

Legal Update

Public sector pensions – two key developments

Executive summary

This month has seen two key developments that are likely to have a wide-reaching ongoing impact on pensions across the public sector.

Firstly, in a landmark Judgment, the Court of Appeal held in *Langford v Secretary of State for Defence* that it was unlawful discrimination to deny survivor's benefits to the long term partner of a deceased member of the Armed Forces Pension Scheme (AFPS), on the basis that she was still married to another man.

Separately, in the long running case of *Lord Chancellor and Secretary of State for Justice v McCloud and others* the Government has been refused permission to appeal to the Supreme Court, against the Court of Appeal's finding that transitional provisions in relation to both the **2015 Judicial Pension Scheme** and the **2015 Firefighters' Pension Scheme**, intended to protect older judges and firefighters from the impact of compulsory pension reforms, in fact discriminated against younger judges and firefighters on the grounds of age.

This means that the earlier decision of the Court of Appeal will stand, and the Government will now need to think carefully about the potential impact of this judgment on public service pensions and the best way forward.

Langford – What happened?

The Claimant in this case had lived with her long term partner, a serving RAF officer, for more than 15 years in a relationship "akin to marriage". However, when he died in service, she was denied access to survivor's benefits under his pension scheme, on the basis that she had not obtained a divorce from her former husband (although the couple had been estranged for 17 years).

The rationale for this was that, while the AFPS allows dependants to claim survivor's benefits even if they are not married to the deceased scheme member, this is only the case if they are in an "exclusive" relationship. A similar rule is included in many other public service pension schemes. Dismissing her claim, back in 2015, the High Court held that the claimant's subsisting marriage to her former partner meant that she was not in an "exclusive" relationship with her current partner (the AFPS scheme member). The High Court held that, if the surviving partner of a service member was still married to somebody else, they could "in the majority of cases" seek financial support from their estranged spouse.

However, the Court of Appeal reversed this decision, holding that this broad exclusionary rule contravened the Claimant's human rights. The Court accepted that the Claimant did not receive and had not claimed any financial support from her former partner and that she and the deceased scheme member had publically declared an intention to marry. The claimant had demonstrated that she and her deceased partner had been "in a substantial, exclusive and financially dependant relationship in practice".

The Court of Appeal held that one of the legitimate aims of the scheme was to make sure that dependants were treated equally, whether they were married to scheme members or not. Against, that backdrop, it was not appropriate to create “different classes” of dependants who were not married to scheme members, by excluding those who had not yet formally dissolved previous relationships.

McCloud – The end of the road for the Government’s appeal

As we have previously reported, the Court of Appeal separately held in December 2018 that transitional provisions in relation to the judges’ and firefighters’ pension schemes were directly discriminatory on the grounds of age. Both groups were moved onto new pension schemes in 2015, subject to transitional provisions intended by the Government to cushion the impact on older scheme members (who were closer to retirement and therefore arguably less able to re-organise their affairs). Broadly speaking, members who were within 10 years of retirement were permitted to remain members of their old, more generous, schemes with “tapered” protection being put in place for members between 10–14 years from normal retirement age. Again, similar provisions apply across all main public service pension schemes.

The Court of Appeal (upholding previous decisions of the employment tribunal and EAT) held that the provisions were discriminatory. The Government had failed to show that protecting older scheme members was a “legitimate aim”, relying on “nothing more than assertions and generalisations” and therefore the discriminatory effect of the transitional provisions could not be justified.

The Government sought permission to pursue a further appeal against this decision to the Supreme Court, which is the highest Court in the UK. However, permission has now been refused, meaning that there is no further avenue for the Government to challenge the finding of discrimination.

What does this mean for me?

Both of the decisions above will inevitably mean increased costs for public service pension schemes, particularly in relation to the *McCloud* judgement.

The apparent extension of pension scheme benefits in *Langford* to surviving partners who remain married to former spouses at the date of death may result in increased survivor’s benefits being paid out across the main public service pension schemes, as most contain similar rules in relation to cohabiting couples. We will need to wait and see whether changes to the public service pension scheme regulations are proposed by the Government as a result of this case.

Interestingly though, the Court of Appeal’s decision does not completely close down the possibility of a similarly broad exclusionary rule being found to be lawful in another case. The Government argued that allowing surviving cohabiting partners in this position to claim pension benefits raised the risk of “double recovery”, if they were also entitled to benefits under a spouse’s pension (i.e. if their former spouse who they remained married to was also a member of the same pension scheme), which would result in increased costs and administrative inconvenience. However, the Government adduced limited evidence to back up these statements, causing speculation that a more robustly defended case might in future lead to a different result.

The Supreme Court’s decision in *McCloud* is unsurprising, given that the Court of Appeal had also previously refused to grant the Government permission to appeal. However, now we know that the case will not progress any further, the legal position is much more certain.

In light of this, Elizabeth Truss (former Chief Secretary to the Treasury) issued a written statement to confirm that, as similar “transitional protection” was offered to members of all the main public service pension schemes, the difference in treatment will need to be remedied across the board. This includes schemes for the NHS, civil service, local government, teachers, police, armed forces, judiciary and fire and rescue workers. Initial estimates suggest that remedying this discrimination, in the *McCloud* case and more broadly, will add around £4bn per annum to scheme liabilities.

The *McCloud* case is also a reminder that, in any case where pension scheme rules appear to be age-discriminatory, employers and pension trustees must be prepared to defend these rules with reference to a cogent “legitimate aim” supported by focussed and detailed evidence.

The Court of Appeal’s findings in both *Langford* and *McCloud* is likely to mean that some pension scheme re-design in the public sector may be necessary in the imminent future, bringing disruption and an increased administrative burden for administering authorities and pension scheme administrators.

If you would like to know more about our legal update or have any questions, please contact Jane Marshall (Partner) on 0161 214 0508, or jane.marshall@weightmans.com.

To keep up to date with Brexit developments, please visit our [Brexit Hub](#) and subscribe to our updates.

This update does not attempt to provide a full analysis of those matters with which it deals and is provided for general information purposes only. This update is not intended to constitute legal advice and should not be treated as a substitute for legal advice. Weightmans accepts no responsibility for any loss, which may arise from reliance on the information in this update. The copyright in this update is owned by Weightmans © 2019

Data Protection

Subject to our compliance with the General Data Protection Regulation ((EU) 2016/679) (GDPR) and the Data Protection Act 2018, your name may be retained on our marketing database. The database enables us to select contacts to receive a variety of marketing materials including our legal update service, newsletters and invites to seminars and events. It details your name, address, telephone, fax, e-mail, website, mailing requirements and other comments if any. Please ensure you update our marketing team with any changes to your [preferences](#), including if you wish to [unsubscribe](#) from receiving all marketing communications. For details of your rights in respect of the information that we hold about you, please see our [Privacy Notice](#). For other queries, you should contact either our Data Manager, Andrea.Bridson@weightmans.com or DPOContact@weightmans.com, or write to us by letter addressed to either Andrea Bridson or DPO Contact at 100 Old Hall Street Liverpool L3 9QJ.

Public Service Pensions:Written statement - HCWS1725**WS****Treasury**

Made on: 15 July 2019

Made by: **Elizabeth Truss** (The Chief Secretary to the Treasury) Commons**HCWS1725****Public Service Pensions**

The government is committed to providing public service pensions that are fair for public sector workers and for taxpayers. This is why we brought forward reforms in 2015, based on the recommendations of the Hutton report, to ensure that these pensions are sustainable in the future.

The courts have considered cases regarding the implementation of the 2015 reforms. On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed judges and firefighters pension schemes in 2015 gave rise to unlawful age discrimination. The government respects the Court's decision and will engage fully with the Employment Tribunal to agree how the discrimination will be remedied.

The ruling relates to the 'transitional protection' offered to some members when the reformed schemes were introduced. In order to ensure people close to retirement age were treated fairly, the government agreed to 'transitional protection', which broadly permitted those members who were closest to retirement at the time new pension schemes were introduced to remain members of their respective old schemes. The court has found that those too far away from retirement age to qualify for 'transitional protection' have been unfairly discriminated against. As 'transitional protection' was offered to members of all the main public service pension schemes, the government believes that the difference in treatment will need to be remedied across all those schemes. This includes schemes for the NHS, civil service, local government, teachers, police, armed forces, judiciary and fire and rescue workers. Continuing to resist the full implications of the judgment in Court would only add to the uncertainty experienced by members.

The matter will be remitted to the Employment Tribunal in respect of the litigants in the firefighters and judicial pension schemes. It will be for the Tribunal to determine a remedy. Alongside this process, government will be engaging with employer and member representatives, as well as the devolved administrations, to help inform our proposals to the Tribunal and in respect of the other public service pension schemes.

Initial estimates suggest remedying the discrimination will add around £4bn per annum to scheme liabilities from 2015.

The reasons for the 2015 reforms remain: that public service pensions are a significant cost for the taxpayer, now and in the future. The judgment does not alter the government's commitment to ensuring that the cost of public service pensions are affordable for taxpayers and sustainable for the long term.

This statement has also been made in the House of Lords: **HLWS1687**



FPS Bulletin 21 – June 2019

Welcome to issue 21 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held 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](#).

Contents

[Calendar of events](#)

[FPS](#)

- [FPS 2015 transitional protections challenge update](#)
- [Scheme Advisory Board Levy](#)
- [Annual Benefit Statements \(ABS\)](#)
- [Revised Fire \(England\) factors: Non-Club Transfer-In](#)
- [Fire \(England\) conclusion of factor review](#)
- [Joint Local Pension Boards \(LPBs\)](#)
- [LPB draft terms of reference updated](#)
- [June query log](#)

[Other News and Updates](#)

- [GAD PSPS newsletter](#)
- [The Pensions Ombudsman \(TPO\) newsletter 6](#)

[HMRC](#)

- [HMRC newsletters/bulletins](#)

[Training and Events](#)

- [FPS training survey](#)
- [LPB annual wrap-up training 2019 – event summary](#)
- [Ill-health and injury workshop – event summary](#)
- [Pensionable pay workshop](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

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](#).

