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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

NOTICE OF MEETING

<i>Meeting</i>	HIWFRA Firefighters' Pension Board	<i>Clerk to the Hampshire & Isle of Wight Fire and Rescue Authority</i> CFO Neil Odin
<i>Date and Time</i>	Tuesday, 20th July, 2021 2.00 pm	<i>Fire & Police HQ</i> <i>Leigh Road,</i> <i>Eastleigh</i> <i>Hampshire</i> <i>SO50 9SJ</i>
<i>Place</i>	Room X/Y - Fire & Police Shared HQ, Eastleigh	
<i>Enquiries to</i>	<u>members.services@hants.gov.uk</u>	

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Agenda

1 **APOLOGIES FOR ABSENCE**

To receive any apologies for absence.

2 **ELECTION OF CHAIRMAN**

To elect a Chairman of the Pension Board in accordance with the Terms of Reference until the first meeting of the Board following the 2022 HIWFRA AGM.

3 **ELECTION OF VICE-CHAIRMAN**

To elect a Vice-Chairman of the Pension Board in accordance with the Terms of Reference until the first meeting of the Board following the 2022 HIWFRA AGM.

4 **DECLARATIONS OF INTEREST**

To enable Members to disclose to the meeting any disclosable pecuniary interest they may have in any matter on the agenda for the meeting, where that interest is not already entered in the Authority's register of interests, and any other pecuniary or non-pecuniary interests in any such matter that Members may wish to disclose.

5 **MINUTES OF PREVIOUS MEETING** (Pages 5 - 8)

To confirm the minutes of the previous meeting.

6 **DEPUTATIONS**

Pursuant to Standing Order 19, to receive any deputations to this meeting

7 **CHAIRMAN'S ANNOUNCEMENTS**

To receive any announcements the Chairman may wish to make.

8 **SCHEME ADVISORY BOARD**

To receive a verbal update on the Scheme Advisory Board.

9 **HAMPSHIRE AND ISLE OF WIGHT FIRE PENSIONS ADMINISTRATION REPORT 2020/21** (Pages 9 - 16)

To receive a report providing an update on Pensions Administration for 2020/21.

10 **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT** (Pages 17 - 54)

To receive a report providing an update on legislation and the Local Government Association.

11 **FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW** (Pages 55 - 92)

To receive an update on the development of key issues and to review the Risk Register.

ABOUT THIS AGENDA:

This agenda is available through the Hampshire & Isle of Wight Fire and Rescue Service website (www.hantsfire.gov.uk) and can be provided, on request, in alternative versions (such as large print, Braille or audio) and in alternative languages.

Agenda Item 5

AT A MEETING of the HIWFRA Firefighters' Pension Board held virtually on
Microsoft Teams on Thursday, 15th April, 2021

Chairman:

* Stew Adamson

Vice-Chairman:

* Richard North

- * Councillor Roger Price
- * Sean Harrison
- * Mark Hilton
- * Richard Scarth
- * Ross Singleton
- * Dan Tasker

1. **APOLOGIES FOR ABSENCE**

There were no apologies for absence received.

2. **ELECTION OF CHAIRMAN**

Nominations were invited for the role of Chairman of the Pension Board in accordance with the Terms of Reference until the first meeting of the Board following the 2021 HIWFRA AGM.

Stew Adamson was proposed and seconded.

3. **ELECTION OF VICE-CHAIRMAN**

Nominations were invited for the role of Vice-Chairman of the Pension Board in accordance with the Terms of Reference until the first meeting of the Board following the 2021 HIWFRA AGM.

Richard North was proposed and seconded.

4. **DECLARATIONS OF INTEREST**

Members were mindful of their duty to disclose at the meeting any Disclosable Pecuniary Interest they had in any matter on the agenda for the meeting, where that interest was not already in the Authority's register of interests, and their ability to disclose any other personal interests in any such matter that they might have wished to disclose.

No interests were declared.

5. MINUTES OF PREVIOUS MEETINGS

The minutes of the previous meetings of the HFRA Firefighters' Pension Board and the Isle of Wight Fire Authority Fire Fighters Pension Board were reviewed and agreed.

6. DEPUTATIONS

There were no deputations on this occasion.

7. CHAIRMAN'S ANNOUNCEMENTS

The Chairman, Stew Adamson, thanked Board Members for electing him as Chairman for the meeting.

The Chairman invited Board Members to join in a few moments of silence to pay respects to His Royal Highness The Prince Philip, Duke of Edinburgh who passed away at Windsor Castle on Friday 9 April.

8. TERMS OF REFERENCE FOR HIWFRA FIREFIGHTERS' PENSION BOARD

The Board received and noted the Terms of Reference for the HIWFRA Firefighters' Pension Board at its inaugural meeting.

RESOLVED:

That the HIWFRA Firefighters' Pension Board received and noted the Terms of Reference for the Board.

9. SCHEME ADVISORY BOARD

There were no formal updates for this meeting.

10. FIRE PENSION BOARD ANNUAL REPORT (2020/21)

The Board received a report of the Chief Finance Officer which set out the work of the Pension Board throughout 2020/21 (Item 10 in the Minute Book). Members heard that the annual report encompassed the work of the Hampshire Firefighters' Pension Board, and Officers would look to include some information on the Isle of Wight Firefighters' Pension Board before submission to the Standards and Governance Committee.

RESOLVED:

That the annual report was agreed for submission to the HIWFRA Standards and Governance Committee with the inclusion of further information on the Isle of Wight Firefighters' Pension Board.

11. LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA) UPDATE REPORT

The Board received an update report of the Chief Finance Officer on Legislation and the Local Government Association (LGA) (Item 11 in the Minute Book).

The Chief Finance Officer highlighted key issues, and drew Members attention to paragraph 14 of the report which detailed the Schedule 22 Appeal Judgement. It was heard that the judgement would mean a significant change in increasing the number of people that Immediate Detriment remedy can be applied to, as this would now be applicable for all upcoming retirements. It was explained that the change to this legislation came quickly, and any pension scheme member with plans to retire imminently should contact pensions services so officers could undertake preparatory work around the application of Immediate Detriment. Officers would also explore further communications on this topic.

RESOLVED:

That the content of the report was noted by the HIWFRA Firefighters' Pension Board.

12. FIRE PENSION BOARD STATUS REPORT AND RISK REGISTER REVIEW

The Board received a report which provided an update on ongoing issues (Item 12 in the Minute Book). The report was introduced and key issues were highlighted to Members of the Board.

The report was introduced and Officers led Board Members through the report highlighting the development of key issues. It was heard that in relation to communication, there had been one online pre-retirement presentation and two online presentations to new recruits. Officers drew Board Members attention to registration to the Member Portal and it was heard that there had been an increase in registration to 38%. A discussion ensued on this topic and it was noted that there would be communication to encourage more registration at regular intervals, and officers would also look into other options to make information on registration more visible online.

In relation to the McCloud/Sargeant remedy, the four main points of communication to pension members were explained as highlighted in paragraph 28 of the report. Attention was drawn to paragraphs 30 – 35 of the report which detailed the work involved in the McCloud project, and the table at paragraph 35 which set out the work needed to be undertaken over the next few months. For comparison purposes, the table showed work to be undertaken for the Police and Fire schemes, but future reports would just detail information relating to the Fire scheme.

The topic of Immediate Detriment was presented as set out in the report at paragraphs 36 – 43. It was heard that out of the cases assessed so far, these had all been straightforward. A discussion ensued about Immediate Detriment and the communication given to members around this issue and it was agreed that it would be helpful to put out some communications which would help to

explain the complexities of the issue and the process needed to be undertaken. The Chairman would also talk to the Communications team around future communications on this subject.

Officers highlighted the risk of McCloud on the Risk Register and this was currently the risk area with the highest risk score. Officers highlighted the additional capacity needed to undertake McCloud work, and that pensions services had been planning around this for some time and would hire additional 'Business as Usual' officers which would free up more skilled experienced officers to work on McCloud.

RESOLVED:

- i) That the content of the report were noted by the HIWFRA Firefighters' Pension Board.
- ii) That the Risk Register as set out in paragraphs 26-27 and Appendix B be approved by the HIWFRA Firefighters' Pension Board.

Chairman,

HAMPSHIRE & IOW FIRE PENSIONS ADMINISTRATION REPORT



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

REPORT TO:	Hampshire & IOW Fire Pension Board
DATE PREPARED:	11 June 2021
TITLE:	Pensions Administration Update

Contact Name: Hayley Read Contact Email: hayley.read2@hants.gov.uk

1. Summary

- 1.1. The purpose of this report is to update the Hampshire & IOW Fire Pension Board with the 2020/21 position of scheme membership; performance against service level agreements and to provide other important and current information about the administration of the Hampshire & IOW Fire Pension Fund.

2. Background

- 2.1. Pensions Services administer the Fire pension schemes on behalf of the Chief Fire Officer, under the Joint Working agreement between Hampshire County Council, Hampshire and IOW Fire & Rescue Authority, the Police & Crime Commissioner for Hampshire and the Chief Constable of Hampshire Constabulary.
- 2.2. Responsibility for the fire schemes sits with the FRA as the scheme manager. Pensions Services therefore administer the schemes in accordance with the statutory regulations and any instructions from the FRA on discretionary matters. The FRA are part of the shared services arrangements, so all salary and service information required for pension calculations is provided to Pensions Services by the IBC.
- 2.3. Pension Services also administer the Local Government Pension Scheme for the Hampshire Pension Fund, West Sussex Pension Fund, and the Hampshire Police pension schemes.

3. Covid-19

- 3.1. In accordance with government advice, all Hampshire Pension Services staff are continuing to work from home. Working from home has not had any impact on the full delivery of services to Fire pension scheme members.
- 3.2. It is anticipated that the team will continue to work remotely for the majority of the week even when a return to the office is allowed, but face to face working will resume to ensure team coherence and continuity.

4. Membership

4.1. The table below details the number of members against status for each of the Firefighters' pension schemes as of 31 March 2021 and includes Isle of Wight firefighters due to data being transferred to our system on the same date.

	Active	Deferred	Pensioner	Total
2015 Scheme	1,179	586	18	1,783
2006 Modified Scheme	21	45	106	172
2006 Scheme	16	438	69	523
1992 Scheme	49	83	1,121	1,253
GRAND TOTAL	1,265	1,152	1,314	3,731

5. Administration Performance

5.1. Pensions Services' performance against agreed service level agreements (SLA) for key processes are monitored monthly. The SLA is 15 working days for all processes apart from the calculation of deferred benefits which is 30 working days.

5.2. The tables below show performance for the four quarters of 2020/21.

Quarter 1

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	4	1	2	0	0	7	100.00%
Deferred Retirement	1	0	0	0	0	1	100.00%
Estimates	2	4	2	0	0	8	100.00%
Deferred Benefits	9	19	5	4	0	37	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	0	0	2	0	0	2	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	6	0	0	0	0	6	100.00%
GRAND TOTAL	22	24	11	4	0	61	100.00%

Quarter 2

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	7	8	2	0	0	17	100.00%
Deferred Retirement	3	1	0	0	0	4	100.00%
Estimates	4	6	5	0	0	15	100.00%
Deferred Benefits	5	10	9	5	0	29	100.00%
Transfers In & Out	1	0	0	0	0	1	100.00%
Divorce	0	0	3	0	0	3	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	8	0	0	0	0	8	100.00%
GRAND TOTAL	28	25	19	5	0	77	100.00%

Quarter 3

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	6	4	2	0	0	12	100.00%
Deferred Retirement	0	0	0	0	0	0	100.00%
Estimates	6	5	16	0	0	27	100.00%
Deferred Benefits	3	10	5	11	1	30	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	0	1	4	0	0	5	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	6	0	1	0	0	7	100.00%
GRAND TOTAL	21	20	28	11	1	81	100.00%

Quarter 4

Type of Case	Time to Complete					Total	% completed on time
	0 – 5 days	6 – 10 days	11 -15 days	16 – 20 days	20 – 30 days		
Active Retirement	4	1	2	0	0	7	100.00%
Deferred Retirement	0	0	1	0	0	1	100.00%
Estimates	4	9	20	0	0	33	100.00%
Deferred Benefits	1	16	7	5	0	29	100.00%
Transfers In & Out	0	0	0	0	0	0	100.00%
Divorce	0	0	2	0	0	2	100.00%
Refunds	0	0	0	0	0	0	100.00%
Death Benefits	11	2	0	0	0	13	100.00%
GRAND TOTAL	20	28	32	5	0	82	100.00%

- 5.3. In addition to the casework, the annual pensions increase for 2021 was applied to all Fire deferred and pensioner records, and the first increased payment was made on time, with April's pension instalment.
- 5.4. Pensioner payslips were sent to all pensioners showing the part month increase in March and April (depending on advance or arrears payroll) together with the annual newsletter. Payslips with the full annual increase and P60s were sent at the end of April to pensioners on the advance payroll; and the end of May for pensioners on the arrears payroll.
- 5.5. Following several years of promoting the Member Portal to pensioners in their newsletters, we have now given a year's notice that we will no longer be automatically producing a paper payslip and P60 in March/April each year. Pensioners in all schemes that we administer will instead be expected to access their payslips and P60s online through the Member Portal or else provide a written opt out of electronic communications. 16 opt outs have been received to date and a reminder letter is planned for the autumn to ensure that all pensioners have been given a further opportunity to request paper copies if required.
- 5.6. This change is part of our overall move towards increasing online communications – therefore decreasing the use of paper and postage costs – and we have seen really good take up for those parts of the membership where an opt out rather than opt in approach is already in place. Our response to Covid has meant that we have accelerated our move to electronic communication where possible, to minimise staff having to go into offices and to ensure that we continue to deliver our excellent service standards whilst we work remotely. As part of this we have continued to invest in our Member Portal to improve the user experience and promote this as the main route into our service.
- 5.7. We are in the process of producing deferred benefit statements, and once the 2021 annual return has been finalised, will begin work on the active benefit statements – all statements

will be published online by the 31 August 2021, and only those who have specifically opted out of the online service will receive a paper copy to their home address.

