



OFFICIAL

# Local Pension Board Activity Report

## Local Pension Board

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Date: 12 January 2018

Agenda Item:

5

Submitted By: Chief Employment Services Officer

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<b>Purpose</b>	To inform Members of performance in key areas for the period 1 June 2018 to 31 August 2018
<b>Recommendations</b>	That Board members note performance in key areas related to the Local Pension Board for the period 1 June 2018 to 31 August 2018
<b>Summary</b>	<p>This report informs Members of the Authority's key areas relating to the Local Pension Board as follows;</p> <ul style="list-style-type: none"><li>Number of pension scheme members across the various schemes</li><li>Number of new pension scheme members</li><li>Number of retirees in the period</li><li>Number of pensioner members of each scheme</li><li>Number of deferred members of each scheme</li><li>Number of IDRPs stage 1 and 2 complaints</li><li>Number of Opt Outs from the pension schemes</li><li>Number of pension estimates requested and processed</li></ul>

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson  
[Claire.Johnson@westyorksfire.gov.uk](mailto:Claire.Johnson@westyorksfire.gov.uk)  
01274 65 5811

Background papers open to inspection: None

Annexes: None

## 1 Introduction

1.1 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 IDRP 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 August 2018

1992 Fire fighters Pension Scheme	<b>200</b>
2006 Fire Firefighters Pension Scheme	<b>5</b>
2015 Firefighters Pension Scheme	<b>778</b>
Fire Fighters Modified Scheme	<b>21</b>

### 2.2 Number of pensioner members of each scheme at 31 August 2018

1992 Fire fighters Pension Scheme	<b>2015</b>
2006 Fire Firefighters Pension Scheme	<b>8</b>
2015 Firefighters Pension Scheme	<b>2</b>
Fire Fighters Modified Scheme	<b>31</b>

### 2.3 Number of deferred members of each scheme at 31 August 2018

1992 Fire fighters Pension Scheme	<b>102</b>
2006 Fire Firefighters Pension Scheme	<b>97</b>
2015 Firefighters Pension Scheme	<b>61</b>
Fire Fighters Modified Scheme	<b>18</b>

### 2.4 Number of 1992 FPS Scheme members with tapered protection

At 31 August 2018, there are **108** 1992 FPS members that have tapered protection in the scheme, before transitioning into the 2015 CARE scheme.

### 2.5 Number of 2006 NFPS Scheme members with tapered protection

At 31 August 2018, there are **9** 2006 NFPS members that have tapered protection in the scheme, before transitioning into the 2015 CARE scheme.

## 2.6 Number of new pension scheme members

In the period 1 June 2018 to 31 August 2018, there has been **0** new 2015 CARE pension scheme members. Please note that this does not include members that have transitioned due to taper protection.

## 2.7 Number of retirees in the period

In the period 1 June 2018 to 31 August 2018, **12** members have retired to pension.

## 2.8 Number of IDRPs stage 1 and 2 complaints

In the period 1 June 2018 to 31 August 2018, there have been **0** IDRPs complaints at stage 1 and at stage 2.

## 2.9 Number of Opt Outs from the pension schemes

In the period 1 June 2018 to 31 August 2018, **1** member opted out of the pension scheme.

Age	92 FPS	2006 NFPS	2015 CARE Scheme
18 - 25	0	0	0
26 - 30	0	0	0
31 - 35	0	0	0
36 - 40	0	0	0
41 - 45	0	0	0
46 - 50	0	0	0
51 - 55	0	0	0
56 - 60	<b>1</b>	0	0
61 - 65	0	0	0

Total	<b>1</b>	0	0
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Male	Female
<b>1</b>	0

## 3 Pension Estimates

Number of pension estimates processed for the period 1 June 2018 to 31 August 2018 - **38**



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# Pension Ombudsman - update

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

6

Submitted By: Chief Legal and Governance Officer

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<b>Purpose</b>	To present Members with information on recent Pension Ombudsman rulings related to the Firefighters' Pension Scheme.
<b>Recommendations</b>	That the report be noted.
<b>Summary</b>	<p>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.</p> <p>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.</p>

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Administration 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 Pension Ombudsman rulings that have been made since the date of the last meeting as follows;
- Mr N – scheme transfer
- 2.2 A summary of the case if provided at Annex A to this report and a copy of the full Ombudsman determination is available on request from Committee Services.

## **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 Resources Implications**

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

## **6 Health and Safety Implications**

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

## **7 Service Plan Links**

- 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 provide "effective and ethical governance".

Scheme:  
The Police Pension Scheme  
Complainant: Mr N  
Respondent: Northumbria Police Authority  
Topic: Transfers: general  
Ref: PO-12763  
Wed 11 Jul 2018  
Upheld

## Ombudsman's Determination

### Complaint Summary

Mr N has complained that the Authority transferred his pension fund to a new pension scheme without having conducted adequate checks in relation to the receiving scheme, and failed to provide him with a sufficient warning as required by the Pensions Regulator. Mr N is concerned that his entire pension fund may have been lost or misappropriated.

### Summary of the Ombudsman's Determination and reasons

The complaint is upheld against the Authority because it failed:

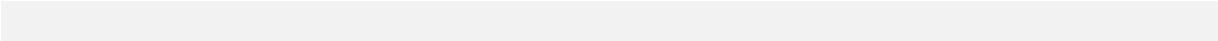
- to conduct adequate checks and enquiries in relation to Mr N's new pension scheme; to send Mr N the Pensions Regulator's transfer fraud warning leaflet; and.
- to engage directly with Mr N regarding the concerns it should have had with his transfer request, had it properly assessed it.

Having considered all the available evidence, I am satisfied, on the balance of probabilities, that but for the Authority's maladministration Mr N would not have proceeded with this transfer and suffered a loss.

To put matters right, the Authority shall reinstate Mr N's accrued benefits in the Scheme, or provide equivalent benefits, adjusting for any revaluation that has arisen since the transfer. To avoid 'double counting', the Authority will be entitled to recover from Mr N the amount of his pension fund that the trustees of the new pension scheme are able to retrieve for him, if any.

Also, the Authority shall pay Mr N £1,000 to reflect the materially significant distress and inconvenience that Mr N has suffered as a result of

the appropriate checks not having been made by it, and the recommended warning information not having been given directly to Mr N.





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# Legislative update

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

7

Submitted By: Chief Employment Services Officer

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**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.

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Local Government (Access to information) Act 1972

Exemption Category: None

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

Background papers open to inspection: None

Annexes: Annex A – Transitional Protections – legal challenge  
Annex B – Ill Health Injury Compensation Pensions – Tax Issues  
Annex C – Privacy Notice – GDPR Compliance  
Annex D – HMT Announcement – FPS valuation 2016  
Annex E – FPS 2006 special member tax relief claims

## **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.

## **2 Information**

- 2.1 In accordance with this requirement attached to this report are updates on the following legislative issues;
- Transitional Protections – legal challenge
  - Ill Health Injury Compensation Pensions – Tax Issues
  - Privacy Notice – GDPR Compliance
  - HMT Announcement – FPS valuation 2016
  - FPS 2006 special member tax relief claims

## **3 Financial Implications**

- 3.1 There are financial implications arising directly from this report. However, the true extent of this has not yet been measured.

## **4 Legal Implications**

- 4.1 There are no legal implications of this update.

## **5 Human Resource and Diversity Implications**

- 5.1 There are no HR or diversity and equality implications of this update.

## **6 Health and Safety Implications**

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

## **7 Service Plan Links**

- 6.1 Keeping Members updated with regard to pension legislation 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 provide "effective and ethical governance".

# FIREFIGHTERS



**FIRE BRIGADES UNION CENTENARY 1918-2018**

**Matt Wrack** General Secretary

## **Fire Brigades Union**

Bradley House, 68 Coombe Road,  
Kingston-upon-Thames, Surrey KT2 7AE  
fbu.org.uk | @fbunational  
020 8541 1765 | office@fbu.org.uk

Circular: 2018HOC0073MW

30 January 2018

**TO: All Members**

Dear Brother/Sister

### **Pensions: Age Discrimination Appeal**

You will be aware that in a case brought by the Fire Brigades Union, the Employment Tribunal decided last year that the transitional arrangements made in 2015 when the new firefighters' pension scheme was introduced did not discriminate against younger firefighters on the grounds of age. I am pleased to be able to let you know that the Employment Tribunal's decision has now been overturned by the Employment Appeal Tribunal (EAT).

The case will now be returned or 'remitted' to the Employment Tribunal, which will have to weigh up properly the Government's alleged need to implement the 2015 transitional arrangements against the damage that they did to firefighters who missed out on protection just because of their age. The EAT agreed with our argument that the Employment Tribunal had to conduct this balancing exercise and failed to do so.

In a parallel decision also handed down today, the EAT dealt with the similar transitional arrangements made with the new pension scheme for judges created in 2015. In the judges' case, the Employment Tribunal *did* analyse the damage that the new arrangements did to younger judges and found that the balance did not justify the imposition of transitional arrangements. The EAT has upheld that decision. Because the judges' Employment Tribunal had conducted the balancing exercise (and found against the Government), there is no need to remit their case to the Employment Tribunal.

The EAT also agreed with our argument that the transitional arrangements potentially discriminate on the grounds of sex and race because female and B&EMM members are disproportionately likely to be younger. That issue has also been remitted to the Employment Tribunal for further consideration.

The EAT did not agree with all of our case. We said (and so did the judges) that making transitional arrangements that favour members just because they are nearer to retirement can never be a legitimate aim and can never be justified – being 'nearer to retirement' is just another way of saying 'older'. The judges won this point in the Employment Tribunal, but that part of their decision has now been overturned by the EAT. So far as the judges are concerned that does not matter. They won overall because of the balancing issue mentioned above.

What this means is that, as matters stand, we would end up in the Employment Tribunal on the basis that the Government is entitled to protect the position of older firefighters but not their younger co-workers, and our criticism of the Government's position would have to be limited to challenging the unfairness of the impact on unprotected firefighters. We have presented a legal case based on the argument that the Government is not entitled to protect some firefighters and not others if the distinction is age, no matter how the line is drawn.

The Government says it intends to appeal our case and the judges'. We will use this opportunity to appeal on the legitimate aim issue mentioned above because if we are successful on that, there is no need to balance the Government's aims against the damage they caused to younger members at all.

This is sure to be a long hard fight. We remain confident in our arguments and although we cannot give any guarantees, the decisions of the EAT enable us to continue with our challenge.

We will be discussing all these issues in the coming days and members will be kept updated.

Best wishes.

Yours fraternally

A handwritten signature in black ink that reads "M. Wrack". The signature is written in a cursive, slightly slanted style.

**Matt Wrack**  
**General Secretary**

## **AGENDA ITEM 7(b)**

### **III Health Injury Compensation Pension – Tax Issues**

All FRA's need to ensure that any injury pensions paid to non-members are re-classified as non-taxable benefits as they are classed as compensation payments. This is something that WYPF have actioned on our behalf.

WYPF have identified 11 WYFRS pensioners who will be affected by the above. WYPF have written to all affected pensioners to make them aware that they will be able to reclaim tax from HMRC. It has become apparent that WYPF can reclaim 4 years from HMRC via PAYE. The onus falls upon the Authority to cover any short falls.

It has been suggested that the Authority backdates any payments to when the Compensations Regs were introduced (April 2006).

Where the Authority need to re-pay tax to a member (in respect of a period the member cannot reclaim via HMRC directly) the payment should be made as some sort of compensation/ex gratia/insurers payment from the operating budget and not out of any top-up grant funding.

No calculations have been made yet as we are still waiting for HMRC to provide refunds for 5 pensioners. This position hasn't changed since our last LPB meeting in July 2018.

How we use personal information to administer the Firefighters' Pension Scheme. This notice is for members (and beneficiaries) of the following Firefighters' Pension Schemes (the "Schemes"):

- Firefighters' Pension Scheme 1992;
- Firefighters' Pension Scheme 2006;
- Firefighters' Pension Scheme 2015;
- Modified Firefighters' Pension Scheme.

This notice has been prepared by West Yorkshire Fire and Rescue Authority (the "Fire Authority", in its capacity as the manager of the Scheme (the "Scheme Manager").

### **Why we are providing this notice to you**

As Scheme Manager we hold certain information about you (personal data) which we use to administer the Scheme and to pay benefits from it. This notice is designed to give you information about the data we hold about you, how we use it, your rights in relation to it and the safeguards that are in place to protect it.

### **Why do we collect information about you?**

The Fire Authority holds personal data about you in its capacity as data controller for the proper handling of all matters relating to the Scheme, including its administration and management. This includes the need to process your data to:

- Contact you;
- To calculate, secure and pay your benefits;
- For statistical and financial modelling (for example, when we assess how much money is needed to provide members' benefits);
- For reference purposes (for example, when we assess how much money is needed to provide members benefits and to inform the Government of any additional funding requirements);
- To manage liabilities and administer the Schemes generally;
- Assess eligibility for, calculate and provide you (and, if you are a member of the Scheme, your beneficiaries upon your death) with benefits;
- To identify your potential or actual benefit options and, where relevant, implement those options;
- To comply with our legal and regulatory obligations as Scheme Manager;
- To address queries from members and other beneficiaries and to respond to any actual or potential disputes concerning the Scheme.

## **Our lawful basis**

Under the Data Protection Act 2018, we can only process personal data under a lawful basis. The lawful basis for the above activities is because we have a legal obligation under the Superannuation Act 1972 to administer the schemes.

An additional lawful basis is also required for the processing of special category data, such as health information, and that basis can be found in Paragraph 1(1)(a) of Part 1 of Schedule 1 of the Data Protection Act 2018, i.e. the processing is necessary for the purposes of performing or exercising obligations in connection with employment, social security or social protection.

## **What personal data we hold, and how we obtain it. The types of personal data we hold and process about you can include:**

- Contact details, including name, address, telephone numbers and email address;
- Identifying details, including date of birth, national insurance number and employee and membership numbers;
- Information that is used to calculate and assess eligibility for benefits, for example, length of service or membership and salary information;
- Financial information relevant to the calculation or payment of benefits, for example, bank account and tax details;
- Information about your family, dependents or personal circumstances, for example, marital status and information relevant to the distribution and allocation of benefits payable on death;
- Information about your health, for example, to assess eligibility for benefits payable on ill health, or where your health is relevant to a claim for benefits following the death of a member of the Scheme;
- Information about a criminal conviction where this may result in pension forfeiture.

We obtain some of this personal data directly from you. We may also obtain data (for example, salary information) from your current or past employer(s), from a member of the Scheme (where you are or could be a beneficiary of the Scheme as a consequence of that person's membership of the Scheme) and from a variety of other sources including public databases (such as the Register of Births, Deaths and Marriages), our advisers and government or regulatory bodies, including those in the list of organisations that we may share your personal data with set out below.

Where we obtain information concerning certain special categories of particularly sensitive data, such as health information, extra protections apply under the data protection legislation. We will only process your personal data falling within one of the special categories with your consent; unless we can lawfully process this data for another reason permitted by that legislation (please see the section above entitled "Our lawful basis").

Where you have provided us with personal data about other individuals, such as family members, dependants or potential beneficiaries under the Scheme, please ensure that those individuals are aware of the information contained within this notice.

Organisations with which we may share your personal data

West Yorkshire Pension Fund (WYPF) has been appointed to administer the schemes on behalf of the Fire Authority; acting as a data processor in the capacity that the information passed to them is for the specific processing purposes of administering the schemes.

WYPF will also share with the following third party organisations:

- Actuarial consultant;
- Tracing bureaus for mortality screening and locating members;
- Overseas payments provider to transmit payments to scheme members with non-UK accounts;
- Printing companies;
- Pensions software provider;
- Suppliers of IT, document production and distribution services. For further information about how WYPF process your information on our behalf, please take a look at their privacy notice which can be accessed here - xxxxxx

As the data controller for the schemes, West Yorkshire Fire and Rescue Service may share information with the following third party organisations:

These organisations include the Scheme's:

Data processors	Data controllers
<ul style="list-style-type: none"> <li>• Administrator - (currently West Yorkshire Pension Fund)</li> <li>• Tracing bureaus for mortality screening and locating members - (currently Accurate Data/Experian/Lexis Nexis)</li> <li>• Overseas payments provider to transmit payments to scheme member with non-UK accounts - (currently HSBC Global Disbursements)</li> <li>• Printing companies - (currently Bradford MDC framework contract)</li> <li>• Pensions software provider - (currently Civica Group Ltd)</li> <li>• Suppliers of IT, document production and distribution services</li> </ul>	<ul style="list-style-type: none"> <li>• Actuarial consultant - (currently Aon Hewit)</li> <li>• Scheme benefit consultant - (currently Aon Hewit)</li> <li>• Legal adviser - (currently Michael Barnes)</li> <li>• Actuary - (currently Aon Hewit)</li> <li>• Statutory auditor - (currently Mazars LLP)</li> <li>• External auditor - (currently KPMG)</li> <li>• Internal auditor - (currently Kirklees)</li> <li>• The Department for Work and Pensions</li> <li>• The Government Actuary's Department</li> <li>• The Cabinet Office - for the purposes of the National Fraud Initiative</li> <li>• HMRC</li> <li>• The Courts of England and Wales - for the purpose of processing pension sharing orders on divorce</li> </ul>

In each case we will only do this to the extent that we consider the information is reasonably required for these purposes.

Where requested or if we consider that it is reasonably required, we may also provide your data to government bodies and dispute resolution and law enforcement organisations, including those listed above, the Pensions Regulator, the Pensions Ombudsman and Her Majesty's Revenue and Customs (HMRC). They may then use the data to carry out their statutory functions.

The organisations referred to in the paragraphs above may use the personal data to perform their functions in relation to the Scheme as well as for statistical and financial modelling (such as calculating expected average benefit costs and mortality rates) and planning, business administration and regulatory purposes. They may also pass the data to other third parties, to the extent they consider the information is reasonably required for a legitimate purpose.

We do not use your personal data for marketing purposes and will not share this data with anyone for the purposes of marketing to you or any beneficiary.

#### **How long we keep your personal data**

We will only keep your personal data for as long as we need to in order to fulfil the purpose(s) for which it was collected and for so long afterwards as we consider may be required to deal with any questions or complaints that we may receive about our administration of the Scheme, unless we elect to retain your data for a longer period to comply with our legal and regulatory obligations. In practice, this means that your personal data will be retained for such period as you (or any beneficiary who receives benefits after your death) are entitled to benefits from the Scheme and for a period of 15 years after those benefits stop being paid.

For the same reason, your personal data may also need to be retained where you have received a transfer, or refund, from the Scheme in respect of your benefit entitlement. You have a right to access and obtain a copy of the personal data that the Fire Authority holds about you and to ask the Fire Authority to correct your personal data if there are any errors or it is out of date or incomplete. In certain circumstances you have the right to object to the processing of your personal data and in some cases you may also have a right to ask the Fire Authority to restrict the processing of your personal data until any errors are corrected or to transfer or (in very limited circumstances) erase your personal data.

You can obtain further information about these rights from the Information Commissioner's Office at: [www.ico.org.uk](http://www.ico.org.uk) or via its telephone helpline (0303 123 1113). If you wish to exercise any of these rights or have any queries or concerns regarding the processing of your personal data, please contact the Fire Authority as indicated below. You also have the right to lodge a complaint in relation to this privacy notice or the Fire Authority's processing activities with the Information Commissioner's Office which you can do through the website above or their telephone helpline.

#### **Contacting us**

We are required by law (General Data Protection Regulation / GDPR) to have a Data Protection Officer and their contact details are: Name and contact of Data Protection Officer

Data Protection Officer – Michael Barnes  
c/o Corporate Services  
West Yorkshire Fire and Rescue Service  
Oakroyd Hall  
Bradford Road  
Birkenshaw  
West Yorkshire  
BD11 2DY

Corporate Services telephone number 01274 473787

**From:** Claire Hey  
**Subject:** HMT announcement - FPS valuation 2016  
**Date:** 10 September 2018 07:03:27  
**Attachments:** [image001.jpg](#)  
[image002.png](#)  
[image003.png](#)

**To: Fire Pension Scheme Practitioners, Regional Chairs, Directors of HR, Fire Finance Network.**  
**CC: Chief Fire Officers, Scheme Advisory Board, Local Pension Board Chairs and Lead Contacts, Home Office Fire Team, Devolved Government Fire Leads and Boards, Advisers and Suppliers.**

Dear colleagues,

On 6 September 2018, Her Majesty's Treasury (HMT) published their draft Directions for the 2016 valuation for comment. These include amendments to financial and demographic assumptions to be used by the Government Actuary's Department (GAD) to produce valuation results for the firefighter pension schemes in England.

This [technical bulletin](#) produced by GAD contains the links to all the relevant documents

[The written ministerial statement \(WMS\)](#)

[Draft Directions](#)

[Technical Annex to Directions](#)

[The letter to TUC](#)

For the firefighter pension schemes in England this means :-

- While GAD are still undertaking work to produce our draft valuation results we can indicate that the **firefighter scheme in England is likely to breach the cost cap floor** (i.e. costs are likely to be more than 2% lower than the 16.8% of pensionable earnings cost cap set out in our 2015 firefighter scheme regulations). Therefore the Home Office, as the Responsible Authority, will be required to take action to resolve the breach. Under paragraph 3 of rule [150A](#) of the scheme rules they must consult with the [Scheme Advisory Board](#) on the action to be taken.
- The directions specify the reduction in the SCAPE discount rate from 3% to 2.8% with effect from 1 April 2016 which was announced at Budget 2016. HMT are proposing a further reduction in the SCAPE discount rate, from 2.8% to 2.4%. This further reduction, if confirmed, is expected to apply from 1 April 2019 and **will significantly increase employer contribution rates from their current levels**. It is possible, but by no means certain, that some of the related costs will be met by the Treasury. The proposed amendments exempt the SCAPE change from the cost cap calculation so, while the reductions in the SCAPE discount rate create a material upward pressure on employer contribution rates, the employer cost cap cost will not be impacted.

I wanted to confirm what action the SAB will now be taking with regards to the consultation and how it is working with the sector to inform of possible outcomes and consequences.

**Firstly with regards to the 'significant' increase in employer contributions.**

Unfortunately at this stage we cannot quantify what this increase is set to be. We have been assured that GAD are working on these calculations as swiftly as they can, and we hope to have initial figures within the next two weeks, however this is not guaranteed. Treasury have already indicated there will be help with these costs in the first year.

It was disappointing to note the HMT position (as set out in the [technical annex](#)) on Milne costs that these should fall on employers. The SAB [response](#) to the consultation made clear the SAB position on this that these costs should not fall on employers and the SAB will be responding to HMT in that regard.

**The breach of the cost cap floor**

The cost cap for the Firefighters Pension Scheme (England) was set at 16.8%, and as indicated the valuation results at 2016 are likely to be under 14.8%, as such they will trigger the

mechanism under [regulation 150, paragraph 3](#) for the Home Office to consult with the [scheme advisory board](#) to bring the cost back within the target cost. If no agreement can be reached following a cost cap breach the default mechanism is to amend the rate at which benefits accrue.

For clarity the cost cap mechanism is a measure of costs for the reformed schemes only, i.e. the 2015 scheme. Therefore the steps taken to improve benefits will be for members in employment in the reformed schemes between April 2019 and March 2023. It will not affect deferred or pensioner members, or protected members of the 1992 or 2006 schemes.

The SAB is well placed to engage in this consultation. Its [cost effectiveness committee](#) constructed from stakeholders across the sector and supported by the boards independent actuarial advisor (First Actuarial) will be meeting on the 19 September to discuss the initial outcomes and will ensure the SAB is well informed. At this stage we cannot comment on what those improvements will look like, the board will discuss a range of options with their actuarial advisors.

Board consultations and responses will be published [here](#) once they are available, and monthly updates will be provided in the [bulletins](#).

Kind Regards

Clair

**Clair Alcock**

Firefighters' Pension Adviser

Local Government Association

Mobile (preferred) 07958 749056

Landline 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk) or [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk)

Web: [www.fpsboard.org](http://www.fpsboard.org) and [www.fpsregs.org](http://www.fpsregs.org)

18 Smith Square, London, SW1P 3HZ

[www.local.gov.uk/workforce](http://www.local.gov.uk/workforce)

 #LGAfirepensions

Bulletin 11 is now available [here](#)

cid:image002.png@01D4484D.F48B5280



cid:image003.png@01D4484D.F48B5280



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organisation nor should they be treated, where cited, as an authoritative statement of the law, and independent legal and other professional advice should be obtained as appropriate.

Visit the Local Government Association website – [www.local.gov.uk](http://www.local.gov.uk)



To whom it may concern

**Wealthy/Mid-sized Business Compliance**  
**HM Revenue and Customs**  
S0733  
NEWCASTLE  
NE98 1ZZ

**Phone** 03000 510394

**Email** david.cannon@hmrc.gsi.gov.uk

**Web** www.gov.uk

**Date** 6 August 2018  
**Our Ref** DJC/PBG/SALF

Dear Chief Fire Officer

### **Retained Firefighters pension**

I am writing to you as a sub-scheme administrator of the Firefighters Pension Scheme 2006. As you will be aware, following a court ruling in 2006 (in the case *Matthews v Kent and Medway Fire Authority*) retained firefighters won the right to elect to join the modified section of the Firefighters Pension Scheme 2006 (FPS 2006) as a special member. Recent contact with members and Fire and Rescue Authorities would suggest that a number of compliance issues need to be resolved. HMRC is aware that in some cases:

- Relief has been given under a net pay arrangement.
- Contributions and interest due exceeds their earnings and so all or part of the relief should have been given by way of IT/SA claim.
- Relief has been given by the wrong method.
- Relief may have been given incorrectly.

I am writing to all Scheme Managers of Fire & Rescue Authorities to request further information which will enable me to establish compliance and also to ensure consistency of treatment across the sector. The fact that that you have received this letter should not be interpreted as HMRC suggesting that you have not been compliant, the same letter has been issued across the Fire & Rescue sector.

### **Request for Information**

- 1) We require the following information for those who were employed as retained firefighters between 1/7/2000 and 5/4/2006 inclusive and have taken the opportunity to purchase retrospective membership of the Modified Scheme.**
  - a) Name, date of birth and national insurance number.

- b) A breakdown of total amount of periodical contributions\* in respect of retrospective membership for each person for each year (*specify years they relate to i.e. 2000 onwards*).
- c) Was the individual at the time the contributions were paid still employed as a Firefighter and a current member\*\* of FPS 2006? Y/N
- d) Were any of the individual's contributions paid as a lump sum? Y/N
- e) Were any of the individual's contributions to be paid in instalments? If so please provide annual amounts payable and dates of all the payments made to date?
- f) Did you operate net pay arrangement to give tax relief for these contributions? Y/N

**2) We require the following information for each individual in respect of arrears of pension due**

- a) Name, date of birth, national insurance number.
- b) Total amount due of additional pension for each person.
- c) Please specify whether PAYE was applied to the total amount of arrears or only to residual arrears after deducting contributions?

**3) We require the following information where there was any lump sum**

- a) Were any contributions paid by a deduction from an additional Pension Commencement Lump Sum (PCLS) Y/N
- b) If yes, please provide name, date of birth, national insurance number.
- c) Details of the amounts for each individual and years these relate to.

I understand that it may take you time to collate the information requested and therefore I would request that all responses are sent for my attention before 21 September 2018. To assist you with completing this information request, I attach to my email a spreadsheet which I would ask you to complete. If you have concerns with regards to providing confidential data via email, I would suggest that you password protect the data and send the password under separate cover to my email address shown above. I would be grateful if you would mark responses for my attention and send the requested information to the mailbox below:

[wmbc.policeandfiresectorpbq@hmrc.gsi.gov.uk](mailto:wmbc.policeandfiresectorpbq@hmrc.gsi.gov.uk)

**Notes for completion**

\*Contributions include interest for late payment.

\*\*Current member means they are a) still employed as a Firefighter (either retained or regular) and b) they are a member of the FPS 2006 scheme and c) they are paying contributions in respect of their current employment.

Please reply by 21 September 2018. If you can't reply by this date, then let us know.

Yours sincerely

**David Cannon**

Sector Compliance Manager (Police, Fire and Housing Associations)

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To find out what you can expect from us and what we expect from you go to [www.gov.uk/hmrc/your-charter](http://www.gov.uk/hmrc/your-charter) and have a look at 'Your Charter'.



OFFICIAL

# Firefighter Pensions England Bulletins

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

8

Submitted By: Chief Employment Services Officer

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### Purpose

To present Members with monthly pension bulletins released by Local Government Association in collaboration with the SAB.

### Recommendations

That members:

- i) Note the content of the bulletins
- ii) Identify any 'work items' or potential areas for future training sessions

### 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.

The monthly bulletins provide information on changes in legislation, technical updates, best practices as well as factsheets for both employees and employers.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pension Officer  
T: 01274 655811  
E: [Claire.johnson@westyorkshire.gov.uk](mailto:Claire.johnson@westyorkshire.gov.uk)

Background papers open to inspection: None

Annexes: [Click here to enter text.](#)

## **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.

1.2 After recommendation from Clair Alcock (Firefighters' Pension Advisor) it has been decided that the bulletins will be a standing item on future LPB agendas.

## **2 Information**

2.1 Attached to this report is a comprehensive list of all previous bulletins and links to supporting appendices.

## **3 Financial Implications**

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

## **4 Legal Implications**

4.1 There are no Legal implications arising directly from this report.

## **5 Human Resource and Diversity Implications**

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

## **6 Health and Safety Implications**

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

## **7 Service Plan Links**

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 provide "effective and ethical governance".

## FPS Bulletin 1 – July/ August 2017

Welcome to the first issue of the Firefighters' Pensions Schemes bimonthly bulletin. If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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### FPS

#### [Meet the bluelight team](#)

[Clair Alcock](#) – Firefighters’ Pension Adviser

Clair joined LGA in December 2014, after an 8 year career with AquilaHeywood leading the Police and Fire developments, with 2 years before that in Police Pension Administration, and 5 years before that in private sector administration. Clair heads up the Fire and Police pensions team at LGA, offering advice to employers on their pension scheme responsibilities and supporting the national governance of the Fire Pension Scheme.

Clair is delighted to have recently welcomed Claire and Kevin.

[Kevin Courtney](#) – NPCC Pensions Adviser

Kevin has spent most of his career working in public sector reward, including time with Transport for London, Guy’s & St Thomas’ Hospitals and, from 2001 to 2016, with the Metropolitan Police as Head of Reward.

Kevin has been in his current role since January 2017 and is leading on improving scheme governance, working closely with the Police Pensions Scheme Advisory Board, improving communication among all stakeholders and progressing technical issues with the administrators and the Home Office police pensions team.

[Claire Hey](#) – Assistant Firefighters’ Pension Adviser.

Joining the team in June 2017, Claire has 10 years’ public service pension experience, in LGPS and the Firefighters’ Pension Schemes. Claire commenced Local Government employment in 2004 at Salford City Council, before moving to Greater Manchester Pension Fund, and most recently Greater Manchester Fire & Rescue Service.

Claire’s role is to provide secretariat support to the Fire Pensions Scheme Advisory Board and develop national scheme communications.

#### [Home Office assumptions exercise](#)

The Home Office has written to all FRAs to request submission of their pension income/expenditure forecasts for the period 2017/18 to 2023/24, via the online LOGASnet system.

The letter sets out the centrally prescribed assumptions that **must** be applied when calculating pension income and expenditure forecasts. The forms can be accessed on LOGASnet from Monday 17 July. The deadline for submissions is Wednesday 6 September.