CLASS annual conference : Manchester Holiday Inn	3-4 July 2019
Midlands regional FPOG	9 July 2019
Pensionable pay workshop	18 July 2019
South East regional group	26 July 2019
LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
North East regional group	2 October 2019
SAB	3 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

FPS

FPS 2015 transitional protections challenge update

As detailed in [FPS Bulletin 20 – May 2019](#), the outcome of the Government's application for permission to appeal to the Supreme Court was expected in July. This decision has been made earlier than expected and on 27 June 2019 the Supreme Court has denied the Government's request for an appeal in the transitional protections case in respect of age discrimination and pension protection.

We are aware that members may have a number of questions around the on-going legal challenge to the transitional provisions of FPS 2015. While we have covered this in-depth for FRAs in previous bulletins¹, we are preparing a briefing note covering the full background to the case and each stage of the challenge, which can be shared with members. The note will be published as soon as possible.

¹ <http://www.fpsboard.org/images/PDF/Bulletin15/Bulletin15.pdf>

Until the remedy has been determined by the employment tribunal and any regulations changed as a result, we cannot speculate how future benefits may change. Therefore any retirement projections, Annual Benefit Statements as at 31 March 2019, or pensions advice must be based on the regulations as they currently stand.

[Scheme Advisory Board Levy](#)

In 2014, LGA contacted FRAs about entering into a shared agreement to fund a technical adviser post in order to support FRAs with their understanding and management of the Firefighters' Pension Schemes. This post is currently held by Clair Alcock, and was funded by a voluntary subscription of £2 per firefighter, which each FRA signed up for.

Under the terms of the 2014 regulations 4H(1) the costs of the new governance arrangements are to be met by scheme employers under a levy set by the Scheme Advisory Board (SAB) and approved by the Secretary of State. This budget was first set in 2016 and included provision of a secondary post to provide secretarial support for the scheme advisory board. The then Fire minister agreed that the technical adviser subscription of £2 per firefighter should be brought within the levy.

I can advise that the SAB levy has now been approved by the Fire minister, and the total levy for the 2019/2020 year will be £6.67 per firefighter, which is calculated at £4.50 for the SAB and £2.17 for employers. A letter has been sent out to Chief Fire Officers advising them of this.

[Annual Benefit Statements \(ABS\)](#)

We are pleased to issue the final Annual Benefit Statement and explanatory notes template for 2019. Please note that there have been no amendments for this year. The statement and supporting documents are available as Appendices [1 \[Word version\]](#) and [2 \[PDF version\]](#). A tracked version of the statement is available on request.

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 if you do not have a relevant log-in.

Using the statement

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. **You may also wish to make reference to the 2019 amendments to same-sex partners' benefits under SI 2019/ 328².**

² <http://fpsregs.org/images/admin/SI2019-378disclosure.docx>

The document was edited by Plain English in 2018 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. Please see the [crystal mark conditions of use](#). If you wish to consider a crystal mark for your own adapted document, please email 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 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](#).

Revised Fire (England) factors: Non-Club Transfer-In

Further to the letter issued by the Home Office on 31 October regarding the [review of scheme factors](#) due to the change to the SCAPE discount rate, GAD has provided the following replacement factor tables for FPS 2006 standard members [table reference x-216 to x-217].

[Appendix 3: Non-Club Transfer-In \(“TV-in”\)](#)

The suspension of any outstanding cases can be lifted and these factors can be used with immediate effect.

We would be grateful if administrators could undertake some sample calculations using the new factors, which we can forward to GAD to ensure that they have been implemented in line with current guidance. Please send any examples to bluelight.pensions@local.gov.uk.

GAD has informed us that they will update the guidance and example calculations to reflect these revised factors at a later date. The updated tables and subsequent guidance will be made available at <http://fpsregs.org/index.php/gad-guidance> in due course.

ACTION: Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure that the factors are applied with immediate effect.

Fire (England) conclusion of factor review

In order to assist FRAs and administrators, GAD has provided the table of consolidated factors at [Appendix 4](#), which includes implementation dates for all changes.

GAD is currently updating factor guidance notes to include these revised factors and updated examples. This work is expected to be completed by the end of September 2019.

Joint Local Pension Boards (LPBs)

Regular readers will be aware that discussions around joint LPBs have been ongoing for some time.

The scheme rules [[4A, paragraphs 2 & 3](#)] set out in what circumstances a joint LBP may be established if approval in writing is obtained from the Secretary of State:

(2) Where the administration and management of this scheme is wholly or mainly shared by two or more scheme managers, those scheme managers may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.

(3) Approval under paragraph (2) may be given subject to such conditions as the Secretary of State thinks fit and may be withdrawn if any conditions are not met or if in the opinion of the Secretary of State it is no longer appropriate for the approval to continue.

Following an expression of interest from Leicestershire, Nottinghamshire, and Derbyshire boards, and in order to make a recommendation to the Scheme Advisory Board (SAB), the Local Pension Board Effectiveness Committee (the “Committee”) considered at their meeting of 19 April 2018 [[Item 7](#)] how these rules should be interpreted to gain approval from the Secretary of State.

It was determined that in order to assist LPBs in making an application, guidance would be developed which set out criteria that LPBs have to meet, to evidence shared administration and management of the Firefighters’ Pension Schemes. This guidance has been drafted by the Board secretariat in conjunction with the Committee, and incorporates feedback from a meeting with the three LPBs in June 2018 which was attended by the secretariat, the chair of the SAB, and the Home Office. We are pleased to share the guidance at [Appendix 5](#).

The Committee’s view in setting out the criteria is that there should be a high bar on the evidence used to demonstrate joint management of the scheme to avoid concerns that poorly performing scheme managers or LPBs could use a joint board as a way of bypassing legislative requirements.

At the 2018 FPS AGM, Ian Howe of Leicestershire County Council gave a presentation on the work of the East Midlands FRAs in looking to form the first joint FPS local pension board [[slides 22-25](#)]. We are now able to confirm that the application has been submitted, and we await the outcome with interest.

LPB draft terms of reference updated

Following recommendations in the Pensions Regulator Governance and Administration survey 2017 and our own SAB survey of local boards³, we have taken the opportunity to update the draft terms of reference for boards, particularly around frequency of meetings and length of term for members. Clean and tracked versions of the amended document are attached at [Appendix 6](#) [clean] and [Appendix 7](#) [tracked].

The documents can be downloaded and amended as required. Terms of reference for all FPS LPBs are available [here](#).

³ <http://www.fpsboard.org/images/PDF/Bulletin6/Appendix3.pdf>

June query log

The current [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.

Queries from earlier months have been grey-shaded to differentiate from new items added in May.

Other News and Updates

GAD PSPS newsletter

The Government Actuary's Department has issued the [June edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

The Pensions Ombudsman (TPO) newsletter 6

TPO have published the sixth edition of their stakeholder newsletter which is attached to this bulletin as [Appendix 8](#).

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

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 111 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 111 – 26 June 2019](#): Relief at source | Master Trusts supervision | Managing Pension Schemes service | Guaranteed Minimum Pension (GMP) equalisation - HMRC working group | Telling HMRC about pension tax charges on the SA100 tax return | Appendix 1 - guidance on receiving your Notification of Residency Status Report

Training and Events

FPS training survey

We are still accepting responses to the following survey on our current and future training provision https://www.surveymonkey.co.uk/r/FPS_training_survey, particularly as we have held two national events in June.

The survey can also be accessed by scanning the QR code below.



The survey will close at the end of July, with an overview of the findings presented at this year's AGM in September.

[LPB annual wrap-up training 2019 – event summary](#)

Twenty delegates from across the FPS governance community attended the popular annual LPB wrap-up training event held at 18 Smith Square on 18 June 2019.

In the session led by Claire Hey, attendees received a whistle-stop tour of the background to the Firefighters' Pension Schemes and funding, followed by an overview of the roles and responsibilities of those involved in governance – the Scheme Advisory Board (SAB), scheme manager, and Local Pension Boards (LPBs). Malcolm Eastwood, chair of the SAB, was also on hand to provide input on the current work of the Board.

We were joined in the afternoon by The Pensions Regulator, to provide the headline results from the Governance and Administration survey 2018 in relation to FPS. This summary provided an ideal basis for the following session, which considered next steps LPBs could take to become more effective and signposted [resources](#) available to assist boards. The event 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. Each board is entitled to a free training session under the Scheme Advisory Board levy. Examples of previous sessions are held [here](#).

Ill-health and injury workshop – event summary

Over 90 delegates attended the Firefighters' and Police pensions ill-health and injury workshop at 18 Smith Square on 19 June 2019. We were delighted to welcome so many colleagues from the sector to the event, to examine the common issues found when running an ill-health process and discuss what can be improved to help best practice.

The morning session was opened by the LGA's Clair Alcock, who gave an overview of the structure and benefits of ill-health and injury awards in the Firefighters' and Police schemes. This was followed by an in-depth look at the legislation governing both schemes from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Jane also took the audience through the appeals process and relevant case law, highlighting common issues than can arise in the process and how to avoid them.



Continuing the theme of sharing best practice, Claire Johnson from West Yorkshire Fire & Rescue Service took to the stage to discuss the ill-health retirement process in place at WYFRS, from employee awareness to final outcome and potential appeal. The number of questions received demonstrated how invaluable it is to delegates to hear first-hand the experiences of other authorities.

