



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

## **HIWFRA Firefighters Pension Board**

Purpose: Noted

Date: **17 APRIL 2023**

Title: **FIREFIGHTERS PENSION BOARD STATUS REPORT AND 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.

### COMMUNICATION

3. Since the last meeting, the Employer Pension Manager provided a presentation for the pre-retirement course on 6 February 2023 with the next one due in July 2023. A presentation was also given to new recruits on 17 February 2023.
4. HIWFRA is intending to run some Annual Allowance and Lifetime Allowance sessions for its staff. These sessions will be run by an external company called Pen-Gage who have a wealth of experience in these particular areas.
5. These sessions were booked in, but on the 15 March 2023, the Chancellor announced some changes to both the Annual Allowance and the Lifetime Allowance in the Spring Budget. Pen-Gage will now need a little bit of time to consider what this means and once reviewed, the sessions are now scheduled to take place in May 2023.

- The changes announced do mean however, that less people are likely to now be affected by these pension tax issues. The Annual Allowance has been increased to £60,000; and the Lifetime Allowance has been effectively abolished, although there will still be a limit on the amount of tax free lump sum that a member can take which is fixed at £268,275.

### loW RDS ISSUES

- Some issues have been raised specifically by RDS members on the loW, we believe that these are general issues, but have stemmed from issues with communication prior to the Combined Fire Authority.
- We are in the process of securing some potential dates to be able to run a couple of sessions, this will likely be week commencing 8 May 2023.
- We have so far received 4 IDRPs Stage One appeals about the Isle of Wight members who bought back service as a special member in the 2006 Modified Fire Pension Scheme and elected to pay by periodical contributions.
- We asked these members to provide more information and copies of any documents that they had and to date two appellants have submitted information. This is now in the process of being reviewed before any final determinations can be made by the Accountable Officer.

### MEETINGS

- The Employer Pension Manager continues to attend the fortnightly coffee mornings hosted by the LGA team. She has also attended the recent SE Fire Pensions Officer Group, the Fire Technical Working Group.

### MEMBER PORTAL

- The membership of those registered on the portal continues to rise slowly. The numbers of those registered as at 28 February 2023 are shown in the table below:

HAMPSHIRE & ISLE OF WIGHT FIRE AND RESCUE SERVICE								
HIWFRA - FPS	Active		Deferred		Pensioner		Totals	
Active	Number	% of active membership	Number	% of deferred membership	Number	% of pensioner membership	Number	% of total membership
Registered	674	52.25%	477	36.69%	772	55.74%	1,923	48.38%
Not registered	616	47.75%	823	63.31%	613	44.26%	2,052	51.62%
<b>Total</b>	<b>1,290</b>	<b>100.00%</b>	<b>1,300</b>	<b>100.00%</b>	<b>1,385</b>	<b>100.00%</b>	<b>3,975</b>	<b>100.00%</b>

## RISK REVIEW

13. 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

14. At the last Board meeting, the Board requested that a new risk was added specifically around staffing for the McCloud and Matthews remedies; this has now been added as risk number 7.
15. On 1 March 2023, some changes were announced about the Shared Services Partnership between Hampshire County Council, Hampshire and Isle of Wight Constabulary, the Office of the Police and Crime Commissioner and the Hampshire and Isle of Wight Fire and Rescue Service.
16. The announcement will affect some of the Strategic Services and the Board will note that by 31 March 2024 the Human Resources services will be transferred back to HIWFRS. As a result of the upcoming change a new risk has been added to the Risk Register to try and mitigate the loss of any pension expertise and other close working relationships.
17. At this time, no information is available about the future structure of the HR services within any of the partner organisations or about which staff may be transferred. The Board should note that these changes do not affect Hampshire Pension Services, but there may be an impact for the Employer Pension Manager as she sits within the current HR teams.
18. The board are asked to review the Risk Register, specifically the new risks of 7 and 8 and to suggest any amendments. The Risk Register can be found in APPENDIX A.

## TPR GOVERNANCE AND ADMINISTRATION SURVEY

19. The annual TPR Governance and Administration Survey was completed and submitted on 15 February 2023. The Employer Pension Manager consulted the Pension Board members, Hampshire Pension Services and the Scheme Manager for comments or feedback before the final version was submitted.

## PENSIONS DASHBOARD

20. On 2 March 2023, the Department for Work and Pensions (DWP) issued a written ministerial statement announcing a reset of the Pensions Dashboard Programme which will extend the delivery of pensions dashboards.
21. While the new timescales have not been confirmed, this will push the connection deadline for the FPS back from the scheduled date of 30 September 2024. The written statement can be found in APPENDIX B.