FRAs are also required to complete an excel table in order to declare the local assumptions that they have applied to calculate their pension estimates. The prescribed assumptions that FRAs should use for CPI percentage increases, pay increases and employer contribution rates for the forecasting period have already been pre-populated on the table. Please note that payment of the 2018 Top Up grant will be conditional on its completion and incomplete tables will be returned to FRAs.

FRAs are reminded that forecast pension accounting data is being subjected to an ever increasing scrutiny and, as such, they should ensure that processes are in place to ensure that they have a robust methodology to calculate these.

The letter and spreadsheet template can be found at Appendices 1 and 2

### tPR governance and admin survey

During autumn 2016, the Pensions Regulator carried out a survey on public service pension scheme governance and administration. The results were published in May of this year.

The results and a summary of the survey research can be found here

<http://www.thepensionsregulator.gov.uk/docs/public-service-research-summary-2017.pdf>

The top risks identified across all schemes were:

- Governance
- Record keeping
- Internal controls
- Member communication

tPR has produced two presentations focusing on the results of the survey in relation to the Firefighters' Pension Schemes and the key messages that can be drawn from these findings. The presentations can be accessed at Appendices 3 and 4.

### Brewster case

Early in 2017 a judgement was handed down in respect of the requirement for nomination for a survivor's pension to be made, in the case of Brewster v NILGOSC -

<https://www.supremecourt.uk/cases/docs/uksc-2014-0180-judgment.pdf>

The Home Office issued advice with regards to the Brewster judgment, that in their opinion authorities can rely on section 3 of the Human Rights Act 1998 (the "HRA 1998") as the legal basis for their not requiring that a surviving adult partner be nominated in order to receive payment of survivor benefits under the 2006 scheme.

This issue for FPS only affects the 2006 scheme, for which the majority of the membership transferred to the 2015 scheme under reforms, therefore the potentially affected cohort is very small. Equally because of the local administration of pensions, nomination forms are encouraged to be completed regularly throughout the membership.

The potential risk to authorities were they to pay a survivors pension without a nomination in place and without the regulations being amended to allow this, is that potentially they could be challenged by a third party. In making a challenge they would have to successfully argue that the

Brewster judgment and the Human Rights act could not be taken into account and the authority had acted outside of the regulations in order to make the payment.

In a note from the Home Office they advise that *“scheme managers should seek their own legal advice or that of the Local Government Association on the legal effects of the Brewster Judgment.”*

However, it is not proposed to seek legal advice on this matter at the present time, as we share the Home Office opinion that the risk of a successful legal challenge is low. Were an authority to identify a member who has died without nominating a partner, we would work with the authority at that time to determine a course of action.

If anyone has any information contrary to this, and feel there is a risk to Firefighters’ Pension Scheme members by such an approach, please contact [Clair Alcock](#) .

### Voluntary Scheme Pays

FRA’s may be aware that LGA have recently been asked to consider whether authorities can satisfy a tax charge under ‘Voluntary’ Schemes Pays where a transitional member has breached AA across the Firefighters’ Pensions Schemes, and / or any active member is subject to the tapered annual allowance.

Please see below a summary of the legal advice taken on behalf of FRA’s. The detailed advice note is available at Appendix 5.

1. In certain circumstances, an individual cannot use Mandatory Scheme Pays ‘MSP’ to pay a relevant HMRC tax charge. This note considers whether an FRA can satisfy the tax charge on a members behalf using Voluntary Scheme Pays ‘VSP’
2. The Home Office is considering amendment to the legislation that would allow an FRA to use ‘VSP’ in certain circumstances only. However, unless or until that legislation is introduced it is for the FRA to consider their approach to this issue ensuring that what they do is both lawful and appropriate.
3. Having taken Legal advice on behalf of FRA’s, LGA can confirm that an FRA (including County Councils, combined Fire Authorities and Metropolitans) can offer Voluntary Scheme Pays arrangements in order to pay the tax bill where a member of the scheme cannot use mandatory scheme pays because **they have a power of general competence, which may be exercised reasonably where there are sufficient grounds for doing so’**.
4. It is considered that FRA’s should consider the test of ‘exercised reasonably where there are sufficient grounds for doing so’ to be in line with the two circumstances proposed by the Home Office and agreed by the Scheme Advisory Board:
  - Transitional members with service in one of the 1992 or 2006 Schemes, and the 2015 Scheme, are able to access a VSP arrangement in the same way that a protected 1992 or 2006 scheme member, or a member with service only in the 2015 Scheme, can do so through Mandatory Scheme Pays.
  - Scheme members with a tapered annual allowance are able to use a VSP arrangement to pay a tax charge in a circumstance where the pension growth in one scheme (or more

schemes) is less than the £40,000 general AA limit but more than their own tapered AA limit.

5. The Fire Authority as the 'scheme administrator' have an express power under [Rule 2, paragraph 2](#) of the Modification of Scheme Regs SI 2011/1791, to allow for an adjustment to be made to the pension (i.e. in this case a scheme pays debit)

## Other News and Updates

### GDPR

From 25 May 2018 the EU General Data Protection Regulation (GDPR) introduces new legislation governing the collection, use, and processing of personal data. While many of the provisions remain the same as the existing Data Protection Act, "new elements and significant enhancements" will impose new responsibilities on schemes by granting a number of additional rights to data subjects. The government have confirmed that the UK's exit from Europe will not affect the introduction of the new regulations.

Of particular interest to schemes will be the following:

- The definition of 'personal data' has been expanded to include online identifiers such as IP addresses.
- Implied consent is no longer permitted and therefore consent cannot be bundled, or inferred from silence, pre-checked boxes or inactivity. Explicit consent is required for telephone number and email address.
- Data subjects must be informed, typically via a privacy notice, why and how their data is being processed, how long it will be retained, and what rights they have under legislation. The notice should include details of the data controller and be written in a clear and transparent manner.
- While data subjects currently have the right to request access to their personal data, the removal of the £10 subject access request fee is a significant change. A 'reasonable fee' can still be charged, if a request is "manifestly unfounded or excessive". Timescales to provide the information have also been reduced, to a maximum of one month.
- Data subjects continue to have the right to have inaccurate data corrected, although this has now been formalised, with a one month deadline for compliance.
- The right to erasure allows an individual to request that any stored personal data is deleted or removed, in certain circumstances. However, mandated law overrides this, such as the retention of payroll records for a specified period.
- Should an individual contest the accuracy of their personal data or they object to the processing of it, then the right to restrict should be applied. In this case, the data can be stored, but further processing must not take place.
- The right to data portability now gives individuals the right to request that a scheme transfers their personal data to a third party, using a commonly used, machine readable format such as csv. The information must be provided free of charge and can be requested to be transmitted directly to the third party if this is technically viable.
- The data subject can object to the processing of their data in which case processing must cease, unless "compelling legitimate grounds" can be demonstrated. Individuals must be informed of their right to object at the point of first communication.

The Information Commissioner's Office has prepared a 12 step guide on actions that organisations should take in advance of the implementation date to ensure that they are compliant

<https://ico.org.uk/media/for-organisations/documents/1624219/preparing-for-the-gdpr-12-steps.pdf>

The original legislative guidance can be found here <http://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32016R0679&from=EN>

### State Pension age review

On 19 July, the Government published its review of the State Pension age (SPa) , accepting the recommendations of the [Cridland report](#), to phase in the increase to SPa of 68 between 2037 and 2039, rather than from 2044 as was originally proposed:

[https://www.gov.uk/government/uploads/system/uploads/attachment\\_data/file/630065/state-pension-age-review-final-report.pdf](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/630065/state-pension-age-review-final-report.pdf)

As the deferred pension age in the Firefighters' Pension Scheme 2015 is equivalent to SPa, any member born between 1969 and 1971 may be affected by this change if they leave the scheme without immediate entitlement to benefits.

### Supreme Court case – Walker v Innospec

In July, the Supreme Court handed down a judgment which has potential implications for pension schemes who offer differing survivors' pension benefits depending on whether their relationship with the originating member was a civil partnership, same sex marriage or opposite sex marriage.

The Equality Act 2010 contains an exception which made it legal for pension schemes to discriminate in the survivor benefits it offered, saying that pension schemes did not have to provide civil partners with pension benefits relating to membership accrued prior to the introduction of civil partnerships in December 2005. The Supreme Court found that this exception was incompatible with EU law.

The case relates to a member (Mr. Walker) whose pension scheme, making use of the exception in the Equality Act 2010, would have only provided his civil partner with a survivor's pension based on his membership from 5 December 2005 upon his death. By contrast if Mr. Walker had been married to a woman, a survivor's benefit payable based on his entire membership would have been payable on his death.

Following the judgment, we understand that Government lawyers are considering the possible impacts the ruling will have on the survivor pension rights offered by public service pension schemes, including the FPS.

## HMRC

### HMRC newsletters/ bulletins

HMRC have published [pension schemes newsletter 88](#) - June 2017 and [pension schemes newsletter 89](#) – July 2017 containing updates and guidance on pension schemes.

## Contracting-out reconciliation update

[Countdown bulletin 25](#) has been published by HMRC on 24 July 2017 covering a variety of related topics. This was followed by [countdown bulletin 26](#), published on 10 August 2017.

HMRC have confirmed that the October deadline for queries is the last queries they would be expecting to receive. Therefore with an expected three month turnaround for queries (from a date set by HMRC, not date of submission), and an average of up to three iterations of queries expected, HMRC have advised that the first round of queries needs to be with them by January 2018

For those yet to start a comparison of data to look at the match rate %, it is recommended they request a re-refresh of data. This will include all active and deferred members as the closure scan has now taken place. To obtain a 'refresh' of data, authorities should email HMRC at: [Schemereconciliationtelephoneenquiry.inbox@hmrc.gsi.gov.uk](mailto:Schemereconciliationtelephoneenquiry.inbox@hmrc.gsi.gov.uk).

Authorities now need to give serious consideration to how they will approach the exercise. Only 12 FRAs had submitted queries as at January 2017, though it is appreciated that all public service schemes are behind the curve due to lack of resource.

HMRC will not look at any queries received after final deadline, and GMP data will stand. This could lead to incorrect payment of benefits and breach of the Pensions Regulator data quality and Data Protection regulations.

## Outstanding queries

A summary of FPS related enquiries outstanding with HMRC is available at Appendix 6.

We are pleased to confirm that after liaising with HMRC in order for Fire Authorities to be able to pay the Unauthorised tax payments in respect of the contributions holiday to HMRC as part of a bulk procedure, HMRC are now in a position to confirm that procedure, please find attached:

- The procedure for each Fire Authority to report & pay the tax due on the unauthorised payments (Appendix 7)
- A spreadsheet for each Fire Authority to complete with details of the unauthorised payments (Appendix 8)

You will need to return the spreadsheet by post, with a covering letter titled "**Firefighters contribution refund**" that references your **SAFE** reference and the reference CLM Firefighters 2017.

For the purposes of this exercise you do not need to provide NI numbers, however, if the spreadsheets are not provided (as outlined in the procedure document) then the NI numbers will need to be included on the Event Report.

Please see the procedure for the address and bank details.

In order to obtain your PSTR and SAFE reference, please email [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk) and we will send you your individual PSTR & SAFE reference.

## Training

### 'Wrap-up' board training

We have had a number of requests for individual training sessions for new members of boards, and therefore pleased to confirm that we are able to offer a board training 'wrap up' session. This event will be held in London and our offices in Layden House, Farringdon on 22nd August, and will run from 10.30 to 3.30, please see the attached agenda at Appendix 9.

TPR will also be available at the session.

There are 30 places only, so please book early.

If you wish to enquire about full board training, please contact either [Claire Hey](#) or [Clair Alcock](#). Each board is entitled to a free training session under the Scheme Advisory Board levy.

### LGA pension update

Slides providing a short update of current issues affecting the Firefighters' Pension Schemes have been uploaded to the Knowledge Hub at the following link:

[https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/message/57198061](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/message/57198061)

The slides are based on a presentation given at the CLASS AGM held in Manchester in July 2017.

### Save the date

Details have recently been circulated of three events to be held in London on 9<sup>th</sup> and 10<sup>th</sup> October:

#### **DAY 1 - 9<sup>th</sup> October 2017**

#### **10.00am to 3.00pm - Pension Scheme Governance**

#### **(Registration and refreshments from 9.30am)**

Primarily for scheme managers and local pension boards this event, will feature speakers from TPR, LGA, Pensions Ombudsman, SAB and include practical guidance on how to meet TPR requirements for good governance

#### **3.30 to 5.30pm – Firefighters Technical Community**

#### **(Tea and coffee from 3.00pm)**

This meeting is attended by representatives from the regional groups, LGA and SAB and is an opportunity to discuss technical matters. We welcome any guests who would like to attend.

**5.45pm onwards – After conference drinks – venue to be arranged locally to Layden House.**

## DAY 2 – 10<sup>th</sup> October 2017

### 10.15am to 3.30pm - LGA Firefighters Pension Scheme AGM

#### (Registration and refreshments from 9.30am)

Primarily for fire pension practitioners, scheme managers and interested parties, the AGM will feature speakers from Eversheds, LGA, SAB and include technical updates with opportunities to explore topics on pensionable pay, tax etc. in technical workshops.

Please save the dates in your diaries. The link to register should be available in the next few weeks.

## Legislation

SI	Reference Title
<a href="#">2017/774</a>	The Occupational Pension Schemes (Charges and Governance) (Amendment) Regulations 2017
<a href="#">2017/717</a>	The Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) (Amendment) Regulations 2017

## Useful links

- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page - <https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

GAD Guidance - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/19045086](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/19045086)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- Knowledge Hub FPS LPB members group forum

Home Page - <https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum>

SAB minutes - [https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message\\_boards/category/27800196](https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message_boards/category/27800196)

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>

- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

## Contact details

### **Clair Alcock (Firefighters' Pension Adviser)**

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Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

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Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Assistant Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Appendices

Appendices can be accessed [here](#).

## FPS Bulletin 2 – September/ October 2017

Welcome to the second issue of the Firefighters' Pensions Schemes bimonthly bulletin. If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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### FPS

#### 2017 amendment orders

Two amendment orders for the Firefighters' Pension Schemes were laid in the House of Commons on 11 September 2017 following the [Government response](#) to consultation.

[SI 2017/892](#) primarily gives effect to the government decision as was announced in the budget of 18 March 2015 that widows, widowers, and surviving civil partners of firefighters and police officers who died or die on duty in England and Wales would no longer lose their survivor benefits if they remarry or form a civil partnership. On 12 October 2015, the Home Secretary announced in the House of Commons that, in respect of police pensions, such changes would be applied retrospectively to marriages, remarriages and civil partnerships entered into on or after 1 April 2015. The current reforms regarding firefighters are consistent with that approach.

[SI 2017/888](#) makes minor administrative changes to the 2015 Firefighters' Pension Scheme.

LGA have produced a detailed guidance note summarising the changes and have also provided the full consolidated regulations with the change incorporated where appropriate to do so. This can be found at [Appendix 1](#).

There are two actions that Fire Authorities should note:

- 1. Need to ensure they record all circumstances regarding an injury, even where an injury pension is not awarded in order to assess later eligibility to pension on remarriage / re-civil partnership**
- 2. Need a process in place to ensure payroll does not move a member into the 2015 scheme IF an IQMP is currently taking place**

#### Added pension

As no determination under [rule 2, \(1\)\(b\)\(i\) of schedule 1](#) was made this year by Treasury on the overall limit of extra pension for 2017/2018, the amount from the previous scheme year (£6,500) should therefore be increased by pension increase orders as per paragraph (1)(b)(ii).

#### Meaning of "overall limit of extra pension"

2.—(1) The overall limit of extra pension is—

- (a) £6,500 for any scheme year ending before 1st April 2016; and
- (b) for any scheme year beginning on or after 1st April 2016—

(i) the overall limit of extra pension determined by the Treasury in respect of that scheme year as published before the start of that scheme year, or

(ii) if no such determination is made, the amount calculated under sub-paragraph (2).

(2) The amount is the amount to which the annual rate of a pension of an amount equal to the overall limit of extra pension for the previous scheme year would have been increased under the PIA 1971 if—

(a) that pension were eligible to be so increased; and

(b) the beginning date for that pension were the first day of the previous scheme year.

### Annual conference 2017



*Malcolm Eastwood, chair of the Scheme Advisory Board, addressing the audience on day two.*

Thanks to all who attended the Firefighters' Pensions annual conference on 9 and 10 October 2017. More than 120 delegates were welcomed to Layden House, Farringdon across the two day event, with fascinating presentations from the Pensions Regulator, the Pensions Ombudsman, GAD, and Eversheds Sutherland, among others.

The full presentations from both days of the conference can be accessed [here](#).

Suggestions are welcome for topics to be covered at next year's event. Please email the [Bluelight team](#).

### Scheme Advisory Board website

The annual conference also saw the launch of the Scheme Advisory Board website. The site can be found at [www.fpsboard.org](http://www.fpsboard.org) and contains a host of information on the role and work of the Board.

Content will be added on a regular basis, so check back frequently to see what's new in the fire pensions community. We are also constantly looking to develop and improve the site, if you have any feedback please contact [Claire Hey](#) by email or via the link on the homepage.

This is the first of three websites that are being developed to support the work of the Fire Pensions team at LGA, so look out for the administrator site and member site – coming soon.

## Annual Fire (England) Scheme Advisory Board subscription levy

On 5th September 2017, the Secretariat emailed all Fire and Rescue Authorities with a letter containing this year's Fire (England) Scheme Advisory Board levy. The letter is available at [Appendix 2](#). Thank you for your responses so far, the invoices will be sent out in early November.

## Auto-Enrolment

### Transitional delay

FRA's who used transitional delay will be aware that the end of the transitional period is 30 September 2017. We encourage employers to review the [transitional delay guidance](#) on TPR's website and to note the implications of the 12 month opt out exception for transitional delay.

For authorities who used transitional delay, in essence, this means that an employer **cannot** automatically enrol an eligible jobholder who opted out more than 12 months before the transitional delay assessment date of 1 October 2017. As this exception was introduced by the [Occupational and Personal Pension Schemes \(Automatic Enrolment\) \(Amendment\) Regulations 2015](#) with effect from 1 April 2015, it is likely to have changed the position for many employers whose staging date was prior to 1 April 2015. Letters will have been sent to eligible jobholders to whom transitional delay was applied, informing them that they would be enrolled into the relevant Firefighters' Pension Scheme on 1 October 2017 if they met the eligible jobholder criteria on that date. However, where the worker opted out more than 12 months before 2 October 2017 this cannot now happen. It would be advisable for FRA's to write to such individuals to inform them they will not be automatically enrolled from 1 October 2017 and to remind them of their option to opt in to the FPS.

In addition, FRA's should also be aware that [TPR's guidance](#) (see paragraphs 73 to 78) states that where an individual to whom transitional delay was applied is not an eligible jobholder on 1 October 2017 the employer must keep assessing the worker each pay reference as usual. If at any point after 1 October 2017 the eligible jobholder criteria are met, unless one of the exceptions apply, the individual must be automatically enrolled with effect from 1 October 2017 i.e. active membership must be backdated to start from 1 October 2017 irrespective of the date the employee first meets the eligible jobholder criteria after 1 October 2017. Obviously, this could have serious consequences if employers are required to backdate contributions for several years. The LGA team is seeking clarification from DWP on this and will provide further information as soon as it becomes available

### The Employers' Duties (Miscellaneous Amendments) Regulations 2017 (SI 2017/868)

The above regulations were laid in Parliament on 5 September 2017 and come into force from 1 October 2017.

The purpose of these regulations is to amend The Employers' Duties (Implementation) Regulations 2010, so that those regulations work as intended for newly created (PAYE and non-PAYE) employers. The amendments include:

- aligning the timing of the deferral date in relation to postponement so that for staging and post-staging employers the period for which automatic enrolment can be deferred is the same i.e. three months and one day; and
- changes to ensure that employers whose first eligible worker is employed before 1 October 2017, but who first pays PAYE income tax on or after 1 October 2017, are able to defer automatic enrolment by using postponement.

## Other News and Updates

### Government response to scams consultation

The Government have [published their response](#) to the pension scams consultation that took place in late 2016 and early 2017.

The response confirms that the Government plan to proceed with all three of the measures they consulted upon to tackle pensions scams and notes that respondents to the consultation were, in the vast majority of cases, also supportive of the proposed measures.

The table below lists each of the measures the Government hope to introduce and how the Government intends to implement these.

Measure	Implementation
Introduce a ban on cold calling in relation to pensions – <i>the Government have confirmed this ban will also now extend to cold calling via electronic communications such as email and text message, as well as traditional cold calling via phone</i>	The Government intend to work on the final and complex details of the ban on cold calling and then bring forward legislation when Parliamentary time allows.
Limiting the statutory right to transfer so that individuals only have a statutory right to transfer to the following schemes: <ul style="list-style-type: none"><li>• To personal pension schemes operated by firms authorised by the FCA</li><li>• To authorised master trust schemes</li><li>• Where a genuine employment link to the receiving occupational scheme can be evidenced</li></ul>	<p>The Government intends to work closely with industry, consumer groups and other stakeholders on how best to implement the employment link and add QROPS to the statutory transfer criteria (where this is a legitimate transfer).</p> <p>However, as the authorisation process the Government is introducing for master trusts is not being rolled out until late 2018/ early 2019, any changes to the statutory right to transfer will not come into force until after the authorisation process has been rolled out.</p>
Allowing only active companies to register a pension scheme, except in legitimate circumstances where HMRC will have the discretion to register such schemes. HMRC will also have the power to de-register existing registered pension schemes where the sponsoring employer is a dormant company.	The Government intend to introduce legislation in a Finance Bill later in 2017 to introduce this requirement.

### GDPR

Matthew Burrell, PLSA's Senior Policy Adviser for DC, has written a guest blog for the Pension Regulator about the new data protection rules coming into force from May 2018 and what they mean for pension schemes. The blog is available on the TPR's website [here](#).

PLSA have also produced a new [GDPR Made Simple](#) guide to help schemes understand the new rules.

TPR's presentation from the annual conference, Data challenges in the pensions landscape and GDPR, can be accessed in full with accompanying notes at [Appendix 3](#).

## Pensions dashboard

The Pensions Dashboard Project have published a newsletter on current developments in the establishment of the Pensions Dashboard, which can be found at [Appendix 4](#).

It has since been confirmed in a [press release](#) from the Association of British Insurers (ABI) that DWP will take forward development of the Pensions Dashboard.

Chair of the SAB, Malcolm Eastwood, is actively involved in representing the interests of the FPS to the Dashboard project team.

## We are moving!

From 30 October 2017 the LGA is moving back to their previous offices in Westminster. The newly refurbished building has been renamed as 18 Smith Square.

Our new postal address will therefore be [18 Smith Square, Westminster, London SW1P 3HZ](#). All other contact details remain the same.

## HMRC

### HMRC newsletters/ bulletins

HMRC have published [pension schemes newsletter 90](#) - August 2017 and [pension schemes newsletter 91](#) – September 2017 containing important updates and guidance on pension schemes.

### Contracting-out reconciliation update

The following bulletins have been published by HMRC containing a number of items of general interest relating to the ending of contracting out and the scheme reconciliation process.

[Countdown bulletin 27 – September 2017](#)

[Countdown bulletin 28 – October 2017](#)

We are aware that gradual progress is being made within FRAs, however other Public Service Pension Schemes are reporting issues with query response times and the HMRC automated solutions, so it is imperative that authorities identify discrepancies and submit any subsequent queries as soon as they are able.

### Outstanding queries

A summary of FPS related enquiries outstanding with HMRC is available at [Appendix 5](#).

- We reported in bulletin 1 that a bulk procedure is now available to report and pay tax due on Unauthorised Payments relating to the 18-20 contributions holiday. If you have not yet contacted us to request your FRA'S individual PSTR & SAFE reference numbers, please do so by emailing [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk).

- A technical note has been issued on the correct tax treatment of ill-health pensions paid from the Compensation Scheme to retained firefighters who were employed prior to 6 April 2006. The note can be viewed at [Appendix 6](#).
- HMRC have now confirmed that, following testing carried out with the help of data supplied by FRAs, A- to D-rate employee and employer national insurance rebates for Special Members of the 2006 scheme (Modified Scheme) can be calculated using as a minimum:
  - Member name
  - National Insurance number
  - Date of Birth
  - Period bought back

FRAs should supply this information by email to [christine.moore1@hmrc.gsi.gov.uk](mailto:christine.moore1@hmrc.gsi.gov.uk) at HMRC. The exercise will need to be completed by the end of 2018 in line with scheme reconciliation.

## Training

### Tax awareness seminars

We were recently pleased to announce that a training programme for Scheme Managers and Local Pension Boards has been procured to ensure Fire Authorities understand the current tax regime and how it affects their employees. Please see the remaining dates available below.

Venue	Fire
Leeds	15 <sup>th</sup> November
Amersham	29 <sup>th</sup> November
Liverpool	5 <sup>th</sup> December
Bromsgrove	6 <sup>th</sup> December
Cheltenham	8 <sup>th</sup> January
London	10 <sup>th</sup> January – FULLY BOOKED

There is no cost for attending a session, as the training programme has been secured by the Scheme Advisory Board and is funded by the statutory levy. However, please note that a £70 cancellation charge will apply for non-attendance.

The flyer at [Appendix 7](#) gives more information about the aim and content of the sessions, which are being hosted and run by Barnett Waddingham.

[Please register your attendance here](#). Joining instructions will be sent prior to the event.

### LPB training reminder

Each Local Pension Board is entitled to a free training session under the Scheme Advisory Board levy, which the Pensions Regulator can be engaged to attend. The full day session runs to approximately five hours, but content can be tailored to suit the needs and composition of individual boards.

If you wish to enquire about full board training, please contact either [Claire Hey](#) or [Clair Alcock](#).

## Save the date – annual conference 2018

The dates for the next annual conference have been provisionally set as the 9 and 10 October 2018 and the event will be held at the LGA's office at 18 Smith Square, London.

This year's event was extremely popular, so please save the dates in your diary to avoid disappointment.

## Legislation

SI	Reference Title
<a href="#">2017/864</a>	The Police, Fire and Crime Commissioner for Essex (Fire and Rescue Authority) Order 2017
<a href="#">2017/868</a>	The Employers' Duties (Miscellaneous Amendments) Regulations 2017
<a href="#">2017/888</a>	The Firefighters' Pension Scheme (England) (Amendment) Regulations 2017
<a href="#">2017/892</a>	The Firefighters' Pension Schemes and Compensation Scheme (Amendment) (England) Order 2017
<a href="#">2017/916</a>	The Pensions Act 2014 (Commencement No. 11) and the Pension Schemes Act 2015 (Commencement No. 2) Regulations 2017

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page -

<https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes -

[https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

GAD Guidance - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/19045086](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/19045086)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- Knowledge Hub FPS LPB members group forum

Home Page - <https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum>

SAB minutes - [https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message\\_boards/category/27800196](https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message_boards/category/27800196)

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

## Contact details

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## FPS Bulletin 3 – November/ December2017

Welcome to the third issue of the Firefighters' Pensions Schemes bimonthly bulletin. If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

May we take this opportunity to wish you all a very merry Christmas and happy New Year. Thank you for your help and support during 2017.

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### FPS

#### Backdated elections to the modified 2006 scheme (RDS)

As FRAs continue to receive enquiries from retained Firefighters concerning the retained modified exercise of 2014/ 2015 we thought it would be useful to reiterate the following information relating to the acceptance of backdated elections:

Part 11, Rule 6B, paragraph 12 confirms an election to join the scheme may not take effect after 31 March 2015.

*[6B(12)] Where it is not reasonably practicable to comply with the requirement in paragraph (1) within the period specified, the election shall be given by written notice as soon as reasonably practicable after the end of that period but in any event may not take effect after 31st March 2015.*

This was later extended to 30 September 2015 by Part 11, Rule 6C, paragraph 5b which provisionally enrolled a member in the scheme if they had not made an election up until 30 September 2015. This had the effect of extending the deadline for election to 30 September 2015.

*[6C(5)] Subject to rule 6B(12) of this Part, if a provisionally enrolled member—  
(b) does not give the authority written notice on or before 30th September 2015 of their election to pay mandatory special period pension contributions in respect of their service during the mandatory special period under rule 6A of this Part, the person ceases to be a provisionally enrolled member of this Scheme.*

**It is the opinion of the Bluelight pensions team (bearing in mind only a court can give a definitive interpretation of regulations) that there is no legal vires to the scheme for elections after 30 September 2015.** If the member wanted to pursue a course of action, they would have to appeal under Part 8 rule 5 and require the authority to instigate an Internal Dispute Resolution Procedure, on the grounds that the authority did not use all 'reasonable endeavours' under paragraph 4 of rule 5A to notify all members that they had an entitlement. If the IDRPs was unsuccessful, potentially the member could take the case to the Ombudsman.

*Part 11 Rule 5A, paragraphs 4, 5 & 14*

*(4) Within two months of the initial date, the authority shall use reasonable endeavours to notify all those existing employees and former employees who may be entitled to join this Scheme as a special member that they may be so entitled.*

*(5) Within two months of receiving the notification in paragraph (4), or if no notification has been received, within four months of the initial date, a person may apply to the authority by which he was employed in service falling within paragraph (2) above for a statement of the service in respect of which he may become entitled to pay contributions under this rule and the mandatory special period pension contributions which he would be required to pay in respect of it.*

*(14) Where it is not reasonably practicable to comply with any requirement set out in this rule within the period specified, the authority or applicant as the case may be shall comply with that requirement as soon as reasonably practicable after the end of that period.*

Crucially the point still remains that even if an IDRPs or Ombudsman did rule that reasonable endeavours were not used, as there is no legal vices for entry to the scheme, the only course of action would be for the authority to provide alternate means of redress.

### Pension sharing on divorce (transitional members)

The team have recently had a number of queries with regards to the correct calculation of a pension credit where the pension debit member is a 2015 scheme member with transitional entitlement to either the 1992 or 2006 scheme.

Given that eligibility for protection to remain in the final salary scheme applies to members of the scheme only and does not extend to spouses, the CETV should be calculated across the schemes (and the debit calculated from each) but the credit should be applied in the 2015 scheme only.

The pension credit should be based on the value of the whole ESCE (i.e. the shareable value of both the 1992 + 2015 CETV) and the credit should be calculated using the 2015 scheme guidance, using the addendum dated 13<sup>th</sup> May 2016.

[https://www.khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/message/20115516](https://www.khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/message/20115516).

This will be discussed further at the technical group on 28 February 2018, and we will provide further information in due course.

### Survivor benefits quick guide

The team have produced a quick guide to survivor benefits, intended to give a snapshot of regulations only. The guide is available at [Appendix 1](#).

The slides are based on a presentation given at day 2 of the annual conference held in London in October 2017.

### Voluntary Scheme Pays

A reminder that any election for Voluntary Scheme Pays needs to be paid to HMRC by 31 January 2018 for any tax charge relating to the 2016/2017 tax year.

Fire Authorities should have a policy in place to consider whether they will allow a VSP arrangement – see the [guidance note](#) for FRAs attached to bulletin 1 on further details of VSP.

The Bluelight team are currently considering guidance on how the resulting pension debit should be applied.

## Local Pension Board (LPB) survey

[Regulation 4a](#) of The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 required FRAs to establish local pension boards (LPBs) by 1 April 2015 to assist them in the effective administration and governance of the scheme.

