



## FPS Bulletin 41 – January 2021

Welcome to issue 41 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year to all. 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](mailto: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](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 9 February 2021
Midlands regional group	9 February 2021
North East regional group	17 February 2021
Eastern regional group	18 February 2021
SAB	11 March 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:

[TPR six key processes](#): scheme managers and LPBs to consider the six key processes factsheet, assess which they have in place and take action to address any gaps.

## FPS

### Age discrimination remedy consultation update

We expect that HM Treasury (HMT) will publish their response to the [consultation on changes to the transitional arrangements](#) to the 2015 public service pension schemes in early February.

In preparation, we have created a new section on the FPS regulations and guidance website for [age discrimination remedy](#), which splits out the existing content from the earlier page under Legal Landscape. We will update the new section as more information becomes available.

### Factors extended for FPS 2006 special member transfer service credits

Following an administrator request, GAD has provided the following table (Table A) to extend the conversion factors for [transferred-in service credits](#) (standard to special membership) from age 59 to age 60.

Age last birthday at relevant date	Male Conversion Factors	Female Conversion Factors
55 and under	0.700	0.710
56	0.706	0.713
57	0.716	0.721
58	0.728	0.731
59	0.740	0.740
60	0.750	0.750

The factor at age 60 should be applied in the same way as for factors at other ages. Note that the factors for ages 59 and below in the above table are unchanged from the current published table.

GAD is not aware of any exclusions which prohibit the conversion of transferred-in service credits at age 60 and this position was confirmed by the Home Office.

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

### Firefighters' Compensation Scheme

In [FPS Bulletin 39 - November 2020](#) we commented on identifying a qualifying injury. We have received further requests regarding the FRA's position on the compensation scheme, and we offer the following points that may assist when making determinations under the compensation scheme:

- The compensation scheme is the responsibility of the employing FRA, payments from the scheme are paid from the Fire and Rescue operating account, not the notional pension account topped up by Government as per paragraphs 3.23 to 3.29 of the [finance guidance](#).
- There have only been minor amendments to the [compensation scheme rules](#) since 2006.
- The entitlement to an injury award under the compensation scheme occurs if the infirmity is occasioned by a 'qualifying injury' [[Part 2, Rule 1, sub para 1](#)]
- 'Qualifying Injury' is defined in [Part 1, Rule 7](#). There has only been a minor amendment to this rule by [SI 2014/447](#) which substituted 'regular firefighter' for 'regular or retained firefighter' "references in this Scheme to a qualifying injury are references to an injury received by a person, without his own default, **in the exercise of his duties as a regular or retained firefighter.**"

- Regular firefighter is defined in the [interpretations](#) as “regular firefighter” means—
  - (a) a person who is employed—
    - (i) by a fire and rescue authority as a firefighter (whether whole-time or part-time), other than as a retained or volunteer firefighter; and
    - (ii) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting) and whose employment is not temporary;
  - (b) a person who holds office as the London Fire Commissioner where the terms and conditions of appointment to that office include—
    - (i) resolving operational incidents, or
    - (ii) leading and supporting others in the resolution of operational incidents;”
- Retained firefighter is defined by the [interpretations](#) as “retained firefighter” and “retained or volunteer firefighter” mean a person employed by an authority—
  - (a) as a firefighter, but not as a regular firefighter,
  - (b) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting),
  - (c) otherwise than in a temporary capacity, and
  - (d) who is obliged to attend at such times as the officer in charge considers necessary, and in accordance with the orders that he receives;”
- It is for the FRA to consider whether the qualifying injury occurred **‘in the exercise of duties’ as a ‘regular or retained firefighter’**.
- It would not be appropriate for anyone other than the employer to determine what is the exercise of duties as a firefighter; the regulatory definitions of a regular or retained firefighter do not refer to the role map, rather to their **employment** as a regular or retained firefighter.
- FRAs should take into account what the contractual arrangements for additional duties are and whether these are in the context of the existing contract as a firefighter, or whether these are contracted for separately with no reference to being employed as a firefighter. You may be aware of the employers circular FAQs Q12 regarding volunteering for additional duties *“What is the position in respect of my pension”* to which the answer is:
 

*“You are volunteering to assist your service’s response to the pandemic, thereby agreeing to undertake a variation to your normal duties following a reasonable request by your employer. You are therefore undertaking authorised duty within the context of your existing contract and the pension scheme rules.”*

## January 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. New queries have been added under the following categories: abatement and death benefits.