- 5.8. Once the active benefit statements have been produced, we will review the Annual Allowance position for all active members and write to those who have exceeded the 2020/21 annual allowance by 6th October 2021.

6. Member Portal

- 6.1. The table below shows the number of Firefighters' who have registered for their online Member Portal account.

Status	Registrations to 31/03/2021	% of total membership	Registrations to 31/03/2020	% of total membership
Active	556	47.16%	342	28.45
Deferred	174	16.78%	98	9.94
Pensioner	143	12.38%	92	8.27
TOTAL	873	25.90%	532	16.12

7. 2020 Annual Benefit Statements

- 7.1. Every active and deferred member of the Firefighters' Pension Scheme received a benefit statement for 2020 by the statutory deadline of 31st August 2020.
- 7.2. As part of the exercise to produce benefit statements, we also identified 18 Firefighters who had exceeded their Annual Allowance for 2019/20 and wrote to these members by the statutory deadline of 6th October 2020.

8. McCloud remedy

- 8.1. On 4 February 2021, the Government published its response to the unfunded Public Service Pension Scheme consultation and the changes to the transitional arrangements to the 2015 schemes.
- 8.2. To remove discrimination going forward, all members regardless of current protection status, will move to the 2015 scheme from 1 April 2022.
- 8.3. Between April 2022 and 1 October 2023, active members will have their relevant membership moved to their "legacy scheme" for the remedy period (1 April 2015 to 31 March 2022). Implementation will involve many retrospective actions for each member that will need to be carried out.

- 8.4. All members will be able to make a choice about their benefits at the point that they retire - Deferred Choice Underpin (DCU).
- 8.5. Pension Services have put in place a McCloud project team to cover the work required to implement the remedy for the Police, Fire and Local Government pension schemes. An additional team member for the Police and Fire team has been recruited so that more experienced resource can be freed up to undertake the additional remedy calculations when required. The cost of the project team and software developments will be shared across partners in accordance with time and resources spent on the remedy. Costs will be reviewed on a quarterly basis, but for the first 6 months are likely to be in the region of £8,000 for Fire.
- 8.6. Data collection templates have been signed off nationally by the LGA and software providers and have since been sent to the FRA for completion by 30 September 2021. Civica, the software provider, is fully engaged with the national dialogue about system requirements.
- 8.7. In the meantime, thirteen firefighters have requested that Immediate Detriment apply to their benefits at retirement – four have already been approved and their benefits brought into payment based on their membership being entirely in the 1992 scheme. The remainder are due to retire later in the year and are at different stages in the immediate detriment process.
- 8.8. The national Fire approach to annual benefit statements for 2021/22 is to remove projections for protected members and include an LGA provided explanation for the removal of the projection.

9. Combined Fire Authority (CFA)

- 9.1. The work to transfer the pension data and documents for all Isle of Wight (IOW) firefighters, and 16 active LGPS members was completed on 31st March 2021, in time for the CFA 'Go Live' date.
- 9.2. Communications were issued to all active, deferred and pensioner members, introducing Hampshire Pension Services as the new scheme administrator and sign posting them to our Member Portal.
- 9.3. The IOW pensioner payments for May were paid on time and reconciled with the gross and net amounts expected for the month.
- 9.4. Active and Deferred members will receive their 2021 benefit statements via the Member Portal, as part of the overall benefit statement project.

10. Pensions Regulator – Data Quality

10.1. The Pensions Regulator requires all schemes to report annually a data quality score, based on the presence and validity of two data sets; common and scheme specific (previously referred to as conditional).

10.2. In December 2020 we reported our data scores to the Pensions Regulator, for the Firefighters Pension Scheme, as follows;

Common Data

	Score
1992 Fire Pension Scheme	98%
2006 Fire Pension Scheme	88%
2006 Modified Fire Pension Scheme	98%
2015 Fire Pension Scheme	98%

Scheme Specific Data

	Score
1992 Fire Pension Scheme	92%
2006 Fire Pension Scheme	98%
2006 Modified Fire Pension Scheme	90%
2015 Fire Pension Scheme	97%

11. Customer Service Excellence

11.1. In April 2021 Pension Services underwent a full three yearly assessment for the Customer Service Excellence (CSE) accreditation, and the feedback report confirmed that the required CSE standards across the 57 assessed areas were still being met.

11.2. A 'compliance plus' score was given against 5 areas, demonstrating continuous improvement beyond the required standard.

12. Complaints

12.1. We did not receive any complaints from members of the Hampshire & IOW Fire pension scheme in 2020/21.

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

Purpose: Noted

Date: **20 JULY 2021**

Title: **LEGISLATION AND LOCAL GOVERNMENT ASSOCIATION (LGA)
UPDATE REPORT**

Report of Chief Financial Officer

SUMMARY

1. This report, together with attachments, provides the framework for this agenda item.

FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been three bulletins issued since the last Fire Pension Board report. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 43, 44 and 45 can be found in APPENDICES A, B & C. There is a lot of information contained within these bulletins; the key items are set out below.

GMP INDEXATION (BULLETIN 43)

4. A Guaranteed Minimum Pension (GMP) would have accrued through an occupational pension scheme for service between 6 April 1978 and 5 April 2016 when Contracting Out was ceased. It was to guarantee that the scheme would pay you a pension of at least the difference in the value that you would have had from the state if you had not been Contracted Out.
5. In the majority of cases, the occupational pension far exceeded the GMP amount, when the member reaches State Pension Age the GMP becomes

payable and forms part of the scheme pension. Different arrangements were in place to increase the GMP elements and this depended on whether the GMP had accrued pre or post 6 April 1988.

6. The Department of Work and Pensions was responsible for paying increases on any pre 1988 GMP amounts, whereas the Pension Scheme was responsible for paying increases on any post 1988 GMP amounts. This is the case for anyone that reached State Pension Age before 6 April 2016.
7. When Contracting Out ceased on 5 April 2016, the Government put in place a temporary arrangement for those that were reaching State Pension Age on or after 6 April 2016. The changes meant that for these members the Pension Scheme would be responsible for paying increases on all the GMP elements.
8. The Government published a consultation about a permanent solution which would have involved a lot of work to “convert” the GMP amounts to full scheme benefits. They issued their response to this consultation on 23 March 2021 and the Government have announced that the temporary solution put in place will become the permanent solution from 5 April 2021. This means that there are no further changes to the processes currently in place for the increasing of pensions each April.

TAX DAY (BULLETIN 43)

9. 23 March 2021 was Tax Day and the Government announced a number of tax related policies and published a range of documents and consultations.
10. In Chapter 3 of the policy paper, section 3.8 there is a note about Pensions Tax Technical Updates which says:

“The government is finalising the remedy for the age discrimination found in the 2015 public service pension reforms (the ‘McCloud case’). In the process of designing the remedy, the government has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal properly with cases of this type. For example, the current framework does not straightforwardly permit individuals to ask their pension scheme to settle annual allowance charges from previous tax years by reducing their future pension benefits (‘Scheme Pays’). The government will therefore make technical updates to pension tax rules to remove such anomalies.”

11. This is one of a number of queries that we have outstanding with regard to the McCloud remedy and the processes involved particularly with Annual Allowance and any Scheme Pays elections.

LIFETIME ALLOWANCE (BULLETIN 43)

12. At the Spring Budget on 3 March 2021, the Government announced that legislation would be introduced in the Finance Bill 2021 to remove the uprating of the Lifetime Allowance, in line with the Consumer Price Index for tax years 2021/22 up to and including 2025/26.
13. The amount of the pension Lifetime Allowance for tax years 2021/22 up to and including 2025/26 will remain at £1,073,100.

IDRP DATA COLLECTION (BULLETIN 44)

14. The annual data collection of information relating to the numbers of Internal Dispute Resolution Procedures (IDRP) was issued in FPS Bulletin 44. As this was for the 2020/21 scheme year, the Employer Pension Manager submitted two returns, one for IWFRS and one for HFRS as this was prior to the CFA being formed.
15. HFRS did not have any IDRPs in 2020/21 and IWFRS had one, which was not upheld at either Stage One or Stage Two appeals.

REMEDY DATA COLLECTION (BULLETIN 44)

16. A remedy data collection template, along with notes for completion and guidance for administrators and FRAs was published. These have been compiled in conjunction with the software suppliers and the Fire Communications Working Group.
17. These data collection tools have been designed to deal with the large volume of data that is required for each member with relevant membership to enable the implementation of the Deferred Choice Underpin option by October 2023.

ANNUAL BENEFIT STATEMENTS (BULLETIN 44)

18. Traditionally, projections to normal pension age are included on Annual Benefit Statements (ABS'). For current protected members of the 1992 Fire Pension Scheme, where 30 years service is achieved after age 55, the projection on the ABS' would be to the members 30 years service date. It is therefore possible that this projection would go past 31 March 2022.
19. From 1 April 2022, all members will move into the 2015 Fire Pension Scheme, this means that for this group of current protected members, their projections would be incorrect as the software is not yet able to take account of the scheme change from 1 April 2022.

20. The national consensus from FRAs is that projections should therefore not be provided on ABS' for 2021 for any members that have Protected status in any of the Fire Pension Schemes.

The current numbers of Protected members are shown below:

Scheme	Number of Protected members
1992 Fire Pension Scheme	42
2006 Modified Fire Pension Scheme	20
2006 Fire Pension Scheme	11

21. A caveat will be put on these statements to explain why no projections have been provided and that if they require an estimate up to 31 March 2022 then they can request this in the usual way. Caveats will be placed on all other ABS' to say that it has not been possible to provide any remedy calculations in the ABS' for 2021.

FRA ASSESSMENT SURVEY (BULLETIN 45)

22. At the SAB event on 20 May, the FRA remedy self assessment survey was launched. The SAB require each FRA to complete the survey and this will enable a 'temperature check' to be taken to establish where each FRA is at with their planning and preparation for McCloud. It will also enable the SAB to identify what areas of support are required so that resources can be targeted and developed.
23. The Chief Finance Officer completed this survey in his role as the delegated Scheme Manager for day to day work. The survey did not highlight any areas of concern for Hampshire & IOW Fire Pensions and in fact showed that we are in a very good position and currently have adequate resources and expertise in place.

FPS MEMBER WEBSITE (BULLETIN 45)

24. On 20 May 2021, the Scheme Advisory Board held an update event where they launched the new national website for Firefighters Pension Scheme members. The site is now live at www.fpsmember.org.
25. Although there are scheme changes from 1 April 2022, it was felt it was right to launch the site now with the current position. The site will be updated in real time as and when legislation comes into force.
26. There is already a list of items that are planned for development which will bring enhancements to an already very comprehensive factual website. This is a key bit of communication which will aid in the consistency of information being provided to firefighters.

RECOMMENDATION

27. That the content of the report be noted by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

28. APPENDIX A - [FPS Bulletin 43 \(March 2021\)](#)
29. APPENDIX B - [FPS Bulletin 44 \(April 2021\)](#)
30. APPENDIX C – [FPS Bulletin 45 \(May 2021\)](#)

Contact:

Claire Neale, Employer Pension Manager, claire.neale@hants.gov.uk,
0370 779 2790

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FPS Bulletin 43 – March 2021

Welcome to issue 43 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

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 this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email claire.hey@local.gov.uk

Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday from 20 April 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Top Up grant 2021](#): FRAs should be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim to the Home Office.

FPS

LGA project management approach to age discrimination remedy

We confirmed in [FPS Bulletin 42 – February 2021](#) that HM Treasury (HMT) had published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

We are continuing to work closely with government departments and FPS stakeholders to support FRAs through the implementation of remedy.

To show how we intend to work with the sector, we have produced a [Project Implementation Document](#) (PID) which sets out the scope, deliverables, and high-level timeline for the project.

To sit alongside the PID we have developed a [remedy risk register](#) to track potential challenges to successful implementation and measure our mitigations to these risks.

We will continue to provide regular progress updates through the monthly FPS bulletins.

Remedy data collection guidance

Under deliverable 1b of the PID we are collaborating with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template.

In working through this process, we have made some changes to the draft data collection guidance issued in February. Changes have been made to the existing 'Identifying affected members' and 'Pay' sections and we have added new sections on 'Added Pension contracts' and 'Ill-health retirement'. Links to clean and tracked versions of the guidance can be accessed below.

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 clean](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 1.1 tracked](#)

FPS annual update 2021

We confirmed in [FPS Bulletin 42 – February 2021](#) that FPS contribution rates remained unchanged for 2021-22.

All relevant thresholds and rate changes for 2021 are available in the [FPS annual update 2021](#).

All relevant legislation can be viewed on our website under [annual update Statutory Instruments](#).

Top Up grant 2021: Collection of pensions accounting data – action required

On 31 March 2021, the Home Office sent an email to Claim Certifiers and Administrators to advise that FRAs should now be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim. This year's pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live.

ACTION: In addition to the pensions income/expenditure data to be submitted on DELTA, the Home Office are also requesting that all FRAs provide electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2019/20 DELTA return by email, to include any post balance sheet adjustment events. These should be sent to Anthony.Mooney@homeoffice.gov.uk.

Please note that this information is needed by **Friday 14 May** to enable the relevant checks to be undertaken (and further clarification sought from FRAs where necessary) in time to make the next batch of grant payments in July.

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The Home Office will only be able to make Top Up grant payments on any claims that they can validate as being correct and, as such, failure to provide the requested information, or the submission of incomplete information, will delay any grant payments due in July.