As some time as now elapsed since the establishment of these boards, the LPB Effectiveness Committee of the Scheme Advisory Board considered that it would be appropriate and timely to test the effectiveness and operational efficiency of the new governance arrangements with particular emphasis on the role and function of LPBs and interaction with their scheme manager.

In order to do this, the web based survey at:

<http://fpsboard.org/survey.php>

was launched on 28 November 2017 and is intended to enable the Board to identify any areas of the legislation or related guidance affecting LPBs that may need to be reviewed to ensure that the statutory requirements of the 2015 Regulations and code of practice issued by the Pensions Regulator are being met.

All relevant stakeholders are invited to participate in the survey and, to ensure impartiality, the link to the survey was sent separately to FRA scheme managers, practitioners, and their LPB who are welcome to complete the same survey independently. However, this does not preclude any scheme manager and their board from collaborating on their respective responses where this is agreed locally.

The survey will run for a minimum period of six weeks, and a further email will be sent in due course to confirm the closing date. We would welcome your participation in the survey, as the responses will enable the Scheme Advisory Board to assess whether any changes to regulations or guidance need to be considered, or where further training and resources may be developed.

## Local Pension Board (LPB) - Resources

A list of resources has been developed to facilitate the effective running of LPBs. These are published on our [website](#). Content is reviewed and added regularly so please check it out. If your board has any resources you would be willing to share that you feel may benefit others, or there is anything specific you would like to see developed, please email [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk)

TPR have also published the following relevant Quick Guides:

- [A quick guide to record keeping](#)
- [A quick guide to measuring your data](#)
- [A quick guide to improving your data](#)

## Auto-Enrolment

### Transitional delay

We reported in bulletin 2 that:

*In addition, FRAs should also be aware that [TPR's guidance](#) (see paragraphs 73 to 78) states that where an individual to whom transitional delay was applied is not an eligible jobholder on 1 October 2017 the employer must keep assessing the worker each pay reference as usual. If at any point after 1 October 2017 the eligible jobholder criteria are met, unless one of the exceptions apply, the individual must be automatically enrolled with effect from 1 October 2017 i.e. active membership must be backdated to start from 1 October 2017 irrespective of the date the employee first meets the eligible jobholder criteria after October 2017. Obviously, this could have serious consequences if employers are required to backdate contributions for several years. The LGA team is seeking clarification from DWP on this and will provide further information as soon as it becomes available*

LGA have now received confirmation from DWP that they agree with TPR's guidance which, in their view, is consistent with the requirements of the Pensions Act 2008 (PA2008). In their view, the PA2008 requires this approach because where an eligible jobholder has been subject to transitional delay the start date for active membership is the day after the end of transitional delay (i.e. 1 October 2017).

While this is simple enough if the individual is still an eligible jobholder on 1 October 2017 as they would be brought into the scheme at that point (unless one of the exceptions apply), it becomes more complex if the individual is no longer an eligible jobholder on 1 October 2017. DWP's view is that the start date for active membership remains 1 October 2017, but there is no requirement for them to be brought into the scheme until they become an eligible jobholder again. If and when they do subsequently become an eligible jobholder again, the start date for active membership will remain 1 October 2017 and this will mean that their membership should be backdated to 1 October 2017.

DWP have stated that, in light of the issues that LGA have raised, they will review the treatment of these individuals. However, it is not expected that DWP's review will fundamentally alter the situation outlined here and FRAs are therefore advised to adhere to the content of TPR's guidance, particularly paragraphs 73 to 78, in the event of such a case arising.

It is important to note that the exception that prevents employers automatically enrolling those who opted out of FPS more than 12 months before 2 October 2017 (as discussed further in bulletin 2) will continue to apply meaning that employers will only need to backdate membership of FPS in a minority of cases where:

- a) transitional delay applied to the individual,
- b) the individual was not an eligible jobholder on 1 October 2017,
- c) the individual subsequently became an eligible jobholder, and
- d) the individual had not previously opted out of FPS more than 12 months before their automatic enrolment date.

## Other News and Updates

### Autumn budget 2017 – GAD technical bulletin

On 22 November, the Chancellor of the Exchequer, Philip Hammond, presented his Autumn Budget 2017 setting out the government's plans for the economy and public finances. This GAD [technical bulletin](#) provides a summary of certain measures announced, including government reviews relating to the public finances and financing innovation.

While there were no major announcements in relation to pensions, it has been confirmed that Lifetime Allowance for 2018/2019 will increase in line with CPI by 3.0%, to £1,030,000.

### The Pensions Ombudsman Service (TPOS) newsletter

TPOS have published the second of their stakeholder newsletters which is attached to this bulletin as [Appendix 2](#).

### TPR Governance and Administration survey

A very big thank you to all FRAs who have participated in the Regulator's annual Governance and Administration survey. Our colleagues at TPR inform us that the completion rate for FPS has again been high, though there may be just one or two outstanding to date.

On behalf of Malcolm Eastwood, chair of the Scheme Advisory Board, we would urge any FRA who has not yet completed or submitted the survey to do so as soon as possible. The survey has been sent by email to each FRA's registered Scheme Manager contact.

If you are experiencing any difficulty in locating the survey, please contact [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) for clarification of the email address it has been sent to. We can arrange for the link to be resent if necessary. Please note that surveys submitted up to 22 December 2017 will be accepted.

### We have moved!

On 30 October 2017 the LGA moved back to their previous offices in Westminster. The newly refurbished building has been renamed as 18 Smith Square.

Our new postal address is now [18 Smith Square, Westminster, London SW1P 3HZ](#). All other contact details remain the same. We look forward to welcoming you to our 'new' building in the future.

## HMRC

### HMRC newsletters/ bulletins

HMRC have published pension schemes newsletters 92 and 93 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 92 – October 2017](#): pension flexibility statistics, registration statistics, relief at source for Scottish Income Tax, drawdown pension tables, the new Pensions Online service, paying tax to HMRC and the lifetime allowance service

[Newsletter 93 – November 2017](#): Autumn Budget 2017, reporting of non-taxable death benefits, relief at source for Scottish Income Tax, the new Pensions Online service, pension payments to trustees in bankruptcy or third parties, the Lifetime Allowance service and Annual Allowance.

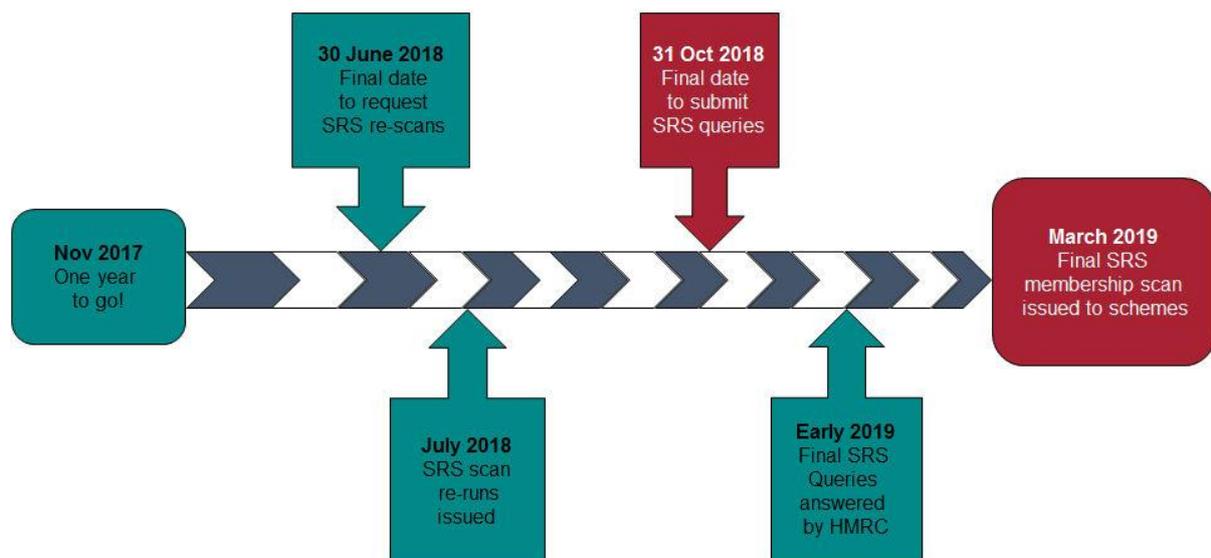
### Contracting-out reconciliation update

The following bulletins containing importance guidance and information about the end of contracting-out and the scheme reconciliation process have been published by HMRC in November.

[Countdown bulletin 29](#)

[Countdown bulletin 30](#)

With only one year left in which to submit queries to HMRC using the Scheme Reconciliation Service (SRS), we would encourage all FRAs and scheme administrators to note the timeline of important dates and events detailed in Countdown bulletin 30.



### Contribution holiday Unauthorised Payments to HMRC - England Fire Authorities only

We reported in [bulletin 1](#) that a bulk procedure is now available to report and pay tax due on Unauthorised Payments relating to the 18-20 contributions holiday. At this stage there are a number of Fire Authorities who have not yet done this.

HMRC have asked us to remind FRAs that the deadline to pay the unauthorised tax for those refund payments made before 6<sup>th</sup> April 2017 is **31/01/2018**.

In order to obtain your PSTR and SAFE reference, please email [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk)

## Rebate of NI for retained modified members

As detailed in [bulletin 2](#), HMRC are now able to process the NI refunds and convert the A rate to D rate contributions without needing the NI contributions paid for the periods.

However, we have since received further clarification that this relates to rebates up to 1 April 2013 only. HMRC will process refunds for years up to 2012/ 2013, but ask that employers submit Earlier Year Updates (EYUs) for 2012/ 2013 onwards using the actual pay records. Payroll departments should be familiar with EYUs on RTI, but if they require any help with EYUs then there is guidance available on [www.gov.uk](http://www.gov.uk).

It is standard practice across HMRC that employers submit EYUs on RTI and as employers must retain pay records for 6 years, they should still hold the information required.

## Training

### Tax awareness seminars

Feedback from the tax awareness seminars held so far has been very positive and if you are interested in attending there are still some places available on the following date.

Venue	Fire
Cheltenham	8 <sup>th</sup> January 2018

There is no cost for attending a session, as the training programme has been secured by the Scheme Advisory Board and is funded by the statutory levy. However, please note that a £70 cancellation charge will apply for non-attendance.

The flyer at [Appendix 3](#) gives more information about the aim and content of the sessions, which are being hosted and run by Barnett Waddingham.

[Please register your attendance here](#). Joining instructions will be sent approximately one week prior to the event.

### Ill health discharges and medical appeals

Merseyside FRS are hosting, on behalf of the NFCC Northern Occupational Health Group, a seminar on Ill Health Discharges and Medical Appeals on Thursday 11<sup>th</sup> January 2018 at their Headquarters on Bridle Road, Bootle, L30 4YD, and are now taking bookings for those wishing to attend this event.

There is no charge for attendance but due to limitation on numbers would respectfully ask that each Service limit the number of nominees to 2 per organisation. A reserve list for other potential attendees will be run and notification made in the New Year of any additional places allocated.

To book places on this Seminar please email [occupationalhealthservices@merseyfire.gov.uk](mailto:occupationalhealthservices@merseyfire.gov.uk)

Apologies to all for the late advertising of this event this is as a result of the original date being cancelled due to unforeseen circumstances.

## GDPR

The LGA have arranged three regional events entitled *Data protection reform in local government and the new General Data Protection Regulation* which are free of charge for local government organisations and other public sector organisations such as health, fire and police in England to attend. The events will bring together officers and councillors tasked with implementation and oversight of the new regulations with regulators, data experts and support networks to consider all aspects of the preparations needed and the approaches being advised. The day will take the form of morning plenary sessions with briefings and updates and a selection of short afternoon seminars from which you can choose.

Places are still available at the events in [Manchester – 18 January 2018](#) and [Birmingham – 6 February 2018](#). Please click on the links to book.

## Legislation

Act	Reference Title
<a href="#">2017/32</a>	Finance (No. 2) Act 2017
SI	Reference Title
<a href="#">2017/1104</a>	The Occupational Pensions (Revaluation) Order 2017
SSI	Reference Title
<a href="#">2017/435</a>	The Firefighters' Pension Scheme (Amendment and Transitional Provision) (Scotland) Regulations 2017

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page - <https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

GAD Guidance - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/19045086](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/19045086)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- Knowledge Hub FPS LPB members group forum

Home Page - <https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum>

SAB minutes - [https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message\\_boards/category/27800196](https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message_boards/category/27800196)

- FPS1992 guidance and commentary  
[http://webarchive.nationalarchives.gov.uk/20120919152859tf\\_/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/](http://webarchive.nationalarchives.gov.uk/20120919152859tf_/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/)
- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

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## FPS Bulletin 4 – January 2018

Happy New Year! And welcome to the fourth issue of the Firefighters' Pensions Schemes bulletin. This bulletin has been sent outside of our standard issue dates to provide information in time for HMRC's Event Reporting deadline of 31 January 2018.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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### FPS

#### Commutation factors – Special Members of the 2006 Scheme (Modified members)

Please find below an extension of the special member factors provided in The Firefighters' Pension Scheme (England) Order 2006 (as amended) ('the 2006 Scheme Regulations'), which includes factors for ages between 65 and 75. Please note that these are fixed and will not be subject to future review.

Years	Age in years and completed months on day pension commences											
	0	1	2	3	4	5	6	7	8	9	10	11
<b>65</b>	16.6*	16.6	16.6	16.5	16.5	16.5	16.4	16.4	16.3	16.3	16.3	16.2
<b>66</b>	16.2	16.2	16.1	16.1	16.0	16.0	16.0	15.9	15.9	15.9	15.8	15.8
<b>67</b>	15.7	15.7	15.7	15.6	15.6	15.6	15.5	15.5	15.4	15.4	15.4	15.3
<b>68</b>	15.3	15.2	15.2	15.2	15.1	15.1	15.1	15.0	15.0	14.9	14.9	14.9
<b>69</b>	14.8	14.8	14.7	14.7	14.7	14.6	14.6	14.5	14.5	14.5	14.4	14.4
<b>70</b>	14.3	14.3	14.3	14.2	14.2	14.1	14.1	14.0	14.0	14.0	13.9	13.9
<b>71</b>	13.8	13.8	13.8	13.7	13.7	13.6	13.6	13.5	13.5	13.5	13.4	13.4
<b>72</b>	13.3	13.3	13.2	13.2	13.2	13.1	13.1	13.0	13.0	12.9	12.9	12.8
<b>73</b>	12.8	12.8	12.7	12.7	12.6	12.6	12.5	12.5	12.4	12.4	12.3	12.3
<b>74</b>	12.3	12.2	12.2	12.1	12.1	12.0	12.0	11.9	11.9	11.8	11.8	11.7
<b>75</b>	11.7											

\*The factor at age 65 and 0 months is already quoted in the Regulations.

The commutation factors provided above are only to be used for special members in England who commute special pension and must not be used for any other members or options.

The full set of commutation factors for Special Members of the 2006 scheme, can be found in the GAD Guidance section of the [khub](#)

#### [Ill health retirement and the Firefighters' Compensation Scheme quick guide](#)

The team have produced a quick guide to ill health and injury benefits, intended to give a snapshot of the scheme regulations. The guide is available at [Appendix 1](#).

The slides are based on a presentation given at the Ill Health Retirement and Medical Appeal Process seminar held at Merseyside Fire & Rescue Service on 11 January 2018.

## [IQMP Guidance – Edition 4 October 2012](#)

The latest version of the IQMP Guidance – Edition 4 October 2012 as referenced at the Ill Health Retirement and Medical Appeals Process and in the quick guide above is available at [Appendix 2](#).

## [Medical appeals circular FSPC 9/2010](#)

As referenced at the Ill Health Retirement and Medical Appeal Process, circular FCPC 9/2010 Appeals to the Board of Medical Referees: Processing of Medical Appeals is available at [Appendix 3](#).

Please note neither the Home Office, LGA or the FSAB endorse archived circulars, nevertheless the guidance may be considered useful.

## [Voluntary Scheme Pays](#)

In advance of the 31 January deadline, LGA has issued further information for FRAs considering agreeing to a VSP arrangement. Notes and guidance on VSP are available at the following appendices:

[Voluntary Scheme Pays – Note to FRAs – LGA Guidance Note dated 31 May 2017](#)

[Appendix 4](#): Voluntary scheme pays - Note to FRAs - Further Guidance v2 23 January 2018

[Appendix 5](#): Member VSP Election Forms

[Appendix 6](#): Scheme Manager VSP Election Forms

[Appendix 7](#): Guidance on proportioning Scheme Pays Debit v2 23 January 2018

## [Other News and Updates](#)

### [Re-engagement of Senior Fire Officers Post-retirement: Response to Government Consultation](#)

In February 2017, the Government launched a consultation on amending the Fire and Rescue National Framework in England ('the Framework') to include requirements to discourage fire and rescue authorities from re-engaging senior fire officers post-retirement.

The consultation ran from 21 February 2017 to 4 April 2017 and 62 responses were received. The [consultation response](#) was published on 27 December 2017, to summarise the Government's findings and outline the next steps.

### [Pensions Dashboard development day](#)

On 11 December 2017, DWP hosted a Pensions Dashboard development day, at which the Minister for Pensions and Financial Inclusion Guy Opperman MP delivered a speech.

Attached as [appendix 8](#) are slides from the event which outline DWP's policy objectives for the Dashboard and a transcript of the Minister's speech from the day is available at <https://www.gov.uk/government/speeches/pensions-dashboard-development-day>.

### [The Pensions Ombudsman Service \(TPOS\) newsletter 3](#)

TPOS have published the third edition of their stakeholder newsletter which is attached to this bulletin as [Appendix 9](#).

## HMRC

### HMRC newsletters/ bulletins

HMRC have published pension schemes newsletter 94 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 94 – December 2017](#): relief at source for Scottish Income Tax, Annual Allowance, reporting multiple small pots payments through Real Time Information (RTI), simplifying pension language and new pensions online service - updating your scheme administrator details.

### Contracting-out reconciliation update

The following bulletin containing importance guidance and information about the end of contracting-out and the scheme reconciliation process have been published by HMRC in January.

### [Countdown bulletin 31](#)

HMRC have provided details to LGA and the Home Office of FRAs whom they have not yet received queries from. We strongly urge FRAs to ensure their reconciliation exercise is underway, as they otherwise risk not completing it on time.

- **Action for Pension Board Chairs**

**Pension Board Chairs should ensure this item is on their next agenda to seek reassurance the exercise is underway and request a progress update.**

### Contribution holiday Unauthorised Payments to HMRC - England Fire Authorities only

We reported in [bulletin 1](#) that a bulk procedure is now available to report and pay tax due on Unauthorised Payments relating to the 18-20 contributions holiday. At this stage there are a number of Fire Authorities who have not yet done this.

HMRC have asked us to remind FRAs that the deadline to pay the unauthorised tax for those refund payments made before 6 April 2017 is **31/01/2018**.

In order to obtain your PSTR and SAFE reference, please email [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk)

### Annual Allowance Pensions saving statements 2016-17

HMRC have confirmed that, as last year, they are prepared to accept scheme data regarding pension savings statements for 2016-17 on an excel spreadsheet rather than through the scheme's Event Report, from CLM customers. All other scheme events for 2016-17 must be submitted via Pensions Online.

This concession is made on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2016-17 Event Report. The data must be submitted by 31 January 2018 or penalties will be due for late filing. HMRC also reserves the right to open enquiries based on any of the pension savings statement information provided.

The data required for each member is as follows:

- Name of Member (Title, First Name, Surname)
- National Insurance Number of Member
- Aggregate Pension Input Amounts for the scheme (x)
- Tax Year Ending (that the information relates to)
- Have you provided this member with a pension savings statement under regulation 14A(1)(b)(ii) SI 2006/567? (Y/N) (Money Purchase Pension Savings Statement)
- If Yes, provide the Aggregate Pension Input Amounts for Money Purchase Arrangements (y)

All fields must be completed. For members who have both (x) & (y) above, the data should be listed on the same line in the spreadsheet.

Guidance is included at <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm161600> and <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167000>.

For the data to be compatible with HMRC's IT systems it must be submitted in the following format:

Excel 2003

Encryption via Winzip (up to and including version 17.5)

256 bit AES

File to be password protected

Passwords to be provided by separate cover

All files should be sent via e-mail to [pensions.businessdelivery@hmrc.gsi.gov.uk](mailto:pensions.businessdelivery@hmrc.gsi.gov.uk) and your CLM copied in. Files will need to be below 5MG, however HMRC will accept multiple submissions if the original file size exceeds this. HMRC will notify the scheme of receipt to enable the passwords to be provided under separate cover.

If the scheme chooses to use this facility to provide this information, it is entirely at the scheme's own risk. HMRC accept no responsibility of loss, interception or corruption until data is delivered safely to us.

If you do wish to use the spreadsheet method, can you please let your CLM know and confirm that you also understand that late filing penalties may be due if the information is not provided by 31 January 2018. If HMRC do not hear anything from you then they will assume that you will submit this information via the Event Report.

We would like to remind FRAs that where members have breached the £40k limit across two schemes or are subject to a tapered Annual Allowance, the [Voluntary Scheme Pays guidance](#) applies.

### Lifetime allowance - Event Reporting

As you may be aware from article 6.2 of the [Pension schemes newsletter 85 - March 2017 - GOV.UK](#) the Event Report hasn't been amended to include lifetime allowance protections that your members applied for online.

As per the Event Report requirements, if you need to submit these details to HMRC, you can submit these on a password protected spreadsheet and send the password in a separate email.

Both the spreadsheet and password (separately) should be sent to [pensions.businessdelivery@hmrc.gsi.gov.uk](mailto:pensions.businessdelivery@hmrc.gsi.gov.uk) with 'Lifetime allowance – Event Reporting' in the subject line of the email.

## Training

### GDPR

The LGA have arranged three regional events entitled *Data protection reform in local government and the new General Data Protection Regulation* which are free of charge for local government organisations and other public sector organisations such as health, fire and police in England to attend. The events will bring together officers and councillors tasked with implementation and oversight of the new regulations with regulators, data experts and support networks to consider all aspects of the preparations needed and the approaches being advised. The day will take the form of morning plenary sessions with briefings and updates and a selection of short afternoon seminars from which you can choose.

Places are still available at the events in [Manchester – 18 January 2018](#) and [Birmingham – 6 February 2018](#). Please click on the links to book.

## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

SAB induction	17 January 2018
SAB Cost-Effectiveness Committee	17 January 2018
<a href="#">LGA GDPR training – Manchester</a>	18 January 2018
SAB LPB Effectiveness Committee	31 January 2018
<a href="#">LGA GDPR training – Birmingham</a>	6 February 2018
SAB Admin & Benchmarking Committee	7 February 2018
Firefighters Pensions Technical Committee	28 February 2018
SAB	9 March 2018
<a href="#">LGA annual Fire conference and exhibition</a>	13-14 March 2018
Modified 2006 scheme workshop	2 May 2018
LPB wrap up training	19 June 2018
SAB	20 June 2018
Firefighters' Pensions AGM	9-10 October 2018
SAB	5 December 2018

## Legislation

SI	Reference Title
<a href="#">2017/1151</a>	The State Pension Revaluation for Transitional Pensions Order 2017
<a href="#">2017/1152</a>	The State Pension Debits and Credits (Revaluation) (No 2) Order 2017

[2017/1205](#) The Employment Rights Act 1996 and Pension Schemes Act 1993 (Amendment) Regulations 2017

[2017/1272](#) The Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) (Amendment No 2) Regulations 2017

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page - <https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

GAD Guidance - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/19045086](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/19045086)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

## Contact details

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## FPS Bulletin 5 – February 2018

Welcome to the fifth issue of the Firefighters' Pensions Schemes bulletin. While the bulletins were previously issued bi-monthly, it is now intended to produce them on a monthly basis where there is sufficient content.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

Firefighters Pensions Technical Committee	28 February 2018
SAB	9 March 2018
<a href="#">LGA annual Fire conference and exhibition</a>	13-14 March 2018
Aquila Heywood CLASS Police and Fire User group, Cresta Court Hotel - Altrincham	14 March 2018
<a href="#">ITM/ Pensions Age Data Seminar</a>	16 March 2018
Fire Communications Working Group	22 March 2018
<a href="#">Meeting GDPR and TPR Data Requirements</a>	29 March 2018
Modified 2006 scheme workshop	2 May 2018
Joint Police and Fire governance event	9 May 2018
LPB wrap up training	19 June 2018
SAB	20 June 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	AMENDED: 17-18 September 2018
SAB	4 October 2018
SAB	5 December 2018

## FPS

### Abatement

Having recently received several queries about Protected Pension Age (PPA) and abatement, the team thought it would be appropriate to remind FRAs that abatement and loss of PPA are two separate provisions which can apply to a member's benefits, and to provide the following useful information as a source of reference:

- Abatement and PPA workshop slides from the LGA Fire Pensions conference October 2016 – [Appendix 1](#).
- [FPSC 10/2009](#). Please note the Home Office do not issue or endorse previously published circulars, but nonetheless the guidance in circular FPSC 10/2009 may be useful.

The below extracts are from the regulations which confirm a requirement to withdraw the whole or any part of a pension in payment for any period during which the person entitled to it is employed by any fire and rescue authority in whatever capacity, and that where the authority exercise the discretion not to withdraw the payment they are required to transfer into the Firefighters Pension fund an amount equal to the amount of pension that could have been withdrawn or abated.

### 1992 Scheme

#### [Rule K4](#)

##### ***“Withdrawal of pension whilst employed by a fire and rescue authority***

**K4.** *The fire and rescue authority by whom a pension is payable may, in their discretion, withdraw the whole or any part of the pension, except a pension under Part C (awards on death—spouses and civil partners), for any period during which the person entitled to it is employed by any fire and rescue authority in whatever capacity.”*

#### [Rule LA\(9\)](#)

*“(9) Where an authority exercises its discretion not to withdraw the payment in whole or in part of any pension under rule K4 (withdrawal of pension whilst employed by a fire and rescue authority), the authority shall in the financial year in which payment is not withdrawn, transfer into the FPF an amount equal to the amount of pension paid during that financial year to that person which could have been abated or withdrawn.”*

### 2006 Scheme

#### [Part 9, Rule 3](#)

##### ***“Withdrawal of pension during service as firefighter***

**3.—** *(1) Subject to paragraph (2), the authority by which a pension under Part 3 is payable may withdraw the whole or any part of the pension for any period during which the person entitled to it is again employed as a firefighter by any authority.*

*(2) Where a person who is entitled to pensions under this Scheme in respect of both regular and retained or volunteer service (whether from the same authority or from different authorities)—*

*(a) resumes regular service, but does not resume retained or volunteer service, or*

*(b) resumes retained or volunteer service, but does not resume regular service,*

*paragraph (1) applies only as regards the pension referable to his previous retained or volunteer service or, as the case may be, his previous regular service.*

*(3) An authority may abate a pension to which a person is entitled under Part 3 so long as he is employed (in whatever capacity) by any authority.*

*(4) A person who—*

*(a) is entitled to a pension under Part 3, and*

*(b) accepts an offer of employment with an authority (in whatever capacity),*

shall, as soon as reasonably practicable after accepting that offer, give written notice to each authority by which a pension is payable to him under Part 3, specifying the name of his employing authority.

#### [Part 13, 2 \(11\)](#)

*“(11) Where an authority exercises its discretion not to withdraw or abate the whole or any part of a pension under rule 3 (withdrawal of pension during service as a firefighter) of Part 9 (review, withdrawal and forfeiture of awards), the authority shall in the financial year in which payment is not withdrawn or abated, transfer into the FPF an amount equal to the amount of pension paid during that financial year to that person which might have been abated or withdrawn.”*

The following factsheets have been developed by the LGA Bluelight team in collaboration with the Fire Communications Working Group and the Scheme Advisory Board to be provided to members:

#### [Abatement](#)

#### [Protected Pension Age](#)

### FPS Regulations and Guidance website – NEW!

We are delighted to inform readers that the FPS Regulations and Guidance website is now live and can be accessed at [www.fpsregs.org](http://www.fpsregs.org).

The site has been developed to hold all resources relating to the administration of the Firefighters' Pension Schemes and provide Fire & Rescue Authorities and administrators with tools and guidance to provide an efficient and effective service to their members. The main framework of the site is now in place and content will be added on a regular basis, so check back frequently to see what's new.

Existing content on the Knowledge Hub will be deleted once it has been migrated to the new site, though the forum groups will remain in place to promote peer support and sharing of knowledge.

If you have any feedback please contact [Claire Hey](#) by email or via the link on the homepage.

### Public sector age discrimination appeals – EAT update

Eversheds Sutherland have produced a UK Pensions Speedbrief containing a helpful summary of the outcome of the Employment Appeal Tribunal relating to the public sector age discrimination appeals which were heard in December 2017. The summary can be viewed at [Appendix 2](#).

## Other News and Updates

### GDPR

As we reported in [FPS bulletin 1](#), the General Data Protection Regulation (GDPR) comes into force on 25 May 2018 bringing significant changes to data protection legislation. Each Fire Authority is considered to be a Data Controller for pension scheme data and as such determines how, and for what purposes, data is to be processed.

We have been liaising with ITM on what this means for Fire Authorities and their pension scheme data, and ITM have produced guidance specific to FRAs encompassing the following six practical steps. The full guidance is available at [Appendix 3](#).

### 1. Map your data flows and identify the risks

Identify what data you hold, where it comes from and who you are sharing it with. Do you really need all the data? How long are you keeping it for?

Document the personal data you hold and keep an up-to-date record of processing activities.

### 2. Identify your lawful basis for processing data

Identify your legal basis for processing data, determine whether consent is required and communicate to members.

### 3. Update policies and procedures

Check your (or your administrator's) procedures for responding to subject access requests, requests to be forgotten and other requests from individuals. You need to have standard procedures in place and be able to comply with new requirements on timescales and charges.

### 4. Issue privacy notices

Review the information that you currently provide. It is likely that you will need to issue new GDPR compliant privacy notices to all pension scheme members prior to 25 May 2018. You may want to combine this with another member communication so plan ahead.

### 5. Review third party contracts

Update current agreements with any data processors processing data on your behalf (e.g. administrator) to ensure that new mandatory provisions required under GDPR are included. Data processors now have direct liability for breaches so may seek indemnities from controllers where the breach is considered to be caused by the controller.

### 6. Data Breaches

Ensure you have a breach notification procedure in place. Agree how the administrator and any other parties processing data on the Fire Authorities' behalf will fit into the plan.

On 20 November 2017, the LGPC Secretariat circulated a [legal opinion](#) from the legal firm Squire Patton Boggs on a number of questions regarding the implications of the EU's General Data Protection Regulation (GDPR) for the LGPS. Squire Patton Boggs have also produced a flyer on the main provisions of GDPR, which is specific to LGPS Administering Authorities, but linked [here](#) for reference.

## Public Service Pension Indexation and Revaluation 2018

HM Treasury have issued a [written statement](#) confirming the Public Service Pension Indexation and Revaluation for 2018.

Public service pensions will be increased from 9 April 2018 by 3%, in line with the annual increase in the Consumer Prices Index up to September 2017. FPS 2015 will use the figure of 3% for the earnings element of revaluation for active members.

## Indexation of GMP in public service pension schemes – consultation outcome

Readers may be aware that the UK government consulted between 28 November 2016 and 20 February 2017 on how GMP indexation and equalisation should be applied to public service schemes from 6 December 2018. An interim solution was introduced for the period 6 April 2016 to 5 December 2018 whereby public service schemes will pay the full indexation for members reaching state pension age between these dates.