## FPS England SAB updates

### IQMP assessments

At their meeting on 10 December 2020, the Scheme Advisory Board (SAB) discussed a [paper updating Board members on medical retirements](#) from the FPS.

The Board agreed that the paper should form a factsheet update to stakeholders on ill-health and injury retirements and that it would proceed with forming a review group for guidance.

In consideration of the question on the ability of an Independent Qualified Medical Practitioner (IQMP) to make an assessment under both the legacy and reformed schemes [paragraphs 30 to 33], the Board agreed for the secretariat to draft a statement on behalf of SAB to confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy/ immediate detriment.

This statement is included below:

“In cases of immediate detriment, some IQMPs have felt unable to make assessments under two schemes, due to wording in the scheme regulations that state the IQMP should not previously have been involved in a case for which his/her opinion has been requested, and they feel that whether the IQMP can express an opinion on both schemes simultaneously is unclear.

While the Board recognise that neither they, the LGA or the Home Office can provide a definitive interpretation of the regulations as only a court can provide a definitive interpretation of legislation, they are satisfied that the regulation wording should not prevent IQMPs from giving an opinion on both schemes, citing the example that this is currently the position for injury and ill-health retirements or deferred pension ill-health retirements, where the IQMP assesses the member under both the compensation scheme and pension scheme, or from both pension schemes for a deferred members retirement.

In consideration of the question on the ability of the IQMP to make an assessment under both the legacy and reformed schemes, the Board confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy.”

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## TPR six key processes factsheet 2021

We advised readers in [FPS Bulletin 39 – November 2020](#) that the results of the [2019 Governance and Administration survey](#) had been published by the Pensions Regulator (TPR).

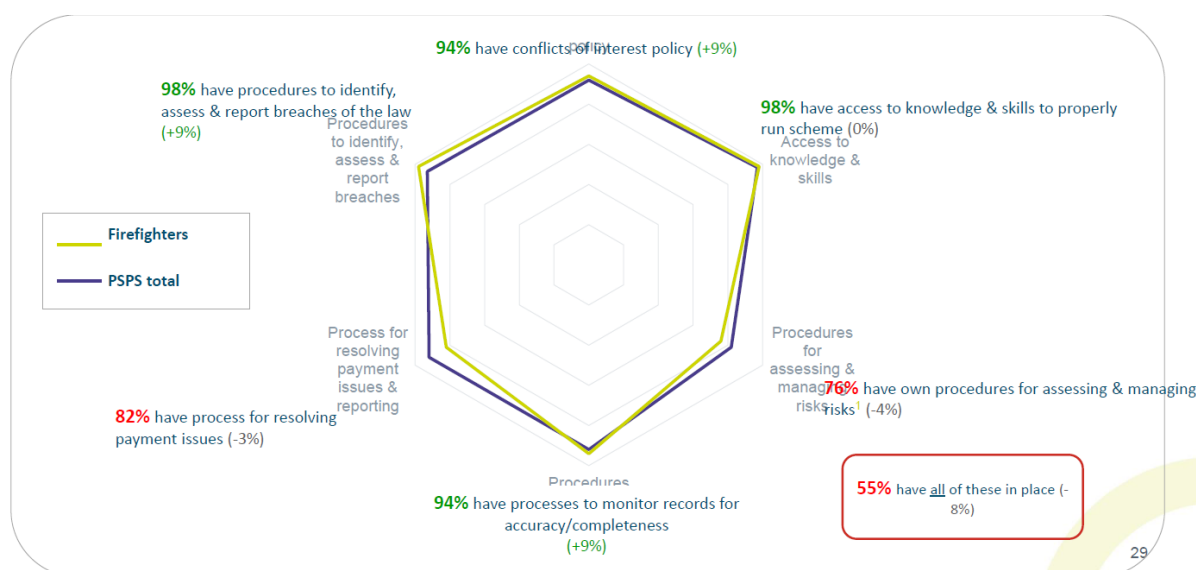
As part of the annual survey, TPR measures six processes as key indicators of public service pension scheme performance.