## TEMPORARY PROMOTIONS

22. The Board may recall that there was an amendment to legislation on 1 July 2013 which allowed individual FRAs to decide whether the additional pay received because of a temporary promotion for 1992 and 2006 schemes was pensionable or not. Legislation means that temporary promotions within the 2015 Scheme are not pensionable.
23. In 2016, HFRA took the decision to make temporary promotions within the 1992 and 2006 schemes pensionable, which meant that firefighters would now earn an Additional Pensionable Benefit (APB) whilst on Temporary Promotion.
24. The maximum cost envelope as agreed by HIWFRA of the estimated costs for the 41 protected members identified were £291,000 for lump sums and £50,000 a year for annual pensions.

<b>Tax year</b>	<b>Number of retirements</b>	<b>Additional lump sums paid</b>	<b>Additional annual pension paid</b>
2015/16	1	£22,491.88	£562.30
2016/17	5	£45,417.12	£7,406.19
2017/18	3	£22,788.87	£12,810.35
2018/19	5	£40,461.95	£16,285.51
2019/20	9	£46,969.02	£24,663.62
2020/21	6	£66,459.90	£32,138.95
2021/22	7	£27,614.72	£38,426.07
2022/23	4	£10,334.00	£42,230.78
<b>Total</b>	<b>40</b>	<b>£282,537.47</b>	<b>£42,230.78</b>

25. There is only 1 member yet to retire and due to when their temporary promotion occurred and their subsequent career, this will have no additional impact on future figures. Therefore it is now possible to take account of future increases.
26. For 2023/24 there are a number of members who reach age 55 and therefore they will have Pensions Increases added to their annual pension for the first time. The additional annual pension will therefore be £48,959.33.

## MATTHEWS / O'BRIEN CASE

27. The Employer Pension Manager has issued a pay data request spreadsheet detailing all the pay data that will be required for each member. This has been issued to the IBC Pensions Admin Team to provide the pay data for Hampshire cases and to the Isle of Wight payroll team to provide the pay data for the Isle of Wight cases.
28. The actual pay and whole time equivalent reference pay will be required for each scheme year of employment. The spreadsheet takes account of previously collected payroll data and therefore this will not be requested again.
29. The payroll teams have been given a deadline of 30 September 2023 to collate and provide the necessary information in preparedness for the Matthews implementation. The Employer Pension Manager has met with both the IBC Pensions Admin Team and the IoW payroll team to clarify the exact information that is required.
30. A communications spreadsheet has also been developed so that when letters are issued to members this can be recorded along with how the communication was issued and whether we receive any changes to contact details or returned mail.
31. Warm up communications will be sent to identified in scope members in the next couple of months and this will be the start of the process to communicate this opportunity to members. Once this has been issued, we will need to put out some additional communications to advise staff (past and present) what to do if they have not received this communication.
32. In addition to this, the Employer Pension Manager is also analysing the data to specifically separate the members into different cohorts. This is because we also need to take into consideration those that will be subject to the McCloud remedy as well.
33. The Employer Pension Manager attended the Matthews Technical Working Group meetings on the 7 February and 21 March.
34. The consultation for the second options exercise was published on 31 March 2023 and will run for ten weeks, closing on 9 June 2023. It has not been possible to include any information within this board report due to timings and therefore a summary and draft consultation response will be sent to Board members by email for comment.

## McCLOUD / SARGEANT REMEDY

35. The Employer Pension Manager is continuing to attend both the monthly Cross Whitehall Project Management Group for all Public Sector schemes and the fortnightly Home Office Technical Working Group meetings with the LGA, NPCC, pension administrators from Police and Fire sector and also software suppliers.
36. The Employer Pension Manager met with Sean Harrison to discuss the comms plan and timeline. With the first communication about the consultation being in Routine Notice 9 March 2023.

## McCLOUD REMEDY WORKING GROUP

37. The McCloud Remedy Working Group continues to meet monthly and helps to ensure that a consistent approach is used across all partners and aids the sharing of resources and knowledge.
38. The next challenge for this group will be to identify all the members that have some opted out service during the remedy period. We know that members that have opted out service may have the option to raise a contingent decision and may be given the opportunity to have the service re-instated.
39. We are still waiting for some further clarification and guidance from the Home Office and the LGA about the details on how this process is likely to work, but in the meantime, we can start to identify the potential cohort of these members and collect the necessary data as we know that reinstatement options will have to be provided to this group.

## RETROSPECTIVE CONSULTATION

40. The Home Office published their consultation on the retrospective McCloud remedy along with draft legislation on 28 February 2023. The consultation will run for 12 weeks, closing on 23 May 2023.
41. The Employer Pension Manager has made an initial draft response to the consultation which can be found in APPENDIX C.
42. The Board are asked for their views on the consultation and asked to consider if they have any comments or feedback on the initial response that has been prepared.

### RECOMMENDATION

43. That the content of the report be noted by the HIWFRA Firefighters' Pension Board
44. That the risk register as set out in paragraphs 13-18 and Appendix A be approved by the HIWFRA Firefighters' Pension Board

### APPENDICES ATTACHED

45. APPENDIX A – Risk Register
46. APPENDIX B – Written ministerial statement on pensions dashboards
47. APPENDIX C – Initial draft consultation response and explanation

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