The three options under consideration for implementation from 6 December 2018 were:

- i. Case by case – an annual comparison of what a member would receive under the old and new system, which would also include a further comparator to ensure equalisation.
- ii. Full indexation – a continuation of the interim solution
- iii. Conversion – Convert the accrued GMP into a scheme benefit

A [briefing paper](#) was provided to the Scheme Advisory Board on the consultation and the [consultation response](#), which recommended the conversion option.

The UK government has now considered the replies it received and has issued a [formal response](#) to the consultation.

In brief, the case by case option has now been ruled out. It has been decided to extend the interim solution from 6 December 2018 to 5 April 2021 to allow further consideration of implementing GMP conversion as a longer-term solution. The UK government will continue to consult with departments and schemes to decide whether a suitable methodology and legislation can be developed to enable GMP conversion to take place in the future. The UK government will also continue to take account of alternative solutions that may also address this issue.

Please see at [Appendix 4](#) a note from GAD setting out the impact of the extended interim arrangement for GMP indexation on the application of some of the Schemes' actuarial factors. Essentially this is an extension of the instructions that were issued in 2016 when the initial interim GMP indexation solution was announced.

## McDonald (Respondent) v Newton or McDonald (Appellant) (Scotland) - Supreme Court Ruling – Pensioner on Divorce

A recent [supreme court ruling](#) in the case of McDonald (Respondent) v Newton or McDonald (Appellant) (Scotland) may have implications for future divorce cases in Scotland, having changed the interpretation of [Regulation 4](#) of The Divorce etc. (Pensions) (Scotland) Regulations 2000 [SSI 2000/112] .

A full summary and interpretation of the case can be found in [LGPC bulletin 166 – January 2018](#).

## TPAS dispute function moves to TPO

LGA have been notified that the Pensions Advisory Service's (TPAS) dispute resolution function is moving to The Pensions Ombudsman (TPO). The move includes the transfer of the TPAS dispute resolution team and volunteer network of over 350 advisers. The transfer is expected to be completed by 1 March 2018.

At present customers can approach both TPO and TPAS for help when dealing with a pension complaint. TPAS usually focus on complaints before the pension scheme's internal dispute resolution procedure (IDRP) had been completed, while TPO typically deals with complaints that have been through IDRP.

We have been advised that this transfer of functions will simplify the customer journey. Customers will be able to access all pension dispute resolution, previously handled by two services, whether pre or post IDRP, in one place, leading to a smoother customer journey and improved complaint handling. TPAS will continue to focus on providing pension information and guidance, and will become an integral part of the new Single Financial Guidance Body.

TPO have requested that all signposting for customers be changed to the following:

- If you have a complaint or dispute with your pension provider concerning your workplace or personal pension arrangements you should contact The Pensions Ombudsman

Telephone: 0800 917 4487

Website: [www.pensions-ombudsman.org.uk/](http://www.pensions-ombudsman.org.uk/)

- If you need information and guidance concerning your pension arrangements contact The Pensions Advisory Service

Telephone: 0300 123 1047

Website: [www.pensionsadvisoryservice.org.uk](http://www.pensionsadvisoryservice.org.uk)

## HMRC

### HMRC newsletters/ bulletins

HMRC have published pension schemes newsletter 95 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 95 – January 2018](#): pension flexibility statistics, relief at source for Scottish Income Tax, updates to form APSS146E, new pensions online service, information powers and schedule 36 of the Finance Act 2008, reporting of non-taxable death benefits, changes to postal address, feedback on pension schemes newsletters.

### Contracting-out reconciliation update

The following bulletin containing importance guidance and information about the end of contracting-out and the scheme reconciliation process was published by HMRC in January. There have been no subsequent updates as yet.

### [Countdown bulletin 31](#)

The Pensions Administration Standards Association (PASA) has produced a GMP trustee checklist, available at [Appendix 5](#), which may be useful for FRAs considering what steps they need to take after reconciliation has taken place.

## New Pensions Online service – User Research

In [pension schemes newsletter 89](#), HMRC explained how, from April 2018, pension scheme registration and administration is being moved onto a new digital platform – Pensions Online Digital Service – in order to improve the service for pension scheme administrators. They also explained how user researcher, Cay Green, is looking to speak with different pension scheme administrators and pension practitioners as part of the ongoing user research.

If possible, HMRC would like more public service schemes to be involved in this research. If you are interested in participating in such user research, please contact [Cay Green](#) for further information.

## Lifetime Allowance 2018-19

The Standard Lifetime Allowance for 2018-19 has been confirmed as £1,030,000 by [The Finance Act 2004 \(Standard Lifetime Allowance\) Regulations 2018](#) [SI 2018/206].

## Relief at source for Scottish Income Tax

On 14 December 2017 the Scottish Government announced new Scottish Income Tax rates and allowances to apply for 2018 to 2019 tax year.

HMRC have issued [Pension schemes relief at source for Scottish Income Tax newsletter - February 2018](#) to update stakeholders on the implications of the Scottish Budget 2017 for pension schemes and their members in relation to the Relief at Source mechanism.

A message for pension scheme members to explain the rates and what this means for their pension tax relief is attached at [Appendix 6](#).

## Training

### GDPR and TPR data requirements

A half-day training session is being held at the LGA offices at [18 Smith Square](#), London on 29 March 2018.

The conference aims to look from a pensions perspective at the requirements of becoming both GDPR compliant and meeting TPR expectations and is intended for data controllers (scheme managers), Data Protection Officers, data processors (administrators), Local Pension Boards, and industry experts.

There will be sessions by LGA, ITM and TPR, along with practical tips from Local Authority colleagues, and a chance to view some of the solutions on offer from software suppliers.

Book your place [here](#).

## Legislation

SI	Reference Title
<a href="#">2018/5</a>	The Registered Pension Schemes and Overseas Pension Schemes (Miscellaneous Amendments) Regulations 2018
<a href="#">2018/39</a>	The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2018
<a href="#">2018/62</a>	The Pension Schemes Act 2017 (Commencement No. 1) Regulations 2018
<a href="#">2018/63</a>	The Pensions Act 2008 (Commencement No. 16) Order
<a href="#">2018/95</a>	The Pension Protection Fund (Compensation) (Amendment) Regulations 2018
<a href="#">2018/150</a>	The Registered Pension Schemes (Relief at Source) (Amendment) Regulations 2018
<a href="#">2018/186</a>	The Public Service Pensions Act 2013 (Judicial Offices) (Amendment) Order 2018
<a href="#">2018/206</a>	The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2018

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- FPS Regulations and Guidance [www.fpsregs.org](http://www.fpsregs.org)
- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page - <https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

## Contact details

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## FPS Bulletin 6 – March 2018

Welcome to the sixth issue of the Firefighters' Pensions Schemes bulletin. While the bulletins were previously issued bi-monthly, it is now intended to produce them on a monthly basis where there is sufficient content.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

<a href="#">Meeting GDPR and TPR Data Requirements</a>	29 March 2018
Firefighter Pensions Technical Community	10 April 2018
Modified 2006 scheme workshop	2 May 2018
Joint Police and Fire governance event	9 May 2018
Local Pension Board (LPB) wrap up training	19 June 2018
SAB	20 June 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	AMENDED: 17-18 September 2018
SAB	4 October 2018
SAB	5 December 2018

## FPS

### Contribution rates 2018-19

Banded contribution rates were introduced to the Firefighters' Pension Scheme 1992 and the Firefighters' Pension Scheme (England) 2006 by Statutory Instruments [2012/953](#) and [2012/954](#) respectively.

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments<sup>1</sup>, which came into force on 1 April 2015, listed the rates applicable from 2015-16 to 2018-19, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

The Firefighters' Pension Scheme 2015 was introduced on 1 April 2015 by SI 2014/2848. [Regulation 110](#) set out details rates applicable from 2015-16 to 2018-19.

The factsheet at [Appendix 1](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which apply to 2018-19. These revised contribution rates apply from 1 April 2018.

### Year End update 2018

A factsheet containing relevant thresholds and rate changes is available at [Appendix 2](#).

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<sup>1</sup> [SI 2015/579](#), [SI 2015/590](#)

### [TPO determination on pensionable pay](#)

The Pensions Ombudsman made a decision recently regarding pensionable pay for a retained firefighter with various allowances - [PO-15584](#).

The ombudsman upheld the complaint and determined that the Fire Authority should treat the disturbance, work activity and training attendance payments as pensionable pay (see paragraph 65 for the full direction).

This determination will now have an impact on other Fire Authorities who may have made similar decisions. However, as per the ombudsman comments in paragraph 64, which states that this is not a class action case, the ombudsman does not have the power to bind others. We can therefore confirm that the Scheme Advisory Board (SAB) have taken an action to provide guidance on this case and will work with their legal advisers to provide this as soon as possible.

An update on a timetable for this work will be provided at the end of April.

### [FPS 2015 Additional Pension purchase limit applicable for 2018-19](#)

As detailed in [bulletin 2](#), no determination under [rule 2, \(1\)\(b\)\(i\) of schedule 1](#) was made by Treasury on the overall limit of extra pension for 2017-18, or subsequently 2018-19.

Paragraphs (1)(b)(ii) and (2)(a)&(b) confirm that the limit on the Additional Pension that can be purchased in the 2015 scheme is therefore increased on the 1 April *for any scheme year beginning on or after 1st April 2016* as if it were a pension beginning on the first day of the previous scheme year to which the Pensions (Increase) Act 1971 applies.

The pensions increase due at 1 April 2018 is that from 10 April 2017 (since the 2018 PI date is the 9 April 2018) and so the **Additional Pension limit has increased from £6,500 by 1% to £6,565 from 1 April 2018**.

For completeness, the limit for 2017-18 remained at £6,500 as PI was 0% at the relevant date (11 April 2016).

### [LPB survey research report](#)

Between 28 November 2017 and 26 January 2018, FRAs and their LPBs were invited to participate in a web-based survey to monitor the progress of LPBs since their establishment in legislation. The survey was designed to measure the engagement and compliance of boards, and to establish where targeted support could be offered to assist local boards.

During the survey period 37 total responses were received from 32 of the 44 LPBs, equating to an overall response rate of almost 73%. The results of the survey have now been collated and analysed, and we are pleased to present the research report at [Appendix 3](#).

The [LPB Effectiveness Committee](#) would like to thank all boards that were able to submit a response for their participation in the survey, and for continuing to support the work of the SAB. The recommendations within the report will now be taken forward with the support of the Committee and the SAB. In the first instance, the SAB secretariat kindly requests that any missing or revised Terms of Reference are submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) for inclusion on the [Local Pension Boards](#) page.

## Other News and Updates

### TPR – managing service providers

In light of recent news regarding outsourced service providers, the Pensions Regulator is aware that pension schemes may be considering their controls in this area. TPR has issued a statement summarising their existing guidance around the management of outsourced providers, to remind trustees and scheme managers of TPR's expectations. The statement is available at [Appendix 4](#).

### TPO public service pension scheme statistics

[Appendix 5](#) provides a summary of the statistics collated by the Pensions Ombudsman concerning the enquiries and investigations undertaken on behalf of the Local Government, Police, Firefighters and Teachers Pension Schemes.

The statistics show that failure to provide information/act on instructions is the most common cause of complaint within the FPS, followed by misquote/misinformation and incorrect calculation of benefits.

## HMRC

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 96 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 96 – February 2018](#): Scottish Budget 2017 – Taxation of Pension Income, relief at source - annual return of individual information for 2017 to 2018 onwards, look up residency status for relief at source, relief at source – excess relief, new pensions online service, and reporting of non-taxable death benefits.

### Contracting-out reconciliation update

The following bulletin containing important guidance and information about the end of contracting-out, and the scheme reconciliation process, was published by HMRC in February.

### [Countdown bulletin 32](#)

### User research into scheme administrators with multiple scheme administrator IDs

As part of the work that HMRC are doing to develop their new pensions online service, they would like to talk to pension scheme administrators who use multiple scheme administrator IDs to manage their registered pension scheme(s).

If you can help with this, HMRC will contact you to arrange either a teleconference or face to face meeting to discuss how you use your multiple scheme administrator IDs, so that your feedback can be factored into the development and design of the new service.

Please email your Pensions Compliance Manager if you'd like to take part in this work and let them know:

- if you would prefer to do so face to face or via a teleconference
- dates and times in April or May 2018 that you are available

You can read more about the new pensions online service in the [HM Revenue and Customs pension schemes newsletters - GOV.UK](#) which will also be used to provide you with further updates on work as the service develops.

This is your opportunity to let HMRC know what your needs are as users of the new pensions online service. Your feedback will help them to build the best possible service and any help would be appreciated.

## Training

### GDPR and TPR data requirements

A half-day training session is being held at the LGA offices at [18 Smith Square](#), London on 29 March 2018.

The conference aims to look from a pensions perspective at the requirements of becoming both GDPR compliant and meeting TPR expectations and is intended for data controllers (scheme managers), Data Protection Officers, data processors (administrators), Local Pension Boards, and industry experts.

There will be sessions by LGA, ITM and TPR, along with practical tips from Local Authority colleagues, and a chance to view some of the solutions on offer from software suppliers.

Book your place [here](#).

### Special Members of the 2006 Scheme Refresher Workshop

You are invited to participate in a refresher workshop on special members of the 2006 scheme, more commonly known as the modified scheme. This scheme introduced by legislation in 2014, has been widely regarded as a complex scheme to administer and communicate.

This session is designed to reflect on the history of the scheme, and what information was provided to help, refresh delegates on the technical details, and to offer an opportunity to network with colleagues. The session will be relevant for scheme managers, HR and pension practitioners, and software providers.

The workshop is being held at the LGA offices on 2 May 2018. Booking will be available shortly.

## Legislation

<b>Act</b>	<b>Title</b>
<a href="#">2018</a>	Finance Act 2018
<b>SI</b>	<b>Reference Title</b>
<a href="#">2018/234</a>	The Contracting-out (Transfer and Transfer Payment) (Amendment) Regulations 2018
<a href="#">2018/240</a>	The Occupational Pension Schemes (Preservation of Benefit and Charges and Governance) (Amendment) Regulations 2018
<a href="#">2018/262</a>	The Police Injury Benefit (Amendment) (England and Wales) Regulations 2018

<a href="#">2018/271</a>	The Social Security Revaluation of Earnings Factors Order 2018
<a href="#">2018/279</a>	The Guaranteed Minimum Pensions Increase Order 2018
<a href="#">2018/333</a>	The Pensions Increase (Review) Order 2018
<a href="#">2018/337</a>	The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2018
<a href="#">2018/338</a>	The Public Service Pensions Revaluation Order 2018
<a href="#">2018/367</a>	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2018

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- FPS Regulations and Guidance [www.fpsregs.org](http://www.fpsregs.org)
- Khub Firefighters Pensions Discussion Forum  
<https://khub.net/group/thefirefighterspensionsdiscussionforum>
- FPS1992 guidance and commentary  
[http://webarchive.nationalarchives.gov.uk/20120919152859tf\\_/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/](http://webarchive.nationalarchives.gov.uk/20120919152859tf_/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/)
- The Pensions Regulator Public Service Schemes  
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

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## FPS Bulletin 7 – April 2018

Welcome to the seventh issue of the Firefighters' Pensions Schemes bulletin.

Never miss an issue again! Future publication dates have been determined as on or around the last working day of each month as schedules dictate. Past editions are available [here](#).

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

<a href="#">Modified 2006 scheme workshop</a>	2 May 2018
<a href="#">Joint Police and Fire governance event</a>	9 May 2018
Local Pension Board (LPB) wrap up training	19 June 2018
SAB	20 June 2018
Firefighter Pensions Technical Community	2 July 2018
LPB Effectiveness Committee	5 July 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	AMENDED: 17-18 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
SAB	5 December 2018

## FPS

### [Amendments to Firefighter Pension Schemes](#)

On 16 April 2018 the Home Office launched a consultation on amendments to survivors' benefits in the Firefighters' Pension Scheme 2006 and various amendments to the Firefighters' Pension Scheme 1992, the Firefighters' Pension Scheme 2006 and the Firefighters' Pension Scheme 2015.

In the event of a member's death, the firefighters' pension schemes provide for the payment of certain benefits and awards to a member's partner ('survivors' benefits'), but as regards qualification for benefit, there are different regulations relating to the required status of that partner, according to which particular pension scheme the member belonged.

A recent Supreme Court case relating to the entitlements of a public service pension scheme member's partner has led the Government to give fresh consideration to this matter for all public service pension schemes, including those for firefighters.

In addition, a number of unrelated minor amendments are required to ensure that certain limited aspects of the schemes work as originally intended.

This [consultation](#) seeks the views of interested parties on [draft legislation](#) to enact these changes. The consultation closes on 14 May 2018.

### Website resource update

The following pages of the FPS Regulations and Guidance website and the Scheme Advisory Board website have been added or significantly updated:

[General Data Protection Regulation \(GDPR\)](#)

[The Pensions Ombudsman](#)

[Local Pension Board resources](#)

[Local Pension Board training](#)

We are always happy to receive your feedback on the websites and particularly welcome proposals for additional content. Please contact [Claire Hey](#) with any comments or suggestions.

### Spouse's pension on early retirement from FPS 2006 and FPS 2015

The Firefighter Pensions Technical Community have recently considered a query on the application of the survivor pension regulations for deceased members of FPS 2006 [\[Part4, Chapter 1, Rule 2, Para 3\]](#) and FPS 2015 [\[Reg 80, Para 4\]](#) who received an actuarially reduced pension.

While the 2015 rules do not go into as much detail as the 2006 scheme, the same principles should apply. This raised a question over the interpretation of the calculation detailed in the 2006 regulations:

where a portion of the deceased's pension had been commuted, the amount found by dividing by 2 the product of A and B, where—

- A is the amount which the deceased would have received if there had been no actuarial reduction; and
- B is the fraction which represents the uncommuted portion of A expressed as a fraction of A.

The group determined that the following example calculation, which disregards the actuarial reduction for both the pension and the percentage commutation, is correct based on the intention of the regulations.

Unreduced Pension at early retirement	=	£14,815.07
Less reduction for early retirement	=	£5970.47
[£14,815.07 - £5970.47]	=	£8844.60
Less 25% commutation [£8844.60 × 0.25]	=	£2211.15
Total Pension in Payment	=	£6633.45
Unreduced pension at early retirement	=	£14,815.07
Less 25% commutation [£14,815.07 *0.25]	=	£3,703.77
[£14,815.07 – £3,703.77]	=	£11,111.30
Divided by two [£11,111.30 ÷ 2]	=	£5,555.65

Total Spouses Pension = **£5,555.65**

A = £14,815.07

B =  $\frac{3}{4}$

$(£14,815.07 \times \frac{3}{4}) / 2 = \mathbf{£5,555.65}$

Administrators and FRAs should make themselves aware of this, and check with their software suppliers whether the calculations comply with this method. If not then manual adjustments to Annual Benefit Statements or survivor benefit quotations / calculations will be required before a fix is implemented.

### 2017/18 scheme return – scheme specific data

You may be aware that the 2017/18 scheme return to be issued by the Pensions Regulator in July will include for the first time a data scoring section on both common and scheme specific (conditional) data. The common data will be set out in the return form, but scheme managers within public service pension schemes will be asked to select what conditional data they need to pay pensions, run the scheme, undertake scheme valuations, and to score whether this data is held.

You may well have already received some guidance on what constitutes scheme specific data from your advisers. However, to ensure consistency across all Firefighter Pension Schemes, the SAB are working to develop a standard set of scheme specific data for you to use when completing this year's scheme return. Our intention is to have this ready by the end of August and we will ensure that practitioners on the administration and benchmarking committee are involved in the development of the standard list before it is circulated.

We understand that the completed return will need to be sent back to the Pensions Regulator in September.

### Top Up grant 2018

FRAs should now have started the process of extracting their pensions accounting data from their audited 16/17 and unaudited 17/18 accounts and making preparations for submitting their top up grant claims to the Home Office. The Home Office has already advised FRAs that all claims will need to be submitted via the new DELTA online data collection system. The deadline for returns is 18 May. Any queries regarding the process should be directed to [Anthony Mooney](#).

## Other News and Updates

### The Pension Ombudsman (TPO) signposting

TPO have announced some important changes to the way in which they deliver their service, following feedback from stakeholders and as a result of working closely with colleagues in DWP, FCA, FOS and TPAS.

The changes include:

- revised MOU with FOS,
- changes to FCA guidance and the DISP rules,
- transfer of the TPAS informal dispute resolution function to TPO,
- transfer of staff and volunteers from TPAS to TPO,
- TPO relocation to Canary Wharf and
- TPO free phone number.

TPO were asked for assistance in signposting to their services on websites, complaint literature, product literature and final response letters/at the end of the complaints handling process and have launched the signposting template available at [Appendix 1](#). This is available as a Word document to encourage organisations to apply or adapt the wording according to individual business needs.

It is hoped that the use of consistent wording will strengthen and simplify signposting to TPO's service and ultimately streamline the customer journey. For more information, visit the [TPO website](#).

### Outcome of Walker v Innospec Ltd and others – implications for PSPS

It has been publicised on the Teachers' Pension Scheme [website](#) that following the Government's consideration of the implications for Public Service Pension Schemes (PSPS) of the outcome to the [Walker \(Appellant\) v Innospec Limited and others \(Respondents\)](#) case, regulatory changes will be introduced to provide (subject to the deceased member's employment, pay and scheme membership) that:

1. survivors of same-sex marriages and civil partnerships are to be treated in the same way as widows of opposite sex marriages (survivor benefits in relation to service from 1 April 1972 or 6 April 1978 if the marriage was after the last day pensionable service); and
2. the change applies from the date civil partnerships and same-sex marriages were implemented.

The Home Office have confirmed that they are currently considering their position to determine what detailed recommendation they will make to ministers on how to proceed with regards to the FPS.

### New style ESA [contribution based ESA]

We have been made aware that there is some concern over the payment of Universal Credit and whether New Style ESA (contribution based ESA) would be rolled into universal credit, thus making it difficult to isolate the value of the ESA(C)

DWP have confirmed that the payment of new style ESA will continue to be a separate payment, which is also the advice provided on the gov.uk [web pages](#)

Therefore administrators can continue to deduct new style ESA where it is deducted in accordance with schedule 1, part 1, rule 3 of the compensation scheme rules. Compensation scheme rules are available [here](#).

Advice from DWP:

*“As you know, both Employment and Support Allowance (ESA) and Jobseeker’s Allowance (JSA) in their original forms had (and still have) two strands - a contributory strand and an income-related strand. Universal Credit (UC) is gradually replacing Working Tax Credit, Child Tax Credit, Housing Benefit, Income Support, the income-based strand of JSA, and the income-related strand of ESA. It is not possible to have entitlement to both UC and the original versions of ESA/JSA, so, in 2013, we necessarily introduced new ESA and JSA Regulations, to provide a “new style” of both benefits, namely one which consists of a contributory element only and thus can be paid alongside UC.*

*UC is not replacing the contributory elements of JSA and ESA. Within the UC assessment, new style ESA/JSA, when paid concurrently, is taken into account in full as unearned income: it is neither part of the UC entitlement nor subsumed within the award of UC. Awards of new style ESA/JSA can, indeed, persist long after an award of UC has terminated (eg on income grounds).*

*In summary, new style ESA remains a separate and distinct benefit in its own right, with its own decision notices and separate rights of appeal, and the amount of any award thereof should be readily identifiable for your purposes.*

*Purely on a point of detail, in reality there is no such thing as an award of “new style” ESA/JSA. This terminology was adopted as a handy legal contrivance to enable us to distinguish, where necessary, between the original and new versions of the benefits - see, for example, the definitions in article 2 of the following [Order](#) - but the names of the benefits (whether “old style” or “new style”) properly remain “ESA” and “JSA” pure and simple, and the awards of either benefit properly remain awards of “ESA” and “JSA” pure and simple.”*

## HMRC

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 97 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 97 – March 2018](#): relief at source for Scottish Income Tax, relief at source – excess relief, form APSS262 – reporting overseas transfers, new pensions online service newsletter, Finance Act 2018, Annual Allowance and outstanding accounting for tax (AFT) charges.

### Contracting-out reconciliation update

The following bulletin containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in April.

### [Countdown bulletin 33](#)

### Annual allowance calculator - temporarily unavailable

As advised by email on 18 April 2018, HMRC have confirmed that following the addition of the 2018/2019 tax year, the pensions annual allowance calculator is not working as it should in some cases.

As this is not in line with the level of service that HMRC is committed to providing, and to make sure customers get the right results from the calculator in future, they have temporarily removed access to the calculator until it is updated.

Scheme members can find general guidance on annual allowance at [Tax on your private pension contributions: Annual allowance](#). More detailed guidance can be found in the [Pensions Tax Manual](#). This will help members to work out whether they have exceeded their available annual allowance and whether they will incur a tax charge.

HMRC are working to update the annual allowance calculator and will inform customers of progress on this via the [Pension schemes newsletters](#).

## Training

### Special Members of the 2006 Scheme Refresher Workshop

We are pleased to invite you to participate in the above free event being held at the LGA offices at 18 Smith Square, London on Wednesday 2 May 2018, from 10:00 to 15:00.

This refresher workshop focuses on special members of the 2006 scheme - more commonly known as the modified scheme. The scheme amendments introduced by legislation in 2014 have commonly been considered to be complex to administrate and communicate.

The workshop is designed to reflect on the history of the scheme and what information was provided to help FRAs, refresh delegates on the technical details, and offer an opportunity to network with colleagues. The session will be relevant for scheme managers, HR and pension practitioners, and software providers. A [draft programme](#) is attached.

[Book your place here](#).

### Fire and Police Local Pension Board Governance

The Fire and Police Scheme Advisory Boards with the National Police Chiefs Council (NPCC) are holding a joint event at the LGA Offices in Smith Square, London, SW1 on 9 May 2018 to review, pre-publication, the outputs from this year's TPR Governance and Administration Survey. We would be delighted if you can attend.

As well as receiving a briefing from the Pensions Regulator on the survey results for both fire and police schemes, delegates will have an opportunity to network with colleagues and share experiences of operating Local Pension Boards over the past two to three years.

We hope the event will focus Local Pension Boards on priorities for their workplans and help identify further opportunities to add value in assisting Scheme Managers.

This free to attend session is aimed at Local Pension Board chairs, Local Pension Board members, scheme managers and industry experts. A [draft programme](#) is attached.

[Book your place here](#).

## GDPR and TPR data requirements

Around 70 delegates and exhibitors attended the data seminar held at 18 Smith Square, Westminster on 29 March 2018. Thanks to all those who contributed to the success of the event.

The conference aimed to look from a pensions perspective at the requirements of becoming both GDPR compliant and meeting TPR expectations, and was intended for data controllers (scheme managers), Data Protection Officers, data processors (administrators), Local Pension Boards and industry experts.

The audience enjoyed absorbing presentations from the LGA, ITM and TPR, along with practical tips from Local Authority colleagues, and had opportunity to view some of the solutions on offer from software suppliers.



The full presentation slide deck from the event is available [here](#).

The LGA Bluelight team has instructed Squire Patton Boggs to produce a template privacy notice for scheme administrators (as data processors) to send out on behalf of Fire Authorities (as data controllers). We hope to be in a position to share this document in early May. Once available, it will be held on our new [GDPR page](#) along with other relevant resources.

## Legislation

There have been no new items of relevant legislation issued since FPS bulletin 6.

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- FPS Regulations and Guidance [www.fpsregs.org](http://www.fpsregs.org)
- Khub Firefighters Pensions Discussion Forum <https://khub.net/group/thefirefighterspensionsdiscussionforum>

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator Public Service Schemes  
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

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## FPS Bulletin 8 – May 2018

Welcome to the eighth issue of the Firefighters' Pensions Schemes bulletin.

Never miss an issue again! Future publication dates have been determined as on or around the last working day of each month as schedules dictate. Past editions are available [here](#). A bulletin index has been also recently been added to the main bulletin page of the website and will be updated on a monthly basis.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

<a href="#">Local Pension Board (LPB) wrap up training</a>	19 June 2018
SAB	20 June 2018
Fire Communications Working Group	27 June 2018
Firefighter Pensions Technical Community	2 July 2018
LPB Effectiveness Committee	5 July 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	AMENDED: 17-18 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
SAB	5 December 2018

## FPS

### Valuation data

Readers may recall from the AGM in October last year that GAD had to exclude certain valuation data when setting assumptions for the purposes of the 2016 valuation.

The table below shows where data was excluded and from which assumptions.

Mortality	17 FRAS excluded
Age retirement	18 FRAs excluded (30% of active membership)
Ill-Health retirement	15 FRAs excluded (25% of active membership)
Death before retirement	15 FRAs excluded (25% of active membership)
Family Statistics	Only 10 of 45 FRAs (20%) had credible data

GAD confirmed, and we have had this verified by an independent actuary, that this exclusion of data is **not** considered material by GAD to the outcome of the 2016 valuation, so there is no cause for undue concern.

The exclusion of the data does not mean that the data was incorrect, simply that GAD were unable to reconcile it with previous valuation data and therefore could not reasonably use it to inform assumptions on things like age retirement. There are likely to be a number of reasons why this was the case.

As part of an outstanding action from the SAB meeting in [December](#) we have recently written to all FRAs whose data was excluded as part of the work in raising data standards and providing a standard set of tests for schemes to score as part of the TPR scheme specific data scoring requirements.

Helpful references on the valuation data and TPR data scoring requirements are provided below:

#### **Valuation data references**

- [SAB valuation consultation response – Paragraph 7](#)
- [SAB Meeting 25 September 2017 – Item 5, paragraph 3](#)  
Confirmation from independent actuary that the missing data was not material
- [Technical group meeting 9 October 2017 – Item 5e](#)  
Detailed conversation notes with regards to missing valuation data

Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) if you do not have a log-in for this site

#### **TPR data score requirements**

- [Administration and Benchmarking Committee 7 February 2018 – Item 9](#)
- [Confirmation of TPR data scoring requirements – Slide 79](#)

Finally, readers will no doubt want to know when the valuation results will be known. Unfortunately, we still await the final confirmation of the valuation Directions from HM Treasury and as such we remain unable to confirm when the provisional results will be available.

#### **Tax awareness seminars – next steps. What are you doing?**

Between October 2017 and January 2018, Barnett Waddingham hosted and presented a series of tax awareness seminars for the Firefighter and Police pension schemes, which were procured through the SAB budget in conjunction with NPCC.

The SAB is keen to ensure that the learning gained from the sessions has been useful to FRAs and that positive next steps have been implemented. A full summary of the seminars and suggestions for next steps is included at [Appendix 1](#).

Further to the success of the series of seminars, requests for additional workshops with a focus for administrators have been received, and the SAB secretariat is looking to progress this with the Board.

## FPS 2006 special members - resettlement lump sum payment

The calculation of the remaining lump sum contribution for a member who ceases to pay periodic contributions before the end of the 10 year period can be processed through the “Settlement Lump Sum” option using the current version of the [calculator](#). The data required to use this option consists of the following:

- Name
- Date of original calculation
- Date periodic contributions commenced
- Date of last periodic contributions
- Number of instalments paid
- Periodic contribution amount being paid

See page 15 of the [user manual](#) for more detail.

A lump sum based on the value of the outstanding instalments is then calculated. The user guide gives guidance and an example on how to carry out this type of calculation (example 8, page 35).

As only past interest rates are used in this calculation, there is no need for an updated version of the calculator to be produced. Also, it is not necessary to use the calculator that was issued on the month that the original calculation was carried out, as the most recent calculator is able to look up past interest rates based on the data provided as above.