Following the overview of an FRA's role and responsibilities, we were pleased to welcome Dr Ian Griffiths, Consultant Occupational Physician and experienced IQMP, who gave a fascinating and often humorous insight into the role of the IQMP and the decision making process. Dr Griffiths covered some further elements of case law, discussing how these may impact on the medical decision.



After lunch we were joined by our LGA colleague Phil Bundy, senior employment law adviser, to talk about mental health in the workplace, with particular reference to the emergency services. Phil outlined the legal framework in place to protect employees, and what employers can do to support staff with mental health conditions.

For the final session of the day, the audience were split into their respective areas of expertise, with a dedicated workshop for each scheme. Clair Alcock led an interactive session for FPS colleagues, using the Sli.do app. Delegates were invited to select randomly from 7 hidden discussion points relating to all aspects of ill-health and injury, and submit questions and comments, in addition to voting in anonymous polls. A list of FAQs based on issues raised will be posted on the [Events](#) page in the coming weeks.



The complete presentation slide decks from the event are available [here](#).

To view the full conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

Pensionable pay workshop

We are pleased to invite readers to a pensionable pay workshop being held at the LGA offices at 18 Smith Square, London on **Thursday 18 July 2019**, from 10:30 to 15:15.

This conference will look at recent case law relating to pensionable pay and how it applies to the Firefighters' Pension Schemes. The conference will examine the process of making pensionable pay decisions and what can be improved to help best practice.

Jane Marshall from Weightmans will be providing a detailed view of the legislation and legal background to pensionable pay considerations, as well as the implications of retrospective action. Delegates will have the opportunity to hear from experienced FRA practitioners and HR professionals on their experiences of decision making and managing disputes.

The event is aimed at HR practitioners and senior management responsible for implementing pay systems, along with supporting stakeholders such as pension practitioners, employee representatives and administrators.

A draft agenda is available via the booking link, however, please note that the programme is subject to change.

[Click here to book your place.](#)

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)
- [LGA pensions website](#)

Contact details

Clair Alcock (Bluelight Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk



FPS Bulletin 22 – July 2019

Welcome to this very special edition of the Firefighters' Pensions Schemes bulletin. To celebrate our second birthday, we've teamed up with organisations from across the sector to bring you a "take-over" issue of the bulletin with contributions on various topics affecting FPS and other public service schemes.

If you have any comments on the contents of this bulletin or wish to contact any of the contributors directly, please contact [Claire Hey](#) in the first instance. All of our usual features can be found towards the end.

If you are looking for information on a certain topic, issue and content indexes are held on the main [bulletin](#) page of the website and are updated following each new issue.

Contents

[Calendar of events](#)

[Take-over issue](#)

- [Once upon a time...](#)
- [Pension tax giving you a headache?](#)
- [Eversheds Sutherland speedbrief](#)
- [A fresh perspective on Perspective](#)
- [What to expect when a complaint is referred to The Pensions Ombudsman](#)
- [Cyber resilience – are you ready](#)
- [The complexities of ill-health pensions](#)
- [Weightmans legal update](#)
- [TPR Governance and Administration survey 2018 – a view from the Regulator](#)

[FPS](#)

- [July query log](#)
- [Written Ministerial Statement: Public Service Pensions](#)

[Other News and Updates](#)

- [GAD newsletters](#)
- [The Pensions Ombudsman \(TPO\) Annual Report and Accounts 2018/19](#)
- [Written Ministerial Statement: Walker v Innospec Supreme Court Judgment](#)
- [House of Commons briefing paper – GMP-related overpayments](#)
- [TPR secondment opportunity](#)

[HMRC](#)

- [Contracting-out reconciliation update](#)

[Training and Events](#)

- [Pensionable pay workshop - event summary](#)
- [FPS AGM - London - 24-25 September 2019 SAVE THE DATE](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

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](#).

LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
South West and Wales regional group	28 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
SAB	3 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

Take-over issue

Once upon a time...

...some firefighters were covered by their local police force pension arrangements. The Police Act 1890, Section 16 explains the funding requirements. Paragraph (1) begins with the statement –

“There shall be a pension fund of every police force, and there shall be carried to that fund . . .”

followed by a list of the required payments. While some will be familiar to readers of the current Firefighters' Pension Schemes, for example members' contributions, there are also a few more unusual items such as –

“The net sums received in the police area for pedlars and chimney sweepers certificates;”

“The fines, imposed by a court of summary jurisdiction, for assaults on constables in the force;”

[Click here to return to Contents](#)

and the returns from this nice little earner –

“The net sums arising from the sale of worn or cast clothing supplied for the use of constables of the force”.

With grateful thanks to Eunice Heaney for this contribution.



Pension tax giving you a headache?

The HMRC pension tax restrictions on pension saving (the Annual Allowance and the Lifetime Allowance) are affecting firefighters causing restrictions to tax efficient pension savings. This is usually those with incomes of £60 - £70,000 but can affect lower earners who get promoted or take on additional duties and we have seen cases from Watch Manager upwards where the Annual Allowance has been breached.

Anyone who has other pension savings or has income from outside the Fire and Rescue Service may also be affected. There is no easy way to confirm that someone is not affected and because the tax rules consider all income and all pension saving the employer and the scheme administrator will not know for sure as they will not know all the information about each member.

In defined benefit pension schemes like the FPS, (1992, 2006 or 2015) the calculations behind each allowance are not intuitive and the combination of further pension accrual combined with pay growth (particularly on promotion) can create growth in pension that is higher than HMRC allow. It's complicated and if members do have other income or other pension savings it gets more complex, particularly if they are "higher earners", with taxable income over £110,000, when further restrictions to their pension savings may apply. Only the member will now this.

Scheme administrators are obliged by legislation to send a Pension Savings Statement to members whose Annual Allowance exceeds the £40,000 level currently available; and Lifetime Allowance breaches are considered at retirement. But there is a lot still for members to do before they can understand if they have a tax charge to settle, and further work to consider how to do so if they do.

There is a lot of information to help firefighters understand but this is still their responsibility to pull the information together and work out whether they owe tax, and if so, to declare that to HMRC and to settle it through the self-assessment process. They may need help and guidance to understand what they need to do and how to do it.

The article at [Appendix 1](#) has more information and you may wish to make this available to your members.

*Contributor **Mark Belchamber** has over 25 years' experience helping people understand their pensions and is Director and founder of "Income for the Third Age Ltd", a company that specialises in guidance and education for employers and employees on pensions, pension tax issues and retirement options).*

Eversheds Sutherland speedbrief

[Supreme Court refuses Government permission to appeal in public sector age discrimination cases](#) –
5 July 2019

A fresh perspective on Perspective

Public Sector Pension Schemes Are Increasingly Relying on Perspective

According to TPR, in 2018 there were 16.5 million PSPS memberships across 24,000 employers. Arguably, pensions staff need the appropriate resources to carry out their roles as efficiently as possible. Perspective, the legal and regulatory information service for the UK pensions industry, is increasingly seen as a key tool for achieving exactly that.

What is Perspective all about?

Essentially, a public sector pension scheme is able to have its own scheme rules (the Regulations) in one place on Perspective (much to the envy of pension scheme managers working in the private sector!). Perspective has an ever growing public sector collection of these Regulations, for example: Local Government (1986), Firefighters (1992), Police (1987), NHS (1980), Civil Service (2002) and Teachers (1994). Those working in Fire pensions are responsible for 3 active schemes (the 1992, 2006 and 2015 Schemes) all of which are available in full text on Perspective. Additionally, Perspective covers some public sector documents in Northern Ireland as well as providing access to relevant GAD, LGA and many other materials.

So, Perspective is all about content?

Yes, but also no! There is impressive functionality as well – for example the ability to look at any document on Perspective and see how it stood at any date in the past is of enormous and proven value. The way that this feature (known on Perspective as “Time Travel”) has been implemented is widely recognised as being the most powerful and flexible way of showing how text has changed over time. It is the envy of other publishers. And, of course, all the content on Perspective is fully up-to-date. All documents on Perspective are updated, usually within a day or so of amendments being published, by a dedicated editorial team of 9 full-time legal editors with Law, English and other degrees. They perform a specialist role in identifying core documents to be added to the system and ensuring these documents have the levels of added value and functionality that users of Perspective have come to expect.

Public sector pensions, a narrow specialised field?

Over the last 20 years it has become increasingly important for those working in public sector pensions to have a good understanding of general pensions legislation (such as the Finance Act 2004) as well as public sector regulations. The volume of legislation they are expected to have mastered is huge! As Yunus Gajra of WYPF says, *“I have used Perspective for a number of years and I find it a fantastic tool which enables me to do my job quickly and efficiently. It has all the key reference materials that I need or may be interested in which means it’s a one stop shop and I don’t need to look elsewhere or subscribe to other publications!”*

Is there a brain drain?

Potentially yes, many of the most experienced public sector staff have retired in recent years. This means that the knowledge that has been built up within the industry over many years is being lost at an alarming rate.

How do some schemes mitigate this problem?

Perspective provides the regulations and explanatory documents which allow staff to learn how and why things happened in the past. If you provide the best resources to the brightest individuals they will, in time, be able to fill the vacuum that has been left by this loss.

Can technology help?

The younger workforce certainly does not expect to find dusty incomplete A4 ring binders filled with regulations that they don't know how to navigate and about which they have little knowledge. Perspective has a powerful, cutting edge search tool which allows them to search across thousands of documents and find accurate results in seconds. Documents on Perspective contain extensive hypertext linking, including links from defined words or phrases to the relevant definitions, all of which helps to further their understanding of the materials they need to consider and speed up their research significantly. Furthermore, Perspective works in all major browsers and is available on the move through most smartphones and tablets.