Please also note that there are a number of automatic comparison checks on the data that is submitted on DELTA with the data previously submitted. The automatic checks include:

1. a cross-reference check on the audited 2019/20 pension income/expenditure data with the unaudited 2019/20 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3-year financial cycle; and
2. a cross-reference check on the unaudited 2020/21 pension income/expenditure data with the updated forecast 2020/21 pensions income/expenditure data (submitted by each FRA in August 2020).

If the variances breach certain tolerance levels, then the DELTA form will request a short explanation to explain the difference before the form can be submitted.

Please contact Anthony.Mooney@homeoffice.gov.uk if you have any questions.

March 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. No new queries have been added this month.

FPS England SAB updates

SAB Administration and Benchmarking committee renamed

To achieve the objectives outlined with the remedy PID, the Scheme Advisory Board (SAB) will play a key role by providing governance oversight and engaging with the Board secretariat on policy issues. The [SAB's three committees](#) will be crucial to this process as they provide a direct link between practitioners and the Board.

To better reflect the SAB's legal requirement under [Regulation 4E\(3\)](#) to provide "advice to scheme managers and local pension boards in relation to the effective and efficient administration and management of this scheme and any connected scheme", the Administration and Benchmarking committee has been renamed as the [Scheme Management and Administration \(SMA\) committee](#).

The committee will work closely with the FCWG to support the communications pillar of remedy delivery.

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FRA remedy self-assessment survey warm-up

To make sure that the LGA and SAB can offer the right level and type of support, we will shortly be asking FRAs to complete a self-assessment survey to tell us how prepared they feel for implementing age discrimination remedy.

The survey will be completed via Survey Monkey and we will be offering telephone appointments to all FRAs to go through the questions. We expect that this will take place during May 2021.

Other News and Updates

Government publish response to consultation on GMP Indexation in Public Service Pension Schemes

On 23 March 2021, the government published their [response to the consultation on Guaranteed Minimum Pension \(GMP\) Indexation in Public Service Pension Schemes](#).

The response concludes that the government has decided to discount conversion as a long-term policy solution and make the interim solution the permanent solution for GMP indexation in public service pension schemes. This approach will mean that public service pension schemes will be directed to provide full indexation to those public servants with a GMP, reaching State Pension age (SPa) beyond 5 April 2021.

The accompanying HMT Direction (issued under section 59A of the Social Security Pensions Act 1975) is being finalised and will be published shortly.

Meanwhile, an increase of 0.5 per cent should be applied:

- on 6 April 2021 to the post-5 April 1988 GMP element of a pension in payment (by way of the [Guaranteed Minimum Pension Increase Order 2021](#) [SI2021/163]), and
- on 12 April 2021 to the pre-6 April 1988 GMP element of a pension in payment (by way of the [Pensions Increase \(Review\) Order 2021](#) [SI2021/275]) if the individual reached SPa after 5 April 2016, provided the member's pension increase (PI) date is before 6 April 2020. If the individual reached SPa after 5 April 2016 and their PI date is after 5 April 2020, then a pro-rata increase will apply to the pre-6 April 1988 GMP element of their pension in payment.

TPR consult on new modular code of practice

On 17 March 2021 the Pensions Regulator (TPR) published a [consultation on the draft content for a new code of practice](#).

The first phase of the new code consists of 51 shorter, topic-based modules. These replace 10 of the existing codes of practice and mainly deal with the governance and administration of pension schemes.

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The consultation incorporates changes introduced by the [Occupational Pension Schemes \(Governance\) \(Amendment\) Regulations 2018](#) relating to effective systems of governance and own-risk assessment.

The new code has been designed to be a web-based product. An [early version of the web-based code](#) is available during the consultation. Views are also sought on the design, usability, and navigation of this version of the code.

The consultation closes on 26 May 2021.

Tax Day

23 March 2021 was Tax Day and the government announced a number of tax related policies and published [a range of documents and consultations](#).

Of note is paragraph 3.8 relating to an updated framework to deal with ‘McCloud’ age discrimination:

3.8 Pensions tax technical updates

The government is finalising the remedy for the age discrimination found in the 2015 public service pension reforms (the ‘McCloud case’). In the process of designing the remedy, the government has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal properly with cases of this type. For example, the current framework does not straightforwardly permit individuals to ask their pension scheme to settle annual allowance charges from previous tax years by reducing their future pension benefits (‘Scheme Pays’). The government will therefore make technical updates to pension tax rules to remove such anomalies.

PASA guide to preparing for pensions dashboards

The Pensions Administration Standards Association (PASA) has this month released [guidance on getting ready for pensions dashboards](#), with a strong focus on what schemes should be doing now to make sure they have the right data in place.

You can sign up for updates on pensions dashboards at the [Pensions Dashboards Programme website](#).

Events

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

We will be taking a break over Easter and the next event is scheduled to take place on 20 April 2021. If you would like to join us, please email bluelight.pensions@local.gov.uk.

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HMRC

Setting the standard Lifetime Allowance from 2021/22 to 2025/26

At the [Spring Budget on 3 March 2021](#), the government announced that legislation will be introduced in the Finance Bill 2021 to remove uprating in line with the consumer price index for tax years 2021/22 up to and including 2025/26.

The amount of the pension lifetime allowance for tax years 2021/22 up to and including 2025/26 will remain at £1,073,100.

More information can be found in the [HMRC Tax Information and Impact Note](#) published on 3 March 2021.

HMRC newsletters/bulletins

On 4 March 2021 HMRC published [Pension schemes newsletter 128](#) containing important updates and guidance for schemes. Articles include:

- Spring Budget 2021 – annual allowance and lifetime allowance
- Extension to the temporary changes to pension processes as a result of coronavirus
- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – Scottish Income Tax rates, Welsh Income Tax rates, members residency status for relief at source 2021 to 2022, annual return of information, APSS590 declaration
- Increasing the normal minimum pension age – consultation on implementation
- Public service pension schemes – changes to the transitional arrangements to the 2015 schemes

Managing Pension Schemes service

On 16 March 2021 HMRC published a [Managing Pension Schemes Newsletter](#), with information about the new practitioner features available on the Managing Pension Schemes service. This also includes information on migration of pension schemes from the Pension Schemes Online service to the Managing Pension Schemes service and how you can prepare for this.

Given the current limitations, because of COVID-19, HMRC are rethinking how to work with stakeholders to discuss upcoming changes and functionality on the Managing Pension Schemes service and share your questions, feedback and concerns about migration.

[Please let HMRC know](#) if you would be interested in attending a virtual session to discuss migration of pension schemes on to the Managing Pension Schemes service, if you have any specific questions or topics you would like to raise, or if you have an alternative suggestion on how you would like your feedback communicated.

Contracting-out reconciliation update

On 25 March 2021 HMRC published [Countdown bulletin 54](#) with an update on issuing final data cuts to pension scheme administrators.

If your scheme has not received its final data cut and you were appointed administrator before 31 July 2020, contact the Customer Relationship Team by email to CRM.schemereconciliationservice@hmrc.gov.uk.

The deadline for requesting the final data cut is 31 July 2021.

Legislation

SI	Reference title
2021/163	The Guaranteed Minimum Pensions Increase Order 2021
2021/214	The Occupational and Personal Pension Schemes (General Levy) (Amendment) Regulations 2021
2021/267	The Social Security Revaluation of Earnings Factors Order 2021
2021/275	The Pensions Increase (Review) Order 2021
2021/276	The Public Service Pensions Revaluation Order 2021
2021/314	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2021

Welsh circular W-FRSC(2021) 04.

The Welsh Government has issued a circular outlining the implications of [The Firefighters' Pension Schemes and Compensation Scheme \(Wales\) \(Amendment\) Regulations 2021](#) on Firefighter Pension Schemes in Wales. The Regulations came into force on 23 February 2021.

All circulars issued by the Welsh Government can be accessed via the link below.

<https://gov.wales/fire-circulars>

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](#)

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- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing bluelight.pensions@local.gov.uk.



FPS Bulletin 44 – April 2021

Welcome to issue 44 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video.

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 this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

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Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday from 4 May 2021
South East regional group	14 May 2021
North East regional group	19 May 2021
Virtual SAB update event – Zoom	20 May 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Remedy data collection](#): FRAs and scheme administrators should familiarise themselves with the data collection tools and consider any processes or additional resources that need to be put in place.

[Annual Benefit Statements](#): FRAs should ensure that projections for protected members **do not include** final salary benefits projected past 31 March 2022.

[IDRP data collection](#): FRAs should return the completed IDRP data template by 31 May 2021.

FPS

Remedy data collection tools

We told readers in [FPS Bulletin 43 – March 2021](#) that we were working with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template to sit alongside the draft data collection guidance.

With thanks to all involved, we are now pleased to provide the links to the template and notes for completion, and clean and tracked versions of the latest data collection guidance.

[FPS remedy data collection template](#)

[FPS remedy data collection notes for completion](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 clean](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 tracked](#)

The data products have been provided to complement internal processes and workflow between FRAs and administrators; they are not provided as standalone tools.

Please note that the template and associated documents have been provided to collect data relating to cases that will be remedied following implementation of legislation and software solutions. It is not intended as a data collection mechanism for immediate detriment cases.

We will be holding a workshop session at the FPS coffee morning on 4 May to discuss how documents have been developed and give colleagues the chance to ask questions.

Annual Benefit Statements 2021

The yearly process for producing Annual Benefit Statements (ABS) will have now started and readers will be familiar with the requirement for statements to be issued by 31 August 2021. The following comments have been made to recognise the position of HM Treasury (HMT) policy decisions on ABS for this year

Current Values

The scheme regulations require benefit statements to produce a current value at 31 March of the relevant scheme year and, as per paragraph A.56 of the [HMT consultation response](#), future statements will need to provide both values of legacy and reformed benefits for the remedy period within that current value.

We understand that it will be disappointing to members that the current values on this year's ABS will not be able to reflect the remedy choice between legacy and reformed benefits at this stage. However, those calculations will require significant software amendment which are not expected until 2023, therefore current values for this year will reflect members' current scheme membership only.

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Projections

Traditionally it has been common for the Firefighters' Pension Scheme to include projections to normal pension age as part of the ABS. We understand these projections are valuable to members as it allows them to understand the likely value of their benefits at retirement age; however, projecting CARE benefits can be an imperfect science as the projections cannot cater for a future change in accrual rate due to a change in cost cap, nor can it cater for inflation on future pay and promotions.

Chapter 3 of the [consultation response](#) deals with the decision to close legacy schemes for future accrual on 31 March 2022, and the final paragraph of that section [3.56] confirms that primary legislation will be introduced to close the legacy schemes on 31 March 2022. Currently protected members of the scheme were protected based on achieving normal pension age by 31 March 2022, therefore most protected members are expected to retire before 31 March 2022. However, it is possible that a small cohort of members will continue past 31 March 2022 to reach their 30-year service date. After 1 April 2022 they will continue in the scheme as a member of FPS 2015.

Benefit statements for protected members should not reflect final salary benefits accrued past 31 March 2022.

Therefore, any projections that would ordinarily have been projected past 31 March 2022 (such as to 30 years' service) should not be included in the ABS issued this year. Unfortunately, due to the significant software amendments that are required, it is not currently possible to accurately project future benefits in FPS 2015 for currently protected members. Administrators may take different approaches with regards to this depending on whether they issue paper statements or via self-service; however, members due to retire before 31 March 2022 should be able to request an estimate in their usual way.

Appropriate messaging

It is recommended that this approach should be communicated to members in the ABS using the following caveat:

“Important: Please note that this year’s Annual Benefit Statement provides an estimate of your pension benefits built up in your current scheme membership to 31/03/2021.

On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters’ and Judges’ pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes.

The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. This work is complex and will take time. For further information please see the Written Ministerial Statement from 4 February 2021: <https://questions-statements.parliament.uk/written-statements/detail/2021-02-04/hcws757>

We understand that it will be disappointing to members that the current values of this year's statement will not be able to reflect the remedy choice between legacy and reformed benefits at this stage, however, the rules and systems are not yet in place to calculate benefits with discrimination removed. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

Any projections on your pension entitlement are based on the assumption that your current membership will continue until your normal pension age. All currently **protected members** will be placed in the FPS 2015 for service after 1 April 2022 (the end of the remedy period). Due to the software changes needed to illustrate this, it will not be possible to reflect this position in projected benefits this year. [Optional for those who wish to provide estimates - **Members due to retire before 31 March 2022 should be able to request an estimate in their usual way.**]

You can find more information about removing age discrimination on the FPS Regulations and Guidance website: <https://www.fpsregs.org/index.php/age-discrimination-remedy/implementation>”

In advance of statements being issued, you may also wish to re-confirm the two-stage approach¹ taken by HMT to remove the discrimination and reassure members that although remedy may not be able to be reflected in the ABS, members will in due course be able to choose to receive legacy pension scheme benefits for the remedy period (1 April 2015 to 31 March 2022). Membership of the Firefighters' Pension Schemes after 1 April 2022 will continue for all members in FPS 2015.

Details of how the Government intend to remove the discrimination can be found on the [age discrimination remedy implementation](#) page of www.fpsregs.org. We will provide an updated version of the standard ABS template in the next bulletin.

Technical 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 monthly in line with the bulletin release dates.

No new queries have been added this month.

¹ The discrimination will be removed in two parts; the first is prospectively for future benefits from 1 April 2022, the second is retrospectively for benefits built up during the period of discrimination 1 April 2015 to 31 March 2022 (the remedy period), eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the reformed pension scheme.

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

FPS England SAB updates

IDRP data collection: action needed

In [FPS Bulletin 30 – March 2020](#) we began the first round of data collection for Internal Dispute Resolution Procedures (IDRPs). We advised FRAs that this would be an annual process in line with the scheme year, to collect numbers of cases and any emerging themes.

As the next scheme year has recently ended, we ask that FRAs complete the spreadsheet at [Appendix 1](#) and return this to bluelight.pensions@local.gov.uk by 31 May 2021.