Further guidance and resources relating to [special members of FPS 2006](#) are available in the member area of the FPS Regulations and Guidance site. Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) if you do not have a relevant log-in.

## New factsheets available

The following factsheets have been developed by the LGA Bluelight team in collaboration with the Fire Communications Working Group and the Scheme Advisory Board to be provided to members and are available from the FPS Regulations and Guidance website:

[FPS 2015 promotional leaflet for new members](#)

[CARE build up flyer](#)

Items in Word format can be edited - please check any areas highlighted in yellow.

## Invitations to bid

We are pleased to announce that the SAB has recently appointed Weightmans as legal adviser to the Board under Regulation 4F(4) of [The Firefighters’ Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#), to inform the Board on legal issues relating to the Firefighters’ Pension Schemes, and to provide advice on particular matters that may arise from time to time.

The Board is now seeking to make two further appointments, the first for a permanent actuarial adviser and the second to undertake a review of administration and management costs for the Firefighters’ Pension Schemes.

Further instructions for interested parties are available from the [invitation to bid](#) page of the Board website and the bid processes will run until 15 June 2018.

## Other News and Updates

### GDPR

As confirmed in bulletin 7 (April 2018) the LGA Bluelight team commissioned Squire Patton Boggs to produce a template privacy notice for Fire Authorities as the data controller to use /adapt. These documents have now been uploaded to the [GDPR](#) page of [www.fpsregs.org](http://www.fpsregs.org).

The full privacy notice is intended to enable Fire Authorities in their capacity as data controller of personal data relating to the Firefighters Pension Scheme for which they are responsible, to satisfy their obligation under the General Data Protection Regulations (“GDPR”) to inform affected individuals what personal data is held and how it is used for the purposes of the pension scheme.

**As the documents confirm, the privacy notice will need to be tailored to the specific circumstances of each Fire Authority, taking into consideration appendix 1 of the [covering letter document](#) and the notes on the template privacy notice. The footnotes should be removed before this is published.**

**Where text appears in [square brackets] authorities must either insert/amend or delete text as appropriate. The text in square brackets is highlighted yellow to make it easier to identify.**

**The privacy notice can be accessed [here](#).**

Further to issue of the privacy notice, we received several queries about who is responsible for sending the privacy notice. We would like to take the opportunity to remind Fire Authorities that as data controllers, compliance for GDPR rests with them. Therefore, please ensure that you have taken the relevant action to discuss with your data protection officer and any data processors on your behalf.

### TPR Governance and Administration 2017 survey results

The TPR administration and governance survey results have recently been published, with particular mention of governance improvements made within FPS. An outstanding response rate was recorded across all fire schemes in the UK and we would like to thank all scheme managers who completed the survey.

Some particular items of interest have been outlined below. We will be carrying out further analysis of the results in comparison with the outcomes of our own survey of Local Pension Boards in order to identify where targeted support can be offered to assist boards in securing compliance with legislation and offering improved member outcomes.

- Fire schemes are recorded as least likely to hold quarterly meetings at 35% (table 4.1.3, page 13). This reflects the results of the LPB survey and formed the basis of our recommendation that quarterly meetings are best practice.
- Fire and LG scheme managers are most likely to attend every board meeting (page 14).
- Fire schemes are least likely to carry out a regular evaluation of the board’s performance (page 15). A sample self-assessment document has recently been added to the [LPB resources](#) available on the SAB website to help boards to measure their effectiveness.

- We were especially pleased to note that the FPS belief that they have access to sufficient knowledge, understanding, and skills to properly run the schemes has increased significantly from 36% in 2015 to 92% currently (page 15).
- Fire schemes remain least likely to have documented procedures for assessing and managing risk at 63% (page 18). However, as table 4.2.1 shows, this has increased from 36% in 2015 and the report specifically mentions that this continues the upward trend observed for FPS since 2015. Table 4.2.2 shows the increase in risk registers from 2015 to 2017.
- Complexity is listed as the most commonly identified barrier to improved governance and administration for the FPS at 78% (page 39). We are hopeful that continued development of the FPS websites and provision of these monthly bulletins will go some way to easing this complexity.

The [summary](#) and full [research report](#) are available here.

## HMRC

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 98 and 99 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 98 – 3 May 2018](#): Manage and Register Pension Schemes service, pension flexibility statistics, registration statistics, annual allowance calculator, lifetime allowance additional member functionality, relief at source for Scottish Income Tax, pension flexibility payments and Scottish Income Tax, Trust Registration Service, and reporting of non-taxable death benefits.

[Newsletter 99 – 30 May 2018](#): Pension Schemes Online service, APSS262 form, event report – reportable events 22 and 23, genuine errors, relief at source for Scottish Income Tax, and look up residency status for relief at source.

### Contracting-out reconciliation update

The following bulletin containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in May.

#### [Countdown bulletin 34](#)

Updates include:

- automation of scheme cessation files
- new automated solution change of responsible paying authority/buy out
- not in scheme Contributions Equivalent Premium
- automation file submissions
- State Scheme Premium payments

## Training

### Annual Local Pension Board wrap-up training

We have had a number of requests for individual training sessions for new members of Local Pension Boards and are therefore pleased to confirm that we are able to offer a board training 'wrap up' session. This event will be held at the LGA offices at 18 Smith Square, Westminster on Tuesday 19 June 2018 and will run from 10:30 to 15:30. Please see the attached [agenda](#).

The Pensions Regulator will attend the session to provide an overview of the 2017 Governance and Administration survey results. Refreshments and a sandwich lunch will be provided.

A limited number of places remain available, so please book soon to avoid disappointment. [Book your place here](#).

The session last year was extremely well received and we plan to offer wrap-up training on an annual basis, for new members to boards or those requiring a refresher session.

If you wish to enquire about full board training at your own venue, please contact the team at [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk). Each board is entitled to a free training session under the Scheme Advisory Board levy. Administrator training can also be arranged on request. Examples of previous sessions are held [here](#).

### Special Members of the 2006 Scheme Refresher Workshop

We were pleased to welcome around 50 delegates to the FPS 2006 Special Member workshop held on 2 May 2018 at 18 Smith Square. Our thanks go to Vicky Jenks of Shropshire Pension Fund and Chris Mulholland from GAD for their contributions, and to all delegates participating in the event.

This refresher workshop focused on the history and framework of the 2014 provisions which allowed special members to join the 2006 scheme, how this was communicated to employers and members, and gave an overview of the 2016 valuation statistics in relation to this group of members.

Scheme managers, pensions, finance and HR professionals from a range of FRAs, along with software providers, received a detailed update on the technical aspects of the amendments and had opportunity to reflect on their own experiences.

The full presentation slide deck from the event is available [here](#).



## Fire and Police Local Pension Board Governance

The joint governance event hosted by the Fire and Police Scheme Advisory Boards with the National Police Chiefs Council (NPCC) took place on 9 May 2018 at the LGA Offices in Smith Square, London. Around 60 delegates and speakers from across the schemes attended and we would like to thank all for their participation.

A joint welcome from the Board chairs set the tone for the day and was followed by a view from the Home Office. The Pensions Regulator attended the session to give a briefing on the 2017 Governance and Administration survey results as well as outlining the roles and responsibilities of Local Pension Board (LPB) members.

Reflections on practical experiences of joint police boards, and from the chair of the Fire SAB LPB Effectiveness Committee gave context, while the final session of the day offered boards practical tips on self-assessment and adding value, with a brief look to future challenges. Delegates also had opportunity to network with colleagues and share experiences of operating LPBs over the past two to three years.

The full presentation slide deck from the event is available [here](#).



CIPFA have recently published a Police and Fire Horizon Scanning Briefing, which may be of interest to fire and police finance practitioners as well as practitioners in strategic development departments, staff in offices of police and crime commissioners (PCCs) and staff in Fire and Rescue Authorities. The document can be accessed at [Appendix 2](#).

## Legislation

Act	Title
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<a href="#">2018 c.10</a>	<b>Financial Guidance and Claims Act 2018</b>
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At present, the Government provides free financial guidance and debt advice through 3 services, Pensions Wise, The Pensions Advisory Service (TPAS), and the Money Advice Service (MAS). In December 2016, the Government published a [consultation](#) for the creation of one new single financial guidance body (SFGB) to replace the existing provisions.

On 10 May 2018, the Financial Guidance and Claims Act 2018 received royal assent and introduced a new single financial guidance body. In addition, the Act made provision about the funding of debt advice in Scotland, Wales and Northern Ireland, and regulated the claims management services.

The aim of the new SFGB is to ensure that people have access to high quality, impartial financial guidance from a single source. The new body will deliver its pensions, money guidance, consumer protection and strategic functions UK wide. However, the body's debt function will apply to England only, with the devolved administrations responsible for administering funding for debt advice in Scotland, Wales and Northern Ireland

<a href="#">2018 c.12</a>	<b>Data Protection Act 2018</b>
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The Data Protection Bill has received Royal Assent to become the Data Protection Act 2018 on 23 May 2018. The Data Protection Act 2018 (Commencement No 1 and Transitional and Saving Provisions) Regulations 2018 [[SI 2018/625](#)] has also been published.

The Data Protection Act 2018 includes the provisions of the GDPR. There are some small differences, but UK law on data protection is now largely the same as that of the GDPR.

SI	Reference Title
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<a href="#">2018/493</a>	The Local Government Pension Scheme (Amendment) Regulations 2018
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<a href="#">2018/576</a>	The Firefighters' Pension Scheme (Wales) (Amendment) Regulations 2018
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<a href="#">2018/577</a>	The Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Order 2018
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<a href="#">2018/625</a>	The Data Protection Act 2018 (Commencement No. 1 and Transitional and Saving Provisions) Regulations 2018
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## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- FPS Regulations and Guidance [www.fpsregs.org](http://www.fpsregs.org)
- Khub Firefighters Pensions Discussion Forum  
<https://khub.net/group/thefirefighterspensionsdiscussionforum>
- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator Public Service Schemes  
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

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## FPS Bulletin 9 – June 2018

Welcome to the ninth issue of the Firefighters' Pensions Schemes bulletin.

Looking for information on a certain topic? As we continue to cover more topics, don't forget to visit the issue and content indexes which have recently been added to the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

Firefighter Pensions Technical Community	2 July 2018
LPB Effectiveness Committee	5 July 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	17-18 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
SAB	5 December 2018

## FPS

### Annual Benefit Statements (ABS)

Further to consultation with the Fire Communications Working Group (FCWG), we were pleased to issue the final Plain English edited Annual Benefit Statement and explanatory notes earlier this month. The statement and supporting documents are available as Appendices [1 \[Word version\]](#), [2 \[PDF version\]](#), [3 \[Crystal Mark 22141\]](#), and [4 \[Crystal Mark conditions of use\]](#).

These and other resources relating to [Annual Benefit Statements](#) are available in the member area of the FPS Regulations and Guidance site. Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) if you do not have a relevant log-in.

### Using the statement

The main changes for the 2018 statement are the removal of the annual allowance carry forward field at section 7 and the addition of two optional paragraphs for FRAs/ administrators to use as appropriate to comply with new data protection requirements. The example calculations within the annexes have been updated to current year, and will be updated every two years subsequently. A tracked version of the statement is available on request.

We appreciate that different administrators may wish to use different formats, so do not expect everyone to issue in this format, however, we hope that an approved version will help to achieve some consistency in the statements and the explanations of awards to Firefighters.

The text marked in red should be considered by each authority as to whether the statement applies, or whether they wish to add an instruction on how to contact them. It is particularly important to note how you have treated partnership status at the date of the statement and whether you have assumed married or civil partnered, or used the partnership status on the records as this may affect the death benefits quoted in the statement. Please also remember that how the survivor's pension is calculated will depend on which pension scheme the member is in at the date of death, and whether they die in service or after retirement, see annex F.

The document has been edited by Plain English and awarded a crystal mark. The crystal mark can only be used by those wishing to use the document in its entirety with no additional text changes other than those marked in red; adapting the formatting to put on the internet or booklet form is fine. If you wish to consider a crystal mark for your own adapted document, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) - any costs associated with this would have to be borne by the individual authority.

### **2015 scheme transition members – Estimates to age 60**

All members who qualify for taper-protection have a legal right to transfer to the 2015 scheme and will have benefits in section 5 estimated to Normal Pension Age (60), whether or not they have moved into the 2015 scheme at the statement date. Annex C clarifies the options for early withdrawal of the 2015 benefits for 1992 taper-protected or unprotected members

### **Important note regarding using the Crystal Mark**

Please note the conditions of use as attached mean that you can only use the Crystal Mark on the approved document. Anyone wishing to adapt the standard notes template is free to do so, but **must not** use the Crystal Mark.

Guidance on [issuing Annual Benefit Statements](#) and a [checklist](#) can be found on the Pension Regulator's [website](#).

### **Continual Professional Development (CPD)**

As per the [email](#) sent to Fire practitioners and Fire Authorities on 3 July 2015, the position on CPD pensionability has not changed following the 2015 regulations [\[17\(1d\)\]](#)

Regulation [17(1d)] provides for CPD payments to be pensionable on the determination of the employer. FRAs are reminded of the NJC collective agreement [NJC circular 03/07 appendix A](#). This circular informed FRAs of the agreement reached within the NJC for Local Authority Fire and Rescue Services on the introduction of the national Continual Professional Development Scheme, and confirmed payments in relation to that Scheme were pensionable (paragraph 19).

*“19. A Continual Professional Development payment will be treated as basic pay for all pay-related purposes i.e. maternity leave, annual leave, pensionability, sickness.”*

The position in respect of pensionability followed discussion with DCLG at the time and applied regardless of which pension scheme an employee was currently a member of, including the LGPS. Subsequent to that agreement DCLG amended the FPS and NFPS to reflect the introduction of CPD payments and their pensionable status.

The position in respect of determination has not changed with the 2015 scheme. The rationale as identified in discussion with DCLG in 2015 was to allow for a different position within the regulations, to avoid further amendment of the regulations should the employer position alter in the future. However, this does not fundamentally alter the current status of the collective agreement.

FRAs and Local Pension Boards (LPBs) in their capacity of assisting the scheme manager will therefore wish to remain mindful of the terms of the collective agreement which already sets out a collective employer determination on this matter.

### [Internal Dispute Resolution Procedure \(IDRP\)](#)

The Scheme Advisory Board at their meeting on 20 June 2018 ([paper 3](#)), considered whether they wished to revise the guidance [[FPSC 1/2009](#)] issued in 2009 about operating a two stage IDR process.

The board decided that they did not want to change the requirement for a two stage process, however the board would consider providing further guidance and support to Fire Authorities with regards to IDR processes, possibly including training on best practice.

The current position remains that the process as laid out in FPSC 1/2009 should be followed.

### [New way of submitting queries to the Bluelight team](#)

The team has recently discussed introducing a pension query form for practitioners to submit queries. Now that the websites are up and running, and the monthly bulletins being produced, we think this is an ideal time to introduce a more structured approach to both asking and answering queries. We have therefore established the new process outlined below, which has been signed off by the chair of the Firefighter Pensions Technical Community.

A form has been developed which asks for information in the following areas:

1. Details of your query
2. Area of uncertainty / challenge
3. Proposed solution
4. Research undertaken: Relevant legislation, HMRC guidance, relevant websites, historical background (circulars or technical meeting minutes), legal advice [Include links]
5. Indication of amounts (£) involved
6. Timescales involved
7. Other supporting evidence

The form can be viewed at [Appendix 5](#). Notes to assist you in completing the form are available at [Appendix 6](#).

Receiving queries in this way will allow us to build up a picture of frequently asked questions and ensure greater consistency in our responses. We will be able to build up a knowledge bank of resources and be able to more easily identify common areas of uncertainty, where dedicated training or workshops could be offered.

It will allow us to have greater visibility on our timescale for responses in order to improve the level of service we can provide to practitioners, and will also help form a business case for requesting further support and advice from the Home Office or other bodies such as HMRC. We do not envisage it being any more onerous than the information we would expect to be provided with in order to answer a technical query.

The form and notes for completion are available [here](#) to download and the form should be submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) once completed with all relevant information. Your query will be acknowledged upon receipt and we will aim to reply to your query within 28 days. If we cannot reply with a full response within 28 days, we will let you know and tell you when you can expect to receive a full reply from us.

We appreciate that it will take some time for this new way of working to become embedded, however, we will return any queries that are not submitted using the form, from 1 August 2018. If you have any feedback regarding the process, please [email us](#). Your continued cooperation and support is appreciated.

### FPS 2015 ill-health charge

We would like to take this opportunity to remind FRAs that the Home Office confirms that the level of the ill-health charge under [regulation 118](#) of The Firefighters' Pension Scheme (England) Regulations 2014 continues to be set at that which operates in the 1992 and 2006 schemes. This means that it is set at the level of four times and two times final salary for higher-tier and lower-tier ill-health cases respectively.

Detailed [Guidance for Fire and Rescue Authorities on new financial arrangements for firefighter pensions with effect from April 2006](#) was issued by DCLG in August 2006.

### Scheme reconciliation update - action required!

An email was recently sent to all chairs of LPBs requesting an update on the status of the scheme (GMP) reconciliation exercise as HM Treasury have asked us to report on the progress of the Firefighters' Pension Schemes with regard to meeting the deadline for contracted-out reconciliation by the end of this year.

We requested a return email confirming the status of this project for the FRA based on the Red/ Amber/ Green RAG rating; red being unlikely to complete and green being able to complete, and also providing us with any concerns over completing this exercise in time. To date we have received only 11 out of 44 expected replies.

In the past we have informed HMT that we were unable to provide numbers and could only provide an indication of progress using the rating system above. However, given the proximity of the deadline, we feel it may now be useful to know the exact position.

We therefore request that all boards obtain the information as requested in the HMT template below and email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) with the details. A reminder will be issued by email to LPB chairs in July.

Scheme	Records completed	Records remaining	Number of stalemate cases

## Website resource update

The following pages have recently been added to the FPS Regulations and Guidance website:

[Annual update SIs](#)

[The Pensions Regulator](#)

We are always happy to receive your feedback on the websites and particularly welcome proposals for additional content. Please contact [Claire Hey](#) with any comments or suggestions.

## New factsheet available

The following factsheet has been developed by the LGA Bluelight team in collaboration with the FCWG and the Scheme Advisory Board (SAB) to be provided to members and is available from the FPS Regulations and Guidance website:

[Topping up your State Pension](#)

## HMRC

### Launch of Manage and Register Pension Schemes service

On 4 June, HMRC launched the first phase of their new Manage and Register Pension Schemes service. This service will eventually replace Pension Schemes Online for the management and registration of all UK registered pension schemes.

A second release of phase one is planned for later in 2018. This will introduce new features for users of the new service. The rollout of Manage and Register Pension Schemes to existing users of Pension Schemes Online is due to take place in 2019 and 2020 as part of phase two.

### HMRC newsletters/bulletins

HMRC published [Manage and Register Pension Schemes service newsletter - June 2018](#) to update stakeholders on the new service to manage and register pension schemes.

Authorities can subscribe to receive email alerts about pension content on GOV.UK by following the steps below:

- Go to <https://www.gov.uk/topic/business-tax/pension-scheme-administration/email-signup>
- Click on create subscription
- Enter your details and follow the steps online

### Contracting-out reconciliation update

The following bulletin containing importance guidance and information about the end of contracting-out and the scheme reconciliation process was published by HMRC in May. There have been no subsequent updates as yet.

[Countdown bulletin 34](#)

## GDPR privacy notice

HMRC have informed us that the following [privacy notice](#) has been issued via GOV.UK, describing how HMRC collect and use personal information in accordance with data protection law including the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA) 2018.

## Training

### Annual Local Pension Board wrap-up training

Twenty delegates from across the FPS governance community attended the annual LPB wrap-up training event held at 18 Smith Square on 19 June 2018.

Attendees received a whistle-stop tour of the background to the Firefighters' Pension Schemes and the Pensions Regulator attended the session to provide an overview of the 2017 Governance and Administration survey results. Malcolm Eastwood, chair of the SAB, gave an update on the Board's work and, following a light lunch, the afternoon continued with Clair Alcock highlighting the roles and responsibilities of those involved in governance and outlining resources available to assist. The session concluded with a look at current and future issues affecting the schemes.

The full presentation slide deck from the event is available [here](#).



The content of the course will be reviewed on an annual basis and we plan to continue to offer wrap-up training yearly, for new members to boards or those requiring a refresher session.

If you wish to enquire about full board training at your own venue, please contact the team at [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk). Each board is entitled to a free training session under the Scheme Advisory Board levy. Administrator training can also be arranged on request. Examples of previous sessions are held [here](#).

## Legislation

SI	Reference Title
<a href="#">2018/696</a>	The Police, Fire and Crime Commissioner for Staffordshire (Fire and Rescue Authority) Order 2018

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)

## Contact details

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## FPS Bulletin 10 – July 2018

Welcome to the tenth issue of the Firefighters' Pensions Schemes bulletin.

Looking for information on a certain topic? As we continue to cover more topics, don't forget to visit the issue and content indexes which have recently been added to the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

South East regional FPOG	3 August 2018
Firefighter Pensions Technical Community	17 September 2018
Firefighters' Pensions AGM	17-18 September 2018
Fire Communications Working Group	24 September 2018
LPB effectiveness committee	25 September 2018
North East regional FPOG	27 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
Midlands regional FPOG	26 October 2018
SAB	5 December 2018

## FPS

### [FPS 2006 special member tax relief claims – important!](#)

As you may be aware HMRC have temporarily halted processing tax relief claims on contributions paid to join the 'modified section' of the 2006 scheme as a special member. This has been while HMRC have been investigating issues arising from the process of claiming tax relief. In order to continue their investigations, HMRC will be writing out to Fire & Rescue Authorities shortly to request information about individuals that joined the scheme and the options they took. We advise FRAs to urgently supply the information requested. Pension boards in their role of ensuring compliance should note the request and seek confirmation this information has been supplied.

Further updates will be provided when HMRC have completed their investigations. Fire and Rescue Authorities will be kept informed of developments through these bulletins.

We would like to take the opportunity to remind FRAs that all correspondence regarding special members of the 2006 scheme are published [here](#). Password protected, please contact [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) if you request access.

## New factsheet - Eligibility to join FPS

A new factsheet on [eligibility to the Firefighters' Pension Schemes](#) has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website. This has been developed in response to queries received by the Bluelight pensions team on who is eligible to join the schemes.

This issue was previously considered by the Scheme Advisory Board (SAB) at their meeting on May 2016 [[Item 10\(2\)](#)], who considered whether guidance similar to [FPSC 2/2007](#) needed to be issued to confirm who could be in the FPS. The board agreed that no guidance was needed as the regulations were clear that the person needed to have been employed as a 'firefighter' and that the regulations provided an interpretation of 'firefighter'.

This factsheet only provides a note of eligibility to the Firefighters' Pension Schemes, it does not consider which scheme a person may be entitled to join, i.e. whether they have full protection or tapered protection.

**ACTION NEEDED: Local Pension Boards (LPBs) should ensure that scheme managers are complying with the scheme rules and request assurances that the rules on eligibility are applied correctly.**

Two further factsheets are to be published shortly: additional contracts and entitlement to two pensions ("split pension").

## New way of submitting queries to the Bluelight team – reminder

As we reported in [FPS Bulletin 9 – June 2018](#), the team have introduced a new way for queries to be submitted to allow greater visibility and control over the process, building up a knowledge base and improving service to administrators, while also providing evidence for a business case if further support and advice is needed from the Home Office or other external bodies, such as HMRC.

The query form and notes for completion are available [here](#) to download and the form should be submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) once completed with all relevant information. Your query will be acknowledged upon receipt and we will aim to reply to your query within 28 days. If we cannot reply with a full response within 28 days, we will let you know and tell you when you can expect to receive a full reply from us.

We would like to take this opportunity to remind you that any queries received after 1 August 2018 that are not submitted using the form will be returned. If you have any feedback regarding the new process, please [email us](#).

## Deferred Benefit Statements (DBS)

Following the successful distribution of the standardised ABS template and notes, the Fire Communications Working Group (FCWG) have added production of a standard DBS template to their work plan for the year. This is supported by the SAB Local Pension Board effectiveness committee.

We would remind all administrators and FRAs that the provision of a DBS is a legislative requirement under FPS 2006 [[Schedule 1, Part 15, Paragraph 4](#)] and FPS 2015 [[Regulation 183](#)]. It is also considered good practice to provide deferred members of FPS 1992 with an equivalent statement.

**ACTION NEEDED: LPBs may wish to satisfy themselves that these requirements are being met.**

As The Pensions Regulator (TPR) is requesting scores for fully present and accurate common and scheme-specific data items for the first time this year, it may be timely to consider using a tracing service for those deferred members whose address is not held. Address details fall within the list of 11 common data items as specified in TPR's [quick guide to measuring data](#).

## Website resource update

### Consolidated regulations

While a full set of consolidated timeline regulations is not currently available for FPS, the Bluelight team have created some informal consolidated sections on specific topics, such as pensionable pay, Additional Pension Benefits (APBs), and two pensions ("split pension"). As amendments are made to the FPS 2015 regulations, we will endeavour to incorporate these into a consolidated version.

The available consolidated regulations can be accessed [here](#) from the FPS Regulations and Guidance website.

Retrospective consolidation of FPS 1992 and FPS 2006 amendments will be considered as a future long-term project.

### Guides and sample documents

A brand new page has been added to the administration resources section of the FPS Regulations and Guidance website – [Guides and sample documents](#).

This page contains guides and sample documents issued by the LGA Bluelight team in collaboration with the FCWG on a variety of subjects. Scheme managers and LPBs in particular may wish to note the following new resources:

- [Guide to Disclosure of Information requirements](#)
- While we have published a [full list of discretions](#) available to scheme managers across all schemes, these have also been broken down by scheme and a table of delegations added each document to enable FRAs to determine at what level of seniority each decision can be made.
  - [FPS 1992](#)
  - [FPS 2006](#)
  - [FPS 2015](#)
  - [FCS](#)

Resources for members include the [short guide to FPS 2015](#), the first in a series of new guides for members.

## Other News and Updates

### The Pensions Ombudsman Service (TPOS) newsletter 4

TPOS have published the fourth edition of their stakeholder newsletter which is attached to this bulletin as [Appendix 1](#).

Earlier communications from TPOS and a full history of determinations in relation to FPS can be found [here](#).

### Beware cold-calls from fraudsters claiming to be from TPR

On the 17 July 2018, TPR published a [press release](#) concerning fraudsters who may be trying to steal the savings of workers by falsely claiming to be calling from TPR.

The scam concerns pension holders being cold-called by individuals who have posed as TPR staff offering the workers a 'free pension review'. TPR have confirmed that this is a common warning sign of a scam as TPR never cold-calls individuals about their pensions. TPR has reported the cases to the Information Commissioners Office (ICO) for investigation and will also report any future cases.

TPR has advised pension holders that if they are cold-called about their pension, or believe they could be the victim of pension fraud, to contact Action Fraud on 0300 1232040.

We recommend FRAs bring the contents of this press release to the attention of their members.

## HMRC

### Annual allowance calculator – back online

We reported in [FPS Bulletin 7 – April 2018](#) that HMRC's pension annual allowance calculator was temporarily unavailable.

We are pleased to let you know that the calculator is now back online at the following link <https://www.tax.service.gov.uk/pension-annual-allowance-calculator>.

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 100 containing important updates and guidance on pension schemes. The following issues are covered:

[Pension schemes newsletter 100 – 29 June 2018](#): Manage and Register Pension Schemes service | registering as a scheme administrator and applying to register a pension scheme | transfers between registered pension schemes | annual allowance calculator | relief at source | recognised overseas pension schemes (ROPS) notifications list | taxation of flexi access payments | reporting multiple small pots payments.

## Contracting-out reconciliation update

The following bulletin containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in June.

### [Countdown bulletin 35](#)

Updates include:

- scheme cessation guidance for Pension Scheme Administrators
- new automated solution for 2R local authority schemes liability part period
- new automated solution for change of responsible paying authority
- Guaranteed Minimum Pension checker

## Training

### AGM – save the date

Eagle-eyed readers will no doubt have noticed that the FPS annual general meeting has been advertised for some months in the calendar of events section of the bulletin.

We are now pleased to officially request that you ‘save the date’ for the two day event, which will take place over 17 and 18 September 2018 at 18 Smith Square, Westminster.

A programme of events will be included in the August edition, as all sessions/ speakers have not yet been confirmed. However, an outline of the agenda with timings can be seen below.

We will notify readers by email when booking is live via the LGA Events site.

#### Day 1

<b>Monday 17 September 2018</b>	
13.00 – 13.30	Registration and refreshments
13:30 – 16:00	Technical meeting

<b>Monday 17 September 2018</b>	
16:30 – 17:00	Registration and refreshments
17:00 – 18:30	Governance update

<b>Monday 17 September 2018</b>	
18:45 onwards	Drinks reception and networking

#### Day 2

<b>Tuesday 18 September 2018</b>	
9:30 – 10:15	Registration and refreshments, exhibition viewing
10:15 – 11:30	Welcome Sessions 1 & 2
11:30 – 11:45	Refreshments
11:45 – 13:15	Technical workshops Session 3
13:15 – 14:00	Lunch and networking, exhibition viewing
14:00 – 15:30	Workshop feedback Sessions 5 & 6 Close

## Legislation

SSI	Reference Title
<a href="#">2018/215</a>	The Firefighters' Pension Scheme (Scotland) Amendment Order 2018
<a href="#">2018/216</a>	The Firemen's Pension Scheme (Amendment) (Scotland) Order 2018

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)

## Contact details

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## FPS Bulletin 11 – August 2018

Welcome to the eleventh issue of the Firefighters' Pensions Schemes bulletin.

Looking for information on a certain topic? As we continue to cover more topics, don't forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

Firefighter Pensions Technical Community	17 September 2018
Firefighters' Pensions AGM	<a href="#">Day 1 17 September 2018</a> <a href="#">Day 2 18 September 2018</a>
Fire Communications Working Group	24 September 2018
LPB effectiveness committee	25 September 2018
North East regional FPOG	27 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
Midlands regional FPOG	26 October 2018
SAB	5 December 2018

## FPS

### [FPS 2006 special member tax relief claims](#)

We are aware that Authorities have now received the request from HMRC regarding tax relief for special members of FPS 2006, as detailed in [FPS Bulletin 10 – July 2018](#). In order to assist FRAs with their response, we have prepared an [FAQs factsheet](#).

The factsheet is available in the Administration Resources section of [www.fpsregs.org](http://www.fpsregs.org) and can also be accessed from the Special Members page within the member-restricted area. This area contains the regulations and other useful resources relating to this category of scheme member. If you require a log-in for the site, please contact [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

We advise FRAs to urgently supply the information requested. Pension boards in their role of ensuring compliance should note the request and seek confirmation this information has been supplied.

Further updates will be provided when HMRC have completed their investigations. Fire and Rescue Authorities will be kept informed of developments through these bulletins.

## Update on the Public Sector Schemes 2016 valuation

HM Treasury has confirmed that the Draft Directions for valuation will not be released during summer recess as the release requires a Written Ministerial Statement. This means that the Home Office will not be in a position to comment on the Firefighters Pensions scheme valuation until September.

## New way of submitting queries to the Bluelight team – update

The new process for submitting queries to the team as reported in [FPS Bulletin 9 – June 2018](#) is now gathering speed. Thank you to those that have already contacted us using the query form; we hope that you have found the process both efficient and effective.

A [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated on a monthly basis in line with the bulletin release dates.

