



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

HIWFRA Firefighters Pension Board

Purpose: Noted

Date: **21 NOVEMBER 2024**

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

Report of Chief Financial Officer

SUMMARY

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

FPS BULLETINS

2. The LGA issue a bulletin each month which is sent to a list of contacts, and is also accessible via the www.fpsregs.org website. The bulletins contain detailed information, and the key items are highlighted in this report.
3. There have been three bulletins issued since the last Firefighters Pension Board reports were written. Bulletins 83, 84 and 85 can be found in APPENDICES B – D.
4. As highlighted previously, a new approach has recently been taken to preparing this report. High level summaries of the updates for each broad area of work are included within the report, with more detail on each of the specific actions included as APPENDIX A.

McCLOUD PENSION REMEDY

5. As summarised in the appendix, the LGA bulletins contain a number of updates relating to the McCloud pension remedy. There continue to be business as usual updates on calculators, which are being managed by

Pension Services. The bulletins also cover a number of more substantive updates, including statutory deadlines, accounting arrangements and compensation.

6. Specifics on the HIWFRS position on McCloud are covered in the Status report on this agenda.

MATTHEWS PENSION REMEDY

7. As outlined in previous reports, progress on the Matthews pension remedy continues to be slow at a national level. A more detailed update on the HIWFRS position is provided in the pension board Status Report in this agenda.
8. The LGA bulletins included links to revised versions of the calculator tool and a guide on how to use these has been produced. GAD are also in the process of developing a process for 'manual cases' which are not covered by the standard Matthews 2 (Second Options Exercise) calculator.
9. The bulletins provided guidance concerning tax issues relating to the Matthews remedy, specifically in relation to death grant lump sum payments, and also outlined the different circumstances in which they should be treated as taxable or non-taxable.

SCHEME ADVISORY BOARD

10. Regular updates on the work of the Scheme Advisory Board are provided in the bulletins. A particular highlight is the Board's role in raising concerns regarding the tax issues surrounding immediate choice members who have elected for a lump sum.

TRAINING OPPORTUNITIES

11. The following training opportunities have been highlighted:
 - (a) Thursday 23 January 2025 10:00 – 14:00 (MS Teams) [fully booked]
 - (b) Tuesday 25 March 2025 10:00 – 14:00 (MS Teams) [fully booked]
 - (c) Monday 16 June 2025 13:00 – 17:00 (MS Teams)
 - (d) Wednesday 17 September 2025 11:00 – 15:30 (in person, London)
 - (e) Thursday 22 January 2026 10:00 – 14:00 (MS Teams)

If board members are interested in taking up any of the training opportunities, please email bluelightpensions@local.gov.uk.

FIREFIGHTERS PENSION CONFERENCE

12. Representatives from HR and the Pension Board attended the annual Firefighters Pension Conference at the LGA on 18-19 September to continue to develop knowledge about the pension schemes and remedies, and also build relationships and networks with other fire services.

PENSION DASHBOARDS

13. The connection date for all public service pension schemes to the Pension Dashboard project has been confirmed as 31 October 2025. Hampshire Pension Services are leading and co-ordinating this piece of work on behalf of the Service.

PENSION OMBUDSMAN

14. Regular key messages from the Pension Ombudsman are provided in the bulletins. There are no particular updates to highlight from the bulletins.

HMRC

15. The bulletins also provide key updates from an HMRC perspective, and included guidance relating to Pension Commencement Excess Lump Sum (PCELS) and Scheme Pays. The bulletin also highlighted that GAD has produced further guidance advising that tax charges may be due for those who retired on or after 6 April 2023 and took a lump sum above £268,275.