Notes for completion:

- FRAs should complete the number of Stage 1 and Stage 2 complaints received against the categories listed within the scheme year. Categories can be added to the list as required.
- The columns ask FRAs to differentiate between cases that are upheld and overturned. The complaint is always raised by the member, so if the complaint is upheld, it means that the decision maker agreed with the complainant. If it is overturned, it means that the decision maker did not agree.
- The final piece of information required is the decision maker(s) at each stage.

Figure 1: Example of completed spreadsheet

Scheme year 2020-21	Stage 1			Stage 2		
Fire and Rescue Authority	Type	Upheld	Overturned	Total	Upheld	Overturned
(Select from the drop down list)	(Add any others to the list)	(Give scheme year total)	(Give scheme year total)		(Give scheme year total)	(Give scheme year total)
FRA drop down						
	Pensionable Pay		1			1
	Ill-Health	1				
	Refund		1			
	Transfer		1			
	Special Member Contributions	1				
	Remedy related					
Total		5	2	3	1	1
(Please state decision maker for each stage)						
Stage 1 decision maker:	Chief Fire Officer					
Stage 2 decision maker:	Appeals panel					

The [findings of the first IDRPs data request](#) were presented to the Scheme Advisory Board (SAB) in May 2020 and we published updated informal IDRPs guidance at that time. We are still working on guidance for decision makers and guidance for members to complement the factsheet.

FRA remedy self-assessment survey

As detailed in [FPS Bulletin 43 – March 2021](#), we will be launching the age discrimination planning survey to FRAs in the coming month.

FRAs will be provided with the questionnaire in advance of completing the online survey and all authorities will be offered a telephone or Teams appointment to help them fill it in.

Look out for more information at the [SAB update event](#) on 20 May 2021.

Other News and Updates

Hampshire and Isle of Wight FRs combine

Forty-five became forty-four on 1 April 2021 when Hampshire and Isle of Wight Fire and Rescue Services combined into a brand-new organisation.

[Find out more about this momentous day](#) on the Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) website.

Focus on... Pension scams

The Pensions Scams Industry Group (PSIG) has published [version 2.2 of its 'Code of Good Practice on Combating Pension Scams'](#).

The new version is effective from 1 April 2021 and is updated to improve usability and to reflect recent regulatory changes as well as the evolving nature of pension scams. The code includes a section outlining the key changes.

On 8 April 2021, the Pensions Regulator (TPR) published a recording of their [webinar on the pledge to combat pension scams](#).

The webinar included speakers from TPR, PSIG, the Money and Pension Service and the City of London Police. It also included recordings of calls from victims of scams.

On 20 April 2021, Action Fraud launched a new campaign on pension scams called [#ProtectYourPension](#), following figures from the national reporting centre for fraud and cyber crime that revealed £1.8 million has been lost to pension fraud already in 2021.

The campaign reminds scheme members of the importance of doing research before making changes to their pension arrangements.

TPO turns thirty

This month sees the start of a campaign to mark [30 years of the Pensions Ombudsman \(TPO\)](#) resolving pension disputes.

The service was launched on 1 April 1991 and since that time has received 100,000 written enquiries and issued nearly 9,000 determinations.

As well as investigating and determining complaints and disputes about pension schemes, TPO issues leaflets and factsheets. TPO published the following factsheets for members in March 2020:

[The Early Resolution Service](#)

[How we investigate complaints](#)

[Complaining to the party/parties at fault](#)

Events

Virtual SAB update event

On 20 May 2021, Joanne Livingstone will be hosting a [virtual SAB update event](#) on Zoom.

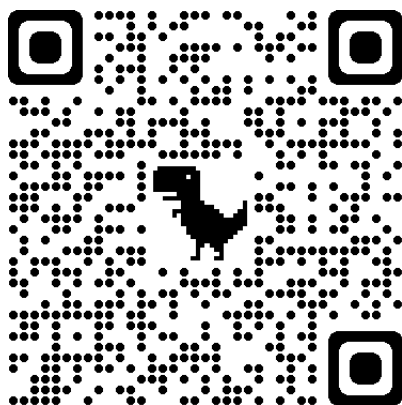
We would be delighted if readers can join us for this session. Joanne will be launching the brand-new FPS member website and discussing preparations for age discrimination remedy.

The event is open to all and joining details for the 90-minute session are shown below:

When: May 20, 2021 01:00 PM

Please click the link below to join the webinar or scan the QR code:

[Firefighters' England Scheme Advisory Board \(SAB\) Update](#)



Passcode: 576813

Dial-in details can be provided on request.

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FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 4 May 2021 and will focus on the data collection tools for gathering remedy data.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021

[The Pension \(Non-Taxable Payments Following Death\) \(Real Time Information\) Regulations 2021](#), which commence on 6 April 2022, will require pension schemes to report certain non-taxable payments made to beneficiaries following a member's death.

Schemes will report this information to HMRC using the Real Time Information (RTI) system. This will not apply to non-taxable defined benefits lump sum death benefits and non-taxable uncrystallised funds lump sum death benefits.

HMRC has prepared [a tax information note](#) giving more information about the changes for pension scheme administrators and employers who pay pensions.

Guidance on pension scheme rates and allowances

HMRC has updated its [guidance on pension schemes rates and allowances](#) for 2021 to 2022. The guidance includes limits on the lifetime and annual allowances, as well as relevant tax charges on payments from registered pension schemes.

Guidance for members on [valuing pension for lifetime allowance protection](#) has also been updated with the standard lifetime allowance for 2021 to 2022.

Legislation

SI	Reference title
2021/197	Correction Slip 1 to the Restriction of Public Sector Exit Payments (Revocation) Regulations 2021
2021/506	The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021

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](#)
- [LGPS Regulations and Guidance](#)
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FPS Bulletin 45 – May 2021

Welcome to issue 45 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video.

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 this bulletin or suggested items for future issues, please email claire.hey@local.gov.uk.

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email claire.hey@local.gov.uk

Table 1: Calendar of events

Event	Date
FPS coffee and catch up	Every second Tuesday from 8 June 2021
North West regional group	9 June 2021
Eastern regional group	10 June 2021
SAB	24 June 2021
North East regional group	18 August 2021
SAB	9 September 2021
SAB	9 December 2021

Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Remedy self-assessment survey](#): FRAs to complete SAB remedy self-assessment survey by 30 June 2021. Survey link has been emailed to authorities.

FPS

FPS Member website launched

We were delighted to launch the first national website for Firefighters' Pension Scheme members on 20 May 2021 at the Scheme Advisory Board (SAB) update event. The site is now live at www.fpsmember.org.

The aim of the site is to have a central resource for firefighters to find out about their pension scheme and the benefits and options that are available. We want every firefighter in the country to have access to the same level of information, regardless of where they work or what their role is. We want to remove some of the myth and mystery that surround Firefighters' Pensions and make sure that members and their dependents are not relying on colleagues or social media for information or decision-making that may impact their future benefits.

The site is based on the scheme rules and so only provides facts, rather than opinion and speculation. We want to provide members with the tools and knowledge to be informed about the scheme and what any future changes will mean for them.

The [homepage](#) is divided into sections for each of the current schemes. As stated in the welcome text, the site is based on the current rules that are in force now.

We know that there are going to be changes to the schemes in the next couple of years, based on the implementation of age discrimination remedy. However, following extended discussions with the Fire Communications Working Group (FCWG), we took the decision to launch the site now in this structure, so we can bring the changes to members in real time – or as close to as possible.

Member can find more information about the changes in the news or remedy sections.

We would like to extend our thanks to our partners in developing the website, Avon Pension Fund, and to the FCWG who provided initial feedback and reviewed much of the site content. The bulk of the content itself has been adapted from written guides drafted by Eunice Heaney, formerly of Oxfordshire and Staffordshire Fire and Rescue Services, and we offer our thanks to Eunice also.

We are committed to keeping the site up to date and relevant. We will add further information about age discrimination and changes to the scheme rules as soon as it becomes available. We will update any articles and factsheets with changes to annual limits and thresholds each year. We will continue to work to make sure the site is accessible to all and that we are complying with the law.

Future development is planned in the following areas:

- Compensation scheme
- Additional glossary content (A-Z terms)
- Extra page under FPS 2006 Special Members on eligibility to join
- Extra page under Need to know on Pensions Increase
- Examples for Annual Allowance and Lifetime Allowance
- Extra information for devolved FRAs such as early retirement factors
- Replacement of PDF factsheets with standalone web pages

Annual Benefit Statements 2021

In [FPS Bulletin 44 – April 2021](#) we commented on the position of Annual Benefit Statements (ABS) for protected members and recommended that projections be removed for this cohort.

We also provided a standard caveat that could be used on the statements.

The standard [ABS template and notes](#) have been updated with the new scheme year and the revised caveat and published on the Regulations and Guidance website. Examples in the annexes have been brought up to date.

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We will continue to review requirements for ABS over the coming years in line with HM Treasury (HMT) policy decisions on remedy.

Technical 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 monthly in line with the bulletin release dates.

No new queries have been added this month.

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

FPS England SAB updates

FRA remedy self-assessment survey launched

The SAB update event on 20 May also saw the launch of the FRA remedy self-assessment survey. The Survey Monkey link was shared with FRAs by email after the Zoom session.

As part of their statutory role to provide advice to scheme managers and Local Pension Boards in relation to the efficient and effective administration and management of the Firefighters' Pension Scheme, the Board want to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.

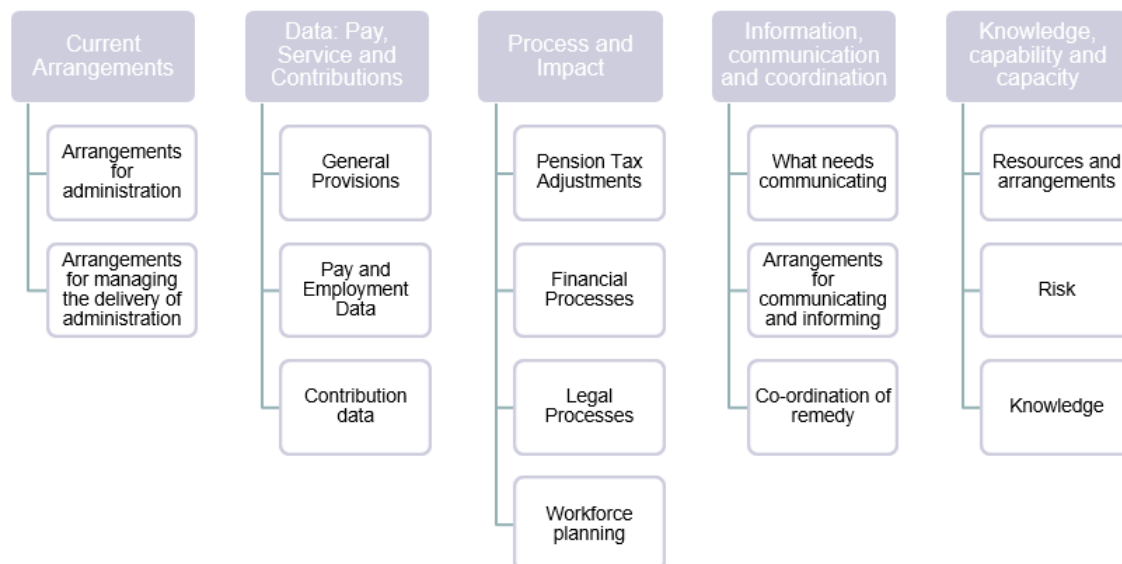
To do this, the Board has prepared a self-assessment survey to take a temperature check of current arrangements. The survey should only be completed once per FRA and we would expect this to be completed by the delegated [scheme manager](#) or an appropriate representative of the delegated scheme manager. It should not be completed by scheme administrators.

The closing date of the survey is 30 June 2021. Once the survey has closed, we will analyse the data and provide a report to the SAB for their September meeting. Welsh FRAs are also invited to complete the survey and the data will be shared with the Welsh Scheme Advisory Board.

We ask that FRAs are as open as possible when completing the survey, this will help the Board consider what additional support and advice will be needed. A PDF version of the questionnaire was provided for data gathering in advance of online completion. The LGA team are also offering some survey support slots. Please complete the [doodle poll](#) to book a slot; further slots will be made available through June as necessary.

Figure 1: Self-assessment survey areas

Self-Assessment Survey Areas



Open letter from SAB to HMT on remedy consultation response

The SAB has written an [open letter to HMT](#) about the specific policy issues listed below that will affect the application of the Firefighters' Pension Scheme (FPS).

1. How to adjust contribution amendments for members of the FPS 2006
2. How the policy decision for taper members will be applied to taper members who have passed their 30-year service date.
3. Contingent decisions

The Board notes the publication of the Government response to the consultation confirming the decision to introduce retrospective remedy via Deferred Choice Underpin (DCU), and the decision to allow for implementation by October 2023, giving more time to bring in the significant processes that will be needed to implement DCU.

The Board's [response to the consultation](#) dated 9 October gave their fuller views on the wider issues with regard to age discrimination.

Other News and Updates

PDP Call for Input on dashboard staging dates

The Pensions Dashboard Programme (PDP) has launched its latest [call for input, on staging dates for the dashboard](#).

The call for input outlines the proposed order and timings for pension providers and

[Click here to return to Contents](#)

schemes (data providers) to connect to the pensions dashboard. The recommended timescales have been developed with the Department for Work and Pensions (DWP), the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR).

The PDP is asking for feedback from pension providers, third-party administrators and software providers, consumer groups and other stakeholders on these initial proposals, to help shape the formal DWP consultation later in the year.

Pages 24-25 and questions 22 and 23 are especially relevant to public service pension schemes.

The call for input is open until Friday 9 July.

Data providers can find more information about the [timeline and steps for connection](#) on the PDP website.

National Audit Office publish public service pensions report

In March, the National Audit Office (NAO) published a [report into public service pensions](#). It found that the Government's reforms to public service pensions in 2015 have helped contain rising costs to the taxpayer.