The query form and notes for completion are available [here](#) to download and the form should be submitted to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) once completed with all relevant information. Your query will be acknowledged upon receipt and we will aim to reply to your query within 28 days. If we cannot reply with a full response within 28 days, we will let you know and tell you when you can expect to receive a full reply from us. Any technical queries we receive that are not submitted using the form will be returned.

If you have any feedback regarding the new process, please [email us](#).

## TPR data requirements – 2017/18 scheme return

For the first time in 2018, TPR are requesting that schemes measure the data they hold about their members and report this on the annual scheme return. Scores for both common and scheme-specific data must be measured and reported. This item was first covered in [FPS bulletin 7 – April 2018](#).

TPR have recently published a [checklist](#) for completing the scheme return, which is expected to be issued in September with a six-week turnaround for completion.

While TPR have produced several guides on measuring data, there is no dedicated resource for the Firefighters' Pension Schemes. To address this and provide some assistance to FRAs and administrators, we have produced an informal guide on TPR data requirements for 2018. The guide is available at [Appendix 1](#).

## ABS survey

As the current ABS cycle draws to a close, a survey of the 2018 process has been developed in collaboration with the SAB [Local Pension Board effectiveness committee](#). The survey link will be issued at the end of September and run for a period of one month. We would welcome as many responses as possible, please look out for more information in issue 12.

## Website resource update

### Consolidated regulations

Further regulations have been added to the consolidated section of the FPS Regulations and Guidance website. Topics include: effect of remarriage/ new relationship, pension contributions, and ill-health awards for transitional members.

The available consolidated regulations can be accessed [here](#).

Following the amendment order expected to be laid in September 2018, consolidated versions of the individual amended regulations will be published with an accompanying technical note to cover all of the relevant changes.

### Template agenda and annual report

New resources for Local Pension Boards include a template [agenda](#) and [annual report](#). Our thanks go to Nottinghamshire Fire Authority for sharing their local firefighter pension board annual report.

These, along with other useful resources for boards, are available from [www.fpsboard.org](http://www.fpsboard.org).

## Other News and Updates

### TPO determination PO-12763 – the Police pension scheme

The Pensions Ombudsman (TPO) has recently found in favour of a member who transferred their defined benefit out of the Police Pension Scheme – case [PO-12763](#).

The ombudsman summarised that the complaint was upheld against the Authority because “failed:

- to conduct adequate checks and enquiries in relation to Mr N’s new pension scheme; to send Mr N the Pensions Regulator’s transfer fraud warning leaflet; and
- to engage directly with Mr N regarding the concerns it should have had with his transfer request, had it properly assessed it.”

The authority was ordered to reinstate the member’s benefits in the PPS (or provide equivalent benefits) and to pay £1,000 damages for distress.

From 6 April 2015, unfunded pension schemes were restricted from allowing transfers to occupational or personal pension schemes that offer flexible benefits under [Chapter 4, section 68](#) of the Pension Schemes Act 2015.

And while we are confident that Authorities are aware of the seriousness of pension liberation and the duties of due diligence the scheme has to prevent this, we thought it nevertheless timely to remind authorities of the 2015 restrictions and the consequences of not performing due diligence. Guidance from TPR on pension liberation is available via the link below.

<http://www.thepensionsregulator.gov.uk/regulate-and-enforce/pension-liberation.aspx>

## [TPS Pension Board - recruitment of independent pension specialist](#)

The Department for Education is looking for an independent pension specialist to sit on the Teachers' Pension Scheme pension board. The closing date is 10 September 2018. For more information and details on how to apply see the [Pensions Careers](#) website.

Please share the link to the website to anyone who might be interested in applying for the post.

## HMRC

### [HMRC newsletters/bulletins](#)

HMRC have published pension schemes newsletters 101 and 102 containing important updates and guidance on pension schemes. The following issues are covered:

[Pension schemes newsletter 101 – 31 July 2018](#): Master Trusts | Registering a pension scheme - time limits | Taxation of flexi access payments | Annual allowance | Relief at source | Pension flexibility | Qualifying recognised overseas pension schemes (QROPS) transfer statistics | Manage and Register Pension Schemes service - completing enrolment information.

[Pension schemes newsletter 102 – 31 August 2018](#): Manage and Register Pension Schemes service | Relief at source | Master Trusts | Reporting of non-taxable death benefits | Applications to register a pension scheme.

### [Contracting-out reconciliation update](#)

The following bulletin containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in August.

### [Countdown bulletin 36](#)

Updates include:

- phase 7 automation
- Scheme Reconciliation Service data re-runs and queries
- Not in scheme Contributions Equivalent Premium
- the new automated solution for change of responsible paying authority

### [Annual Allowance Statements - 2017/18](#)

As last year, HMRC have confirmed they are prepared to accept from PCM customers, scheme data regarding pension savings statements for 2017-18 on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2017-18, with the exception of the lifetime allowance protection regimes referred to below, must be submitted via Pensions Online.

This concession is on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2017-18 Event Report. The data must be submitted by 31 January 2019 or penalties will be due for late filing. HMRC also reserves the right to open enquiries based on any of the pension savings statement information provided.

The data required for each member is as follows:

- Name of Member (Title, First Name, Surname)
- National Insurance Number of Member
- Aggregate Pension Input Amounts for the scheme (x)
- Tax Year Ending (that the information relates to)
- Have you provided this member with a pension savings statement under regulation 14A(1)(b)(ii) SI 2006/567? (Y/N) (Money Purchase Pension Savings Statement)
- If Yes, provide the Aggregate Pension Input Amounts for Money Purchase Arrangements (y)

All fields must be completed. For members who have both (x) & (y) above, the data should be listed on the same line in the spreadsheet.

Guidance is available at

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm161600> and

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167000>.

For the data to be compatible with HMRC's IT systems it must be submitted in the following format:

- Excel 2003
- Encryption via Winzip (up to and including version 17.5)
- 256 bit AES
- File to be password protected
- Passwords to be provided by separate cover

All files should be sent via e-mail to [pensions.businessdelivery@hmrc.gsi.gov.uk](mailto:pensions.businessdelivery@hmrc.gsi.gov.uk) and your PCM copied in. Files will need to be below 5MG, however HMRC will accept multiple submissions if the original file size exceeds this. HMRC will notify the scheme of receipt to enable the passwords to be provided under separate cover.

If the scheme chooses to use this facility to provide this information, it is entirely at the scheme's own risk. HMRC accept no responsibility of loss, interception or corruption until data is delivered safely to them.

If you wish to use the spreadsheet method, can you please let your CLM know and confirm that you also understand that late filing penalties may be due if the information is not provided by 31 January 2019. If HMRC do not hear anything from you then they will assume that you will submit this information via the Event Report.

We would like to remind FRAs that where members have breached the £40k limit across two schemes or are subject to a tapered Annual Allowance, the [Voluntary Scheme Pays guidance](#) applies.

## Lifetime allowance protection regimes

As you may be aware from article 6.2 of the [Pension schemes newsletter 85 - March 2017 - GOV.UK](#) the Event Report hasn't been amended to include lifetime allowance protections that members applied for online.

As per the Event Report requirements, if you need to submit these details to HMRC, you can submit these on a password protected spreadsheet and send the password in a separate email.

Please send both the spreadsheet and password (separately) to [pensions.businessdelivery@hmrc.gsi.gov.uk](mailto:pensions.businessdelivery@hmrc.gsi.gov.uk). You should put 'Lifetime allowance – Event Reporting' in the subject line of your email.

## Training

### Fire pensions annual conference 17-18 September 2018

We are pleased to announce that booking for the Fire Pensions Annual Conference is now available. The draft programme is can be viewed [here](#).

The event which was publicised by email on 7 August is proving to be ever popular, with 50 delegates registered for Day 1 and 80 for Day 2. Remaining places are limited, so please use the links below to secure your place if you haven't done so already.

#### [Day 1 – Monday 17 September 2018](#)

Primarily for Scheme Managers and Local Pension Board members, day 1 of the conference will provide practical guidance on how to be an effective board and meet TPR requirements for good governance and will offer Pension Board chairs the opportunity to network with their counterparts in other Fire Authorities.

**NOTE: invitations to the technical meeting will be issued separately, booking is not available for this session.**

#### [Day 2 – Tuesday 18 September 2018](#)

Day 2 of the conference provides delegates with an annual update on the Firefighters' Pension Scheme from key stakeholders.

We look forward to welcoming you to 18 Smith Square. For the first time, we will be tweeting live from the event using the hashtag #LGAfirepensions; follow us on Twitter [@LGAworkforce!](#)

## Legislation

There have been no new items of relevant legislation issued since FPS bulletin 10.

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)

## Contact details

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## **ACTIONS AND AGREEMENTS**

**Wednesday 20 June 2018**

18 Smith Square, Westminster, London SW1P 3HZ

### **PRESENT**

Malcolm Eastwood	Chair
Cllr Ian Stephens	Scheme Employer Representative (LGA)
Cllr John Fuller	Scheme Employer Representative (LGA)
Cllr Roger Phillips	Scheme Employer Representative (LGA)
Cllr Roger Price	Scheme Employer Representative (LGA)
Fiona Twycross AM	Scheme Employer Representative (LGA)
Andrew Hopkinson (Sub)	Scheme Member Representative (FLA)
Dave Limer	Scheme Member Representative (FBU)
Francis Bishop	Scheme Member Representative (FBU)
Glyn Morgan	Scheme Member Representative (FOA)
Sean Starbuck	Scheme Member Representative (FBU)
Tristan Ashby	Scheme Member Representative (RFU)
Helen Scargill	Technical Adviser
Jane Marshall	Legal Adviser
Andrew Bosmans	SYFRS LPB (Observer)
Claire McGow	SPPA (Observer)
Neil Wilson	TPR (Presenter)
Clair Alcock	LGA – Board secretariat
Claire Hey	LGA – Board secretariat
Anthony Mooney	Home Office
Jayne Baldock	Home Office

### **1. Apologies**

- 1.1 Apologies were received from Cllr John Bell and Samantha Rye. Des Prichard was also unable to attend and was substituted by Andrew Hopkinson for the Fire Leaders Association (FLA).

### **2. Changes to membership**

- 2.1 A nomination is still required from the Labour group. Clair Alcock (CA) to chase up.

Scheme Advisory Board Secretariat

18 Smith Square, Westminster, London SW1P 3HZ T 020 7664 3189/ 020 7664 3205 E [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk)

### **3. Conflicts of Interest**

3.1 None recorded.

### **4. Chair's Update**

4.1 Malcolm Eastwood (ME) informed the group of events attended in his capacity as chair of the Scheme Advisory Board (SAB) since the last meeting:

- ITM Data Conference
- LGA Data Conference – CA highlighted the importance of data in 2018 and the available resources that the secretariat have provided for FRAs.
- Technical Group
- Cumbria Pension Board
- Special Members of the 2006 Scheme Workshop
- Joint Police and Fire governance conference
- North East Regional Group
- TPR stakeholder group
- DWP pension dashboard project meeting

### **5. Minutes from previous meeting 9 March 2018**

5.1 The minutes were agreed as an accurate record and there were no matters arising.

### **6. Welcome to Legal Adviser**

6.1 ME welcomed Jane Marshall (JM) of Weightmans to the meeting and invited a short introduction. Following a tendering process, JM has been appointed as Legal Adviser to the Board.

6.2 JM confirmed that Weightmans is a national practice with office in various locations. JM specialises in public service pension scheme law and has particular experience in the following areas: ill-health and injury pensions for the Police; FPS; LGPS, acting for both funds and employers; and education establishments.

### **7. Current status of bid proposals**

7.1 CA confirmed that there are two on-going bid proposals outstanding, one for a permanent actuarial adviser to the board and the second to carry out a value-for-money benchmarking review of FPS administration.

7.2 Two bids have been received for the actuarial position and once these have been reviewed, a summary paper will be prepared for the SAB selection committee to make an appointment.

- 7.3 Two bids are also expected for the benchmarking exercise. This is expected to be a significant project as benchmarking of costs has never taken place for the administration of the Firefighters Pension Scheme before. The scale of the project is likely to be reflected in the bidders proposals. However, it is crucial for the SAB to understand the full costs in order to move forward with any recommendations for change to the future administration of the schemes.
- 7.4 Cllr Roger Phillips (RPh) requested assurance that the funds are available for benchmarking without putting a strain on the Board's budget. CA confirmed that there was some carry forward from previous years that the board has assigned for future project work.
- 7.5 CA stated that the two appointments once made, along with the legal adviser, will guarantee the SAB a strong position to proceed with its annual workplan objectives.

## **8. Home Office update**

- 8.1 Jayne Baldock (JB) gave an update on the 2018 amendment order SI which the Home Office hope will be laid in September. This is primarily in response to the Brewster case and removes the requirement for a nomination form in FPS 2006 for a surviving cohabiting partner's pension to be paid in the event of the member's death.
- 8.2 Sean Starbuck (SS) commented that FBU have contacted by a number of members wanting to challenge the lack of provision within FPS 1992 for unmarried partners' survivor benefits. Anthony Mooney (AM) replied that the decision was taken by the FPC when FPS 2006 was introduced that the provision for unmarried partner benefits should not be extended to FPS 1992 due to costings.
- 8.3 JB updated the group in relation to the Walker case which deals with survivor benefits for civil partners and same-sex spouses. A legislation change is being worked on for FPS, however, as the amendment order will need to be laid at the same time as the more complex police scheme legislation, there may be some delay. It is expected that the SI may be laid in February 2019.
- 8.4 CA confirmed that guidance notes will be distributed to FRAs following each amendment order outlining any action points.
- 8.5 JB informed the Board there is as yet no outcome on the 2016 valuation and the results are delayed with HM Treasury for all public service schemes. The Home Office have a meeting with HMT next week to discuss the position.
- 8.6 SS asked whether the issues surrounding past service costs including pensionable pay are being considered for the valuation, as raised in the Board's consultation response. AM replied that this fell outside of the scope of the valuation consultation, but will be considered by the Home Office and responded to separately. JB added that all points raised are being considered in the round.

- 8.7 SS raised a query regarding ill health pensions and the lack of mechanism to uplift a lower tier award to upper tier upon review. SS asked if opportunity could be given to present a case for consideration, either through the SAB or independently.
- 8.8 AM responded that ill health pensions are assessed based on the medical condition at the point of retirement to allow for early release of the pension due to ill-health. Any worsening of that condition in retirement should then be compensated through state benefits.

Where ill-health arises from operational duties, then an injury pension is usually also awarded. Injury pensions operate differently to allow a review of worsening ill-health and can be reviewed up or down based on a degree of disablement reflecting the earnings capacity.

- 8.9 CA supported a review of the IQMP process, particularly in relation to mental health conditions. Helen Scargill (HS) and CA confirmed that anecdotally there is confusion around the procedure and occasionally IQMPs are making pension determinations when they should be opining on health only. Extra support is needed, which could be in the form of guidance, to aid IQMP's understanding.
- 8.10 AM queried whether poor IQMP decisions are being made and if this is due to the complexity of the process. HS commented that IQMPs are reluctant to make decisions on permanency, so guidance and a process structure is needed. JM added that the reluctance in decisions regarding permanency is especially relevant to mental health.
- 8.11 JM added that her work with the police schemes has highlighted the general confusion around the process, which has been exacerbated since the government stopped producing guidance.
- 8.12 SS suggested that the Association of Local Authority Medical Advisors (ALAMA) could be approached to consult on new draft guidance. ME added that a review would be timely as anecdotal evidence suggests that not all IQMPs understand their role. Glyn Morgan (GM) also supported a review.
- 8.13 CA noted that the Fire Communications Working Group (FCWG) is currently reviewing the IQMP forms, so production of guidance could be linked in to this to form a larger piece of work.

## 9. TPR Governance and Admin Survey Results

- 9.1 Neil Wilson (NW) from the Pensions Regulator (TPR) attended the meeting to provide an update to the Board on the latest governance and administration survey results. The overall results were discussed to benchmark FPS against the other public service schemes.

Summary - <http://www.thepensionsregulator.gov.uk/docs/public-service-research-summary-2018.pdf>

## **Methodology**

- 9.2 The survey is sent to all public service schemes, but is not compulsory. It is also not compulsory to answer all questions and the answers are not attributable. The survey invitation is sent to scheme managers, to complete with their Local Pension Board (LPB) chair. More engagement between the two parties is needed.

## **Headline findings**

- 9.3 FPS achieved a high percentage of the six individual key processes in place, but only 41% had all six. TPR expect that schemes are working towards having all processes in place and to see an improvement in future years. There has been significant increase in FPS key results although still with room for further improvement. All necessary information and resources are available to authorities on websites, so TPR would like these to be better utilised.
- 9.4 There was a marked improvement on the provision of Annual Benefit Statements (ABS); further work needs to be done on assessing the materiality of breaches, using the TPR RAG rating. Red is a clear breach, some discretion exists for amber breaches.

## **Scheme governance**

- 9.5 Frequency of meetings is a concern for TPR. Legislation proscribes a minimum of two per year, however, this is not effective for monitoring and review. The proportion of scheme managers attending board meetings has increased.
- 9.6 A large increase in skills and knowledge to run the scheme was reported; less so for time and resources. Work is also needed around evaluation of board performance, as this is significantly lower for FPS than other schemes.

## **Managing risk**

- 9.7 FPS are still behind the curve on managing risk, although there has been a significant year on year increase. NW confirmed that it will take more time to establish trends. The top recorded risks for FPS are securing compliance with regulations and record keeping, which is also a key focus for TPR.
- 9.8 Both common and scheme specific (conditional) data scores will be required in this year's scheme return. Schemes will be asked to report when the data was last measured along with the scores. For the first year TPR are asking schemes to be honest in their responses, so that an accurate picture can be formed. Expectation is low, but annual improvement is expected.

- 9.9 SS noted that failure of internal controls is markedly higher at 24% for FPS and asked if NW could provide further insight. NW remarked that it is not possible to establish whether scheme managers wish to indicate that this is a potential risk or whether there has been an actual failure, which could also relate to the administrator.
- 9.10 SS asked if the secretariat could pursue this. CA confirmed that the need for internal controls is stressed at LPB training sessions, but in some circumstances the FRA cannot identify who the scheme manager is, or it is being delegated too far down the authority's hierarchy. CA proposed offering dedicated scheme manager training.
- 9.11 GM commented that uncertainty around the scheme manager role casts doubt on the previous results suggesting increased engagement. SS also noted concern over the 57% of respondents who identified securing compliance with regulations as a risk, suggesting a lack of understanding of legislation and internal controls.
- 9.12 CA noted that an email which had recently been sent to LPB chairs and lead contacts to request an update on the status of the scheme reconciliation to provide to treasury had only received eight responses, which indicated poor internal controls if the board chairs could not use recent minutes in order to comment.
- 9.13 ME suggested that the results show that FRAs were very self-critical and the questions were answered honestly.
- 9.14 HS indicated that there can be a big disparity between authorities, and a lack of pension knowledge at individual FRAs can lead to a lack of decision making confidence / poor decisions. NW added that a change of personnel can impact on the survey results, which is why consultation with the board avoids a single point of failure. TPR do not follow up on individual survey results where they are not attributable.

## Data

- 9.15 Concerning the transfer of data from employer to administrator, FPS indicated that fines are not often levied for poor performance. There was an expectation that scores on administration and record-keeping, and provision of data, should be 100% as FPS is a single employer scheme. However, this was not the case.
- 9.16 NW confirmed that TPR are looking at cyber security and cyber resilience of schemes across the piece, though responsibility is owned by the Information Commissioner's Office (ICO).
- 9.17 Schemes never having carried out a data review is a big concern to TPR. FPS are least likely to identify issues from a review, indicating either that there are no issues or the review is not being carried out thoroughly. HS clarified that each FRA is a relatively small employer, so it is possible that there are no issues. WYPF have a very limited data mismatch from the year-end returns, so there is not necessarily cause for concern. Data reviews are often carried out annually as part of the ABS process.

9.18 CA agreed with the above point, which is supported by the reported status of the scheme reconciliation exercise. Single employer data can be more reliable than multi-employer. CA highlighted that LPBs should self-assess against the survey results.

9.19 NW remarked that it will be interesting to see how the results of the data scoring in the 2018 scheme return correspond with the survey results, as there has been no consistency so far in addressing issues.

### **Communications**

9.20 NW noted the increase in provision of ABS, as issues with software have now been resolved in the main. FRAs are asked to consider materiality if the same 10 members are consistently not receiving an ABS within the statutory timescales. NW highlighted the secretariat's work in providing a consistent template and notes. Increased use of on-line self-service solutions, where the member can log on to view ABS is also reducing the administrator burden. NW recommended that FRAs contact TPR if they have any concerns over breaches.

9.21 RPh stressed the importance of accuracy, in addition to timeliness. FRAs need to have the confidence to contact TPR to discuss problems and resolutions.

9.22 SS asked whether the increase is due to the work of the secretariat. CA responded that it is due rather to software improvements, so cannot take the credit on this occasion. The most recent ABS template and notes have recently been issued to FRAs; the work of the secretariat supports the improvements, but is not the solution.

9.23 HS stated that WYPF have implemented monthly returns within this cycle, which may present extra challenges for the ABS as data is being requested in a new format. Changes in procedure can impact on performance. NW commented that FPS have not yet fallen into poor habits, being relatively new to ABS production. HS confirmed it is a learning curve for LPBs on materiality.

### **Resolving issues**

9.24 FPS reported a low number of complaints, although a high proportion of those complaints entered an Internal Dispute Resolution Procedure (IDRP). SS accredited this to the training FBU provide on IDRPs and the different route for lodging medical appeals. Fiona Twycross (FT) supported this point; highlighting the difference in police numbers, as they are a non-unionised body and may not be aware which complaint route to follow.

9.25 CA noted that a successful outcome at IDRP stage would appear to be reflected in that the Pensions Ombudsman (TPO) report far fewer cases being escalated to them.

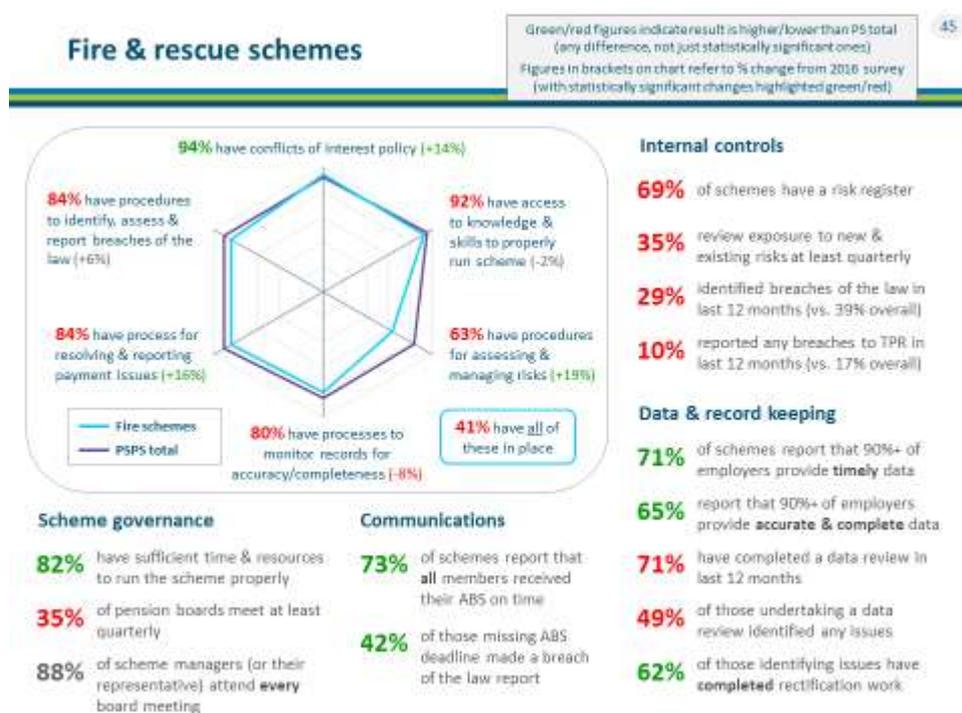
## **Reporting breaches**

- 9.26 Reporting of breaches has reduced from last year, hopefully indicating that not as many have occurred, although there is not yet enough data to track trends. The requirement to report should be taken into account for the timing of LPB meetings, for example, to coincide with the ABS deadline.
- 9.27 CA asked HS whether the board chairs of FRAs administered by WYPF would be aware of the potential ABS challenge faced by the Fund this year. HS confirmed no, in the main, although Andrew Bosmans (AB) as chair of the South Yorkshire FRA board confirmed that breaches are tracked at their meetings and they are aware of the above. AB confirmed that he has been chair since the inception of the board. ME commented that this demonstrates that consistency of members and chairs is key to boards understanding and fulfilling their responsibilities.

## **Addressing governance and administration issues**

- 9.28 Scheme complexity is perceived to be the main barrier to improving governance and administration, which could be a reflection of the knowledge and skills of board members.
- 9.29 SS remarked on a trend in responses which indicate that administrators and scheme managers do not understand the FPS. NW commented that poor results could be due to a lack of meetings and training, rather than aversion. ME added that LPBs are relatively new and turnover of members affects levels of knowledge; these concerns will be picked up through the LPB effectiveness committee actions.
- 9.30 RPh stated that pensions is a specialist sector. Schemes did not welcome the introduction of governance, but that is why it is necessary. TPR is key to the governance journey. NW clarified that TPR have a team of three people tasked with engagement of public service schemes. ME remarked that the SAB is fortunate that TPR is willing to engage with FPS and attend events regularly.

## Pen portraits (scheme type)



9.31 FT asked whether TPR can identify across the survey results whether there are consistently poorly performing boards or a proportion which give cause for concern.

9.32 NW confirmed this level of analysis may be available internally, but is not publicly available. A deep dive on 10% of LGPS funds is taking place, due to concerns over lack of engagement.

9.33 SS noted that the pen portrait is a useful tool for the Board which could be used to identify actions to support LPBs on the elements with lower scores. TA commented that the problem lies with boards who are not engaging with the SAB and the message needs to be communicated that part of the SAB's role is to assist and support boards.

9.34 Cllr Roger Price (RPr) queried whether LPBs would be amalgamated where a PCC becomes a PFCC. CA confirmed that the boards remain separate in legislation, although the PCC becomes the scheme manager. In these instances, CA opined, that the logical step would be an overriding pension committee which would oversee the administration of both fire and police schemes.

9.35 ME asked if FT had any comment on the mayoral position as applicable to London Fire Brigade (LFB). FT confirmed this is now London Fire Commission (LFC) and the Commissioner is the scheme manager.

9.36 CA summarised the presentation by stating this is a snapshot of the position in November 2017 and there is evidence that improvements have already been made since then through engagement and provision of resources. CA demonstrated the resources available to boards on [www.fpsboard.org](http://www.fpsboard.org), highlighting the breach assessment template.

CA reminded the board that Fire schemes had started from a lower base than others, so the improvement they have made has been significant. This was in fact recognised in TPRs report by specific reference to the Firefighters scheme. Nevertheless CA suggested that the SAB may wish to take a firmer stance if scores do not show improved performance next year.

9.37 NW congratulated the Board on the work done to support FPS in improving scores this year, especially as engagement on LGPS seems to have stalled.

## **10. Risk register update**

10.1 CA stated that there has not yet been opportunity to update the risk register as discussed at the March meeting and therefore the Board were asked to suggest any areas of risk to be added. Pensionable pay has already been identified and now that a legal adviser has been appointed, this can be addressed.

10.2 SS commented that the outcome of the MAWW ombudsman case is awaited before any progress can be made on the issue of pensionable pay. SS suggested that risk relating to complexity of legislation needs to be reassessed in light of the TPR survey results. SS asked whether the register will be a dynamic document and a standing item for review at each meeting.

10.3 CA agreed the above and confirmed that the register will be published once agreed, and reviewed at each Board meeting.

## **11. Annual conference**

11.1 A paper was distributed to the Board in advance of the meeting outlining costs and options for the annual FPS conference to be held in September. CA confirmed the contents of the paper and detailed the events which took place in previous years, noting the excellent feedback received and invaluable networking opportunity provided. Views were requested from the group, due to the increased cost of venue hire at 18 Smith Square.

11.2 ME remarked that the event is of great benefit to FRAs and administrators and requested that the sponsorship option be disregarded in order for the SAB to retain independence.

11.3 FT commented that the event should go ahead as planned if the funding is available through the budget as it is a key event in the calendar. It may be difficult to source an alternative venue at this stage, but the event and location should be reviewed for future years.

11.4 CA confirmed the difficulty in finding suitable alternative accommodation for the conference due to the size and number of rooms required: one main room with up to three smaller breakout rooms. The tariffs at 18 Smith Square are competitive for a central London location.

- 11.5 GM stated it is a legitimate role of the Board to host these events and provision is made within the budget. GM disregarded the application of a delegate charge, as FRAs are contributing to the event budget through the SAB levy. ME added that a delegate charge may affect attendance levels. RPh remarked that people should not be given any excuse not to attend.
- 11.6 Cllr John Fuller (JF) supported the points made by GM and added that 18 Smith Square has extensively redeveloped conference amenities with modern AV technology and offers a range of catering options.
- 11.7 JM asked whether the event must take place in London as Weightmans have various locations across the country which could potentially be made available. CA confirmed that alternatives can certainly be considered providing the appropriate space is available.
- 11.8 Agreement was reached by the group that the conference should proceed over two days as suggested. Delegates will be surveyed after the event and alternative venues considered for subsequent years.

## **12. Internal Dispute Resolution Procedure (IDRP)**

- 12.1 [Paper 3](#) was submitted to the Board in advance of the meeting for consideration of reviewing the current two stage IDRP process. CA invited comments from the group.
- 12.2 SS confirmed that he had a number of comments. In relation to paragraph 9, SS stated that the infrequency of cases being overturned at the second stage leads to an increase in unnecessary referrals to TPO. However, the problem lies with a lack of training and understanding than a flaw in the procedure. SPPA have already adopted a single stage procedure, but their circumstances are different as a single FRA.
- 12.3 SS opined that the two stage procedure is retained, with greater meaning given to the second stage by improving knowledge and understanding at FRAs. SS added that there can also be a lack of understanding at the first stage.
- 12.4 JM queried whether a one stage process could be adopted if it was heard by an experienced individual with the appropriate knowledge and skill set.
- 12.5 SS suggested that the first stage should be a more informal decision, with a more formal determination at second stage. This would allow more control over the process and allow the member two opportunities to present their case at a local level before referral to TPO.
- 12.6 Dave Limer (DL) opined that having the second stage encourages better engagement at stage one, as the respondent is aware that their decision will come under scrutiny as stage two. The Pensions Advisory Service (TPAS) and TPO have recently merged with improvement to the customer journey high on their agenda. DL suggested that the two stage process is crucial in reducing the number of cases reaching TPO and therefore supports this aim.