Are there alternatives?

Yes, there are several free websites available and even some subscription sites produced by the largest publishers in the UK, but none with the functionality and comprehensiveness of Perspective. Individuals don't just metaphorically scream when they need to find something on a government website. More often than not they won't find what they need or won't have the confidence that what they have found is accurate or up-to-date.

Future

It's a complex job administering public sector schemes and, in this day, and age there's no reason for those working in this sector to be grappling with inferior tools compared to their counterparts in the private sector.



What to expect when a complaint is referred to The Pensions Ombudsman

In this article, we briefly explain what to expect if a complaint about your scheme is referred to The Pensions Ombudsman.



An overview of our process

A complaint to us will follow one of two distinct workstreams.

‘Early resolutions’

For complaints which usually have not been through a scheme’s internal dispute resolution procedure (IDRP) but are otherwise thought to be within our jurisdiction.

We look to bring the matter to a close as early as possible to shorten the complaint journey for everyone. Early resolution will never result in a final decision being made by an Ombudsman since that can only happen if all the requirements have been met in relation to our jurisdiction, including IDRP being completed, or attempted.

Early resolutions break down into two categories that we have called:

- ‘Quick responses’ where a problem can be solved with minimum intervention. We might contact the pension scheme, but these are generally problems that can be sorted out through a conversation with the complainant.
- ‘Cases’ where some intervention is required including contact with all the parties to the complaint. These are handled by our in-house specialist team, assisted by our 240 highly experienced volunteers drawn from the pensions industry. We are likely to contact the pension scheme to, for example, provide further information or a view on how the matter might be resolved.

‘Investigations’

For complaints which have been through the IDRP, or other internal complaints process, and are deemed to be within our jurisdiction, for example, within our time limits.

These are investigated by our team of adjudicators. Usually, the pension scheme will be invited to provide a formal response to the complaint. The adjudicator will gather additional evidence they consider is necessary to reach a view on the matter. An investigation will usually result in an adjudicator issuing their opinion on the matter to all the parties to the complaint. Many complaints are resolved this way. But all parties have a right to ask for the matter to be determined by an Ombudsman. In some cases, the Ombudsman will issue a preliminary decision, followed by a determination. The Ombudsman’s determinations are binding on all the parties and can be challenged, on a point of law, through the courts.

How you can help us

It can speed up the investigation process if we get some key information early on. If your scheme is asked to provide a formal response to a complaint, it helps if that includes:

- evidence relied on when making decisions under the IDRPs
- details, and sight, of any Regulations or Guidance that are relevant to the complaint
- for complaints involving pensionable pay:
 - the member's contract and any contract specific to the allowance
 - any changes to the member's role over the relevant period
 - confirmation of which scheme(s) apply
 - details of how the allowance was paid.

Want to find out more?

Visit our website: www.pensions-ombudsman.org.uk

Our Annual Report 2018/19 is also a good source of information about what we do, and the volumes of complaints we process. Summaries of interesting cases are included.

Interested in volunteering?

We are always on the lookout for experienced pensions professionals who have the time and dedication to help. If you are interested, please contact paul.day@pensions-ombudsman.org.uk

Cyber resilience – are you ready

Cyber resilience – are you ready?

Cybercrime remains one of the most rapidly evolving, yet poorly understood risk topics. Whilst the consequences of a cyber-attack on a company are well known, for pension schemes cyber risks are a relatively new threat.

In this emerging area, there are many potential actions that scheme managers, administrators and their suppliers can take to ensure that they are prepared for the possibility of a cyber-attack.

Why is this important?

Pension schemes hold an abundance of member data and assets making them very attractive targets for hackers. An attack could lead to identify theft of its members, financial losses, disruption of services and reputational damage to both the scheme and FRA/administrator.



What does this mean for scheme managers?

The initial starting point is asking a lot of questions and establishing an action plan. Scheme managers, with the support of their administrators and advisers, should attempt to understand what risks they could face and consider potential vulnerabilities within their set up before embarking on a plan to minimise those risks, where possible.

In particular, questions should be posed to:

- Data handlers/processors (such as administrators or payroll providers)
- Software suppliers
- The Fire and Rescue Authority (FRA) and any in-house teams.

What should scheme managers do?

Scheme managers should carry out a robust assessment of their FRA in order to take a holistic and structured view of the issue.

Aon's Cyber Solutions combine three critical areas to help our clients to understand and manage the minefield of cyber security.



Seek

- **Assess** – Identifying critical assets that could be at risk – what could go wrong?
- **Quantify** – Understanding the potential impacts of cyber threats were they to materialise is important.
- **Test** – A clear understanding of what controls are in place by all third parties and internal functions to prevent cyber-attacks.

Shield

- **Improve** – Improvements may need to be made to security systems.
- **Transfer** – Considering whether the exposed risk can be transferred to someone else.

Solve

- **Respond** – Ensuring that a plan is in place to tackle any incident should the worst happen.

Actions

As cybercrime is an evolving risk, it's critical that the risk is managed and as a minimum, we recommend the following:

- Obtain some training and discuss the issue with relevant parties.
- Undertake a robust assessment to identify specific risks and actions and document these on your risk register.
- Take forward any practical actions.

Risk. Reinsurance. Human Resources.

25 Marsh Street | Bristol | BS1 4AQ

t +44 (0) 117 929 4001 | f +44 (0) 117 925 0188 | aon.com

Aon Hewitt Limited is authorised and regulated by the Financial Conduct Authority.

Registered in England & Wales No. 4396810

Registered office: The Aon Centre | The Leadenhall Building | 122 Leadenhall Street | London | EC3V 4AN



The complexities of ill-health pensions

Jane Marshall, partner at Weightmans LLP and legal adviser to the SAB, writes about the complexity of ill-health pensions...

When asked to write a legal piece for the 'take-over issue' there was so much to choose from!

We have had a raft of recent Court and Pensions Ombudsman decisions affecting not just the Firefighters' Pension Scheme, but public service pension schemes as a whole. Following the recent decision of the Supreme Court in which the Government was refused permission to appeal the age discrimination decisions in McCloud and Sargeant¹, to the intense media interest in our current pensions tax relief system and the effect this is purportedly having on NHS waiting lists, one wonders what the future holds in respect of public service pensions?

Unfortunately, as my skills do not extend to predicting the long term future of public service pensions, I thought I would be on safer ground writing about ill-health retirement following the successful '[Ill-health and injury workshop](#)' run by the SAB² in June. **You can read the article at [Appendix 2](#).**

Weightmans legal update

In addition to Jane's piece, the legal update from Weightmans at [Appendix 3](#) provides a summary of two key developments affecting public service pensions, including the recent landmark judgement in Langford v Secretary of State for Defence³ which ruled that survivor benefits could be paid to a long-term partner although they remained legally married to a third party.

TPR Governance and Administration survey 2018 – a view from the Regulator

Nick Gannon, policy lead at TPR, has the following message for Fire schemes...

We believe that all savers should be in well run schemes. The 2018 governance and administration survey shows that significant improvements have been made in several areas but that Fire schemes still have some way to go to meet the standards that we expect them to meet. We are encouraged by the improvements that have been made and expect that they will continue through 2019 to be demonstrated in this year's survey results.

We note that Fire scheme local pension boards meet less frequently than those in other surveyed cohorts, and much less than we believe they should. This infrequent meeting schedule may be one reason that the schemes continue to lag in key governance measures. With little regular oversight it is difficult for pension boards to put the right controls in place and to drive the improvements that are need in both governance and administration. Similarly, regular turn-over of pension board members means that knowledge and experience risk being lost and becomes difficult to replace. This survey also highlighted the prevalence, and risks, of cyber attacks. This is one area in particular that requires strong governance and should be given serious attention.

¹ The Lord Chancellor & Secretary of State for Justice v McCloud & others; and The Secretary of State for the Home Department v R Sargeant & others

² The Firefighters' Pensions (England) Scheme Advisory Board

³ <https://www.matrixlaw.co.uk/wp-content/uploads/2019/07/Approved-Judgment-Langford-C3.2018.0111-and-C3.2018.0111A.pdf>

Scheme data continues to be a concern for all public service schemes, and Fire is no exception. Progress has clearly been made with data cleansing exercises, which should continue. Attention must also be paid to the data coming in. Far too many schemes are still relying on data that is provided annually, and in paper returns. To ease administration, data should be provided wherever possible monthly and in electronic format. This links data provision to payroll and simplifies processing for all involved.

Pension boards and scheme managers should consider the results of this survey, and how they apply to their own scheme. Amidst a number of simple improvements that can be made rapidly are several more issues that will require greater attention and more time. With the consequences of the McCloud and Sargeant cases as yet unknown, now is the time to make urgent improvements to scheme governance and administration. Where these improvements are not, or cannot, be made we may look to use our enforcement powers.

A commentary on the results can be viewed at [Appendix 4](#) and the full version of the [research report](#) is available on the TPR website.



FPS

July query log

The current [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.

Queries from earlier months have been grey-shaded to differentiate from new items added in June.

Written Ministerial Statement: Public Service Pensions

The Government made a written statement⁴ on 15 July 2019 accepting the court's decision in the Firefighters Transitional Protection Challenge, also known as 'McCloud and Sargeant'. The Government will now engage with the employment tribunal to agree remedy. The written statement goes further to confirm that government believe that remedy will apply across all the public sector schemes, these include schemes for NHS, Civil Service, Local Government, Teachers, Police, Armed Forces, Judiciary and Fire and Rescue workers.