However, the report says that the Government should monitor more than just affordability and should consider how good pension provision could help to recruit and retain staff, and where more flexibility could be offered to employers.

The NAO makes five key recommendations on issues which it says the Government needs to address soon, including the impact of age discrimination remedy and how the cost control mechanism works.

DWP consultation on pension scams

On 14 May 2021, the DWP launched a [consultation on pension scams: empowering trustees and protecting members](#). The consultation asks for views on proposed regulations which place new requirements on trustees and scheme managers before a pension transfer can be completed.

The consultation closes on 10 June 2021.

Eversheds Sutherland has produced a helpful [article summarising the proposed transfer conditions](#).

Guidance for employers on providing support with financial matters

We know that employers and administrators are often asked by members for advice on decision making. This is likely to become more common as we move into implementation of the Deferred Choice Underpin and members will need to choose between legacy and reformed scheme benefits for the remedy period.

TPR has produced a guide with the FCA on [providing support to employees with financial matters](#) without being subject to FCA regulation. The guide gives information on what can be done without needing authorisation and signposting employees to publicly available resources.

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Events

Virtual SAB update event

On 20 May 2021, Joanne Livingstone hosted a virtual SAB update event on Zoom to launch the new [FPS Member website](#) and FRA remedy self-assessment survey.

Clair Alcock gave an update on remedy data requirements and reminded delegates of the data collection tools that were provided with [FPS Bulletin 44 – April 2021](#).

We will upload the recording of the session to our [Events page](#) soon.

FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 8 June 2021.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

HMRC newsletters/bulletins

On 30 April 2021 HMRC published [Pension schemes newsletter 129](#) containing important updates and guidance for schemes. Articles include:

- Pension flexibility statistics
- Registration statistics
- Relief at source
- Pension scheme returns
- Winding up pension schemes
- Enrolling on the Managing Pension Schemes service
- Signing in to online services
- Annual allowance calculator
- Non-taxable payments following a member's death and Real Time Information reporting

Migration to the Managing Pension Schemes Service

HMRC has recently held a series of Managing Pension Schemes Workshops. The workshops focussed on migration and what action needs to be taken and discussed raising awareness amongst scheme administrators and practitioners about the need to enrol on the Managing Pension Schemes Service prior to migration.

Migration of pension schemes to the Managing Pension Schemes service will begin in 2022.

A message from John Bhandal, HMRC's Head of Compliance for Pensions, Savings and CISC, is attached at [Appendix 1](#).

You can find more information on the migration of pension schemes in the [Managing Pension Schemes service newsletter – March 2021](#).

If you have any further questions after reading the newsletter or encounter any issues, please email migration.mps@hmrc.gov.uk.

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [Khuh Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

Purpose: Noted

Date: **20 JULY 2021**

Title: **FIRE PENSION BOARD STATUS REPORT & RISK REGISTER REVIEW**

Report of Chief Financial Officer

SUMMARY

1. This report provides an update on the development of key items.
2. This report, together with attachments, provides the framework for this meeting agenda.

STATUTORY REPORTING

3. The Accounting for Tax (AFT) for quarter 4 2020/21 was submitted and paid to HMRC on 27 April 2021. The table below shows the breakdown of the payments made.

Type of payment	Number of members	Amount paid
AFT - Annual Allowance	2	£29,023
Total paid to HMRC	2	£29,023

COMMUNICATION

4. Since the last Board meeting there have not been any Fire Pension presentations.

MEETINGS

5. The Employer Pension Manager has continued to attend the fortnightly “coffee mornings” put on by the LGA. She has also attended the Fire Communications Working group and the South East Regional Fire Pensions Officers group. These are national meetings and hosted by the LGA and continue to be online meetings.
6. The Employer Pension Manager also attended the Fire SAB virtual event on 20 May 2021 where Claire Hey from the LGA officially launched the national FPS Member website: www.fpsmember.org. This has been a long time in the making and members of the Fire Communications Working Group have been heavily involved in reviewing the content prior to the launch.

PENSIONS MEMBER PORTAL

7. The reporting for the Pensions Member Portal has been amended and we will no longer be reporting the split of age ranges, but instead will report the number of registered users for the current month of reporting that is available. We are also now able to report the number of deferred and pensioner members that are fully registered with the Pensions Member Portal.
8. The table below shows that 47.16% of active members, 16.18% of deferred members and 12.38% of pensioner members are now registered for the Pensions Member Portal. This represents 25.61% of the total Fire Pension Scheme membership.

HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
	Number	% of active membership	Number	% of deferred membership	Number	% of pensioner membership	Number	% of total membership
Registered	556	47.16%	174	16.18%	143	12.38%	873	25.61%
Not registered	623	52.84%	901	83.82%	1,012	87.62%	2,536	74.39%
Total	1,179	100.00%	1,075	100.00%	1,155	100.00%	3,409	100.00%

9. For the pensioner members, registrations on the Portal have increased significantly over the past few months and that this is largely because from next year, payslips, P60’s and newsletters will only be available online, unless the member has opted out.

COMBINED FIRE AUTHORITY (CFA)

10. The transfer of payroll and pensions data from IWC to the IBC Shared Services payrolls and to Hampshire Pension Services was completed on time with no major issues.

11. For Hampshire Pension Services there are some tasks that will take time to get through and this mostly relates to the uploading of the documents onto members pension records.

HISTORICAL CONTRIBUTION RATES

12. As part of the transfer, it was identified that there was an issue with historical employee contribution rates that affected on-call / RDS firefighters paid by the IWC for the period 1 April 2012 and 31 March 2021.
13. The Chief Finance Officer has been in contact with the IWC Chief Finance Officer to advise them of the issue. It is not yet clear how this will be resolved, and discussions are currently ongoing.

2006 MODIFIED FIRE PENSION SCHEME

14. Some issues have also been identified with regard to the 2006 Modified Fire Pension Scheme members from the IWC and specifically with regard to the payments that have been or are still being made.
15. We have 21 members that are continuing to pay their monthly amounts to pay for the purchase of the arrears of service. These were all set up with new Direct Debits with Hampshire from April 2021.
16. We are now in the process of carrying out an audit of the contributions paid to the IWC. This will enable us to identify any differences in what has been paid compared to what was due. Initial checks show that there are potentially some underpayments for some of these members.
17. It has also been mentioned that some members that elected to pay their arrears of contributions by lump sum have been overcharged interest. The Employer Pension Manager is in the process of reviewing all the 2006 Modified Fire Pension Scheme data from the IWC to establish if are any issues which may need correcting.

RISK REVIEW

18. There are a number of items in pension administration and governance which contain elements of risk to varying degrees. Risks are captured through a variety of ways; some are on the risk register, while others are picked up as part of the regular horizon scanning that the Employer Pension Groups do.

RISK REGISTER

19. The board are asked to review the Risk Register and to suggest any amendments. The Risk Register can be found in APPENDIX A.

MATTHEWS / O'BRIEN CASE

20. There is still no update on this, other than that the legal discussions are still ongoing. We are waiting for the draft legislation to be issued from the Home Office which will enable us to determine the scale and parameters of members that are affected by the legislation change. Once we have this, we will be able to form a project team to both scope and plan the work required.
21. We know that this is being called the second options exercise for the Modified Fire Pension Scheme and it is hoped that there will be much more of a national consensus on both the approach and the communications to be issued this time around, which will aid in making it a more successful project.

McCLOUD / SARGEANT REMEDY

22. The Employer Pension Manager is project managing the McCloud remedy work for Hampshire Pension Services and a project team meets monthly to discuss progress and what is coming up.
23. The Employer Pension Manager is also running a McCloud Remedy Working Group which has representatives from Pensions, Payroll, HR, and includes the Chief Finance Officers for both Hampshire Constabulary and Hampshire & Isle of Wight FRA. The aim of this group is to ensure that there is consistency across all the pension schemes and partners and that there is a co-ordinated approach to the McCloud remedy.
24. The McCloud Remedy Working Group also meets monthly, and this has removed anything McCloud related from the normal Employer Pension Groups, this helps to ensure that BAU is kept separate from this project as different resources are required.

IMMEDIATE DETRIMENT

25. So far there have been 13 members who contacted us to say that they were intending to retire by April 2022. The status of the cases is shown below:

Description	No
Members put through Matrix approval	13
Members approved for Immediate Detriment	13
Have elected to not have Immediate Detriment	2
Have not yet elected for Immediate Detriment	4
Have elected for Immediate Detriment	7
Members that have declared intent to retire* and have been provided with Immediate Detriment options	4

*declared intent to retire means a) have handed in their notice to their line manager and they have been made a leaver in the SAP portal and b) they have completed their retirement declaration form (this cannot be done more than three months prior to retirement).

26. The two cases that elected to not have Immediate Detriment had their benefits paid under current legislation. The four cases that have not yet elected are retirements from October onwards. Three of the seven members that have elected for Immediate Detriment, have not yet been provided with their remedy options as they are not yet due for retirement, and have not yet declared their intent to retire so the process has not started for these members.
27. The timescales initially stated to gather the information and calculate the necessary benefits to enable the options to be provided to the member was three months. We have now developed a suite of spreadsheets to aid with the volume of manual calculations required and this means the timescales are more likely to be around six weeks to two months.
28. We have still built in an additional checking stage as there are a lot of components and the spreadsheets may not be completely accurate, so a very vigilant eye (or two) are required. The Employer Pension Manager is working closely with Hampshire Pension Services with all of these cases.
29. Where there are adjustments required in respect of employer contributions these are not required to be paid over now, but instead will be captured as part of the scheme valuation process and reflected in the future employer contribution rates going forward.
30. Existing employer contribution rates set by the 2016 valuation remain in place until 2024. This means that any Immediate Detriment decisions made by the member will not financially impact the FRA in the short term.
31. On 10 June 2021, the Home Office published some updated guidance on the treatment of Immediate Detriment cases. This does help to clarify which cases can be processed using Immediate Detriment and confirms the unresolved issues that will need to wait for legislation. The revised guidance can be found in APPENDIX B.
32. What is pleasing to note from this updated guidance is that the Hampshire and Isle of Wight FRA are processing Immediate Detriment cases in line with this guidance. Each case is being assessed on a case by case basis and only those that are deemed to be clear and straight forward are being offered Immediate Detriment.
33. The letters that we are sending to the members which sets out the position for remedy under each of the legacy and reformed schemes and the options

for both contains all the recommended information. The template letter being used can be found in APPENDIX C.

PROJECT & COSTINGS

34. The project is currently on track and on budget. A review of the costings will be carried out at the end of each quarter and will then be shared in the following Pension Board report.
35. On 11 April 2021, The Home Office wrote to all FRAs to advise them that a £3m grant had been provided in respect of pension administration costs incurred in 2020/21 for the McCloud remedy work. The Hampshire and Isle of Wight FRA will receive a 4.63% share of this which equates to £138,787.83.
36. It is envisaged that this funding, which is a 'one off', will free up funding in 2020/21 that can be put into reserves and used to fund additional costs relating to McCloud administration costs in later years.

COMMUNICATIONS

37. The Employer Pension Manager has collated a master list of all internal communications that have been sent out that are in respect of McCloud. This will be kept updated as more communications are issued.
38. Since the last Board meeting one communication has been issued and that was to clarify the position with regard to temporary promotions and how they will be treated when members are moved back to their legacy schemes for the remedy period. The master list can be found in APPENDIX D.
39. The Employer Pension Manager has also added this information into the pension presentation that is given at the pre-retirement courses, along with some more general information about the McCloud remedy and Immediate Detriment.

RECOMMENDATION

40. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
41. That Risk Register as set out in paragraphs 21-22 and APPENDIX A be approved by the HIWFRA Firefighters' Pension Board

APPENDICES ATTACHED

42. APPENDIX A – Risk Register
43. APPENDIX B – Updated HO Immediate Detriment guidance
44. APPENDIX C – Template Immediate Detriment options letter
45. APPENDIX D – Master list of McCloud communications

Contact:

Claire Neale, Employer Pension Manager, claire.neale@hants.gov.uk,
0370 779 2790

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		Impact					
		Negligible	Minor	Moderate	Major	Catastrophic	
		1	2	3	4	5	
Likelihood	Rare	1	1	2	3	4	5
	Unlikely	2	2	4	6	8	10
	Possible	3	3	6	9	12	15
	Likely	4	4	8	12	16	20
	Almost certain	5	5	10	15	20	25

Risk Register for Fire Pensions

Risk number	Date identified	Risk area	Risk description	Likelihood	Impact	Risk score	Control measure / mitigation	Likelihood after mitigation	Impact after mitigation	Risk score after mitigation	Risk owner
1	12/05/2017	Operations	Failure to administer the pension scheme in a proper and effective manner	2	3	6	a) Liaison with employer b) End of Year c) Employer web (UPM access) d) Fire Employer Group & Pensions Admin Group e) Fire Pension Board f) Management oversight and escalation to Rob Carr g) Diversification – we run a Shared Services arrangement h) Ability to call in temporary staff for peak workloads i) Business continuity plan	1	3	3	Scheme Manager
2	12/05/2017	Financial	Failure to pay the right amounts on time and in line with legislation	3	3	9	Pensions Services:- a) Testing software b) Internal and External Audits c) Standardisation of systems and processes d) All processes and calculation have a “doer” and a separate “checker” e) Monthly mortality screening for pensions in payment f) Declaration of Entitlement forms annually to pensioners and beneficiaries living overseas or upon mail being returned g) Participation in National Fraud Initiative reporting	2	3	6	Pension Administrator
3	12/05/2017	Funding	Failure to adequately account for fund pension contributions	2	4	8	a) Strong financial plan for HFRA b) Planned budget c) Aim to complete all Home Office returns on time	1	4	4	Scheme Manager
4	12/05/2017	Regulatory and Compliance	Failure to identify and interpret and implement legislation correctly	3	4	12	a) Scheme Advisory Board b) Local Government Association (LGA) c) Regional Fire Pension Officer Groups d) Fire Pension Board e) Employer Pension Manager as a dedicated resource liaising between - Fire Employer Group & Pensions Admin Group, pulling together - Key Accountabilities for IBC Pensions Admin Team, HR and Hampshire Pension Services	1	4	4	Scheme Manager
5	08/10/2020	McCloud	Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed	4	4	16	a) Staff recruited specifically for McCloud tasks or to backfill positions so more experienced staff can be released for project b) Communications are developed in a timely manner c) Project is managed effectively with robust plans, reporting and escalation d) Key involvement from the Employer Pension Manager with both the Fire Technical Group and Fire Communications Working Group to ensure all information is received e) Work across departments to be co-ordinated from the Fire Employer Group	2	4	8	Scheme Manager

