements/ Transfers)	
Employer responsibility	Administrator responsibility
<p>Determine reason for estimate and provide fully completed request including pay and other relevant information to the administrator.</p>	<p>Issue individual quotations/information after all information required to process a quotation has been received.</p>

Direct members to any available online self-service facility.	Provide information to the scheme member on any potential transfer in of benefits once all information required to process the quotation has been received (transfer estimate from other pension provider, contracting out, salary details etc). Maintain and promote any available self-service facility which allows members to view their pension information online.
Function/ task: Estimates (Divorce)	
Employer responsibility	Administrator responsibility
Provide fully completed request including pay and other relevant information to the administrator, within 10 working days of the request.	Issue divorce information including the CETV within 3 months of receipt of the request from the member or the Court.

Function/ task: Retirements	
Employer responsibility	Administrator responsibility
Submit the relevant, fully completed retirement form to the administrator as soon as the information is available. On request, provide the calculation of final pensionable pay so that the accuracy of the pay figure can be checked.	Return any form appearing to be incorrect to the FRA for amendment as soon as reasonably possible. Issue an initial offer letter and benefit information to the member within 5 working days of receiving the correct completed form. Issue a letter confirming actual retirement benefits within 5 working days of receiving completed documentation from the member. Make payment of any lump sum within 5 working days of receiving all relevant completed forms and proof of identity from the member, or on the retirement date if this is later. Make monthly pension payments on the relevant payment date of each month following retirement, including any arrears due. Payment dates may be adjusted to weekends and bank holidays.
Function/ task: Retirements – ill-health	
Employer responsibility	Administrator responsibility
Determine whether the member is entitled an ill-health award after obtaining a medical	Calculate and pay the required benefit in line with the above timescales.

<p>opinion from an Independent Qualified Medical Practitioner (IQMP) on the relevant scheme certificate and if so, which tier – upper or lower.</p> <p>Submit the relevant, fully completed retirement form to the administrator as soon as the information is available, including a copy of the IQMP certificate and confirmation of the relevant tier.</p> <p>On request, provide the calculation of final pensionable pay so that the accuracy of the pay figure can be checked.</p> <p>Make the appropriate payment into the notional pension fund:</p> <p>2 x final pay for lower tier 4 x final pay for upper tier</p> <p>Conduct ill-health reviews at the appropriate intervals as specified in the scheme regulations and notify the administrator of any changes.</p> <p>Review Injury Award pensions on an annual basis to ensure the correct DWP deductible benefits have been taken into account.</p>	<p>Review Injury Award pensions on an annual basis to ensure the correct DWP deductible benefits have been taken into account if this falls within the SLA.</p>
---	---

Function/ task: Leaving before retirement – deferred benefits	
Employer responsibility	Administrator responsibility
<p>Notify the administrator using the relevant leaver form, ensuring all information is accurately provided, within 4 weeks of the member's date of leaving.</p> <p>N.B. This includes members opting out with more than three months' service.</p> <p>Pay any refunds due within 10 working days of notification from the administrator.</p> <p>Pay any transfer payment due within 10 working days of notification from the administrator.</p>	<p>Accurately update member records on the pensions administration system.</p> <p>Notify the member of their deferred benefit entitlement and options within 2 months of receiving the correctly completed leaver form.</p> <p>Calculate a refund to an eligible member within 10 working days of receiving all relevant documentation and notify the employer.</p> <p>Issue one transfer-out quotation, guaranteed for 3 months, within 10 days of receiving all the information required.</p>

	Notify the employer of the amount to pay for transfer-out within 5 days of receipt of request from member.
--	---

Function/ task: Members with deferred benefits	
Employer responsibility	Administrator responsibility
<p>Keep adequate records for deferred members in case of a request for early payment.</p> <p>Following an application from a former member to have their deferred benefits paid early in ill-health grounds, obtain a medical opinion from an IQMP on the relevant certificate, and determine whether the member is eligible.</p> <p>Submit the relevant, fully completed form to the administrator, including a copy of the IQMP certificate.</p>	<p>Accurately update member records on the pensions administration system.</p> <p>Provide each deferred member with an annual statement of benefits, updated by the pensions increase award when applicable.</p> <p>Calculate and pay required benefits in line with the above timescales for retirement.</p>