The six processes are:

1. Documented policy to manage board members conflicts of interest
2. Access to knowledge, understanding and skills needed to properly run the scheme
3. Documented procedures for assessing and managing risks
4. Process to monitor records for accuracy / completeness
5. Process for resolving contribution payment issues
6. Procedures to identify, assess and report breaches of the law

In 2019, 55 per cent of Firefighters' schemes across the UK reported having all six processes in place. This had reduced from 63 per cent in 2018.

Figure 1: Spider graph showing schemes' performance against the six key indicators



Source: [Local Pension Board Wrap Up Training 2020](#) [slide 29]

We have refreshed our [six key processes factsheet](#) to reflect the most recent results and give guidance to FRAs and their Local Pension Boards (LPBs) to improve understanding and compliance in the next survey.

### **SAB LPB effectiveness committee vacancy**

We have a vacancy on the [LPB effectiveness committee](#) for a practitioner representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## **Other News and Updates**

### **Public Service Pension Indexation and Revaluation 2021**

On 12 January 2021, HMT issued [written statement HLWS699](#) confirming the Public Service Pension Indexation and Revaluation for 2021.

Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2020. The increase from 12 April 2021 is 0.5%.

HMT has published the [2021 pensions increase multiplier tables](#) and [covering note](#) to the GOV.UK website in advance of the Pensions Increase (Review) Order being laid.

FPS 2015 will use the figure of 2.4% as set out in the statement for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2021.

### **Restriction of exit payments update**

We confirmed in [FPS Bulletin 39 – November 2020](#) that HMT had published Directions and guidance on the [Exit Payments Regulations](#).

Just before Christmas, amended versions of these documents were published. The documents set out the obligations on individuals and employers and the waiver process for exit payments over £95,000. The new versions can be accessed below:

- [Guidance on the 2020 Regulations](#)
- [HM Treasury Directions](#)



On 21 December 2020, Lord Agnew of Oulton, Minister of State (HM Treasury), confirmed in response to a [written parliamentary question on redundancy pay](#) that employer's national insurance contributions (NICs) are not an exit payment and therefore not included when determining if the £95,000 cap has been breached.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please see [LGPC Bulletin 205 – January 2021](#).

### **The Pensions Ombudsman (TPO) stakeholder newsletter**

TPO has published the latest issue of its stakeholder newsletter: [Issue 10 – December 2020](#). The newsletter includes details of recent appointments, updates on stakeholder and customer surveys, and further enhancements to the TPO website.

Earlier communications from TPO and a full history of determinations in relation to the FPS are held on our [TPO webpage](#).

### **Pensions Dashboards Programme – welcome to 2021**

The Pensions Dashboards Programme (PDP) published a blog on 12 January 2021 entitled '[welcome to 2021 and brighter days ahead](#)'. The blog outlines progress made by the PDP in 2020 and sets out milestones for the year ahead.

A significant step for the PDP will be the [Pensions Schemes Bill 2019-21](#) passing into law. The Bill will set out high-level legislative requirements that schemes and providers must comply with. In addition, the PDP expects to start a program of procurement for the digital infrastructure needed to support dashboards.

### **Automatic enrolment (AE) earnings trigger annual review**

The Department for Work and Pensions (DWP) published its [annual review of the AE earnings trigger](#) on 20 January 2021. The review proposes that the existing trigger of £10,000 should remain unchanged for 2021/22.

### **FCA publishes DB transfer advice tool**

The [Pension Schemes Act 2015 \(Transitional Provisions and Appropriate Independent Advice\) Regulations 2015](#) introduced the requirement for members to take independent advice where the value of their transfer value exceeds £30,000.

On 15 January 2021, the Financial Conduct Authority (FCA) published the [Defined Benefit Advice Assessment Tool](#).

The purpose of the tool is to allow the industry to understand how the FCA assesses advice suitability given before October 2020. The FCA will publish an updated tool reflecting changes made to pension transfer permissions in October 2020 during the coming months.

### **Government updates Brexit pension guidance**

The Government has updated the [Brexit pension guidance](#) to reflect that the State Pension will continue to be increased while the person is resident in the EU and that the transition period has ended.

The guidance explains the rights of UK nationals in the EU, the European Economic Area or Switzerland to benefits and pensions now that the UK has left the EU.

## 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.

The next event is scheduled to take place on 9 February 2021. If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [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](#)

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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](mailto:bluelight.pensions@local.gov.uk).