BEFORE MITIGATION		Impact						
		Negligible	Minor	Moderate	Major	Catastrophic		
		1	2	3	4	5		
Likelihood	Rare	1						
	Unlikely	2			1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions		
	Possible	3			2. Failure to pay the right amounts on time and in line with legislation	4. Failure to identify and interpret and implement legislation correctly		
	Likely	4				5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed		
	Almost certain	5						

AFTER MITIGATION		Impact						
		Negligible	Minor	Moderate	Major	Catastrophic		
		1	2	3	4	5		
Likelihood	Rare	1		1. Failure to administer the pension scheme in a proper and effective manner	3. Failure to adequately account for fund pension contributions	4. Failure to identify and interpret and implement legislation correctly		
	Unlikely	2		2. Failure to pay the right amounts on time and in line with legislation	5. Failure to adequately resource and successfully implement the McCloud remedy to all affected members within the timescales prescribed			
	Possible	3						
	Likely	4						
	Almost certain	5						

Firefighters' Pension Schemes

McCloud/Sargeant ruling – Guidance on treatment of 'Immediate Detriment' cases

1.0 Purpose of guidance

- 1.1 The purpose of this note is to provide informal guidance to Fire and Rescue Authorities (FRAs) in England on processing 'immediate detriment' cases (see definition in section 3 of this guidance) in advance of legislating to remove the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation. As the guidance is non statutory and informal, it does not in itself place legal obligations on FRAs. However, FRAs have the power to calculate and pay pension entitlements for those members who fall within either of the two categories at paragraph 3.2 under their legacy schemes, through the application of section 61 of the Equality Act 2010. That provision means that these individuals have the right to be treated as though they have been in service in their legacy scheme since 1 April 2015, if that is what they want and they inform the scheme of this¹.
- 1.2 The informal guidance is provided at the request of the Fire Brigades Union and the Firefighters' Pensions (England) Scheme Advisory Board to assist employers with "immediate detriment" cases. It is specific to members of the Fire Pension Schemes.
- 1.3 The issues raised in this document are the subject of ongoing litigation and the Government's announced proposals to introduce legislation, when Parliamentary time allows, to address the discrimination identified by the Court of Appeal. As such this guidance will be kept under review to ensure that it is consistent with any judgment, or legislative proposals, and it is therefore subject to any further developments in these respects.
- 1.4 In this guidance a reference to the "2015 scheme" is to the applicable reformed 2015 Fire CARE Pension Scheme, and a reference to the "legacy scheme" is to the applicable Fire Pension Schemes that applied to a member before 1 April 2015.
- 1.5 This guidance **should not** be seen as providing a definitive resolution to all of the consequences arising from the discrimination, rather as a way to progress certain immediate detriment cases (as defined in this guidance) now there is some clarity as to how certain issues should be approached. It is important **to note that ALL cases processed using this guidance will need to be revisited** once the full detail of the Government's approach is finalised, and legislation is in place. Legislation is expected to be in place by October 2023.

¹ To note, Part 3 Chapter 1 Regulation 7(2) of the 2014 Regulations states: "A person who is in service in a scheme employment (P) is an eligible person in relation to that employment unless in relation to service in that employment— (a) P is a protected member of the 1992 Scheme or the NFPS; or (b) P is a member of any other pension scheme and the authority employing P pays contributions to that scheme in respect of P."

2.0 Background to McCloud/Sargeant ruling

- 2.1 Most public service pension schemes, including the Firefighters' Pension Schemes and, were reformed in 2015. These reforms included 'transitional protection' for scheme members closest to retirement.
- 2.2 In December 2018, the Court of Appeal ruled that the transitional protection element of the 2015 public service pension reforms constituted unlawful age discrimination in the Firefighters' and Judges' Pension Schemes. The Government respects the Court's decision and has confirmed that it will remove the difference in treatment across all main public service pension schemes, including the Police Pension Scheme.
- 2.3 The Government consulted on proposals to remove this discrimination and responded on 4 February 2021. Details of the proposal and the response are available online from GOV.UK². The changes set out in the consultation response to remove the discrimination will apply across all the main public service pension schemes and provide affected members with a choice of which scheme benefits they would like to receive for the remedy period. The remedy period is defined as between 1 April 2015 and 31 March 2022 in the consultation paper.

3.0 What are 'Immediate Detriment' cases?

- 3.1 This guidance aims to deal with cases where the benefits are not yet in payment as these are less complicated to deal with (compared to where benefits are already in payment).
- 3.2 For the purposes of this guidance, the term 'immediate detriment' applies only to individuals who were members or eligible to be members of a legacy scheme immediately prior to 1 April 2012, and have a period of service after 31 March 2015 during which they were members of a legacy or reformed scheme, where those periods of service are continuous including those with a qualifying break in service of less than 5 years (this is irrespective of whether they have submitted a legal claim or not) and who
 - I. become eligible to retire (for any reason, including ill health) and draw their pension and want to have all their benefits paid from their legacy scheme (i.e. do not accept 2015 scheme benefits); **OR**
 - II. do not qualify for lower-tier (and therefore higher-tier) ill-health pension under the single pot Ill-Health Retirement (IHR) arrangement, and are therefore left without a pension in payment **BUT** would be eligible under the IHR arrangements in their legacy scheme.

² <https://www.gov.uk/government/consultations/public-service-pension-schemes-consultation-changes-to-the-transitional-arrangements-to-the-2015-schemes>

- 3.3 Any scheme members that fall within either of the two categories above can have their pensions calculated and put into payment according to the guidance set out in section 5 below. As set out above, FRAs have the power to calculate and pay pension entitlements for these members under their legacy schemes, through the application of section 61 of the Equality Act 2010. That provision means that these individuals have the right to be treated as though they have been in service in their legacy scheme since April 2015, if that is what they want and they inform the scheme of this.
- 3.4 This guidance **should not** be applied to scheme members who have already retired and are in receipt of their pension payments. As set out in more detail in para 4.4 below, these cases are likely to be more complex to resolve, including on tax. At present, it is not clear that cases where an individual has already retired can consistently be processed under current legislation without adverse impacts. Nor should the guidance be applied where the member has died in service as the government's approach to these cases has not yet been finalised.
- 3.5 This guidance applies only to unprotected and taper protected members of the reformed schemes. This guidance should not be applied to protected scheme members, whose benefits will be received from the legacy scheme.

4.0 Guidance on treating immediate detriment cases

- 4.1 Transition members are members who were members of a legacy scheme and subsequently moved into the 2015 scheme either at 1 April 2015 or later under the tapered protection arrangements in relation to their service from that date and are in scope for remedy, as set out in paragraph 3.2 above.
- 4.2 There are some transition members who have already been dismissed from work on grounds of ill-health, but without a pension as they did not qualify for an ill-health pension under the 2015 Scheme. In addition, there are transition members who are now approaching retirement and want to take their full pension benefits under their legacy pension scheme. This guidance provides employers with advice on how these cases can now be processed in advance of final remedy implementation.

Transition members who are already in receipt of a pension

- 4.3 There are cases (in respect of both ill-health/ordinary retirements) where transition members have already retired and are currently receiving an ill-health/ordinary pension. It is recognised that many of these members' pensions are lower than they would be if they had instead been members of their legacy pension scheme since April 2015. For example, where a transition member has retired on ordinary grounds below age 55, their benefits accrued under the 2015 Scheme will currently be deferred until their State Pension Age.
- 4.4 These cases are likely to be more complex to resolve, and at this stage it is not clear that cases where an individual has already retired can consistently be processed

under current legislation without adverse impacts. Even for cases that do not need legislative change, schemes and in some cases individuals will require further guidance or information to be provided on how the detail of cases should be processed, and on interpretation of existing rules where these do not provide immediate clarity, given the complexity and novelty of this situation. This material needs to be worked through in some detail, to ensure that – as far as possible – individuals whose cases are processed under section 61 receive the same, or as close as possible, treatment as those being processed once new legislation is in place. Work in this area is ongoing. FRAs may be able to process these cases once outstanding points have been resolved. However, providing a full remedy in these cases may not be possible until legislation has been implemented.

5.0 Giving scheme members a choice

- 5.1 This section provides guidance where FRAs offer members meeting the criteria set out in para 3.2 the opportunity to take all their pension benefits accrued during the remedy period under their legacy pension scheme, rather than under the 2015 Scheme.
- 5.2 In order to provide this choice, FRAs will need to present two sets of pension entitlement quotes to each qualifying scheme member, which includes any legacy scheme entitlement that becomes due such as APBs or Two Pension entitlement, and include updated Pension Input Amounts for all years of the remedy period for all members who have paid an annual allowance (AA) charge or who may be liable for an AA charge – more detail on this is set out below.
- 5.3 Whilst not an exhaustive list, each quote must also set out the pension benefits that the member would receive under each choice, to include: recurring annual pension (before and after commutation), commutation retirement lump sum entitlement, employee contributions owed/refunds due etc.
- 5.4 It should be noted that any decision to take benefits from their legacy scheme may impact earlier tax liabilities (AA charge) on the increase in a member's pension savings – FRAs should consider what support they can provide to members to revisit these assessments.
- 5.5 Given section 61 of the Equality Act allows individuals to be treated as though accruing in their legacy scheme since 2015, the information that schemes should provide to members includes:
 - recalculated Pension Input Amounts (PIAs) for every year of the remedy period to date; and
 - PIAs for 2012-13, 2013-14, and 2014-15 (which would not be changed by an election under section 61).
- 5.6 Members should contact HMRC about any changes to their AA tax liabilities for the remedy period. AA charges can only be corrected within the tax system, with HMRC,

for years within the statutory time limits. Further information about statutory time limits can be found in the Compliance Handbook (CH51300)³.

- 5.7 However, individuals will also need revised PIAs for earlier years, beyond the statutory time limits and out of scope for tax correction, including to claim compensation where they have paid higher AA charges on reformed scheme benefits for out of scope remedy period years.
- 5.8 For periods within the usual statutory time limits for correction of tax, where an individual has already used mandatory Scheme Pays, pension debits for previous years can be adjusted to accommodate any revisions to the AA charge owed.
- 5.9 Where an individual has already used voluntary Scheme Pays and there is a reduction in the AA charge owed, pension debits for previous years can be adjusted.
- 5.10 Where individuals have not used Scheme Pays before or used voluntary Scheme Pays and there is an increase in the AA charge owed, pension schemes should offer voluntary Scheme Pays to help individuals affected to pay any additional AA charge. Alternatively, individuals can pay additional AA charge owed in cash, if they prefer. An election/option must be made into Scheme Pays before an individual's pension is put into payment. Interest will be payable on late paid AA charges.
- 5.11 There remain several outstanding issues that will not be resolved until such time that the Government finalises its approach and legislation is in place to remove the discrimination identified by the McCloud/Sargeant ruling (see unresolved pensions issues section below). Each scheme member will need to agree to accept the Government's final approach and any future adjustments that this requires.
- 5.12 Each scheme member should be required to provide written confirmation of their election, stating that it is made by reference to section 61 of the Equality Act. Once written confirmation has been received from each member, the FRA can put the chosen pension into payment, once scheme pays elections have been made.
- 5.13 In the absence of any written confirmation, the default position should be the current regulatory position for a transition member. Therefore, the pension paid will be in accordance with their pension entitlement as provided under both the legacy scheme regarding accrual from years before the remedy period, and 2015 CARE Scheme regarding accrual for remedy period years.

Unresolved pension issues:

- 5.14 As outlined above, there remain outstanding issues which limit the provisions of this guidance, where the Government is still finalising the details of its approach. Legislative change will also be required in some areas, to implement a full remedy.

³ <https://www.gov.uk/hmrc-internal-manuals/compliance-handbook/ch51300#:~:text=The%20normal%20time%20limit%20of%204%20years%20applies%20to%20all%20taxes>

Adjustments to employee contributions

- 5.15 Scheme members who choose to take their full pension benefits under their legacy scheme will either owe employee contributions or be entitled to a refund. Any employee contributions owed will need to be paid before the member's legacy scheme pension can be put into payment, or paid out of a member's retirement lump sum upon retirement. Where contributions owed are paid from a retirement lump sum it is less likely they will attract tax relief – as set out below in paragraph 5.18.
- 5.16 Any contributions owed will need to be based on the pay that is considered to be pensionable under the legacy scheme, which may vary from that pay which is considered pensionable under the 2015 Scheme. It will be for employing FRAs to make an assessment for each member and seek payment.
- 5.17 A member will be permitted to pay any outstanding employee contributions from their retirement lump sum or from any other personal source, though it should be noted that in these cases the individual is unlikely to get tax relief. Members will eventually have an opportunity to apply for compensation for any shortfall in tax relief in relation to those contributions when the legislation is in place. If the contributions are made under net pay before an individual has retired, and go through the payroll, then tax relief should be available. Therefore, where possible, FRAs should ensure that any employee contributions owed are paid by the member before they leave service. This may not be possible in some cases, for example for deferred members or where an individual has retired previously on ill-health grounds and did not qualify for a pension under the 2015 Scheme but would qualify under their legacy scheme. In such cases, the scheme member will have to wait until legislation has been implemented to receive any appropriate compensation.
- 5.18 Where an individual has overpaid contributions, their case should not be processed at this time. This is due to complexities regarding ensuring fair and non-discriminatory treatment of returned contributions, without new legislation, that have not yet been resolved.
- 5.19 A final decision is yet to be made in respect of whether, and at what rate, interest should be applied to contributions owed by employees should they elect to receive benefits from their legacy scheme during the remedy period (2015 to 2022). As the Government's approach to this issue is yet to be confirmed, this guidance proposes that interest is not applied to employee contributions owed at this time.
- 5.20 Notwithstanding this, any immediate detriment cases where the pension is put into payment now may need to be revisited in respect of interest if the Government's final approach includes the application of interest on owed employee contributions. FRAs should ensure that any members making a decision under this guidance are aware of, and accept, this condition. As at para 1.15, all cases processed using this

guidance will need to be revisited once the full detail of the Government's approach is finalised, and legislation is in place.