Function/ task: Death in service	
Employer responsibility	Administrator responsibility
<p>Inform the administrator immediately following the death of a member using the appropriate means, providing details of the next of kin if known.</p> <p>Pay any death grant due within 10 working days of notification from the administrator.</p>	<p>Send an acknowledgement letter to the next of kin within 5 working days of notification of death.</p> <p>Provide a letter to dependants confirming the benefits payable within 5 working days of receiving all certificates, proof of identity, and relevant completed forms.</p> <p>Assist the FRA and the next of kin by ensuring that benefit options and payments are expedited in an appropriate and compassionate manner.</p> <p>Review children's pensions at age 18 or annually if continue in full time education to age 23.</p>

Function/ task: Death on pension	
Employer responsibility	Administrator responsibility
<p>Where the FRA is made aware of the death of retired member, ensure that the administrator has been notified of the death to avoid overpayment of pension.</p>	<p>Send an acknowledgement letter to the next of kin within 5 working days of notification of death.</p>

	<p>Provide a letter to dependants confirming the benefits payable within 5 working days of receiving all certificates, proof of identity, and relevant completed forms.</p> <p>Assist the FRA and the next of kin by ensuring that benefit options and payments are expedited in an appropriate and compassionate manner.</p>
--	--

Function/ task: Purchase of added pension	
Employer responsibility	Administrator responsibility
<p>Provide member with factsheet and quotation form on request. Form to be returned to the administrator.</p> <p>Arrange payroll deductions as advised by administrator.</p>	<p>Provide quote and election form to member within 10 working days of receipt of completed request.</p> <p>Advise employer of start date of contract and deductions from pay.</p> <p>Maintain a record of additional pension contracts.</p> <p>Pay the relevant benefits alongside main scheme benefits at retirement/ transfer-out.</p>

9 Local Pension Board responsibilities

Local Pension Boards were required to be established by the 1 April 2015 under the provisions of [Section 5 of the Public Service Pensions Act 2013](#) and regulation 4A of [The Firefighters' Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#).

The regulations state that each FRA must have an equal number of employer and member representatives, with a minimum of four members in total. Members are expected to have a sufficient degree of knowledge and understanding of the pension scheme to allow them to fulfil their role, which is to assist the scheme manager in complying with the pension scheme rules.

The LGA Bluelight pensions team can provide annual [training](#) for boards at a local or regional level. TPR also offers a series of courses on the [Public Service toolkit](#), to help those involved in scheme governance to improve their knowledge.

The Firefighter's Pensions (England) Scheme Advisory Board (SAB) website holds a range of [resources](#) that have been developed to facilitate the effective running of Local Pension Boards.

Appendix 1. Standard timescales

Please see [7.1 Performance reporting](#) for more information.

Work-flow/ task	Standard (working days)
Respond to member queries	5 days
New starters processed	10 days
Changes in details processed	10 days
Active ABS issued	31 August – where year-end on time
Deferred ABS issued	31 May
Year-end queries to FRA	1 month
Pension saving statements	6 October
Divorce estimates	10 days
Transfers in	15 days
Transfer out estimates	10 days
Transfers out	10 days
Refunds paid	5 days
Deferred benefits calculated	2 months
Retirement options sent	5 days
Retirement benefits processed for payment	5 days (or by retirement date if sooner)
Deferred benefits paid	5 days
Death notification processed	5 days
Dependants benefits paid	5 days
Death grant paid	5 days
Retirement lump sum paid	5 days
Payments recalled due to death	12pm day before payroll
Changes to bank details	Payroll cut off



OFFICIAL

Firefighter Pensions Bulletins 28 - 34

Local Pension Board

Date: 24 July 2020

Agenda Item:

16

Submitted By: Chief Employment Service Officer

Purpose	To inform Members of the contents of the bulletins published since the last Local Pension Board meeting.
Recommendations	That the report is noted and any actions arising from the bulletins are acted upon (where appropriate).
Summary	Included in this report are the actions arising from each bulletin and an update of the status of the actions.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:
Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 The Local Government Association (LGA) produces a monthly bulletin which provides pension practitioners with updates on various pension related issues.
- 1.2 The bulletins are sent to Administrators, Scheme Managers, FRA pension contacts and LPB chairs as a matter of course.
- 1.3 There is an expectation of Members to scrutinise each bulletin and seek assurance from the Scheme Manager that all actions arising have been identified and acted upon.
- 1.4 Since the last LPB meeting in January 2020, there have been 7 bulletins published by LGA, actions arising from which can be found in the section below.

2 Information

2.1.1 [FPS Bulletin 28 – January 2020](#) had a couple of actions for the FRA.

2.1.2

Action	FRA/Administrator	Status
Complete and return the immediate action spreadsheet	FRA	Complete
Reconsider retrospective ill-health applications	FRA	Ongoing

2.2.1 [FPS Bulletin 29 – February 2020](#) had a number of actions for both the FRA and the administrator.

2.2.2

Action	FRA/Administrator	Status
Update contracting out certificate	FRA	Complete
Implement revised GAD factors	Administrator	Complete
Complete Duradiamond account form	FRA	Passed to OHU

2.3.1 [FPS Bulletin 30 – March 2020](#) had a number of actions for both the FRA and the administrator.

2.3.2

Action	FRA/Administrator	Status
COVID 19 Survey	FRA	Complete
Confirmation of contribution rates	FRA	Complete

Threshold Increases for AA, LTA and buying additional pension	FRA/Administrator	Complete
Implement revised GAD factors	Administrator	Complete
IDRP Collection Data	FRA	Complete

2.4.1 [FPS Bulletin 31 – April 2020 \(Interim bulletin\)](#) had a one action for the FRA.

2.4.2

Action	FRA/Administrator	Status
Top up grant	FRA	Passed to Chief Finance Officer

2.5.1 [FPS Bulletin 32 – April 2020](#) had a number of actions for both the FRA and the administrator.

2.5.2

Action	FRA/Administrator	Status
ABS to still include projections	Administrator	Pending ABS production
Top up grant	FRA	Passed to Chief Finance Officer
Ill health applications	FRA	Passed to OHU

2.6.1 [FPS Bulletin 33 – May 2020](#) had a one action for the FRA.

2.6.2

Action	FRA/Administrator	Status
To communicate remedy update	FRA	Complete

2.7.1 [FPS Bulletin 34 – June 2020](#) had a number of actions for both the FRA and the administrator.

2.7.2

Action	FRA/Administrator	Status
Valuation data	Administrator	Ongoing
ABS wording	FRA & Administrator	Pending ABS production
Tax awareness wording	FRA	Complete
IQMP Reports	FRA	Passed to OHU



OFFICIAL

COVID 19 and the Firefighter Pension Schemes

Local Pension Board

Date: 24 July 2020

Agenda Item:

17

Submitted By: Chief Employment Service Officer

Purpose	To give Members a brief summary on how COVID 19 has affected pension services and what mitigations and new ways working have been put in place.
Recommendations	That the report is noted and Members raise any questions or concerns associated with the report.
Summary	The report provides members with an update from key stakeholders on measures taken due to COVID 19.

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:

Claire Johnson, Pensions Manager
T: 01274 655811
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: None

1 Introduction

- 1.1 Due to the ongoing pandemic I thought it would be prudent to provide Members with an update on what impact COVID 19 has had on the Firefighter Pension Schemes, what changes have been made as a direct consequence of COVID 19 and provide reassurance over the ongoing administration of the scheme.
- 1.2 All who are involved in pension administration have had to adapt and work differently over the past few months. We expect that this will go on for a considerable length of time and want to ensure that Members are fully informed of the continuity processes put in place.
- 1.3 The information section below details the position of key stakeholders.