Effect on scheme member benefits

While we appreciate that members may have questions about how their benefits may change in the future, until the remedy has been determined by the employment tribunal, the scheme re-valued and any regulations changed as a result we cannot speculate on this.

Until the regulations are amended, all scheme transactions will be based on the regulations as they currently stand, this includes retirements, applications for ill-health retirements, benefit projections and Annual Benefit Statements as at 31 March 2019.

⁴ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-15/HCWS1725/>

Other News and Updates

GAD newsletters

The Government Actuary's Department has issued the [July edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

Readers with a more macabre outlook may be interested in the [second edition of GAD'S Mortality Insights](#), also issued in July.

The Pensions Ombudsman (TPO) Annual Report and Accounts 2018/19

The TPO Annual Report and Accounts 2018/19 were laid in Parliament on 18 July. A message from Anthony Arter, Pensions Ombudsman, with a link to the report on the TPO website is attached to this bulletin as [Appendix 5](#).

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

Written Ministerial Statement: Walker v Innospec Supreme Court Judgment and Response to the Survivor Benefits Review

The Minister for Pensions and Financial Inclusion Guy Opperman has confirmed in a written statement⁵ that the Government does not intend to make any further retrospective changes to equalise survivor benefit provision in respect of occupational pension schemes, following the changes implemented in light of the [Walker v Innospec](#) Supreme Court judgement.

See our [technical note](#) on SI [2019/378](#) for how those changes affected the FPS.

While the Minister acknowledged that differences in benefits in respect of past service would remain for some members, he added that these will gradually work their way out of the system.

House of Commons briefing paper – GMP-related overpayments

The House of Commons Library has updated a briefing paper⁶ concerning GMP-related overpayments in public service pension schemes. The paper looks at overpayments which occurred due to the incorrect calculation of GMPs in 2008 and again following the end of contracting-out and subsequent reconciliation exercise in 2018.

⁵ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-04/HCWS1690/>

⁶ <https://researchbriefings.files.parliament.uk/documents/SN04919/SN04919.pdf>

TPR secondment opportunity

Please see details below from TPR concerning a secondment opportunity in the role of Specialist - Pension Administration:

TPR has recently opened up an administration [secondment opportunity](#) in our Policy team.

The pensions landscape is undergoing a step change. The rise in the number of people saving into pension schemes and initiatives like the Pensions Dashboards, mean that good standards of administration are more important than ever to ensure that savers can have confidence in the pensions industry. We need to have a clear view of the risks in this sector, and a robust strategy for dealing with them, so that savers' benefits are protected and confidence in pensions is maintained. The secondee will help to ensure we fully understand the functioning of pensions administration sector and design an appropriate response to the risks.

A secondment to the specialist role in this team would suit the skill set of someone with at least five years' experience in the pensions administration market, particularly with experience of client management or a role involving engagement with trustee boards, pension boards or scheme managers.

TPR runs a very successful industry secondment programme, which has been operating for over 10 years. We recruit people who bring essential and relevant commercial skills and the latest insight on pensions issues. You can see our [secondees testimonials](#) for some recent examples.

Key benefits to your organisation

- An excellent opportunity for staff development
- An opportunity to work in the frontline of a fast-paced and exciting area of regulation
- An opportunity to create a network of lasting relationships
- An opportunity for your staff to apply their skills and knowledge in a related environment
- Expanded outlook and a better understanding of regulation

Terms and conditions are subject to negotiation and agreement between parties, but we will always aim to cover employment costs and reasonable expenses.

Ideally we'd look for this secondment to run for twelve months, from October.

For more information or to discuss this opportunity further, please contact Lucy Stone, Lucy.Stone@thepensionsregulator.gov.uk or Zoe Kyle, HR on 01273 627213 or zoe.kyle@thepensionsregulator.gov.uk. For general enquiries, please contact secondments@tpr.gov.uk

HMRC

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, has been published by HMRC in July.

[Countdown bulletin 46](#)

Updates include:

- Scheme Financial Reconciliation
- Scheme Financial Allocations
- problems accessing Shared Workspace

Training and Events

Pensionable pay workshop – event summary

We were pleased to welcome over 70 delegates to our sold out event on 18 July 2019, in order to discuss the challenge of interpreting pensionable pay within the legislation and case-law.

The morning session was opened by Clair Alcock who outlined how 45 different decision makers, case-law, and legislation combine to provide complexity in determining pensionable pay. This was followed by an in-depth look at the most recent case Booth vs Mid and West Wales from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Steven Pope, Head of Human Resources at Devon and Somerset Fire then took to the stage to deliver a practitioner's insight into pensionable pay decision making. Before lunch we welcomed back Jane Marshall to give a case-law round up and a discussion on what steps Fire Authorities now need to take to remedy pensionable pay. The number of questions received during Jane and Steven's sessions demonstrated how valuable it is to hear first-hand issues on pensionable pay.



Following lunch, Clair Alcock shared some thoughts on decision making to ensure that pensionable pay is considered at the heart of any pay structure, we then welcomed James Durrant, Pensions Manager at Essex Fire Authority who shared some thought provoking insight into tax consequences of retrospective action to ensure that where action is taken, tax law is complied with.

The final session of the day was a panel discussion session, which allowed the audience to ask questions of all the speakers of the day.

The complete presentation slide deck from the event is available [here](#). To view the conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

[Click here to return to Contents](#)

FPS AGM – London – 24-25 September 2019 SAVE THE DATE

Our popular Fire Pensions Annual Conference is back! The two day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chairman of the Scheme Advisory Board
- The Home Office
- Legal Updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought provoking workshops to take part in during the day, including:

- Abatement
- Transitional Pension Calculations
- Forecasting and Top-Up Grant, GAD

Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the [scheme manager](#) and will offer the opportunity to network with counterparts in other Fire Authorities.

Following this session there will be a drinks reception on the terrace from 6:45pm

Day 2 – Wednesday 25 September 2019 9:30am - 3:30pm

Day 2 of the conference provides delegates with an annual update on the Firefighters' Pension Scheme from key stakeholders.

The full programme and booking link will be available shortly.

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)
- [LGA pensions website](#)

Contact details

Clair Alcock (Bluelight Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk



FPS Bulletin 23 – August 2019

Welcome to issue 23 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held 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](#).

Contents

[Calendar of events](#)

[FPS](#)

- [Aon administration and benchmarking review – final report](#)
- [GAD data improvement reports for FRAs](#)
- [FPS contacts for HMRC](#)
- [A word about breaches](#)
- [SAB Administration & Benchmarking committee vacancy](#)
- [New factsheet – Compensatory ill-health pensions](#)
- [August query log](#)

[Other News and Updates](#)

- [The Pensions Ombudsman \(TPO\) dispute resolution - consultation response](#)
- [The Pensions Regulator \(TPR\) scheme return](#)

[HMRC](#)

- [HMRC newsletters/bulletins](#)
- [Contracting-out reconciliation update](#)
- [2018/19 Event Reporting - Annual Allowance Statements & Lifetime allowance](#)

[Training and Events](#)

- [FPS AGM - London - 24-25 September 2019](#)

[Legislation](#)

[Useful links](#)

[Contact details](#)

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](#).

Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM Day 1 Day 2	24-25 September 2019
SAB	3 October 2019
North East regional group	4 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Fire Communications Working Group	16 October 2019
SAB Administration & Benchmarking/ Cost-effectiveness committee	24 October 2019
South East regional group	28 October 2019
Pensions tax seminar	12 November 2019
SAB LPB effectiveness committee	14 November 2019
SAB	12 December 2019

FPS

[Aon administration and benchmarking review – final report](#)

In 2018, the Scheme Advisory Board (SAB) commissioned an administration and benchmarking review¹ with the aim of establishing how much the scheme costs to run and how effective administration is.

After a procurement process Aon were appointed to undertake the project, and the exercise saw all FRAs and administrators answering a number of questions about costs, resources and service, while members also had the opportunity to complete a short questionnaire on their experiences.

The results are now in and following detailed analysis, we are pleased to publish the final report². The SAB, supported by its three committees, is now considering the recommendations made and will issue a report focusing on the actions needed to progress this work.

¹ <http://www.fpsboard.org/index.php/board-publications/administration-and-benchmarking-review>

² <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

With regard to the cost of the scheme, readers should note that this is a first attempt to analyse how much the scheme costs to run; some FRAs were not able to provide any cost information and others only some. Therefore, the costs indicated in the report cannot be taken at this stage to be a completely accurate reflection. Nevertheless, the Board feel that this was a worthwhile first step and will be looking to collate costs on an annual basis going forward in order to establish a more accurate reflection.

Needless to say, there are challenging, but exciting, times ahead.

The report can be found at [Appendix 1](#) and we would encourage all FRAs to read this and discuss with their Local Pension Board (LPB) how their individual results compare against the national picture.

GAD data improvement reports for FRAs

As we reported in [FPS Bulletin 8 – May 2018](#), some FRAs had data excluded for the purposes of setting assumptions for the 2016 FPS valuation. Each FRA affected was contacted individually to advise where the data discrepancies lay.

Further to this, GAD have prepared individual data improvement reports for every FRA to help them understand why data provided may not have been considered usable. The purpose of the note is to inform where improvements to the member data held/provided for valuations could be focussed to enable more data to be included for the 2020 valuation. We will be circulating the relevant note to each FRA over the coming weeks.

FPS contacts for HMRC

Back in 2015 when the Pension Scheme Tax Reference (PSTR) numbers were being set up for the new scheme, we provided HMRC with a list of contact names, addresses, and email addresses for each FRA.

HMRC are now looking to get their records as up to date as possible and have asked if we can supply them with current contacts. Ideally they require details of the Pensions Manager or senior person responsible for pensions administration within each FRA.