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Event	Date
<a href="#">LGA virtual annual fire conference</a>	1 – 4 March 2021
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 9 March 2021
SAB	11 March 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 should read the draft data collection guidance and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

## FPS

### Age discrimination remedy consultation response published

On 4 February HM Treasury (HMT) published its [consultation response on changes to the transitional arrangements to the 2015 public service pension schemes](#).

The response confirms that discrimination will be addressed in two parts.

To remove future discrimination from the schemes and ensure equal treatment, all remaining protected members who are not currently members of FPS 2015 will transfer into this scheme on 1 April 2022. This means that all future service for all members will build up in the reformed CARE scheme. Final salary benefits already built up are fully protected.

For benefits built up during the period of discrimination, 1 April 2015 to 31 March 2022, unprotected and taper members will be credited with final salary build-up in their original scheme. At retirement, all members will be able to keep their legacy final salary benefits or choose to receive the CARE benefits that they would have built up in the same period.

While we expect that transferring remaining members into FPS 2015 at 1 April 2022 will be relatively straightforward, the conversion of CARE benefits into final salary will involve complex administrative processes with adjustments of pay, contributions, tax relief, and pensions tax liabilities.

The consultation response addresses some of these issues, however, further policy decisions are needed in some areas. The Home Office will consult separately on changes needed to the Firefighters' Pension Scheme regulations to enact the remedy.

More information can be found on our [age discrimination remedy implementation](#) page.

We understand that members will have many questions about what these changes mean. At present, employers and administrators can only provide the general information that can be found in the consultation response. Until the necessary changes are made to the pension administration software systems, it will not be possible to provide estimates of benefits for members. This is likely to take some time.

Members do not need to take any action, as remedy will automatically be applied if they are eligible. The Home Office has published a [list of frequently asked questions](#) with information about scope and the decisions that the government have made.

We are working closely and at pace across the whole of the FPS sector and with government departments to support FRAs through the remedy implementation process.

## **Valuation**

At the same time as publishing the response setting out the government's approach to removing discrimination, HMT also announced the position on both the paused 2016 cost cap valuation and the 2020 valuation, in [written statement HCWS757](#).

### **2016 valuation**

The pause on the 2016 cost cap valuation will now be lifted, and the Government Actuary's Department (GAD) will now proceed with finalising the valuations based on the DCU approach to removing discrimination.

The cost cap for the FPS was set as 16.8 per cent<sup>1</sup> as at 1 April 2015. The provisional result of the 2016 valuation before the pause was effected was a cost cap cost of 11.6 per cent<sup>2</sup>, which was 5.2 per cent lower than the cost cap floor set in April 2015.

The current process sets out that any breach to the floor of the cost cap would see improvements to scheme benefits to bring the cost cap back within range and, conversely, any ceiling breaches would see reductions to scheme benefits. Floor breaches refer to a change in value by more than 2 per cent below the established cost cap, i.e. less than 14.8 per cent, and a ceiling breach is a change in value by more than 2 per cent above this figure, i.e. more than 18.8 per cent.

Employers are continuing to pay increased employer contributions based on improving scheme benefits because of the floor breach in the paused 2016 cost cap valuation.

The government confirmed that early estimates of the cost cap taking into account the increased value of public service schemes to members as a result of the McCloud remedy mean that on review some schemes would now breach the ceiling. For the FPS this would mean the cost cap cost once calculated would have to be above 18.8 per cent.

If normal statutory procedure were followed, any ceiling breaches would lead to a reduction in member benefits to bring costs back to target. However, the government have announced that it would be inappropriate to reduce member benefits at this time and the effect of any ceiling breaches on the 2016 valuation would be waived.

## **2020 valuation**

In July 2020 the government announced a [review to the mechanism to control the cost of public service pensions](#) for future valuations. While this review will not affect the process of the 2016 cost cap valuation which will continue on the current mechanism, the 2020 valuation will be subject to any recommendations as a result of this review.

The Government announced in [written statement HCWS757](#) that due to interactions with wider pension policies, in particular the implementation of the McCloud remedy reforms, completion of the 2016 valuation process and the review of the cost control mechanism, any changes to employer contribution rates resulting from the 2020 valuations will be delayed from April 2023 to April 2024.