2 Information

2.1.1 Fire and Rescue Authority (FRA)

- 2.1.2 As per the briefing note issued in March, the pensions' team have been working from home since 18 March. Calls from the office have been diverted to mobile phones and a laptop with all the software required has been provided.
- 2.1.3 Face to face visits were cancelled and replaced either by phone or video conferencing.
- 2.1.4 As restrictions are lowered, it is possible that some face to face interactions will recommence, however, this will be on a last resort basis and full social distancing measures will be put in place.
- 2.1.5 A pre-retirement seminar was booked for early June; however, this was cancelled as attendance went against the Government's 'stay at home' message. All attendees were contacted and offered a place on the course running later in the year (November 2020).
- 2.1.6 Other than the cancellation, mentioned above, it has been business as usual. All tasks have been completed from home and the new way of working has not had an impact on pension administration.
- 2.1.7 Regular contact has been maintained with our administrators, LGA and colleagues from other brigades.
- 2.1.8 There has been a slight increase in workload due to changes in legislation brought on by COVID 19; however, this has not had a detrimental impact. All new work generated has been absorbed into the normal workload and no additional resources have been required.

2.2.1 West Yorkshire Pension Fund

- 2.2.2 The majority of West Yorkshire Pension Fund (WYPF) staff are working from home and have been doing so since the beginning of April.
- 2.2.3 All of the discussions I have had with WYPF are positive. They appear confident that the business continuity plan they have put in place is sufficient and ensures that COVID 19 will not have an impact on their administration duties. This can be evidenced in the KPI's found in item 14.

- 2.2.4 WYPF has confirmed that they do not believe that COVID 19 will have an impact on benefit statement and/or pension saving production. This can be evidenced in the Scrutiny and Review section found in item 10.
- 2.2.5 Due to restrictions on movement and protection for their staff, WYPF took the decision to change their payroll run from daily to weekly. This change has had no impact on our pensioner members. What it does mean however, is that those who are retiring will not receive their lump sum on their first day of pension, instead they will receive it the first Friday following retirement. This is an interim change and is not intended to be long term. All those affected have been informed in the retirement literature they receive.
- 2.2.6 WYPF continue to provide FRAs with regular communications and are continuing to host client meetings, albeit virtually.

2.3.1 LGA

- 2.3.2 LGA has had a constant and welcomed presence throughout the pandemic. They have continued to offer support and assistance to both FRAs and administrators.
- 2.3.3 They have created a dedicated COVID 19 pension section on their [website](#), which is constantly updated with new guidance as and when it becomes available.
- 2.3.4 At the beginning of the pandemic they surveyed each FRA to get a feel for what impact COVID 19 would have on the administration of Firefighter pensions and what potential issues could arise i.e. Re-employment of retired FFs, taxation issues etc. The points that identified were immediately raised to the Home Office by LGA.
- 2.3.5 They host a fortnightly 'brew & chat' meeting for FPS pension practitioners. This is a virtual meeting giving pension personnel from around the country a platform to meet and discuss what difficulties they are facing at their FRA.
- 2.3.6 They have confirmed that face to face training will not go ahead in 2020, however, remain committed to offering training and will do so through virtual channels.
- 2.3.7 LGA has also confirmed that the AGM, scheduled for September 2020, will not go ahead in its current conference format. Instead they are looking at ways to host a virtual event.

2.4.1 The Pensions Regulator (TPR)

- 2.4.2 From the outset TPR identified the areas of focus from a service delivery perspective.

These were as follows:

- Payment of benefits
- Employer contributions
- Minimising the risk of scams
- Supporting good decision making

- 2.4.3 TPR goes on to recognise that some administrative breaches may occur, they confirm that they will maintain a proportionate and fair approach to any action they take.