- 5.21 It is recognised that some members by virtue of age and service would qualify for a contribution holiday under the legacy 1992 Scheme having reached 30 years' service before age 50. These members may also be taper members who have paid contributions to 2015 Scheme after their 30-year anniversary date. The position of applying tax relief and interest on contributions underpayments or refunds for these members is yet to be confirmed. Therefore, these cases should not be processed at this time.

Recovery of outstanding employer contributions

- 5.22 The Firefighters' Pension Schemes are in a unique position compared to other public sector pension schemes in that they do not have a uniform employer contribution rate across all schemes. As such, any election by a scheme member under this guidance to take their full pension benefits under their legacy scheme will impact on the corresponding employer contributions owed in respect of that member during the period that they were in the 2015 Scheme.
- 5.23 Employing FRAs do not need to recalculate the contributions that they, as the employer, should have paid under the legacy scheme for each transitional member that chooses to take their full benefits under the legacy scheme. This shortfall in employer contributions will be captured in future scheme valuations as an unfunded, past service deficit and reflected in the employer contribution rates going forward.

Treatment of Cash Equivalent Transfer Value (CETV) transfers into the 2015 Scheme

- 5.24 It is recognised that there will be some transition scheme members who will have transferred benefits from an external pension arrangement into the 2015 Scheme under a Cash Equivalent Transfer Value (CETV), known as a transfer in.
- 5.25 However, the rules of the FPS 1992 legacy scheme do not permit the receipt of a transfer in after 5 April 2006 when the scheme closed.
- 5.26 The transfer-in should remain in the 2015 Scheme until such time that the Government's approach to removing the discrimination has been finalised and legislation is in place. It will be at this time that these cases can be revisited. If this is not done the transfer in will be considered an unauthorised payment for tax purposes, with the member incurring unauthorised payments charges of up to 55%, and scheme sanction charges may apply.

Treatment of purchased added pension in the 2015 Scheme

- 5.27 Some transitional scheme members will have elected to make voluntary contributions to purchase 'additional pension' in the 2015 Scheme. For those members that elect to take their full benefits under the legacy scheme, any employee contributions paid in respect of the additional pension purchased will

need to be converted to the equivalent value of additional pension that could have been purchased in the member's legacy scheme.

- 5.28 The legacy schemes do not currently have 'additional pension' provisions. Additional pension purchased in the 2015 Scheme is one of the unresolved issues for which the Government's approach has not yet been finalised. Until this issue has been resolved, any added pension accrued by a member should remain in the 2015 Scheme. As with 'transfers-in', these cases will need to be revisited when the Government's approach to removing the discrimination has been finalised and legislation is in place.

Scheme Pays – treatment of debits applied to 2015 Scheme pension

- 5.29 There may be instances where transitional members have previously incurred certain tax charges and have elected for these to be paid under Scheme Pays, with the associated pension debit applying to the 2015 Scheme benefits.
- 5.30 Where this is the case and the member elects for all their pension benefits to be paid from their legacy scheme, FRAs will need to recalculate the pension debit. The recalculation of the pension debit will need to be undertaken by FRAs as if it had been taken at the time of the original Scheme Pays elections, using the actuarial factors that were applicable at that time.

Revisiting AA tax assessments on previous years

- 5.31 Under current arrangements, there is generally a statutory time limit for reassessing tax for previous years – this is usually the current year and the four full previous tax years. This means that where a scheme member's pension benefits change for past years, altering their tax position in relation to their AA charge, HM Revenue and Customs can collect and refund tax where it is owed for the current tax year, and the four previous tax years. As noted at paragraph 5.8-5.10, this may require FRAs to adjust previous Scheme Pays calculations or make Scheme Pays available where it was not used previously. As set out above, where Scheme Pays has not previously been used, schemes will need to make voluntary Scheme Pays available. Otherwise, members will need to pay additional AA charges in cash.
- 5.32 Where a scheme member's benefits change due to an election under this guidance so that additional AA tax is due for a tax year that sits outside the statutory time limits, HMRC cannot collect that additional tax. As such, the member will not be required to pay this. However, the recalculation of the pension input amount will still be necessary, including to enable members to claim compensation for overpaid AA in out of scope years, where appropriate.
- 5.33 The Government has confirmed that where a scheme member's benefits change, reducing their liability to tax, the scheme member will be able to seek a tax refund from HMRC in respect of any overpaid tax charges within the usual statutory time limits.

For years outside the statutory time limit, scheme members can claim compensation for overpaid tax, once legislation is in place.

Personal & Confidential



**Hampshire
& Isle of Wight**
FIRE & RESCUE AUTHORITY

**Hampshire & IoW Fire Pensions
administered by
Hampshire Pension Services**

*The Castle, Winchester
Hampshire, SO23 8UB*

Telephone: 01962 845588

www.hants.gov.uk/pensions

<i>Enquiries to</i>	Pension Services	<i>My Reference</i>	
<i>Direct Line</i>	01962 845588	<i>Your Reference</i>	
<i>Date</i>		<i>Email</i>	pensions@hants.gov.uk

Dear

Hampshire Firefighters' Pensions

In 2015 most public service pension schemes, including the Fire Pension Scheme, were reformed. These reforms included 'transitional protection' for people closest to retirement.

In 2018, the Court of Appeal ruled that the transitional protection element of the 2015 public service reforms constituted unlawful age discrimination. The Government respects the Court's decision and has confirmed that it will remove the difference in treatment across all main public service pension schemes, including the Fire Pension Scheme.

The Government has consulted on proposals to remove this discrimination and the changes will provide those members affected with a choice of which scheme they would like to be in for the remedy period 1 April 2015 to 31 March 2022.

The Home Office has issued interim guidance to Fire Authorities for those members, such as yourself, who are now eligible to retire and who have transitioned at some stage since 1 April 2015 from their legacy scheme into the 2015 scheme. These individuals fall into a category referred to as '**Immediate Detriment**' and as such you are being supplied with three sets of quotations:

1. Benefit calculations reflecting the benefits you would receive had you remained a member of your legacy scheme for the remedy period
2. Benefit calculations reflecting the benefits you would receive if you remained a member of the reformed scheme for the remedy period
3. Benefit calculations reflecting the benefits based on current legislation

Included with each option is information about any differences in pension contributions that will need to be paid or refunded to you. At this time we are not able to provide you with any tax relief on these amounts, nor are we able to tell you how you can claim this. We are also unable to tell

you about how much interest will be added to these amounts as the Government is yet to make decisions on the rate of interest that will be applied.

At some point after April 2022, when the final position is known and the legislation is in place, your benefits will be reviewed and we will contact you again to advise you of any further monies which are due and to finalise any outstanding issues.

You will need to consider both options carefully to decide what is right for you, as neither Hampshire and Isle of Wight Fire and Rescue Authority or Hampshire Pension Services can advise you and you may wish to seek independent advice to help you make an informed decision.

When you have made your decision, you will need to read and sign the disclaimer and also complete the election form and return both of these documents by email to pensions@hants.gov.uk. When your decision is received your retirement benefits will be processed and paid to you

Yours sincerely

Pensions Services



Chief Finance Officer to Hampshire and Isle of Wight Fire and Rescue Authority
Rob Carr

**Court of Appeal ruling – McCloud remedy
Transitional Protections – Age discrimination
Disclaimer**



This calculation from immediate Detriment referred to as ‘the content’ is to be used as an interim remedy and will need to be revisited and recalculated once the outcome of the Remedy Consultation is known and when the Fire Pension Scheme regulations have been amended. This may be during the years 2022-2023 but this date may change. The content does not constitute investment advice or legal advice. You should consult an independent financial adviser or other professional adviser if you require any financial or other professional advice.

Although the Hampshire and Isle of Wight Fire and Rescue Authority (HIWFRA) and Hampshire Pension Services have used all reasonable efforts to ensure that the information contained herein is current, accurate and complete at the date of the publication, no representations or warranties are made (express or implied) as to the reliability, accuracy or completeness of such information. HIWFRA and Hampshire Pension Services therefore cannot be held liable for any loss arising directly or indirectly from the use of, or any action taken in reliance on, any information provided. Content and information provided by third parties other than HIWFRA is identified clearly where it appears. We publish this content as supplied to us and are not responsible for its accuracy or timeliness. You must take appropriate steps to verify this information before acting upon it.

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The onus is on the recipient of the calculation, to check the accuracy of the information upon receipt and immediately report any discrepancies to Hampshire Pension Services.

In order for remedy to be applied to your retirement benefits you are required to agree to the content of this disclaimer and sign and date this agreement below.

Disclaimer declaration	
I hereby agree and understand the content of this document:	
Full Name	
National Insurance number	
Signature	
Today's date	



**Court of Appeal ruling – McCloud remedy
Transitional Protections – Age discrimination**

Election Form

Personal details	
Full Name	
National Insurance number	
Date of birth	
Date of retirement	

Please select either option 1 or 2 below to make your irrevocable choice, or if you wish to have your benefits paid under current legislation and not have remedy applied to your benefits at this time then please choose option 3.

Option 1 – Apply remedy from the legacy scheme	
By selecting this option, your benefits will be paid based on the interim guidance to allow payment of remedy benefits. When all relevant legislation is in place, Hampshire Pension Services will reassess your benefits and contact you to finalise any outstanding issues.	
1. I wish to have legacy scheme benefits for the remedy period	

Option 2 – Apply remedy from the reformed scheme	
By selecting this option, your benefits will be paid based on the interim guidance to allow payment of remedy benefits. When all relevant legislation is in place, Hampshire Pension Services will reassess your benefits and contact you to finalise any outstanding issues.	
2. I wish to have reformed scheme benefits for the remedy period	

Option 3 – Apply transitional benefits under the current legislation	
By selecting this option, your benefits will be paid based on the current legislation and remedy will not be applied to you. When all relevant legislation is in place, Hampshire Pension Services will contact you and you will be able to make your decision about whether to have all legacy or all reformed scheme benefits for the remedy period.	
3. I wish to have transitional benefits under the current legislation	

Option 1 – legacy scheme benefits for the remedy period

I have estimated your entitlement from the Fire Pension Scheme if you retire on *[enter date of retirement]*.

This is summarised below in the following sections:

- 1A – Pension benefits
- 1B – Employment information used to calculate pension benefits
- 1C – Annual Allowance tax information
- 1D – Pension contribution information

1A: Pension benefits

1992 Firefighters Pension Scheme Benefits accrued up to *[enter last date of membership of 1992 scheme]*

No Commutation

Annual Pension	£
Survivor's Pension	£

Maximum HMRC Commutation – no tax charge

Annual Pension	£
Lump Sum	£
Survivor's Pension	£

Maximum Scheme Commutation – tax charge

Annual Pension	£
Gross Maximum Lump Sum (before tax deduction)	£
Less Unauthorised Payment Charge	£
Net Lump Sum Payable	£
Survivor's Pension	£

The figures quoted in 1A are based on the service and pay information shown in 1B which was provided to us by your payroll provider. Therefore, if you believe there is an error with the information we have used, please contact them directly.

1B: Employment information used in the calculation of your pension benefits in 1A above

Service History

Pay Location	Date Started	Date Ended	Service Type	Qualifying Service	Pensionable Service

Transferred In Service

Previous Scheme Name	Total Years	Total Days

Total Pensionable Service (expressed as a decimal of 365 days) in the 1992 scheme: [enter pensionable service]

Whole Time Equivalent Pensionable pay (used to calculate legacy scheme benefits): £[enter WTE final pensionable pay]

1C: Annual Allowance tax details

Year Ending	Pension	Pensions Input	Standard AA	Unused Allowance
05/04/2021	£	£	£40,000.00	£
05/04/2020	£	£	£40,000.00	£
05/04/2019	£	£	£40,000.00	£
05/04/2018	£	£	£40,000.00	£
05/04/2017	£	£	£40,000.00	£
05/04/2016	£	£	£40,000.00	£

1D – Pension Contribution details

This table shows the difference in contributions that are due:

Tax year	1992 scheme contributions due	Contributions paid	Difference
2015/16	£	£	£
2016/17	£	£	£
2017/18	£	£	£
2018/19	£	£	£
2019/20	£	£	£
2020/21	£	£	£
2021/22	£	£	£
		TOTAL	£

This table shows the contributions that are not due as you would be entitled to a contribution holiday from [enter contribution holiday date from] to [enter contribution holiday date to]

Tax year	1992 scheme contributions holiday
2015/16	£
2016/17	£
2017/18	£
2018/19	£
2019/20	£
2020/21	£
2021/22	£
TOTAL	£

At this time the Government has not confirmed how interest will be applied to these amounts or at what rate. They have also not confirmed how tax relief will be applied to these amounts, or how you will be able to claim it yourself, or even if you will be entitled to claim it.