RECOMMENDATION

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

APPENDICES ATTACHED

17. APPENDIX A - Detailed Bulletin Review
18. APPENDIX B - [FPS Bulletin 83 - July 2024](#)

19. APPENDIX C - [FPS Bulletin 84 - August 2024](#)

20. APPENDIX D - [FPS Bulletin 85 - September 2024](#)

Contact: Catherine Edgecombe, Chief Financial Officer, 0370 779 6214

APPENDIX A – Detailed Bulletin Review

| Topic | Bulletin | Update | Action |
|---------------------------|----------|--|--|
| Pension Forecasts | 83 | Collection of pension forecasts for period 2024/25 to 2029/30 | Complete |
| Annual Benefit Statements | 83 | Production of annual benefit statements | Complete – further details in Status Report |
| McCloud | 83 | Remediable Service Statements, contribution amendments factsheets, beneficiary Remediable Service Statements | Complete – Pension Services are aware of new resources available |
| McCloud | 83 | Contingent Decisions | Service has adopted a holding position pending the availability of further guidance |
| McCloud | 83 | Unauthorised Payments and Annual Allowance – factsheets issued | Link to HMRC Member Tax Calculator |
| Matthews | 83 | New version of GAD calculators issued | Complete – correct versions are being used |
| Matthews | 83 | Coding of payments for accounting/valuation purposes | In progress |
| Matthews | 83 | Processing priority order | In progress – the service has taken a pragmatic approach to this with more detail in the Status report |
| Matthews | 83 | Statutory deadlines | In progress – covered in main report |

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| SAB | 83 | SAB meeting update – letter to the Fire minister setting out concerns over additional legislation required to allow for offsetting for those immediate choice members who upon retirement elected for a lump sum over the HMRC maximum and were required to pay an authorised payment | No action – for information |
| Training | 83 | Dates of pension board training sessions | Complete – covered in main report |
| Pension reporting | 84 | Collection and submission of data | Complete – submitted |
| Scheme Valuation | 84 | Membership data extracts for 2024 valuation. Noted that this is an additional ask on pension administrators | In progress |
| McCloud | 84 | Treasury Directions – tax relief on contributions for active members | LGA have put forward a recommended approach to dealing with this and received no objections |
| Matthews | 84 | Deceased firefighters – death grant for extended limited period and additional death grants | In progress – we are in the process of writing to beneficiaries of deceased members to advise them of the options available |
| CETV | 84 | GAD guidance for Cash Equivalent Transfer Value (CETV) has been updated | GAD have recently finalised a revised guidance note regarding CETVs for FPS 2006, and an addendum to the 1992 Scheme CETV guidance note, to correct |

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| | | | the formula applying for Club transfer calculations |
| Pension Dashboards | 84 | Update on progress, confirming connection deadline for public service pension schemes of 31/10/25. | Complete – Pension Services aware of the guidance |
| The Pensions Regulator | 84 | Update to 'General Code' compliance | To note – FRA's are advised to review their own compliance against the Code, and Local Pension Boards are advised to include this as a standing agenda item. This will be reviewed for future reports. |
| PCELS | 84 | Update regarding Pension Commencement Excess Lump Sum – a tax free payment which most people can receive when they start accessing their pension benefits. It is normally 25% of the value of the pension benefits | To note – tax charges may be due for members taking a lump sum above £268,275 on or after 6 April 2023, as this was when the lifetime allowance was removed |
| Training | 84 | Further dates for training sessions | Complete – covered in main report |
| McCloud | 85 | Submit compensation arrangement claims for Q2 (2024/25) | Complete – covering automatic compensation only |
| Matthews | 85 | Project implementation data request | In progress |
| SAB update | 85 | SAB meeting update – linked to point above (in bulletin 83). Response | No action |

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| | | received from Fire Minister advising that legislative changes to the tax regulations will be required to resolve this issue and that HM Treasury have confirmed this will not be before 2025 | |
| Firefighters' Pension Team | 85 | Claire Johnson notified scheme managers of the arrangements that will be in place whilst she is on maternity leave | No action |
| Pension Wise appointments | 85 | In September 2024, the Money and Pension Service (MAPS) launched digital pension wise appointments | No action |
| Pension Dashboards | 85 | Guidance and updates issued by The Pensions Regulator | Complete |
| Training | 85 | Further dates for training sessions; Firefighters Pensions AGM in September | Complete – covered in main report |
| Firefighters Pension AGM | 85 | Annual meeting took place in September, which representatives from HIWFRS attended | No action |