ACTION: FRAs to provide the name, address, telephone number, and email address for the pensions manager or senior responsible person.

Please email bluelight.pensions@local.gov.uk by 30 September 2019 using the subject line “FPS contacts for HMRC”.

A word about breaches

At Annual Benefit Statement (ABS) time we get a lot of queries about breaches of law if statements have failed to be issued by 31 August even if this is just for a limited number of members.

We would like to take this opportunity to remind readers that ALL breaches of law must be recorded and assessed for materiality. If the breach is considered to be material then it should be reported to TPR.

To assist scheme managers and pension boards with this we have provided a breach assessment template³ that allows you to assess the breach and also acts as a recording document of the breach.

TPR have issued guidance on reporting breaches in paragraphs 247 -271 of the Code of Practice 14⁴ and issued example breaches using the traffic light framework⁵. Materiality to TPR needs to be assessed across the four areas of Cause; Effect; Reaction and Wider Implications.

TPR have previously stated that numbers alone doesn't necessarily make the breach immaterial; they would also want to know frequency and history, i.e. is a certain category of member receiving statements late each year, if so what is the reason and what is being done to ensure that future statements are on time for these members.

In the recently published TPR governance and admin survey⁶, TPR expressed concern that of 17% recognised breaches only 2% had been recorded as material. This might prompt them to look further at Fire breaches over the next year, therefore if late issue of ABS is not reported to be material, there would be an expectation that they would request to see documentation of the recording of the breach and an assessment of materiality.

SAB Administration & Benchmarking committee vacancy

A vacancy has arisen on the [Administration & Benchmarking committee](#) for an FRA Local Pension Board representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration, and consider how administrators can best be supported by identifying best practice. The committee are currently involved in considering the recommendations made by Aon in the [administration and benchmarking review](#) and how these can be progressed.

The required commitment is attendance at three to four meetings per year, generally held in London. Attendance can be made by conference call if necessary. If you are interested in sitting on the committee, please email clair.alcock@local.gov.uk for further information.

New factsheet – Compensatory ill-health pensions

Following recent discussions at the Firefighter Pensions Technical Community, we have produced a factsheet on compensatory ill-health pensions paid to retained firefighters.

This factsheet has been prepared to give guidance to FRAs on when entitlement to a compensatory 'ill-health' pension payable under The Firefighters' Compensation Scheme (England) Order 2006 ("compensation scheme") arises for a retained firefighter who was employed prior to 6 April 2006 and where the injury occurred before 1 April 2014.

³ <http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx>

⁴ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/code-14-public-service.ashx>

⁵ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/ps-reporting-breaches-examples-traffic-light-framework.ashx>

⁶ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-2019.ashx>

These firefighters were given compensatory provisions under the compensation scheme rules because they could not join the Firefighters' Pension Scheme 1992 (FPS 1992).

The factsheet has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website and is also attached as [Appendix 2](#).

August query log

The current [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.

Queries from earlier months have been grey-shaded to differentiate from new items added in July.

Other News and Updates

The Pensions Ombudsman (TPO) dispute resolution – consultation response

The Government have published their consultation response⁷ into TPO's dispute resolution provisions. The consultation, which ran from 19 December 2018 to 18 January 2019, sought views on: making new provision for dispute resolution, to include a function for early resolution; allowing an employer to raise a complaint or dispute to TPO on its own behalf; and new signposting provisions.

The Pensions Regulator (TPR) scheme return

Schemes are advised that TPR's Public Service Pension Scheme return (2019) is currently scheduled for late September.

"Wake-up" communications will be sent to FRA's named scheme managers to alert them to this forthcoming event.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 112 and 113 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 112 – 31 July 2019](#): Relief at source | Pension flexibility statistics | Annual allowance | The Pensions Regulator (TPR)'s consultation on the future of pension trusteeship and governance | Qualifying Recognised Overseas Pension Schemes (QROPS) transfer statistics |
- [Pension schemes newsletter 113 – 29 August 2019](#): Relief at source - annual returns of information for 2018 to 2019 | Relief at source - APSS106 annual claims for 2018 to 2019 | Annual allowance - pension savings statements for 2018 to 2019 |

⁷ <https://www.gov.uk/government/consultations/the-pensions-ombudsman-dispute-resolution-and-jurisdiction/outcome/government-response-the-pensions-ombudsman-dispute-resolution-provisions-and-widening-of-jurisdiction>

Administrators are reminded that annual allowance pension savings statements for the 2018-19 tax year must be issued to members who exceeded the annual allowance, by 6 October 2019. More information can be found in the Pensions Tax Manual at [PTM167100](#).

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 on 30 July 2019.

[Countdown bulletin 47](#)

Updates include:

- Scheme financial billing exercise
- Scheme financial refund exercise
- Returned cheques

2018/19 Event Reporting - Annual Allowance Statements & Lifetime allowance

As last year, HMRC is prepared to accept from PCM customers, scheme data regarding pension savings statements for 2018-19 on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2018-19, with the exception of the lifetime allowance protection regimes (see 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 2018-19 Event Report. The data must be submitted by 31 January 2020 and HMRC 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, It would be helpful if you could list the data in the same line on 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

[Click here to return to Contents](#)

All files should be sent via e-mail to pensions.businessdelivery@hmrc.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.

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

You may recall from last year that, in accordance with 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. If you need to submit these details to HMRC, you can also submit them on a password protected spreadsheet and send the password in a separate email.

You should put 'Lifetime allowance – Event Reporting' in the subject line of your email and send this to pensions.businessdelivery@hmrc.gov.uk and, again, copy in your PCM. This data must also be provided by 31st January 2020.

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.

Training and Events

FPS AGM – London – 24-25 September 2019

We are pleased to announce that booking for the ever popular Fire Pensions Annual Conference is now live. The event was advertised by email on 9 August 2019 and a number of places are still available to book.

The two day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chairman of the Scheme Advisory Board
- The Home Office
- Legal updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought provoking workshops to take part in during the day, on topics such as

- Abatement
- Transitional pension calculations
- National performance monitoring

Timings are provided below and the full programme will be available shortly. Use the links to book your place now. **Please note that each day must be booked separately.**

[Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm](#) followed by drinks reception

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the [scheme manager](#) and will offer the opportunity to network with counterparts in other Fire Authorities.

Following this session there will be a drinks reception on the terrace from 6:45pm

Day 2 – Wednesday 25 September 2019 9:30am - 3:30pm

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 the event!

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)
- [LGA pensions website](#)

Contact details

Clair Alcock (Bluelight Senior Pension Adviser)

Telephone: 020 7664 3189

Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)

Telephone: 020 7664 3202

Email: kevin.courtney@local.gov.uk

Claire Hey (Firefighters' Pension Adviser)

Telephone: 020 7664 3205

Email: claire.hey@local.gov.uk



Ill-health pension paid from Compensation Scheme to Retained Firefighters employed before 6 April 2006

Introduction

This factsheet has been prepared to give guidance to Fire and Rescue Authorities (FRAs) on when entitlement to a compensatory 'ill-health' pension payable under The Firefighters' Compensation Scheme (England) Order 2006 ("compensation scheme") arises for a retained firefighter who was employed prior to 6 April 2006 and where the injury occurred before 1 April 2014.

These firefighters were given compensatory provisions under the compensation scheme rules because they could not join the Firefighters' Pension Scheme 1992 (FPS 1992).

Firefighters who joined as a retained firefighter after 1 April 2006 were entitled to join the Firefighters' Pension Scheme 2006 (FPS 2006).

Entitlement to Part 8, Rule 2

A retained firefighter who was employed prior to 6 April 2006 and received an injury prior to [1 April 2014](#) is entitled to an injury and ill health pension under [Part 8, rule 2](#) of the compensation scheme.

A retained firefighter employed prior to 6 April 2006, who didn't subsequently become a '[special member](#)' under the terms of the modified FPS 2006 arrangements, and is retrospectively awarded an injury and ill health pension after [1 April 2014](#), is entitled to an injury and ill health pension under Part 8, rule 2 under the protected right granted in [SI 2014/447](#) [rule 3, paragraph 2], where it has been determined that the injury is a qualifying injury and was sustained before the 1st April 2014.

A retained firefighter who was employed before 6 April 2006 and later became a special member under the terms of the modified FPS 2006 cannot receive a pension paid under Part 8, Rule 2.

Treatment under the scheme rules

Where a compensatory ill-health pension is in payment, FRAs should be mindful of the following points:

1. The pension is non-taxable as it is paid under the compensation scheme¹.
2. A spouse or civil partner's pension should be paid only if they meet the criteria of [Part 3, Rule 1](#) (i.e. the member had died as a result of the qualifying injury).
3. The pension payment must be funded from the FRA operating account, not the top up grant, in line with paragraph 3.25 of the finance guidance².

It is recommended that FRAs undertake a review to ensure that payments are being made correctly.

Regulations

Pre 1 April 2014

Prior to 1 April 2014 if a retained firefighter who was employed before 6 April 2006 and therefore not eligible to join FPS1992, was disabled due to a qualifying injury, they were to be treated as if they were a whole-time firefighter for the purpose of the injury award.

Additionally, under [Part 8 Special Cases, rule 2, paragraph 4](#) [as amended by [SI 2006/3434](#)], an ill health pension was payable under the rules of FPS 1992 as if they were a whole-time firefighter. Regulation 4A requires any ill-health pension paid as a result of being a member of FPS 2006³ or the Firefighters' Pension Scheme 2015⁴ (FPS 2015) to be subtracted from this amount.

Post 1 April 2014

Part 8, rule 2 was [amended](#) in 2014 to remove the above provision. This is because the rules of FPS 2006 were modified to allow a retained firefighter to retrospectively join a scheme which partly reflected the benefits of FPS 1992.

