



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

Purpose: Noted

Date: **29 JANUARY 2024**

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

Report of Chief Financial Officer

SUMMARY

1. This report summarises relevant updates from the Local Government Association on Firefighters pension matters. It covers relevant actions taken by the Fire Authority and our pensions administrators and suggests discussion points for the Board.

FPS BULLETINS

2. The LGA issue a bulletin at the end of each month; there have been five bulletins issued since the last Fire Pension Board reports were written. The bulletins are emailed out to a variety of contacts but can also be accessed via the www.fpsregs.org website.
3. Bulletins 72, 73, 74, 75 and 76 can be found in APPENDICES A to E. There is a lot of information contained within these bulletins; the key items are set out below.

REMEDIAL SERVICE STATEMENTS (BULLETIN 72)

4. This bulletin noted that the Remedial Service Statement (RSS) would not be available for the start of the remedy period. The bulletin provided a link to an LGA template to ensure that members are still provided with a choice in the absence of the RSS.
5. The bulletin stressed that the absence of the RSS should not be used as a reason to return members to the legacy scheme without offering them a

choice. All HIWFRS retiring members have still been offered a choice in the absence of the RSS since the start of the remedy period.

AGE DISCRIMINATION – CONTRIBUTIONS CALCULATOR (BULLETIN 72)

6. A remedy tax and contributions calculator for pensions administrators has been published, to enable administrators to calculate contributions owing and the associated tax implications. This was the initial iteration of the calculator.

MATTHEWS SUPPORTING DOCUMENTATION (BULLETIN 73)

7. The LGA have reviewed documentation relating to the first options exercise and have produced communications documents for the second options exercise. We will be using these documents in communication with affected members, with appropriate amendments for clarity.

DISCLOSURE REQUIREMENTS (BULLETIN 73)

8. It is a requirement to notify members of major changes to schemes within three months. These requirements are fulfilled by the McCloud remedy warm up communications sent out by Pension Services and the Matthews communications sent by the Fire and Rescue Service.

TERMINOLOGY (BULLETIN 73)

9. The bulletin covered some helpful pension remedy related terminology. McCloud was the case covering the judges pension scheme, Sargeant was the case covering the firefighters pension scheme. Both of these cases led to the Age Discrimination Remedy. The Matthews case also resulted in a pensions remedy.

AGE DISCRIMINATION – CONTRIBUTIONS CALCULATOR (BULLETIN 73)

10. The development of this calculator (launched via briefing 72 above) is an ongoing process. The bulletin highlighted a training opportunity on the calculator in September, which was attended by IBC pensions administration and Pension Services.

AGE DISCRIMINATION – MEMBER VIDEOS (BULLETIN 73)

11. Some member videos on the age discrimination remedy have been created. It would be helpful to have some feedback from the Board about the videos and the best approach to publicising these. The videos can be accessed using the link below:

CONCURRENT SERVICE (BULLETIN 73)

12. This is a reminder to FRS that a mutually agreeable, consistent transfer date between services is essential to ensure that pension entitlements are not affected by overlaps or gaps in service.

ANNUAL ALLOWANCE FACTSHEET (BULLETIN 73)

13. The bulletin contains a factsheet that sets out the position on Annual Allowance tax charges for those affected by the McCloud remedy. This fact sheet has been circulated to relevant members of the Firefighters Pension scheme for their information.

LGA RESPONSE TO THE ABOLITION OF THE LIFETIME ALLOWANCE CONSULTATION (BULLETIN 73)

14. The LGA responded to a consultation on the abolition of the pensions Lifetime Allowance. They were broadly supportive of the change due to the impact of the Lifetime Allowance on the recruitment and retention of senior leaders in the fire sector. They also flagged uncertainty around the potential for the future reintroduction of the Lifetime Allowance.

MATTHEWS (BULLETIN 74)

15. There are a series of Matthews related updates in this bulletin. The LGA have produced a revised data sharing agreement to cover the Matthews pension remedy. In addition, they have suggested an amendment to privacy notices to cover the Matthews work. The HIWFRS privacy notice is being updated to reflect these changes.
16. The bulletin included information about further updates and guidance documents relating to the GAD calculator for Matthews, illustrating the complexity of the circumstances that need to be considered. IBC Pensions Administration will be performing the necessary calculations and will use the most up to date version of the calculator.
17. Information about what action should be taken if errors in pay or service information used in the first options exercise are uncovered during the second options exercise. It sets out two main scenarios:
 - (a) Member has underpaid for their entitlement – either the entitlement is reduced or the additional payment is made
 - (b) Member has overpaid for their entitlement – overpayment is refunded.

18. Given the additional work that was undertaken as part of the combination it is not anticipated that any further errors will be uncovered.
19. The update provides further information on what assumptions should be made in the absence of complete pay data. It is possible to use local experience or service records to evidence where pay would have been greater than 25% of a wholetime firefighters pay. If there is no other evidence, then the default assumption of 25% should be used.
20. Fire Authorities should also calculate the appropriate scale point of the firefighter rank based on age and length of service in the absence of pay data.
21. The LGA have also produced a reference pay spreadsheet with information going back to 1960. They have provided some information about how this reference pay has been calculated, including areas where there may be discrepancies.
22. The bulletin also contains information on how to deal with people who defaulted in payments in the first options exercise. The guidance is that people would be able to repurchase pensions for periods where they had previously defaulted on payments.

CONTINGENT DECISIONS (BULLETIN 74)

23. This bulletin included guidance on contingent decisions – decisions taken by members that would have different had it not been for the discrimination identified by the courts. The three types of decisions are:
 - (a) Opt outs
 - (b) Transfers
 - (c) Additional service.
24. The guidance currently only covers (a) and (c). Information about the process and claim forms have been shared with members who have made themselves known. It would be helpful to have views from the Pensions Board about the best way to publicise this information more widely.

MATTHEWS (BULLETIN 75)

25. The bulletin confirmed that the Matthews GAD calculator has been issued as a live version. Guidance was provided and the calculator will be updated monthly with the latest interest rate information.
26. The LGA and Home Office will require monitoring information on progress in delivering the Matthews remedy. Once this monitoring information has

been produced it will also be shared (in an appropriately anonymised way) with the Firefighters Pension Board.

FIREFIGHTERS PENSION SCHEME VALUATION (BULLETIN 76)

27. On December 21st it was announced that the Government Actuary's Department had completed work on the 2020 valuation of the Firefighters Pension Scheme. The outcome of this work is an increase to the employers' pension contribution rate of 8.5%, bringing the contribution rate to 37.6% for the period 1st April 2024 to 31st March 2027.

RECOMMENDATION

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

APPENDICES ATTACHED

29. APPENDIX A - [FPS Bulletin 72 - August 2023](#)
30. APPENDIX B - [FPS Bulletin 73 - September 2023](#)
31. APPENDIX C - [FPS Bulletin 74 - October 2023](#)
32. APPENDIX B - [FPS Bulletin 75 - November 2023](#)
33. APPENDIX B - [FPS Bulletin 76 - December 2023](#)

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