- 12.7 GM commented that it is necessary to keep the two stage process to retain independence. Scotland FRS have a different set up so the one stage process is appropriate for them. GM added that second stage knowledge is essential.
- 12.8 TA agreed that the two stage process should be retained. RPr agreed the need for two stages with more training for elected members, which would improve all aspects of pension governance.
- 12.9 Andrew Hopkinson (AH) remarked that the two stage process is sensible and that the problem needs to be addressed at source, rather than changing the procedure to fit.
- 12.10 CA commented that TPO have been vocal on implementing a one stage procedure. Claire McGow (CMc) was able to provide a view from SPPA, stating that a change was easier in Scotland as SPPA are the single administrator. Previously operational colleagues were dealing with stage one and this was not effective; the second stage would be reviewed by the policy team who looked at the case more holistically and regularly overturned the stage one decision.
- 12.11 A single stage procedure for SPPA allows a quicker resolution, with one independent person dealing with the member consistently throughout the process. TPO were supportive of the change and SPPA now have better engagement with members and TPO on an informal basis.
- 12.12 AH asked where elected members may be able to access IDRPs training. HS queried what information relating to IDRPs should be provided to LPBs; this should obviously not include personal details, but the boards should be made aware of what the disputes relate to, rather than just volumes, so that they can identify trends.
- 12.13 JF commented that speedy and effective resolution of cases is needed, and so would support a streamlined one stage process carried out efficiently, with the member retaining their right of appeal to TPO.
- 12.14 SS remarked that the two stage process can be quick; it is the TPO determination which takes time. The second stage does need to be dealt with effectively, but this can be contained within the FRA.
- 12.15 AH added that if training proves to be unsuccessful, a review of procedure could then be reconsidered. FT asked when IDRPs was last discussed at FSMC, as this could be an avenue to promote the importance of effective IDRPs.
- 12.16 ME summarised the Board's agreement that the existing two stage procedure will be retained, subject to education and future review.

**ACTION:** CA to reissue the original guidance and offer training and support to FRAs.

### **13. Technical group update**

- 13.1 HS confirmed that this is a standing item on the agenda should anything need escalating from the Firefighter Pensions Technical Community. At present there is nothing to escalate, however, it was considered timely to provide an update on the work of the group.
- 13.2 HS confirmed that the format of the meeting has improved over recent sessions, with a greater focus on reaching consensus on technical queries and feeding back from the regional groups. The next FPS bulletin will include a new procedure and form to raise queries to the Bluelight pensions team with a 28 day turnaround time, allowing a more streamlined process and greater transparency.
- 13.3 One of the current priorities for the group is a guide to final salary protection and combining service within FPS, comprising of a booklet and flowchart. The guide will aimed at administrators and will be available in the public domain.
- 13.4 SS asked whether there was any timescale for this and offered assistance in developing the guide, which was gratefully accepted.
- 13.5 HS confirmed there is no firm timescale, as further considerations and scenarios continue to be uncovered. It may be issued as a living document, which can be revised in real time. CA is hopeful that the guide will be available for release and discussion as the AGM in September. The guide will be discussed at the next FCWG on 26 June and the technical meeting on 2 July, and may require legal direction from JM. Consultation on the draft document will take place before release.
- 13.6 CA informed the Board that entitlement to a two pension award (or “split pension”) will also be discussed at the next technical meeting. A number of queries have been received from administrators who are being inundated with requests for quotes. CA has commenced a first draft of a two pension factsheet which will be shared with SS to seek agreement before publication.
- 13.7 SS remarked that members should be informed to make a note of their entitlement, but as an automatic protection, the calculation will be done on their behalf at retirement. HS added that a proactive administrator would send a letter to the member at the point of reduction to confirm the potential future entitlement.

## 14. Update on actions summary/ items delivered

14.1 Items highlighted in yellow indicate completed actions since the last meeting:

- Board policies to be drafted – timetabled for next year. CA informed the Board of the formation of a focus group of public service board secretariats to share best practice, including template policies.
- To note that past service costs on pensionable pay remains a risk – standing item.
- Survey FRAs on impact of pensionable pay – legal adviser now appointed, however, awaiting outcome of MAWW TPO decision and SYFRS determination on CPC.
- Draft guidance note to boards to ensure they satisfy themselves that pensionable pay is correct in light of Norman V Cheshire – see above.
- Risk strategy – development of SAB risk register in progress.
- SAB to lead on data improvement – CA has contacted all FRAs with data excluded from valuation assumptions and article included in bulletin.
- SAB to work with sub committees to develop standard list of scheme specific data – in progress. CA to pick up with software suppliers.
- SAB to champion use of on line technology – secretariat continuing to promote through training and considering alternative methods of raising profile.
- Board to invite Annemarie Allen to provide feedback – follow up article included in May bulletin.
- Tender for permanent actuarial adviser and admin benchmarking review.
- SAB to respond to TPO judgement on pensionable pay

## 15. Future meeting dates and venues

### Scheme Advisory Board Meetings

All meetings to be held at 18 Smith Square 10.30am until 3.30pm. Details are held on the member area of the SAB website.

Thursday 4 October 2018 (Westminster room)

Wednesday 5 December 2018

AGM –17th & 18th September

## 16. AOB

16.1 ME asked FT to give an update on the position at LFB. FT confirmed that from 1 April 2018, there is no longer a fire authority. FT is now deputy mayor for London with fire responsibility. All congratulated FT on her appointment. Dany Cotton is now Fire Commissioner and scheme manager, and the London Assembly is now a scrutiny committee.



**Firefighters'  
Pensions England**  
Scheme Advisory Board  
**LPB EFFECTIVENESS COMMITTEE**

## **ACTIONS AND AGREEMENTS**

**Tuesday 17 July 2018**

18 Smith Square, Westminster, London SW1P 3HZ

### **PRESENT**

Tristan Ashby (TA)	Chair
Malcolm Eastwood (ME)	Scheme Advisory Board chair
Clair Alcock (CA)	LGA
Ian Howe (IH)	Technical/ Admin representative (Leics CC)
Stuart Wilson (SW)	LPB representative (WYFRS)
Claire Hey (CH)	LGA – Board secretariat
Neil Wilson (NW)	TPR
Kevin Courtney (KC)	LGA/ NPCC

### **1. Introductions**

- 1.1. Introductions were made around the room. Apologies were received from Dave Limer, Debbie Yeates and Simon Allsop.

### **2. Chair's welcome**

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

### **3. Review previous actions (19 April 2018)**

- 3.1. The minutes of the previous meeting were agreed.

- i. CH to add breach assessment template to LPB area of SAB website - completed.*
- ii. CA to contact TPR regarding provision of anonymised breach information.*

- 3.2. CA has been looking at how the Bluelight team can work with TPR to provide some common themes on breaches, without excluding other items which should be considered. NW noted that Nick Gannon and Pauline Lancum are investigating how much information can be provided without limiting stakeholders to a defined list of scenarios. Prior to the TPR survey and scheme

return they will be collating guidance on ABS- related breaches, as there are not enough other types to be able to anonymise the cases sufficiently.

3.3. CA suggested that a question could be included in the SAB LPB survey if TPR are unable to provide the required level of detail. There is concern that only breaches relating to ABS are being identified. NW commented that other known reported breaches have included overpayments over a two year period and payroll error leading to deduction of incorrect contributions, but due to the limited number of reports, the data cannot be anonymised.

3.4. NW added that TPR will issue advice on whether a breach is red or amber, as materiality is subjective. One consideration is whether a breach is likely to reoccur, such as ABS errors. Guidance on specific examples will only be given on a case by case basis, so as not to preclude independent decision making.

*iii. SA to contact CIPFA/ NAO regarding promotion of the SAB's work*

3.5. As Simon Allsop was unable to attend the meeting, the above action will be carried forward. CA noted that one LPB has invited internal audit to check that the board are compliant, but they were not sufficiently experienced in governance and therefore checked compliance only against the board's own terms of reference.

3.6. On governance, CA informed the group that LPB chairs had recently been asked for a RAG rating on their FRA's scheme reconciliation status, with only 11 responses received. ME suggested this could be due to changes of membership if up to date contact details have not been supplied by boards.

3.7. IH commented that there is limited likelihood of FRAs receiving responses to queries if these are only submitted to HMRC by the October deadline. CA is optimistic that there is less chance of discrepancies in FPS membership as it is still a longer term career option with restricted movement. CA queried whether status updates can be progressed through the committee.

3.8. TA agreed that the committee should take action and asked how confident the secretariat is that communications are being sent to the most relevant individual. CA responded that the information could have been requested from administrators, however, chairs should be in a position to reply to this type of query.

3.9. IH remarked that this is not always the case in practice. As administrator for three FRAs, any communications received are always forwarded to the individual scheme managers. NW asked if each board has an officer responsible for collating papers. CH confirmed that the named lead contact for each board is always copied to any correspondence with board chairs.

3.10. IH added that chairs are likely to be forwarding such requests to their administrator who is carrying out the work, so it would be more practical to submit the query directly if it means that a response will be received. ME suggested the addition of read receipts to communications to enable tracking.

- 3.11. CA expressed concern that boards may think that a response is not necessary, although in some reported cases, administrators have been approached and the information is pending. Is it important to distinguish why the information is being requested. If it is only to obtain numerical data, the query should be submitted to the administrator. If, however, it is as a measure of governance and internal controls, the board should be contacted.
- 3.12. CH confirmed that initially the request was intended to monitor governance, and now further detail is required for HM Treasury, the query will be resubmitted via administrators.
- 3.13. CA has informed the Home Office that potential implications of not completing the reconciliation exercise are acceptance of HMRC data which if incorrect could lead to FRAs accruing additional liabilities, and overpayment of pensions increase, putting further strain on the top up grant. CA opined that the exercise is likely to be completed, but the lack of engagement is concerning.
- 3.14. ME asked if other public service boards are experiencing similar issues. NW confirmed that there is a lot of variation between boards within the same schemes, and that schemes will be in a worse position if the exercise is not completed. NW raised how stalemate cases will be treated; as the larger organisation, will HMRC consider that their records should be accepted.
- 3.15. CA clarified that HMT will not accept this position. IH agreed as detailed within the LGPS SAB minutes, a scheme cannot accept liability where no record exists, or knowingly pay an incorrect benefit.

**Action:**

- i. CH to reissue request for reconciliation status and case numbers to administrators.**
- iv. CH to add sample agenda to LPB area of SAB website – completed.*
- 3.16. A sample agenda was distributed with the meeting papers for comment. IH suggested that 'GMP' be added to the scheme reconciliation item for clarity.
- 3.17. CA noted that the suggested review of risk register and mitigation need only be a quick update and not too onerous. NW agreed that the risk register should be a standing item and a dynamic document, allowing boards to constantly monitor new and ongoing risk. CA observed that mitigation does not mean that a risk no longer exists; the mitigation itself should be regularly reviewed to ensure it is still in place.
- 3.18. IH asked if there was value in adding an item on scheme valuation to the template agenda. CA responded that this may fit more appropriately on the risk register. ME added that LBPs are consequential to the valuation, rather than affecting it, as any action will feed down from the SAB. Otherwise the group were happy that the agenda be uploaded.
- v. CH to add deferred ABS to Fire Communications Working Group agenda - completed.*

3.19. CH confirmed that the item was added to the FCWG work plan at the meeting on 27 June 2018. Example templates and notes were requested from attendees as a starting point.

vi. CA and CH to work with IH to collate a draft ABS survey to be presented at the next meeting – completed [Item 6].

vii. CH to distribute LPB training tracker to group along with dates of forthcoming LPB engagements – completed.

3.20. Dates of all engagements were distributed with the draft minutes from the previous meeting.

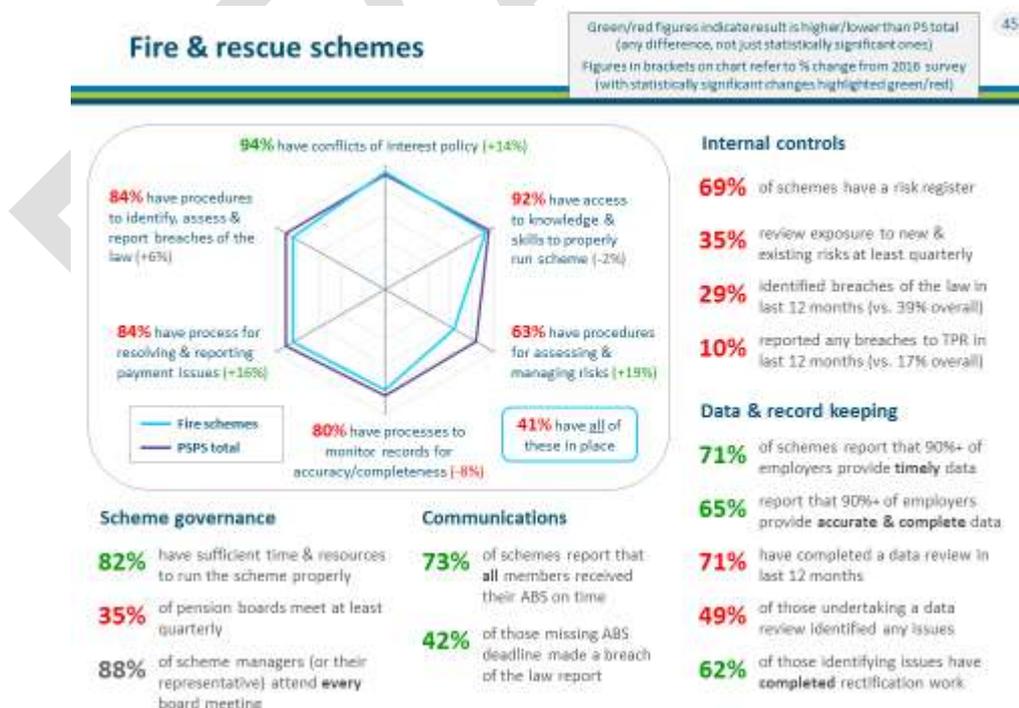
viii. CH to engage TPR for next meeting to discuss survey results – completed [Item 4].

ix. CA and CH to draft set of tests and accompanying paper to present at the next meeting – completed [Item 5].

#### 4. TPR Governance & Administration survey update

4.1. NW attended the meeting to provide a summary update of the latest governance and administration survey results in order to facilitate a discussion on next steps.

##### Key results



- 4.2. NW confirmed that a baseline 41% of FPS respondents had all six of TPR's key processes in place. An increase in percentage is expected over the next couple of years. Levels of LGPS engagement have fallen, so a sample of administering authorities will become subject to high focus. FPS is currently on an upward curve, but to avoid future scrutiny, boards must ensure that focus and engagement remain high and survey results improve accordingly.
- 4.3. NW noted that it is not compulsory for all questions to be answered and scheme managers can choose for responses to be non-attributable, which could affect the results.
- 4.4. CA highlighted that the LPB training offered includes an action for boards to ensure all six processes are in place and add this to their annual report. CA noted that the survey provides a snapshot of the landscape and recommended that boards self-assess against the results to establish whether the national picture matches the local view.
- 4.5. ME added that attribution should be encouraged. NW was unsure why schemes would choose not to attribute, particularly if they are performing well, and queried whether boards would have seen the scheme manager response before submission. TA asked whether Nottinghamshire FRS were surprised that their annual report had been selected by the secretariat as an example of good practice; IH confirmed.
- 4.6. NW noted unusual geographical hotspots of non-completion/ attribution and clarified that survey results are not used for identifying case work. CH asked whether this is the primary concern and therefore reason for non-attribution. NW confirmed this is the case, and further why breaches are not reported. However, TPR do not penalise without investigation and sanctions are proportionate. Open and honest communication is the way forward and will be vital for reporting scheme-specific data scores in year one to obtain an accurate picture.
- 4.7. CA commented that the fall in identifying breaches was largely attributed to improvements in the ABS process, however, it may be that other issues are not being considered. The SAB are aware that pensionable pay remains a concern. NW agreed that ABS issues following reform have skewed the figures and further years of data are required to identify trends and establish level of concern. LPBs are becoming more engaged, but need to remain focussed.

## Respondent role

4

### Respondent role

- The survey was explicitly targeted at scheme managers, who were asked to work with the pension board chair to complete the questionnaire

Respondent role	Completed by	Consulted with	Total (Involved)
Scheme manager (or their representative)	70%	46%	85%
Pension board chair	4%	42%	45%
Pension board member	4%	14%	16%
Administrator	16%	42%	58%
Other	7%	11%	15%

- Scheme managers contributed to 85% of the surveys, and directly completed it in 70% of cases
- 45% of surveys were completed with input from the chair, although other board members were involved in 16%
- Over half of the completed surveys (58%) involved consultation with the scheme administrator

4.8. NW explained that TPR would like LPBs to be more involved with completing the survey with their scheme manager. CA highlighted that the results are not specific to FPS and that the survey is targeted at scheme managers. TA raised whether respondents understood the intention of “consulted with”; consultation may have taken place after submission. NW hoped that individuals are asked for their opinion while there is still opportunity to make a contribution. An unfortunate drawback of surveys is the inability to infer the thinking behind the responses.

4.9. CA remarked that this is where the SAB/ LGA have a role to play. TPR provide guidance and regulatory oversight which LGA follow up with training and encouragement.

4.10. ME expressed frustration that the results are not attributable in order to provide further targeted support. NW asked whether the SAB are in a position to collect data that TPR can't and pass that data forward. NW highlighted the high response rate (92% of schemes) and explained that 10-12% is generally considered to be a good rate of return for an unsolicited survey.

## Pension board meetings



4.11. NW noted that two meetings per year is not sufficient for boards to meet their legislative requirements. ME asked for TPR's recommendation. NW responded that between three and four gives LPBs time to react to changes. ME suggested a recommendation of three, with a caveat that cancelled meetings should be rescheduled. CA commented that ineffective meetings will remain so, whatever the frequency. Boards should self-assess to demonstrate that they can function efficiently with the number of scheduled meetings and constantly monitor their position.

4.12. NW emphasised that legislation states a minimum of two annual meetings, but there is no way to monitor this. ME suggested that the SAB need to be firmer on this point and could consider drafting a letter to stakeholders confirming their responsibilities. CA proposed asking boards in the next LPB survey if they have adopted the recommendations, as this data-set is a reflection of the position at November 2017.

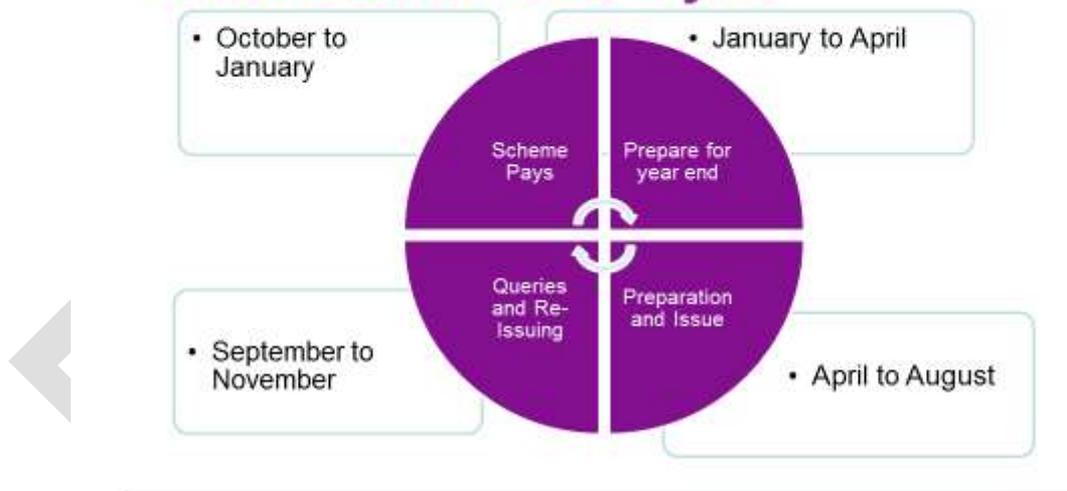
4.13. IH commented that a lack of meetings may impact the survey results. As the board's role is to assist the scheme manager, in IH's experience four meetings per year complement the annual cycle, for example:

- March – year end data quality.
- June – ABS and breaches.
- September – taxation and Pension Saving Statements
- December – review of year.

- 4.14. TA agreed that there are key points in the calendar year when meetings are most relevant. TA added that boards should take more ownership and consider what good practice looks like in regard to the above. NW concurred that meetings should be spaced throughout the year, to allow timely decision making but not overwhelm members with information. Generally, people prefer to work within set guidelines.
- 4.15. CA stressed that boards need to be allowed to reach these decisions on their own terms. It has recently been reported that one LPB was not permitted to increase the frequency of meetings by an authority committee, as their terms of reference specify meetings will be held twice annually.
- 4.16. SW agreed that the LPB may sometimes be seen as secondary to other committees. It is therefore helpful for the SAB to provide positive recommendations, for the board to take notice. CA highlighted that this demonstrates a possible lack of understanding at authorities, as the FRA is by law the scheme manager and delegation does not equate to abdication. NW added that LPBs must be independent of an organisation's other committees.



## Benefit Statements Cycle



- 4.17. CA suggested that the above ABS cycle slide be adapted to illustrate a typical LPB meeting cycle to promote the value of more frequent meetings. This could be shared via the website and monthly bulletin, with an email to board chairs to emphasise the importance.

## Summary

- 4.18. NW concluded the update by congratulating FPS on increased scores in 2017 and noting an expectation of annual improvement, to include support for more than two meetings per year and an increase in key processes. Scheme managers and administrators should have input in identifying breaches, although the board should obtain and retain suitable knowledge to allow them to monitor administration and ensure they are not being led by a third party. The LPB can be a 'critical friend' and implement KPIs and SLAs; it is important for the board to act in a manner that will add value. The SAB and committee could assist by taking a tougher approach.
- 4.19. NW noted that FPS are at the bottom of the curve on evaluating performance. An education piece is needed to consider how boards can effectively monitor performance as all sectors have particular challenges. IH referred back to the annual cycle, stating that increased understanding will improve self-assessment.
- 4.20. NW confirmed that TPR's key focus this year is data. Good data is the key to running and future-proofing schemes, and can also assist in avoiding referral of cases to the Pensions Ombudsman.
- 4.21. CA raised some anomalies within the survey results such as: 92% of respondents believed that they had the appropriate knowledge and skills to run the scheme properly, but only 33% were confident in identifying to the scheme manager where poor standards existed and making recommendations; 57% also said their top risk is securing compliance with legislation.
- 4.22. NW emphasised that boards should ask the scheme manager or administrator on any issue they are unsure of and push back if they are not satisfied with the response. TA countered that boards may not have sufficient knowledge to know what they should be scrutinising.

### Action:

- ii. **CA to draft report to committee on LPB and TPR survey results to form basis of SAB commentary on FPS governance.**

## 5. Joint Board applications

- 5.1. As detailed at [\[Item 7\]](#) of the meeting of 19 April 2018, CA continues to receive requests from boards on the formation of joint arrangements. While the committee were not opposed to this in principal, they determined that strong evidence would be needed to gain approval from the secretary of state.
- 5.2. The Home Office had no prior conception of what the tests should be, only that the bar should be set at a suitably high level. The secretariat therefore considered what those tests should look like and developed guidance which was distributed to the committee in advance of the meeting, based on the requirements of [\[regulation 4A\(2\)\]](#) of The Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 .

### **Shared administration**

5.3. To evidence shared administration, the administrator will be required to provide a statement verifying the performance of the individual scheme managers and detailing how a joint board will assist engagement and improve scheme member experience.

### **Shared management**

5.4. A set of eight questions has been devised to test shared management, requiring detailed evidence to ensure that a joint board is not used as a vehicle for poorly performing boards. A summary of the questions is detailed below:

- I. What evidence can you provide to show how each of the single boards are already operating well?
- II. Can you evidence how process and procedures apply equally to all scheme managers operating within the shared arrangement?
- III. How would employer and employee representatives from each scheme be represented on the joint board?
- IV. What value would your joint board give to scheme member experience, over and above your current single board operation?
- V. How are you going to approach scheme decisions that
  - a) may be specific to the needs of a single FRA, and
  - b) where you may want to ensure consistency between FRAs on decisions?
- VI. How will the joint board ensure that individual scheme managers are complying with regulation 4A(1)?
- VII. Approval by the secretary of state may be withdrawn under paragraph 3 of regulation 4A, how are you going to evidence the continued effective and efficient governance that the joint board provides to comply with this regulation?
- VIII. What evidence can you provide of consultation with stakeholders, are there any objections from any party to forming a joint board?

5.5. NW confirmed that TPR is broadly supportive of boards working together where this improves standards of governance and administration. Given that secretary of state approval is needed to form joint boards, NW asked whether there is any barrier to boards working collaboratively without written agreement.

5.6. NW added that the effectiveness of large boards, such as in the Police scheme, has yet to be determined, for the economy of scale offered. KC agreed, commenting on the disparity between a small single force board and a large 14 force board that does not include a representative from each force.

- 5.7. IH advised that a meeting had taken place with board members and representative bodies of the three East Midlands FRAs, LGA, and the Home Office to discuss progression of a joint board application for the region. IH confirmed that the meeting had been invaluable, with a full discussion on all points of the guidance which raised issues that the boards had not previously considered. IH stated that the guidance is a fair and rigorous challenge and the boards are comfortable with the level of evidence required.
- 5.8. CA agreed that the meeting was an ideal forum to discuss the draft guidance and noted Home Office confirmation that the proposed tests offer the level of robustness and assurance that the minister is likely to require, particularly around consideration of the member experience, which good governance is designed to support.
- 5.9. CA noted that no evidence of cost-saving is necessary, as this is not a requirement of legislation. IH added that the only cost issue considered by the East Midlands boards was joint implementation of ABS, although there would likely be more opportunity as a collective to save costs in the future.
- 5.10. NW asked if there was any proposal to cap the number of boards participating in a joint arrangement and whether shared administration would pressure boards to join. IH replied that the three East Midlands boards did not wish to cap the number of members on a joint board, as the numbers may naturally reduce due to efficiencies in knowledge and understanding. CA confirmed that the number of boards per arrangement would not be capped, but each additional board would need to evidence all the requirements; there is no automatic entitlement.
- 5.11. ME queried whether new boards would request to join existing arrangements for geographical convenience. IH commented that any additional boards would need to meet the standard of those already participating, so as not to water down an existing arrangement.
- 5.12. KC noted that a variety of arrangements exist within the Police boards and from experience, groupings of three to five boards seem to offer maximum efficiency. KC asked if the secretariat would be willing to share the guidance once complete, as a source of reference. KC added that there is currently no correlation between good governance and good administration. NW agreed that no trends have been identified, citing breaches of law and complaints as examples.
- 5.13. NW stated that TPR still has concern over representation on larger boards, but as governance arrangements have only been in place for two years, it may be too early to judge. NW noted that if a board choose to participate in a joint arrangement, they must comply with joint decisions. CA remarked that as joint boards get larger, it becomes harder to evidence Q.6 of the due diligence. Q.5 addresses concerns over the lack of consistency between authorities on the same board, with the opportunity to add value.

5.14. In summary, CA commented that boards are increasingly sharing administration, but are not in a position to share management, therefore setting a high bar for evidence will avoid abdication of governance responsibilities and should allay concerns raised at the previous committee meeting on 19 April. Notes from the joint meeting at Leicestershire CC will be incorporated into the guidance before the final version is issued.

5.15. TA wondered whether the bar had been set at an unrealistic level, but was reassured by IH's comments. SW confirmed he was content with the guidance.

**Action:**

- iii. **CA to progress final version of guidance including comments from this and other forums.**

## 6. ABS 2018 survey

6.1. An introductory paper [[Paper 2](#)] and draft survey was issued to the group prior to the meeting in line with item vii. of the workplan. CH explained that IH had provided much of the basis for the survey questions; IH added that these had been written with administrators in mind. Others which relate to the mechanics of the process and resources were lifted from the 2017 survey. Comments were requested on the draft.

6.2. CA clarified that considerable resource had been expended on development of the 2018 ABS template, including review by the Plain English Campaign and award of the Crystal Mark. Therefore it is important to establish whether the template is useful to administrators.

6.3. CA gave a demonstration of the [ABS bite-size training](#) which has recently been added to the FPS Regulations and Guidance website, to illustrate the challenges faced by administrators during the cycle.

6.4. IH suggested that a question should be added regarding the provision of online ABS for members, whether this is being considered and a possible timescale, as the Pensions Dashboard will drive expectation for members to be able to access their benefit information electronically.

6.5. TA asked how long the survey will run for. CH confirmed that the link will be issued at the end of September and will remain open for one month. NW remarked that a longer response time leads to a quicker drop-off rate.

6.6. TA wished to record thanks to IH for his considerable input into the survey and the committee were happy to proceed with development of the online version.

**Action:**

- iv. **CH to engage Webdigi to produce the online survey once budget approval is received from the relevant committee [Item 5 of the [30 November 2016 SAB meeting](#)]. Survey will then be tested before go live.**

## 7. 2018 work-plan

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

- i. Full analysis of LPB survey results with report to the full SAB on 9 March 2018.
- ii. Comparison of the SAB survey with TPR governance and administration results.
- iii. Consider whether items arising from the outcomes from both surveys demonstrate need for a business case to the Home Office for regulatory change.
- iv. Publication of breach assessment template ~~with materiality matrix.~~
- v. Publication of LPB annual report template.
- vi. Develop set of initial tests for joint LPB applications.
- vii. Develop ABS 2018 survey to be issued in September.
- viii. Group members to attend LPB meetings and/ or training.
- ix. Publish commentary on combined survey results.

## 8. Future meeting dates and venues

- 25 September 2018 (Lincolnshire FRS)
- 28 November 2018 (18 Smith Square)

## 9. AOB

9.1. CA reminded the committee of the dates of the annual conference, 17 – 18 September, and requested TA and IH to speak at day 1 regarding the work of the committee and joint boards, respectively.



OFFICIAL

# Position statement - Survey of Fire and Rescue Authorities' Local Pension Boards 2017

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

9c

Submitted By: Chief Legal and Governance Officer

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### **Purpose**

To note the position statement for the West Yorkshire Fire and Rescue Authority's Local Pension Board in response to recommendations of the Survey of Fire and Rescue Authorities' Local Boards 2017

### **Recommendations**

That Members note and comment on the current position statement of the West Yorkshire Fire and Rescue Authority's Local Pension Board.

### **Summary**

In February 2018 the Firefighters' Pensions England Scheme Advisory Board (SAB) published the results of a survey of Fire and Rescue Authorities' Local Pension Boards 2017. The report made a number of recommendations based on the survey responses.

This report provides Members with detail of the current position of the West Yorkshire Fire and Rescue Authority's (WYFRA) Local Pension Board compared with the recommendations from the SAB survey.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Services Manager  
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Background papers open to inspection: None

Annexes: Annex A – comparison table

## **1 Introduction**

- 1.1 The Firefighters' Pensions England Scheme Advisory Board issued a survey to all Fire and Rescue Authorities and Local Pension Board contacts between 28 November 2017 and 26 January 2018. The results were published in February 2018.
- 1.2 This report considers each recommendation and provides a position statement for the WYFRA Local Pension Board (Annex A).

## **2 Information**

- 2.1 The SAB survey was issued to all 44 FRA's with a total of 37 responses received (73%). This Authority's responses were provided by Claire Johnson, WYFRA Pensions Officer.
- 2.2 The following key areas were addressed in the survey
- Board meetings
  - Board membership
  - Key documents / processes
  - Scheme governance
  - Board communications
  - Board budget
- 2.3 The SAB published the results of the survey which contained key recommendations in respect of the key areas at 2.2 above.
- 2.4 Attached at Annex A is a position statement for the WYFRA Local Pension Board in respect of the SAB recommendations.

## **3 Financial Implications**

- 3.1 There are no financial implications arising directly from this report. Any proposals made by LPB members which may have a cost implication will be submitted to the Authority's Human Resources Committee for consideration.