However, under the [transitional provisions](#) [rule 3, paragraph 2], where it is determined that the injury is a qualifying injury **and** was sustained before 1 April 2014, the right to an ill-health pension as a whole-time firefighter based on the FPS 1992 rules would still apply.

¹ <http://www.fpsregs.org/images/admin/Technotes/Technote2.0917.pdf>

² Guidance for FRAs on new financial arrangements for firefighter pensions with effect from April 2006 dated August 2006 - https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/14964/160429.pdf

³ <http://www.legislation.gov.uk/ukxi/2006/3434/schedule/paragraph/8/made>

⁴ <http://www.legislation.gov.uk/ukxi/2015/590/schedule/1/paragraph/7/made>

This factsheet has been prepared by LGA to give some guidance on the rules of the pension scheme using the regulations as they stand at August 2019, however they should be used only as an informal view of the interpretation of the firefighters' pension scheme as only a court can provide a definitive interpretation of legislation. This factsheet should not be interpreted as legal advice

Please address any queries on the content of this factsheet to
bluelight.pensions@local.gov.uk

August 2019

FPS Administrator's Survey

PRIVATE & CONFIDENTIAL



1
What pension administrator(s) do you represent?
Hampshire County Council

2
Which Fire organisation does this survey relate to?
Hampshire Fire and Rescue Service

2a
Is this the first survey that you are completing for an organisation that you administer?
Yes

3		
What functions do you undertake for the Fire organisation? (Please select all appropriate options)		
Description	Selection	
Issuing new starters with scheme information	<input checked="" type="checkbox"/>	
Issuing members with information about regulatory amendments	<input checked="" type="checkbox"/>	
Processing calculations - such as retirements/deferreds/transfers/divorces	<input checked="" type="checkbox"/>	
Issuing calculation correspondence to the Fire organisation	<input checked="" type="checkbox"/>	
Issuing calculation correspondence to the member/their representatives	<input checked="" type="checkbox"/>	
Managing the IQMP process	<input type="checkbox"/>	
Resolving and answering pension related queries from members and/or their representatives	<input checked="" type="checkbox"/>	
Paying member pensions	<input checked="" type="checkbox"/>	
Paying member lump sums	<input checked="" type="checkbox"/>	
Paying refunds of contributions	<input checked="" type="checkbox"/>	
Paying transfer values	<input checked="" type="checkbox"/>	
Receiving transfer values	<input checked="" type="checkbox"/>	
Collecting member contributions	<input type="checkbox"/>	
Issuing Annual Benefit Statements to Active members	<input checked="" type="checkbox"/>	
Issuing Annual Benefit Statements to Deferred Members	<input checked="" type="checkbox"/>	
Issuing Pension Saving Statements	<input checked="" type="checkbox"/>	
Providing reports to HMRC for Event Reports and Account for Tax returns	<input type="checkbox"/>	
Address IDRPs requests as the 'Appointed Person'	<input type="checkbox"/>	
Attend Local Pension Board Meetings	<input type="checkbox"/>	How often do the Local Pension Board Meetings take place?
Attend customer relationship/contract meetings	<input checked="" type="checkbox"/>	Quarterly

All of the above	<input type="checkbox"/>	Specify (if Other)
Other (please specify)	<input type="checkbox"/>	

4
On a scale of 1-4 (1 being very complex and 4 being very straight forward), how do you rate the complexity of the benefit structure and regulatory provisions of the FPS?
1

5
Do you have a Service Level Agreement in place with the Fire organisation stated in Question 2?
Yes

6		
On a scale of 1-4 (1 being very unsatisfied and 4 being very satisfied), how would you rate the following information provided to you by the Fire organisation (and any other third party that provides you with information):		
The quality of data provided	The timeliness of data provided	The completeness of data provided
4	4	4

7
Do you report on the Fire organisation's performance back to the Fire organisation?
Yes

7a
Where you are not satisfied with the information provided by the Fire organisation, do you propose improvements to the Fire organisation?
Yes

8
Do you report on your performance to the Fire organisation?
Yes

8a
Where you are not meeting your SLAs, do you propose improvements to the Fire organisation?
Yes

9		
Please indicate whether any of the following potential concerns apply to the Fire organisation?		
Description	Yes	No
The Fire organisation don't understand their pension responsibilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The Fire organisation don't understand that they are the Scheme Manager	<input type="checkbox"/>	<input checked="" type="checkbox"/>
The Fire organisation isn't committed to managing the FPS	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Member data is inaccurate or incomplete	<input type="checkbox"/>	<input checked="" type="checkbox"/>
All year-end returns are late	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Legal timescales are challenging and not always being met	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Agreed service standards are challenging and not always being met by the Fire organisation	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Agreed service standards are challenging and not always being met by us as the administrator	<input type="checkbox"/>	<input checked="" type="checkbox"/>

10	
Please indicate whether any of the following potential concerns apply in respect of communications for the Firefighters that you administer	
Description	Response
Do you find that you receive more administration queries from the Fire organisation than other employers/organisations?	No
Do you find that firefighters have greater expectations of administration services to members of other pension schemes you administer?	No
How confident are you that scheme communications you issue are received by firefighters, on a scale of 1 to 4 with 1 being not confident, and 4 being completely confident?	4
How confident are you that scheme communications you issue are understood by firefighters, on a scale of 1 to 4 with 1 being not confident, and 4 being completely confident?	2

11
How many breaches of the law have you recorded in the past 12 months in relation to the Fire organisation?
0

11a
How many of these breaches have been determined to be material and have therefore been reported to the Pensions Regulator?

12
Have you provided data scores for Common and Scheme Specific Data for the 2018 Pensions Regulator annual return?
Yes

12a	
Please confirm the data scores captured for the Common and Scheme Specific Data as required for the 2018 Pensions Regulator Survey in relation to the FRA?	
Common Data	Scheme Specific Data
1992 - 97% 2006 - 95% 2015 - 99%	1992 - 99% 2006 - 98% 2015 - 97%

13
Do you measure your performance against statutory deadlines for processing cases such as issuing members with their retirement/deferred options and processing transfer cases?
Yes

13a
Do you report that performance to the FRA or their Local Pension Board?
Yes

14
How many retirement cases (where the member is retiring from active service) did you process between 1 October 2017 and 30 September 2018 in relation to the Fire organisation stated in Question 2?
Stated Cases
29

14a
Please state your agreed timescales for issuing members with their retirement quotation/options following receipt of all complete information from the Fire organisation stated in Question 2?
15 days

14b
Please confirm the percentage of cases that were completed within your agreed timescales for issuing members with their retirement quotation/option?
100%

14c

Please state your agreed timescales for completing retirement cases following receipt of all complete information from the member in respect of the Fire organisation stated in Question 2?	
15 days	
14d	
Please confirm the percentage of cases that were completed within your agreed timescales for completing retirement cases following receipt of information from members?	
100%	
15	
How many deferred cases (where the member qualifies for a deferred benefit) did you process between 1 October 2017 and 30 September 2018 in respect of the Fire organisation stated in Question 2?	
Stated Cases	
114	
15a	
Please state your agreed timescales for issuing members with the value of their deferred benefits once in receipt of all the necessary information from the Fire organisation stated in Question 2?	
20 days	
15b	
Please confirm the percentage of cases that were completed within your agreed timescales?	
100%	
16	
How many new joiner cases did you process between 1 October 2017 and 30 September 2018 in respect of the Fire organisation stated in Question 2?	
Stated Cases	
156	
16a	
Please state your agreed timescales for creating a record and issuing correspondence?	
20 days	

16b
Please confirm the percentage of cases that were completed within your agreed timescales?
100%

Copyright 2018 Aon plc. All rights reserved.

FPS Administrator's Survey

PRIVATE & CONFIDENTIAL



17	
How many Full Time Equivalent (FTE) members of staff carry out work administering the FPS for you? (e.g. if you have 4 members of staff who spend 50% of their time working on the FPS, 2 members who spend 25% of their time and 5 who spend 10% of their time then the total would be 3 FTE)	
Full Time Employees	Specify (if Other)
3 FTE	

18	
What is the average length of FPS experience for your FPS staff? (e.g. If you have 5 members of staff who administer the FPS who have worked in the FPS for 3, 2, 4, 7 and 5 years respectively, then the average would be 4.2 years)	
Description	Specify (if Other)
	Not known - no specific fire team

19	
Do staff spend a similar amount of their time working on each Fire organisation (taking into account their relative size)?	
N/A – we only administer 1 Fire Organisation	

19a	
Are there any Fire organisations in particular where more work is required which isn't due to their relative size? (please list)	
FRA Name(s) (One after the Other)	

19b	
Is there any difference in the admin fee which reflects the additional time spent on the organisations listed above?	

20	
----	--

Do you have a dedicated FPS website for the members?

Yes

20a

Are you planning on implementing a website in the near future?

21

Do you currently have an online self-service facility available to FPS members?

No

21a

Are you planning on implementing a self-service facility in the near future?

Yes

22

Do you currently have an employer self-service facility where the FRA can transfer their data to you?

No

22a

Are you planning on implementing an employer self-service facility in the near future?