To enable payment of your legacy scheme benefits the arrears of contributions need to be paid. We are therefore going to require that the initial gross amount of £[enter total difference in basic scheme contributions] is collected from you at this stage. This will be deducted from your commutation lump sum when your benefits are paid to you.

The contributions due to you from the contribution holiday will be re-visited after April 2022 when the legislation is in place along with the review of interest and tax relief.

Option 2 – reformed scheme benefits for the remedy period

I have estimated your entitlement from the Fire Pension Scheme if you retire on *[enter date of retirement]*

This is summarised below in the following sections:

- 2A – Pension benefits
- 2B – Employment information used to calculate pension benefits
- 2C – Annual Allowance tax information
- 2D – Pension contribution information

2A: Pension benefits

1992 Firefighters Pension Scheme Benefits accrued up to 31 March 2015

No Commutation

Annual Pension	£
Survivor's Pension	£

Maximum HMRC Commutation – no tax charge

Annual Pension	£
Lump Sum	£
Survivor's Pension	£

Maximum Scheme Commutation – tax charge

Annual Pension	£
Gross Maximum Lump Sum (before tax deduction)	£
Less Unauthorised Payment Charge	£
Net Lump Sum Payable	£
Survivor's Pension	£

These benefits would become payable immediately, from *[enter day after date of retirement]*.

2015 Firefighters Pension Scheme Benefits accrued from 1 April 2015

No Commutation

Annual Pension	£
Survivor's Pension	£

These benefits would be deferred and would normally be payable from your state pension age of *[enter SAP age]*, on *[enter SPA date]*. However, you have the option to take them from 55 subject to reductions which would be applied to your pension due to the early payment. At retirement, you can also exchange part of your pension for a one off lump sum.

The figures quoted in 2A are based on the service and pay information shown in 2B overleaf which was provided to us by your payroll provider. Therefore, if you believe there is an error with the information we have used, please contact them directly.

2B: Employment information used in the calculation of your pension benefits in 2A above

Service History

Pay Location	Date Started	Date Ended	Service Type	Qualifying Service	Pensionable Service

Transferred In Service

Previous Scheme Name	Total Years	Total Days

Total Pensionable Service (expressed as a decimal of 365 days) in the 1992 scheme: *[enter pensionable service]*

Whole Time Equivalent Pensionable pay (used to calculate legacy scheme benefits): *£[enter WTE final pensionable pay]*

Your CARE Account (used to calculate your 2015 scheme benefits)

From the 01/04/2015, your pension is calculated on a yearly basis, based on the actual pay you have received. The pay is notified to us at the end of each financial year, and you build up a CARE account otherwise known as your CARE pension.

This table shows your entire CARE pension built up to the last 31st March.

From	Opening Balance	Pension Earned In Year	Revaluation Rate	Increase In Benefits	Closing Balance	Survivor Total Value
01/04/2020	£	£	1.024	£	£	£
01/04/2019	£	£	1.040	£	£	£
01/04/2018	£	£	1.028	£	£	£
01/04/2017	£	£	1.03	£	£	£
01/04/2016	£	£	1.026	£	£	£
01/04/2015	£	£	1.02	£	£	£

Your CARE pension from 1 April 2021 to your date of leaving has been calculated based on the following pay:

CARE (actual) pay received since 1 April: *£[enter actual CARE pay for final year]*

2C: Annual Allowance tax details

Year Ending	Pension	Pensions Input	Standard AA	Unused Allowance
05/04/2021	£	£	£40,000.00	£
05/04/2020	£	£	£40,000.00	£
05/04/2019	£	£	£40,000.00	£
05/04/2018	£	£	£40,000.00	£
05/04/2017	£	£	£40,000.00	£
05/04/2016	£	£	£40,000.00	£

2D – Pension Contribution details

This table shows the difference in contributions that are due:

Tax year	2015 scheme contributions due	Contributions paid	Difference
2015/16	£	£	£
2016/17	£	£	£
2017/18	£	£	£
2018/19	£	£	£
2019/20	£	£	£
2020/21	£	£	£
2021/22	£	£	£
		TOTAL	£

At this time the Government has not confirmed how interest will be applied to these amounts or at what rate. They have also not confirmed how tax relief will be applied to these amounts, or how you will be able to claim it yourself, or even if you will be entitled to claim it.

The Home Office have confirmed that until legislation is in place refunds of employee contributions should not be paid at this time.

The contributions due to you from the differences the schemes will be re-visited after April 2022 when the legislation is in place along with the review of interest and tax relief.

Option 3 – transitional current legislation scheme benefits

I have estimated your entitlement from the Fire Pension Scheme if you retire on *[enter date of retirement]*

This is summarised below in the following sections:

- 3A – Pension benefits
- 3B – Employment information used to calculate pension benefits
- 3C – Annual Allowance tax information
- 3D – Pension contribution information

3A: Pension benefits

1992 Firefighters Pension Scheme Benefits accrued up to *[enter last date of membership of 1992 scheme]*

No Commutation

Annual Pension	£
Survivor's Pension	£

Maximum HMRC Commutation – no tax charge

Annual Pension	£
Lump Sum	£
Survivor's Pension	£

Maximum Scheme Commutation – tax charge

Annual Pension	£
Gross Maximum Lump Sum (before tax deduction)	£
Less Unauthorised Payment Charge	£
Net Lump Sum Payable	£
Survivor's Pension	£

These benefits would become payable immediately, from *[enter day after date of retirement]*.

2015 Firefighters Pension Scheme Benefits accrued from *[enter taper date]*

No Commutation

Annual Pension	£
Survivor's Pension	£

These benefits would be deferred and would normally be payable from your state pension age of *[enter SAP age]*, on *[enter SPA date]*. However, you have the option to take them from 55 subject to reductions which would be applied to your pension due to the early payment. At retirement, you can also exchange part of your pension for a one off lump sum.

The figures quoted in 3A are based on the service and pay information shown in 3B overleaf which was provided to us by your payroll provider. Therefore, if you believe there is an error with the information we have used, please contact them directly.

3B: Employment information used in the calculation of your pension benefits in 3A above

Service History

Pay Location	Date Started	Date Ended	Service Type	Qualifying Service	Pensionable Service

Transferred In Service

Previous Scheme Name	Total Years	Total Days

Total Pensionable Service (expressed as a decimal of 365 days) in the 1992 scheme: *[enter pensionable service]*

Whole Time Equivalent Pensionable pay (used to calculate legacy scheme benefits): *£[enter WTE final pensionable pay]*

Your CARE Account (used to calculate your 2015 scheme benefits)

From the 01/04/2015, your pension is calculated on a yearly basis, based on the actual pay you have received. The pay is notified to us at the end of each financial year, and you build up a CARE account otherwise known as your CARE pension.

This table shows your entire CARE pension built up to the last 31st March.

From	Opening Balance	Pension Earned In Year	Revaluation Rate	Increase In Benefits	Closing Balance	Survivor Total Value
01/04/2020	£	£	1.024	£	£	£
01/04/2019	£	£	1.040	£	£	£
01/04/2018	£	£	1.028	£	£	£
01/04/2017	£	£	1.03	£	£	£
01/04/2016	£	£	1.026	£	£	£
01/04/2015	£	£	1.02	£	£	£

Your CARE pension from 1 April 2021 to your date of leaving has been calculated based on the following pay:

CARE (actual) pay received since 1 April: *£[enter actual CARE pay for final year]*

3C: Annual Allowance tax details

Year Ending	Pension	Pensions Input	Standard AA	Unused Allowance
05/04/2021	£	£	£40,000.00	£
05/04/2020	£	£	£40,000.00	£
05/04/2019	£	£	£40,000.00	£
05/04/2018	£	£	£40,000.00	£
05/04/2017	£	£	£40,000.00	£
05/04/2016	£	£	£40,000.00	£

3D – Pension Contribution details

As option 3 is based on current legislation and your transitional pension arrangements, there are no differences in contributions due.

Hampshire & IOW Fire and Rescue Authority

Master list of McCloud Comms issued

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1. Routine Notice – Week 8: 26 February 2021 – McCloud Key facts

The article can be found on the HIWFRA internal SharePoint site [WEEK 8 - 26 February 21](#)

McCloud Age Discrimination remedy – Pension update

On 4 February 2021 the Government published its [response](#) to the unfunded Public Service Pension Scheme consultation and the changes to the transitional arrangements to the 2015 schemes.

There are four key things to note:

- Members with 1992 benefits, will still be able to retire and receive their 1992 portion of benefits when they expect to, e.g. age 50 with at least 25 years' service, age 55 etc. Meaning that you do not need to retire on or before 31 March 2022 to receive your 1992 scheme benefits
- To remove discrimination going forward, all members regardless of current protection status, will move to the 2015 scheme from 1 April 2022
- Between April 2022 and 1 October 2023, active members will have their relevant membership moved to their "legacy scheme" for the remedy period (1 April 2015 to 31 March 2022). Implementation will involve many retrospective actions for each member that will need to be carried out
- All members will be able to make a choice about their benefits at the point that they retire – Deferred Choice Underpin (DCU)

All the relevant information including a [Home Office FAQ document](#) can be found on the [implementation page](#) of the FPS Regulations website.

Please note we are not able to provide any estimates for remedy. At this stage, information can only be provided at retirement. Further communications with more details will be issued over the next few months.

The consultation response to the Local Government Pension Scheme has not yet been published.

2. Routine Notice – Week 11: 19 March 2021 – upcoming retirements

The article can be found on the HIWFRA internal SharePoint site [WEEK 11 - 19 March 2021](#)

Fire Pensions – are you intending to retire soon?

If you are currently a tapered or unprotected member and you are intending to retire before 1 April 2022 then please send an email to fire.pensions@hants.gov.uk. Following a recent employment tribunal case, it is now possible that Immediate Detriment could be used to provide remedy to you at the point of retirement, but this is not an automatic entitlement and your pension case needs to be assessed to see if it can be applied to you or not at this time.

There are several complex pension issues which may prevent us being able to offer you Immediate Detriment, and each case has to be assessed on a case by case basis by Hampshire Pension Services and the Fire Authority. Once this is complete, you will receive notification of the decision.

3. E-mail communication – 22 March 2021 – upcoming retirements

From: Communications and Media <media.communications@hantsfire.gov.uk>

Sent: 22 March 2021 14:55

Subject: Fire Pensions – are you intending to retire soon?



Dear colleague,

Following a recent employment tribunal case, it is now possible that Immediate Detriment could be used to provide remedy to some of you at the point of retirement.

Although this decision has been received, I understand the lack of clarity around the subsequent assessments may be causing concern.

Fire and Rescue Authorities are still awaiting clarity from HM Treasury about a number of pension policy decisions. Each case is being assessed on a case-by-case basis to determine whether the Fire Authority and Hampshire Pension Services have enough information and guidance available to be able to use Immediate Detriment remedy for an individual. Where it can be used, it is done so with limited guidance and therefore any calculations that are provided may not be accurate. There also isn't currently a system available to calculate these complex pension issues.

I appreciate that there are still a lot of unknowns at this stage and we are one of many Services across the country awaiting this clarity.

Please remember this is not an automatic entitlement and your pension case needs to be assessed to determine if it can be applied to you or not at this time. If therefore you are currently a tapered or unprotected member and you are intending to retire before 01 April 2022 then please send an email to fire.pensions@hants.gov.uk.

Kind regards,

Stew Adamson
Director of Operations



**HAMPSHIRE
FIRE AND
RESCUE
SERVICE**



**ISLE OF WIGHT
FIRE AND
RESCUE
SERVICE**

4. Live briefing – 22 March 2021 – upcoming retirements

[Watch 'Weekly Briefing \(22 March\)' | Microsoft Stream](#) from Stew Adamson about upcoming retirements.

5. Routine Notice – Week 12: 26 March 2021 – upcoming retirements

The article can be found on the HIWFRA internal SharePoint site [WEEK 12 - 26 March 2021](#)

Firefighter Pensions – are you intending to retire soon?

If you are currently a tapered or unprotected member of the Fire Pension Scheme and you are intending to retire before 1 April 2022 then please send an email to fire.pensions@hants.gov.uk. Following a recent employment tribunal case, it is now possible that Immediate Detriment could be used to provide remedy to you at the point of retirement, but this is not an automatic entitlement and your pension case needs to be assessed to see if it can be applied to you or not at this time.

There are several complex pension issues which may prevent us being able to offer you Immediate Detriment, and each case has to be assessed on a case-by-case basis by Hampshire Pension Services and the Fire Authority. Once this is complete, you will receive notification of the decision.

*Please note that this update is relevant to firefighters in the Fire Pension Scheme only. The Government has not yet published its response to the age discrimination consultation for the Local Government Pension Scheme.

6. Routine Notice – Week 21: 28 May 2021 – Temporary Promotions

The article can be found on the HIWFRA internal SharePoint site [WEEK 21 – 28 May 2021](#)

Firefighters - Fire Pension Schemes and Temporary Promotions

Legislation for temporary promotions (including secondments) in the 1992 or 2006 Fire Pension Schemes was amended with effect from 1 July 2013 and FRAs were given the discretion to make them pensionable or not from this date.

For the period from 1 July 2013 to 31 March 2021, HFRS made temporary promotions pensionable, but IWFRS made them not pensionable. From 1 April 2021, HIWFRS has made temporary promotions pensionable.

Where a temporary promotion is pensionable, your benefits are calculated using your substantive final pay and **not** your temporary promotion pay. Instead you are awarded an Additional Pension Benefit (APB) based on the additional contributions that have been paid on the increased pay and the APB is then added to your annual pension.

Temporary promotions whilst a member of the 2015 scheme are not pensionable for any members.

For members that are thinking about how the McCloud remedy will affect them, they should be aware that APBs will be awarded for any periods of temporary promotions during the remedy period and that their benefits will continue to be calculated based on their substantive pay.