## **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 and diversity implications arising directly from this report.

## **6 Health and Safety Implications**

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

## **7 Service Plan Links**

- 7.1

## Scheme Advisory Board Survey of FRA Local Pension Boards 2017 - recommendations

<b>SAB recommendations</b>	<b>WYFRA LPB position</b>
<b><i>Key themes to Boards working well</i></b>	
Joint working and collaboration – positive engagement between scheme manager and board	Attendance of CESO Minutes to Full Authority
Good attendance and regular meetings	94.4% attendance Bi-annual scheduled meetings with facility to increase with consent of Chair (reviewed by HR in July 2018)
Implementation of key documents: risk and breach registers, action plans and training logs	Risk register approved July 2018 (standing item) Introduction of breaches register proposed as standing item (Oct 2018 agenda item 10d) Training logs maintained
Increased awareness of issues affecting the FPS	Legal issues standing agenda item Relevant Pension Ombudsman cases are standing item
Performance and annual reporting (41% produce an annual report) (24% have KPI's)	Performance covered by regular activity report KPI's agreed as part of Service Level Agreement with WYPF – reported to LPB Annual report produced, published and sent to LGA – consideration will be given to the reassessment of content once new template is introduced by SAB
Improved scheme communications	LGA Bulletins and other relevant information circulated / reported to Members
Ability to monitor compliance	Covered in activity report ie breaches SLA with WYPF
<b><i>Key themes relating to areas for improvement</i></b>	
Implementation and publication of key documents: risk and breach registers	Agendas, reports and minutes currently published on WYFRS website.
Turnover of Board Members and keeping skills up to date	Same Members from July 2015 – July 2018, ¼ change from July 2018 Amended term of office for Chair considered by WYFRA Human Resources committee – no change recommended

<b>SAB recommendations</b>	<b>WYFRA LPB position</b>
Formation of joint ie regional, boards	No current regional appetite – requires specific Secretary of State approval
Training	Training log maintained. Agendas cover learning points. Dedicated LGA training Attendance of members at conferences
Increase profile of board within organisation	Agendas considered by Management Board / Team
Increase number of board members	Currently 2 scheme member and 2 scheme manager reps
Scheme manager communication / engagement and attendance at meetings	CESO currently attends meetings

### WYFRA LPB responses to key research issues

Survey of all FRA LPB's (32 out of 44 responded)	WYFRA LPB
Over 54% required to meet twice annually	In current Terms of Reference (with facility to increase with consent of Chair)
81% have met between 4 – 8 times since establishment in 2015	WY have met 9 times
57% of Chairs responsible for agreeing meeting agendas	Have chair's briefing meetings
86% do not include voting as a regular feature	No recorded voting to date
62% have two reps from Manager and Member sides (statutory minimum) 33% have three of each	WY currently has 2 of each
Election of Board chair	Covered in Terms of Reference
Key documents	Terms of reference – compliant Conflict of interest register – compliant Register of breaches – compliant Risk register – compliant Programme of knowledge - compliant
86% administrator engagement	Local technical officers attend
Communication – reports, clarity of roles	Compliant
49% have work plan	Standing items to cover activity, legal issues etc
24% have budget	No budget – requests for funding covered in Terms of Reference
Quorum to be specified in Terms of Reference	Compliant
Facility time granted to scheme member reps	Compliant
Delegation of scheme manager	Compliant (Chief Employment Services Officer)



OFFICIAL

# Scrutiny and review

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

10

Submitted By: Chief Employment Services Officer

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### Purpose

To scrutinise and review the following:

- Annual Benefit Statements
- GMP Reconciliation
- Discretions made by Scheme Manager
- Changes in policy
- Breaches
- LPB CPD member training

### Recommendations

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

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Local Government (Access to information) Act 1972

Exemption Category:

None

Contact Officer:

Claire Johnson, Pension Officer

T: 01274 655811

E: [Claire.johnson@westyorksfire.gov.uk](mailto:Claire.johnson@westyorksfire.gov.uk)

Background papers open to inspection: None

Annexes:

- Annex A - Annual Benefit Statements
- Annex B - GMP Reconciliation
- Annex C - Discretions made by Scheme Manager
- Annex D - Changes in policy
- Annex E – Incorrect Pension Deductions
- Annex F - Breaches register
- Annex G - LPB CPD member training

## **Summary**

It is one of the requirements of the Local Pension Board that members undertake to scrutinise areas of relevant to the administration of the Firefighters' Pension schemes. This report identifies six areas of scrutiny and review.

## **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.

## **2 Information**

2.1 This report covers six areas for scrutiny and review as follows:

- Annual Benefit Statements
- GMP Reconciliation
- Discretions made by Scheme Manager
- Changes in policy
- Breaches register
- LPB CPD member training

2.2 Members are invited to consider the annexes and consider if any further action would be appropriate.

## **3 Financial Implications**

3.1 There are no financial implications arising from this report.

## **4 Legal Implications**

4.1 There are no legal implications arising from this report.

## **5 Human Resource and Diversity Implications**

5.1 There are no HR or Diversity implications arising from this report.

## **6 Health and Safety Implications**

6.1 There are no Health and Safety implications arising from this report.

## **7 Service Plan Links**

7.1 Keeping members updated with regard to pension legislation 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 provide "effective and ethical governance".

## **AGENDA ITEM No. 10(a)**

### **Annual Benefit Statements**

The Pension Regulator (TPR) deadline for issuing Annual Benefit Statements was 31 August 2018. As Members are aware this function is provided by West Yorkshire Pension Fund (WYPF).

WYPF have confirmed that benefit statements were produced for all 1992, 2006 and 2015 members within the deadline. They also managed to send most of the RDS Modified statements, however, were unsuccessful with 15, this is due to issues with their computer software. They envisage that the remainder of the statements will be issued by.....

TPR stipulates that all active benefit statements are to be issued by the compliance deadline. As we had 15 outstanding cases we did not comply with this deadline. We have therefore breached and further action must be taken. Members are now asked to consider whether this 'breach' is of material significance, and if so, should this be reported to TPR?

### **Scheme Manger Recommendation**

After consultation of the framework provided by TPR I feel that this particular breach falls into the green category and therefore doesn't need to be reported to TPR. A summary of my thoughts are as follows:

1. This is an isolated incident which was caused by a one off system error
2. A small number of people were affected
3. Action has been taken to correct the breach and we are now compliant
4. It is unlikely that the scheme will be in breach of other legal requirements.

## **AGENDA ITEM No. 10(b)**

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

On 12 June 2018 Claire Hey (Assistant Firefighters' Pension Adviser) wrote to all FRAs requesting an update on progress of meeting the deadline for contracted-out reconciliation by the end of this year.

West Yorkshire Pension Fund will deal with this exercise on our behalf and were asked to provide an update on progress. Although the Pensions Officer has sent a number of emails to WYPF asking for this a reply is yet to be received.

A response was sent to Claire Hey at the end of July advising that we're having difficulty getting the information they require from our administrators. We therefore had no option than to report a Red RAG rating.

## **AGENDA ITEM No. 10(c)**

### **Discretions – Standing item**

None to report.

## **AGENDA ITEM No. 10(d)**

### **Changes in Policy**

It was agreed by Management Board 26 July 2018 that turnout and disturbance fees for all Day Crewed staff will become pensionable wef 30 July 2018. This ironed out the discrepancy between member of the 2006 and 2015 scheme that were treated as pensionable compared to member of the 1992 scheme where it wasn't. 13 1992 scheme employees currently benefit from this change in policy.

## **AGENDA ITEM No. 10(e)**

### **Incorrect Pension Deductions**

It has come to the pension's department attention that a number of current employees were paying an incorrect percentage of pension contributions. This error was identified when the yearend data was sent from our payroll provider to West Yorkshire Pension Fund.

The pensions department immediately audited all employees. Finance then conducted a separate audit; both sets of results were then compared. In total 11 employees were affected. Each employees record was put right immediately, however, it has still resulted in a shortfall of employee contributions.

The employees affected have all been informed of their position and have been given a repayment option. The Unions are also aware of the situation and are advising their members accordingly.

This incident constitutes a 'pensions breach' and has been recorded on our breaches register. Members are now asked to consider whether this 'breach' is of material significance, and if so, should this be reported to TPR?

### **Scheme Manger Recommendation**

After consultation of the framework provided by TPR I feel that this particular breach falls into the amber category and therefore doesn't need to be reported to TPR. A summary of my thoughts are as follows:

1. This is an isolated incident which was caused by a one off administration error
2. A small number of people were affected
3. Action has been taken to correct the breach and discussions are ongoing with the affected employees as to how we can recoup the monies
4. It is unlikely that the scheme will be in breach of other legal requirements

The reason as to why I would class this in the amber category rather than green is because no repayment agreement is in place as yet. The Pensions Officer is in negotiation with the Union as to how we can recoup the money without causing financial hardship to the individual.

I would recommend that members wait for the outcome of negotiations before reporting to TPR.

## **AGENDA ITEM No. 10(f)**

### **Breaches Register**

It is a requirement from The Pension Regulator (TPR) that each FRA operates a Pension Breach Register. Up to press we have had no reason to adopt this as we haven't identified any breaches, however, following on from the 2018 benefit statement exercise and the issue with the 11 employees who paid an incorrect percentage of pension contributions now seems like the opportune time to implement this.

Here is guidance from the TPR website on reporting breaches of the law\*:

#### **Key points**

- Certain people involved with public service schemes must inform us of breaches of the law where that breach is likely to be of material significance to us.
- When deciding whether a breach is likely to be of material significance to us, those under a duty to report should consider the cause, effect, reaction to and wider implications of the breach.
- You should establish adequate procedures that enable breaches to be considered and reported.
- You must submit reports in writing and should provide as much useful information as possible.

#### **The duty to report**

Certain people must report breaches of the law to us where they have reasonable cause to believe that:

- a legal duty relevant to the administration of the scheme hasn't been or isn't being complied with: this could relate for instance to keeping records, internal controls, calculating benefits and, for funded schemes, includes investment governance and administration matters
- this failure to comply is likely to be of 'material significance' to us

#### **Who needs to report breaches**

The following people need to report breaches of the law:

- managers of the scheme
- pension board members
- any other person involved in the administration of the scheme
- employers
- professional advisers including auditors, actuaries, legal advisers and fund managers
- any other person involved in advising the scheme manager in relation to the scheme

## **Deciding whether to report**

Where you suspect a breach of the law, you should carry out checks to establish the facts around a suspected breach.

When deciding whether a breach is likely to be of material significance to us, you should consider the cause, effect, reaction to and wider implications of the breach. You should consider these points together and, if you believe a breach has occurred, you should report it to us.

**You should record the breach even if you decide you don't need to report it to us.**

\*This can also be found by using this link: <http://www.thepensionsregulator.gov.uk/public-service-schemes/reporting-breaches-of-the-law.aspx>

TPR have provided a framework on how each breach should be assessed, a copy of which is attached to this report. This is to be used as a guide to decide whether a breach of law is likely to be of material significance to us and needs to be reported to the regulator.

Members are asked to consider where the two breaches identified in the Scrutiny and Review report sit on the framework and therefore should they be reported to TPR?

## Introduction

Certain people involved with the governance and administration of a public service pension scheme must report certain breaches of the law to The Pensions Regulator. These people include scheme managers, members of pension boards, employers, professional advisers and anyone involved in administration of the scheme or advising managers. You should use the traffic light framework when you decide whether to report to us. This is defined as follows:

- Red breaches must be reported.
- Amber breaches are less clear cut: you should use your judgement to decide whether it needs to be reported.
- Green breaches do not need to be reported.

All breaches should be recorded by the scheme even if the decision is not to report.

When using the traffic light framework you should consider the content of the red, amber and green sections for each of the cause, effect, reaction and wider implications of the breach, before you consider the four together.

As each breach of law will have a unique set of circumstances, there may be elements which apply from one or more of the red, amber and green sections. You should use your own judgement to determine which overall reporting traffic light the breach falls into.

By carrying out this thought process, you can obtain a greater understanding of whether or not a breach of the law is likely to be of material significance and needs to be reported.

You should not take these examples as a substitute for using your own judgement based on the principles set out in the draft public service code of practice as supported by relevant pensions legislation. They are not exhaustive and are illustrative only.

## Knowledge and understanding required by pension board members

Example scenario: The scheme manager has breached a legal requirement because pension board members failed to help secure compliance with scheme rules and pensions law.

Potential investigation outcomes				
	Cause	Effect	Reaction	Wider implications
Red	Pension board members have failed to take steps to acquire and retain the appropriate degree of knowledge and understanding about the scheme's administration policies	A pension board member does not have knowledge and understanding of the scheme's administration policy about conflicts of interest. The pension board member fails to disclose a potential conflict, which results in the member acting improperly	Pension board members do not accept responsibility for their failure to have the appropriate knowledge and understanding or demonstrate negative/non-compliant entrenched behaviours  The scheme manager does not take appropriate action to address the failing in relation to conflicts	It is highly likely that the scheme will be in breach of other legal requirements. The pension board do not have an appropriate level of knowledge and understanding and in turn are in breach of their legal requirement. Therefore, they are not fulfilling their role to assist the scheme manager and the scheme is not being properly governed
Amber	Pension board members have gaps in their knowledge and understanding about some areas of the scheme's administration policies and have not assisted the scheme manager in securing compliance with internal dispute resolution requirements	Some members who have raised issues have not had their complaints treated in accordance with the scheme's internal dispute resolution procedure (IDRP) and the law	The scheme manager has failed to adhere precisely to the detail of the legislation where the breach is unlikely to result in an error or misunderstanding or affect member benefits	It is possible that the scheme will be in breach of other legal requirements. It is possible that the pension board will not be properly fulfilling their role in assisting the scheme manager
Green	Pension board members have isolated gaps in their knowledge and understanding	The scheme manager has failed to adhere precisely to the detail of the legislation where the breach is unlikely to result in an error or misunderstanding or affect member benefits	Pension board members take action to review and improve their knowledge and understanding to enable them to properly exercise their functions and they are making quick progress to address gaps in their knowledge and understanding. They assist the scheme manager to take prompt and effective action to remedy the breach	It is unlikely that the scheme will be in breach of other legal requirements. It is unlikely that the pension board is not fulfilling their role in assisting the scheme manager

Extra resource Example breaches of the law and the traffic light framework

## Scheme record-keeping

Example scenario: An evaluation of member data has identified incomplete and inaccurate records.

Potential investigation outcomes				
	Cause	Effect	Reaction	Wider implications
Red	Inadequate internal processes that fail to help employers provide timely and accurate data, indicating a systemic problem	All members affected (benefits incorrect/not paid in accordance with the scheme rules, incorrect transactions processed and poor quality information provided in benefit statements)	Action has not been taken to identify and tackle the cause of the breach to minimise the risk of recurrence nor to notify members	It is highly likely that there are wider scheme issues caused by inadequate processes and that the scheme will be in breach of other legal requirements
Amber	A failure by some – but not all – participating employers to act in accordance with scheme procedures, indicating variable standards of implementing those procedures	A small number of members affected	Action has been taken to identify the cause of the breach, but progress to tackle it is slow and there is a risk of recurrence	It is possible that there are wider scheme issues and that the scheme may be in breach of other legal requirements
Green	A failure by one participating employer to act in accordance with scheme procedures, indicating an isolated incident	No members affected at present	Action has been taken to identify and tackle the cause of the breach and minimise the risk of recurrence	It is unlikely that there are wider scheme issues or that the scheme manager will be in breach of other legal requirements

## Providing information to members

**Example scenario:** An active member of a defined benefit (DB) public service scheme has reported that their annual benefit statement, which was required to be issued within 17 months of the scheme regulations coming into force, has not been issued. It is now two months overdue. As a consequence, the member has been unable to check:

- personal data is complete and accurate
- correct contributions have been credited
- what their pension may be at retirement

Potential investigation outcomes				
	Cause	Effect	Reaction	Wider implications
Red	Inadequate internal processes for issuing annual benefit statements, indicating a systemic problem	All members may have been affected	Action has not been taken to correct the breach and/or identify and tackle its cause to minimise the risk of recurrence and identify other members who may have been affected	It is highly likely that the scheme will be in breach of other legal requirements
Amber	An administrative oversight, indicating variable implementation of internal processes	A small number of members may have been affected	Action has been taken to correct the breach, but not to identify its cause and identify other members who may have been affected	It is possible that the scheme will be in breach of other legal requirements
Green	An isolated incident caused by a one off system error	Only one member appears to have been affected	Action has been taken to correct the breach, identify and tackle its cause to minimise the risk of recurrence and contact the affected member	It is unlikely that the scheme will be in breach of other legal requirements

## Internal controls

**Example scenario:** A DB public service scheme has outsourced all aspects of scheme administration to a third party, including receiving contributions from employers and making payments to the scheme. Some contributions due to the scheme on behalf of employers and members are outstanding.

Potential investigation outcomes				
	Cause	Effect	Reaction	Wider implications
Red	The administrator is failing to monitor that contributions are paid to them in time for them to make the payment to the scheme in accordance with the legislative timeframes and is therefore not taking action	The scheme is not receiving the employer contributions on or before the due date nor employee contributions within the prescribed period	The administrator has not taken steps to establish and operate adequate and effective internal controls and the scheme manager does not accept responsibility for ensuring that the failure is addressed	It is highly likely that the administrator is not following agreed service level standards and scheme procedures in other areas.  The scheme manager is likely to be in breach of other legal requirements such as the requirement to have adequate internal controls
Amber	The administrator has established internal controls to identify late payments of contributions but these are not being operated effectively by all staff at the administrator	The scheme is receiving some but not all of the employer contributions on or before the due date and employee contributions within the prescribed period	The scheme manager has accepted responsibility for ensuring that the failure is addressed, but the progress of the administrator in training their staff is slow	It is possible that the administrator is not following some of the agreed service level standards and scheme procedures in other areas.  It is possible that the scheme manager is in breach of other legal requirements
Green	Legitimate late payments have been agreed by the scheme with a particular employer due to exceptional circumstances	The employer is paying the administrator the outstanding payments within the agreed timescale	The scheme has discussed the issue with the employer and is satisfied that the employer is taking appropriate action to ensure future payments are paid on time	It is unlikely that the employer is failing to adhere to other scheme processes which would cause the scheme manager to be in breach of legal requirements

[www.pensionseducationportal.com](http://www.pensionseducationportal.com)

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**Extra resource** Example breaches of the law and the traffic light framework

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## Compliance Breach Register

Breach No.	Breach Advice date	Breach details	Reported to: (who & when)	Investigation details, progress, outcome, corrective action, confirmation Breach permanently rectified. Reason not reported to TPR
1	April 2015 – April 2018	Incorrect % deduction of pension contributions		
2	August 2018	Failure to comply with TPR deadline to issue 2018 ABS'		

## **AGENDA ITEM No. 10(g)**

### **LPB CPD member training**

It is a requirement for Local Pension Board members to maintain their knowledge and learning in respect of the Firefighters' Pension Schemes and that this learning is kept up to date. This issue was highlighted at the July meeting of the Board in a presentation to members and was also the subject of one of the key points raised in the Scheme Advisory Board survey of FRA Local Pension Boards 2017.

Whilst we endeavour to include training elements into each agenda (be they copies of the relevant Bulletins, legal and technical updates and commentary on Ombudsman cases) there is also more generic learning available on the Pensions Regulator website

<https://education.thepensionregulator.gov.uk>

Once an element of training is completed on the website, there is provision to download a copy of your training record. This should be forwarded to Committee Services for inclusion in our own record of training.



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# West Yorkshire Pension Fund - Key Performance Indicators

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

11

Submitted By: Chief Employment Services Officer

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<b>Purpose</b>	To inform members of West Yorkshire Pension Fund performance in key areas for the periods 1 April 2018 – 31 August 2018
<b>Recommendations</b>	That Members note the performance of West Yorkshire Pension Fund in key areas
<b>Summary</b>	This report informs Members of the Authority's key areas which West Yorkshire Pension Fund measure their level of service against

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Local Government (Access to information) Act 1972

Exemption Category: None

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

Background papers open to inspection: None

Annexes: Annex A – June 2018 to August 2018 KPIs  
Annex B – YTD KPIs  
Annex C – Email from WYPF – Staffing update

# 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

## WYPF KPIs 01/06/2018 to 31/08/2018

WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_CASE	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT
Age 55 Increase Fire	10	20	10	85	100
Change of Address Fire	42	20	41	85	97.62
Change of Bank Details Fire	14	20	14	85	100
DG Nomination Form Received Fire	8	20	7	85	87.5
DWP Request For Information Fire	1	10	1	85	100
Death in Retirement FIRE	13	5	13	85	100
Deferred Benefits Into Payment " Payment of Lump Sum (only for WY and Humbereside) Fire	3	3	3	85	100
Divorce Quote Fire	6	40	6	85	100
Divorce Settlement " Pension Sharing order Implemented Fire	1	80	1	100	100
Enquiry Fire	2	5	2	85	100
General Payroll Changes Fire	29	20	29	85	100
Initial letter Death in Retirement FIRE	13	5	13	85	100
Life Certificate received Fire	80	5	77	85	96.25
NI Modification Fire	18	20	18	85	100
Pension Estimate Fire	38	10	35	85	92.11
Pension Set Up_Payment of Lump Sum (only for WY and Humbereside) Fire	15	3	11	85	73.33
Retirement Actual Fire	15	10	15	85	100
Retirement Quote Fire	16	10	14	85	87.5
Set Up New Spouse Pension Fire	7	5	7	85	100
Spouse Potential Fire	2	10	2	85	100
Transfer In Quote Fire	5	10	4	85	80

## WYPF KPIs YTD 01/04/2018 to 31/08/2018

WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_CASE	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT
Age 55 Increase Fire	22	20	22	85	100
Change of Address Fire	63	20	61	85	96.83
Change of Bank Details Fire	18	20	18	85	100
DG Nomination Form Received Fire	12	20	11	85	91.67
DWP Request For Information Fire	2	10	2	85	100
Death in Retirement FIRE	17	5	17	85	100
Deferred Benefits Into Payment " Payment of Lump Sum (only for WY and Humberside) Fire	4	3	4	85	100
Divorce Quote Fire	8	40	8	85	100
Divorce Settlement " Pension Sharing order Implemented Fire	2	80	2	100	100
Enquiry Fire	4	5	4	85	100
General Payroll Changes Fire	72	20	72	85	100
Initial letter Death in Retirement FIRE	17	5	17	85	100
Life Certificate received Fire	120	5	113	85	94.17
NI Modification Fire	26	20	26	85	100
Pension Estimate Fire	129	10	126	85	97.67
Pension Set Up_Payment of Lump Sum (only for WY and Humberside) Fire	28	3	21	85	75
Retirement Actual Fire	28	10	28	85	100
Retirement Quote Fire	31	10	29	85	95.55
Set Up New Spouse Pension Fire	9	5	9	85	100
Spouse Potential Fire	5	10	4	85	80
Transfer In Quote Fire	7	10	4	85	57.14

**From:** Stuart Duncombe [<mailto:Stuart.Duncombe@wypf.org.uk>]  
**Sent:** 17 July 2018 13:30  
**To:** Claire Johnson  
**Cc:** Yunus Gajra; Grace Kitchen; Nicola Daniel  
**Subject:** RE: Fire client quarterly meeting minutes

Hi Claire,

Thanks for the enquiry.

We've recently strengthened our Fire Team with additional resource and are hoping to add another person specifically to the Fire Team as a result of our current recruitment drive. However we will also be strengthening our overall offering by recruiting to other areas of the organisation including the payroll and finance teams.

We will give a further update at the next quarterly meeting when we should know the outcome of the current recruitment process too. We are also thinking about any areas we need to go through at this meeting in the 'help us to help you vein' as part of our consolidation of our Fire business.

Hopefully this will help re-assure your board of our plans and progress? Yunus is on leave today so isn't able to respond so I've copied in him and Grace if they've anything further to add.

Regards,

**Stuart Duncombe**  
Team Manager (Business Relations)  
West Yorkshire Pension Fund

Tel: 01274 43 2763  
Mobile: 07583 103038  
WYPF, PO Box 67, Bradford, BD1 1UP

**City of Bradford Metropolitan Council**  
**Chief Executive's Department**



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# Pension Risk Register

## Local Pension Board

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Date: 5 October 2018

Agenda Item:

12

Submitted By: Chief Employment Services Officer

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<b>Purpose</b>	To monitor pension associated risks
<b>Recommendations</b>	That members: i) Note the content of the risk register ii) Identify any 'work items' or potential areas for future training sessions
<b>Summary</b>	It is recommended that all Local Pension Boards implement and regularly review their risk register.

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Local Government (Access to information) Act 1972

Exemption Category: None

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

Background papers open to inspection: None

Annexes: Annex 1 – Risk Register

## **1 Introduction**

- 1.1 It was agreed at the LPB meeting on 6 July 2018 that the Risk Register will become a standing item on the LPB agenda.
- 1.2 It was agreed that the register would be a working document and reviewed at every LPB meeting.
- 1.3 Members are encouraged to comment on the content of the risk register and are encourage to contribute to the risks and the impact of such risks.

## **2 Information**

- 2.1 It was suggested by members at the July meeting that Annual Benefit Statements and failure to comply with GMP Reconciliation should be added to the Risk Register.

## **3 Financial Implications**

- 3.1 There are no financial implications arising directly from this report, however, failure to comply with statutory deadlines outlined in the Risk Register could result in a financial penalty for the Authority.

## **4 Legal Implications**

- 4.1 There are no legal implications arising directly from this report.

## **5 Human Resource and Diversity Implications**

- 5.1 There are no HR or diversity implications arising directly from this report.

## **6 Health and Safety Implications**

- 6.1 There are no Health and Safety implications arising directly from this report.

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 2019	
				• Procedures for assessing and managing risk	Scheme Manager	Annual	July 2019	
				• Procedure to identify, assess and report breaches	Scheme Manager	Annual	July 2019	
				• Suitable frequency of Pension Board meetings	Scheme Manager	Annual	July 2019	
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	
				• Technical advice and regular updates made available	Scheme Manager	Ongoing	LPB Meetings	
				• Ongoing process for acquiring relevant knowledge and understanding, with regular refreshers	Scheme Manager	Ongoing	LPB Meetings	
				• Training of new Pension Board Members	Scheme Manager	As Required	LPB Meetings	

				<ul style="list-style-type: none"> <li>Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46</li> </ul>	Scheme Manager	Annual	LPB Meetings	
Conflicts of Interest	2	5	10	All Pension Board members to declare any conflicts				
				<ul style="list-style-type: none"> <li>Conflicts of interest policy in place and fully understood</li> </ul>	Scheme Manager	Ongoing	July 2019	
				<ul style="list-style-type: none"> <li>Request for interests to be declared at each meeting</li> </ul>	Scheme Manager	Ongoing	LPB Meetings	
Failure to comply with TPR deadlines	5	7	35	All pension Board members to keep upto date with TPR compliance deadlines				
				<ul style="list-style-type: none"> <li>Training of new Pension Board Members</li> </ul>	Scheme Manager	Ongoing		
				<ul style="list-style-type: none"> <li>Technical advice and regular updates made available at LPB meetings</li> </ul>	Scheme Manager	Ongoing		
<b>Risk Area 2 - Operations</b>	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				
				<ul style="list-style-type: none"> <li>Monthly processes to monitor records and carry out reconciliation</li> </ul>	Scheme Manager	Monthly	July 2019	
				<ul style="list-style-type: none"> <li>Monthly KPI reporting on data issues – provide summary at each PB meeting</li> </ul>	Pensions Administrator / Scheme Manager	Ongoing	July 2019	

				<ul style="list-style-type: none"> <li>Data review arrangements in place including periodic address cleanse</li> </ul>	Pensions Administrator / Scheme Manager	As Required	July 2019	
				<ul style="list-style-type: none"> <li>Process to enact a Data Improvement Plan and report breaches, if required</li> </ul>	Scheme Manager	As Required	July 2019	
Administration process failure / maladministration	4	8	32	Formal SLA in place with third party administrator and monitoring arrangements assessed as adequate				
				<ul style="list-style-type: none"> <li>Quarterly client meetings and monthly reports including KPIs</li> </ul>	Scheme Manager	Monthly	July 2019	
				<ul style="list-style-type: none"> <li>Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans</li> </ul>	Scheme Manager	Ongoing	July 2019	
				<ul style="list-style-type: none"> <li>Clear identification of roles, authority levels, data security and data protection processes</li> </ul>	Scheme Manager	Annual	July 2019	
				<ul style="list-style-type: none"> <li>Audit reporting on both third party administrator and Scheme Manager's processes</li> </ul>	Scheme Manager	Annual	July 2019	
				<ul style="list-style-type: none"> <li>Disaster Recovery Plans up to date and appropriate</li> </ul>	Scheme Manager	Annual	July 2019	
				<ul style="list-style-type: none"> <li>Ability to commission independent assurance report, if required</li> </ul>	Scheme Manager	As Required	July 2019	
Inadequate, late or inaccurate communications	5	7	35	Communication requirements fully understood and The Pensions Regulator's recommendations applied				
				<ul style="list-style-type: none"> <li>Communications provided under SLA fully understood and deemed adequate for basic requirements</li> </ul>	Scheme Manager	Annual	July 2019	

				<ul style="list-style-type: none"> <li>Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary</li> </ul>	Scheme Manager	Ongoing	July 2019	
				<ul style="list-style-type: none"> <li>Develop Communications Strategy and keep under review</li> </ul>	Scheme Manager	Annual	July 2019	
Operational disaster (fire/flood etc)	1	6	6	Business continuity procedures in place				
				<ul style="list-style-type: none"> <li>Third party scheme administrator Disaster Recovery Plan up to date and appropriate</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Scheme Manager Disaster Recovery Plan up to date and appropriate</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Contracts and other essential documents recorded on a central database</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
<b>Risk Area 3 - Financial</b>	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
Excessive charges by suppliers / additional liabilities on the operating budget	3	2	6	Regular checks of transactions and charges against contract terms/ robust methodology used to forecast pension accounting data				
				<ul style="list-style-type: none"> <li>Annual review of scheme budget, quarterly review of cost incurred against budget</li> </ul>	Scheme Manager	Quarterly	July 2019	
				<ul style="list-style-type: none"> <li>Periodic review of suppliers</li> </ul>	Scheme Manager	Annual	July 2019	

				<ul style="list-style-type: none"> <li>Processes in place to ensure robustness of method to forecast and calculate pension accounting data. Liaise with third party administrator when making forecasting assumptions</li> </ul>	Scheme Manager	Annual	July 2019	
Fraud / Fraudulent behaviour	1	10	10	Budget monitoring and appropriate payment processes including use of authorised signatories and data validation				
				<ul style="list-style-type: none"> <li>Monitor incoming and outgoing scheme funds and membership movements against scheme forecasts – reconcile actual transactions against forecasts</li> </ul>	Scheme Manager	Monthly	July 2019	
				<ul style="list-style-type: none"> <li>Authorisation of transactions in accordance with audit requirements and carried out by authorised signatories only</li> </ul>	Scheme Manager	Ongoing	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Robust data validation processes in place by third party administrator and Scheme Manager to ensure all transactions authentic</li> </ul>	Pensions Administrator / Scheme Manager	Ongoing	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Audit reporting on both third party administrator and Scheme Manager's processes</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
<b>Risk Area 4 - Funding</b>	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
Employer failure to pay correct contributions into	1	10	10	Contribution deductions and payments – monthly reconciliation of schedule of payments due and amount paid across				

scheme			<ul style="list-style-type: none"> <li>Processes in place to comply with regulatory requirements on contribution rates and pensionable pay definitions</li> </ul>	Scheme Manager	Ongoing	As per internal audit cycle	
			<ul style="list-style-type: none"> <li>Suitable reporting and reconciliation processes in place ahead of payment including checks on changes in contract and transition to 2015 Scheme</li> </ul>	Scheme Manager	Monthly	As per internal audit cycle	