No

23	
Do you feel that the Fire organisation is appropriately resourced to provide you with the required information/data in order for you to execute your functions in relation to the FPS?	
Yes/No	If not, why not? Comments
Yes	

24	
On a scale of 1-4 (1 being very poor and 4 being very good), how would you rate the guidance and support offered to you in administering the FPS from:	
Description	Rating
The Local Government Association	4
The Home Office	1
Membership of your regional Fire Pension Officer Group	3

25
Are you aware of the new Firefighters' Pension Schemes Regulations and Guidance website?
Yes

25a
Have you used this website?
Yes

25b		
On a scale of 1-4 (1 being very poor and 4 being very good), how would you rate the content offered on the website?		
Website	Rating	Comments (if any)
Content	3	
Ease of use (e.g. finding information)	3	

26
Are there any specific areas of the scheme where you think additional guidance and support are required?
Comments

FPS Administrator's Survey

PRIVATE & CONFIDENTIAL



27	
How would you rate the service levels you offer in relation to the income you receive for administration of the FPS in relation to the Fire organisation stated in Question 2?	
Description	Comments (if any)
Good – Costs reflect a good service	

28			
Did you charge any additional costs for the following "special" projects in consideration for extra resources deployed, understanding technical amendments, responding to member's queries or Fire organisation requests etc. in respect of the Fire organisation stated in Question 2?			
Description	Yes	No	Comments (if any)
Implementation of the 2015 Scheme	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
GAD v Milne	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
18-20 contribution holiday	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Norman v Cheshire	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
GMP reconciliation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
APB discretions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
TPR data reporting requirements	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Special members of the 2006 scheme	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
Others (Please Specify)			

28a
If not, why not?
Comments
Part of a shared service arrangement so difficult to charge additional costs

If you could change one thing about the FPS, what would it be?

Comments

Remove the modified scheme.

FPS Employer's Survey

PRIVATE AND CONFIDENTIAL



1

Which Fire organisation do you represent?

Hampshire Fire and Rescue Service

2

How many active (contributing) firefighters does your organisation(s) have in the FPS?

1,000 and above

3

Who carries out the administration of the FPS for your Fire organisation?

Third party - Your local LGPS administering authority

4

Have you changed your pension administrator within the last 3 years or are you planning to change administrator?

No

4a

What were/are the reasons behind the change in administrator? (multiple selections allowed)

Reason	Selection	Specify (if Any)
Cost effectiveness	<input type="checkbox"/>	
Unsatisfactory service levels	<input type="checkbox"/>	
End of contract/previous administrator did not retender	<input type="checkbox"/>	
Lack of necessary resource or expertise	<input type="checkbox"/>	Specify (if other)
Other—please specify	<input type="checkbox"/>	

FPS Employer's Survey

PRIVATE AND CONFIDENTIAL



5
How do you rate your understanding of your responsibilities in relation to the FPS
Excellent

5a		
How do you ensure that you understand your responsibilities in relation to the FPS?		
Description	Selection	Please specify below
Attendance at regular training sessions (please specify frequency/type of)	<input type="checkbox"/>	ad-hoc as and when required
Attendance at conferences (please specify)	<input checked="" type="checkbox"/>	Annual Fire conference
Compliance with a training plan (covering officers / LPB members/both)	<input checked="" type="checkbox"/>	
Make use of national support (please specify)	<input checked="" type="checkbox"/>	LGA
Other (please specify)	<input type="checkbox"/>	

5b
Do you fully comply with your responsibilities in relation to the FPS
Yes

6
Do you have a Service Level Agreement with your administrator (or equivalent if in-house)?
Yes

7

How often do you receive an administration report from your administrators (regardless of whether your administrators are in-house or a third party)?

Annually

7a

Do you feel you receive all the required information from your administration report?

Yes

8

Have you experienced difficulties in providing data for the administration of the Scheme?

Rarely

8a

What are the difficulties you have experienced from the following? (Please select multiple)

Description	Selection	
Meeting expected turnaround times	<input type="checkbox"/>	
Providing data of required quality	<input type="checkbox"/>	
Not clear what we need to provide	<input type="checkbox"/>	
Extracting data from payroll	<input type="checkbox"/>	
Other - please specify	<input checked="" type="checkbox"/>	Specify (if Other)

9

How many breaches of the law have you recorded in the past 12 months?

0

9a
How many of these breaches have been determined to be material and have therefore been reported to the Pensions Regulator?
0

10
Was your Fire organisation one of the authorities where some data wasn't used to set the assumptions for the 2016 valuation?
Don't Know

10a
How concerned are you that this is an indication of poor quality data?

10b
Have you budgeted for rectifying the data issues?

11	
Please confirm the data scores captured for your authority for the Common and Scheme Specific Data as required for the 2018 Pensions Regulator Survey.	
Common Data	Scheme Specific Data
1992 Scheme - 97%, 2006 Scheme - 95%, 2015 Scheme - 99%	1992 Scheme - 99%, 2006 Scheme - 98%, 2015 Scheme - 97%

FPS Employer's Survey

PRIVATE AND CONFIDENTIAL



12		
How many Full Time Equivalent (FTE) posts are allocated to working on FPS related matters? (Note that we are only interested in tasks that are relevant for pension purposes)		
Department	Full Time Equivalent (FTE) posts	
Finance	1	
Payroll	1	
HR	0.2	Specify (if other)
Other (please specify)		

13		
What is the total (actual not FTE) salary for all staff working on FPS related tasks in the following departments in £s? (Only count the proportion of time staff are working solely on FPS related)		
Department	Total (actual not FTE) salary	
Finance	£49,775	
Payroll	£18,431	
HR	£6,813	Specify (if other)
Other (please specify)		

14		
What is the current annual fee charged by your administrators (if external)?		
Annual Fee 2016-17 (in '000)	Annual Fee 2017-18 (in '000)	Over the next 3 years do you expect this to:
£95	£95	Increase

14b	
How are software provider costs charged?	
Select	Specify (if other)
Included (at a specified amount) within the admin fee	

15		
What is the current annual fee charged by your software provider?		
Annual Fee 2016-17 (in '000)	Annual Fee 2017-18 (in '000)	Over the next 3 years do you expect this to:
£9	£9	Stay the same

16	
Do you currently have an employer self-service portal where you can transfer your data to your administrator?	
Yes/No	
No	

17	
How many complaints have you received via the Internal Dispute Resolution Procedure (IDRP) in the last 3 years?	
1-5	

18	
Have you been issued with any fines, distress and inconvenience payments or any rectification costs within the last 3 years?	
No	

18a	
What has been the total of those fines/payments?	
Range of Fines/Payments	Specify (if other)

19

What additional (estimated) costs have you incurred for implementing/rectifying cases for the following "special" projects? (This should include internal and external costs)

Special Projects	Estimated Costs
Implementation of the 2015 Scheme [£.....]	£4,000
GAD v Milne [£]	£4,000
18-20 contribution holiday [£]	£4,000
Retrospective pensionable pay issues including Norman v Cheshire [£]	£25,000
GMP reconciliation [£]	£5,000
APB discretions [£]	£20,000
TPR data reporting requirements [£]	£1,000
Special members of the 2006 scheme [£]	£45,000

19a

What is included within your (estimated) costs?

Cost Heads	Selection	
Legal advice	<input type="checkbox"/>	
Costs of extra in-house staff time	<input type="checkbox"/>	
Administrator fees	<input checked="" type="checkbox"/>	
Other advisory fees	<input type="checkbox"/>	
Other, please specify	<input type="checkbox"/>	Specify (if other)

19b

What are your annual costs for other FPS-related activities?

Cost Heads	Cost (£)
IAS19 advice and reporting - £ (please provide 2018 costs)	£4,000
Provision of cashflow forecasts to home Office - £ (please provide 2018 costs)	£2,000
Other - £ per annum please specify activity - attendance at various meetings / committees	£10,000

20		
Do you believe you have sufficient access to advice and expertise in relation to the FPS?		
Yes/No	Where do you access that advice and expertise? (Please select multiple)	
	Description	Selection
Yes	Internally	<input checked="" type="checkbox"/>
	Local Support Network	<input checked="" type="checkbox"/>
	The Local Government Association	<input checked="" type="checkbox"/>
	The Home Office	<input checked="" type="checkbox"/>
	Consultants	<input type="checkbox"/>
	Other	<input type="checkbox"/>
		Specify (if Other)

21		
How easy do you find it to make decisions in relation to the FPS where the Regulations permit discretions such as in relation to pensionable pay or ill-health early retirements?		
How Easy	If difficult/very difficult, why (please select multiple)	
	Description	Selection
Difficult	Complexity of benefits	<input checked="" type="checkbox"/>
	Frequent changes in legislation, case law affecting administration	<input checked="" type="checkbox"/>
	High expectations from members	<input type="checkbox"/>
	Lack of support nationally	<input type="checkbox"/>
	Lack of support locally	<input type="checkbox"/>
	Other - please specify	<input type="checkbox"/>
		Specify (if Other)

22		
On a scale of 1-4 (1 being very poor and 4 being very good), how would you rate the guidance and support from:		
Heads	Rating	Any Comments
The Local Government Association	4	
The Home Office	3	
Regional Fire Pension Officer Group	2	

23	
Are you aware of the new Firefighters' Pension Schemes Regulations and Guidance website?	
Yes/No	Have you used this website?
Yes	Yes

23b

On a scale of 1-4 (1 being very poor and 4 being very good), please rate the content offered on the website?

Website	Rating	Any Comments
Content	4	
Ease of use (e.g. finding information)	4	

24

Are there any specific areas of the FPS where you think additional guidance and support is required?

Comments

FPS Employer's Survey

PRIVATE AND CONFIDENTIAL



25		
Are you aware of any intentions to change the structure of your Fire organisation to become any of the following?		
Description	Specify (If others)	If Yes to any, how do you expect this to affect the costs of managing the
A Combined Authority		Stay the same

26
How would you rate your costs for administering the FPS in the context of ensuring members receive the right benefits at the right time (this question isn't about employer contribution rates)?
About right

27
If you could change one thing about the FPS, what would it be?
Remove the Modified Scheme!