That has the effect that employer contributions will remain at the same rate as set in the 2016 valuation until 2024. Further updates on any changes to that position will be made when information becomes available.

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<sup>1</sup> <https://www.legislation.gov.uk/ukxi/2015/465/regulation/5/made>

<sup>2</sup> <https://www.fpsregs.org/images/Valuation/Valuation2016FV.pdf> [Table 3.6 ]



### **Transitional protections pensions claims: Schedule 22 appeal judgment**

On 12 February, the Employment Appeal Tribunal (EAT) gave its judgment on the FRAs' appeal based on Schedule 22 of the Equality Act 2010. This appeal was based on the argument that the FRAs did not make the legislation which was found by the Court of Appeal to be discriminatory on grounds of age but were bound to follow it because it was the law. The EAT held that the FRAs cannot rely on the Schedule 22 defence.

Further information has been provided to the person nominated by each FRA to receive communications in respect of this, and related, legal cases.

The Steering Committee and legal representatives are considering whether it is appropriate to appeal the judgment.

### **Immediate Detriment**

Following the decision of the EAT on the FRAs' schedule 22 appeal detailed above and its effect on Section 61 of the Equality Act 2010, FRAs will now want to consider their decision in relation to payments under the [immediate detriment guidance](#), which was issued by the Home Office at the request of the Fire Brigades Union on 21 August 2020.

FRAs now need to determine whether they have the necessary information available to them to make decisions and understand the risk to their organisation. To do this they may want to consider:

1. Is the six-page note provided by the Home Office and in-house scheme knowledge sufficient to enable accurate calculations for members?

The note from the Home Office is labelled as informal guidance only. There has been no update from HMT or the Home Office on this note since it was published in August 2020, albeit a more cautionary note was included under [question 10 of the Home Office FAQs](#) that the legislation that allows schemes to do this is limited in effect (we believe that is a reference to Section 61 of the Equality Act), which does not allow for all consequential matters to be dealt with satisfactorily in all cases. For example, in cases where there are interactions with the tax system, perhaps where members have incurred or will incur tax charges or where contributions differ between the schemes.

The LGA published an [immediate detriment information note for FRAs](#) in October which gave further clarification of the technical issues yet to be commented on by the Home Office or HMT and the issues that would need to be decided by FRAs in their decision making on making any immediate detriment payments.

2. What does the local cohort of membership look like with regards to members whose calculation of benefits would be subject to policy decisions yet to be made, such as CETVs received after 1 April 2015, added pension payments, or pensions tax?

The Scheme Advisory Board (SAB) requested data from FRAs on these cohorts but only received 33 of 45 replies<sup>3</sup>.

3. What risk is there to the member on accepting payments without key policy decisions in place, and how will the member be told of this risk?

In considering this risk FRAs and members may wish to consider that final policy decisions have not yet been made on issues such as, how to claim tax relief on pension contributions owed, how to apply interest to contributions due, how pension tax might be calculated and paid, and what legislation is in place to deal with these issues before the pension scheme regulations are changed bearing in mind the note of caution in question 10 of the FAQs.

4. What governance might FRAs put in place to assure themselves that:
  - a. The correct benefits will be paid to members
  - b. Members have been satisfactorily made aware of expectations such as future payments owed due to interest being applied to contributions arrears.
  - c. Necessary processes will be in place to calculate and record the payments due bearing in mind that no automated processes or systems are available for the calculations until the significant software development needed has been completed.
5. How might they record their decision making so it is clear and transparent?

Having considered the above points, FRAs will wish to ensure they document their decision making for clarity and transparency. An [assessment matrix](#) was included with the October note to help FRAs identify whether they have all the information necessary to make a payment.

### **Draft remedy data collection guidance**

In order to credit members with their original legacy scheme membership for the remedy period, administrators will need additional data from FRAs to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven years from 1 April 2015 to 31 March 2022.

To assist administrators and FRAs with the process of collecting data and ensure consistency where possible, we intend to provide a template of data items that will be required. We are currently working with the software companies to agree the required data fields and formats. In the meantime, we have written a supporting document in conjunction with the Fire Communications Working Group (FCWG) to allow parties to identify where additional data will be required and what processes might need to be put in place to collate it.

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<sup>3</sup> [SAB 10 December 2020 - Paper 6 - Immediate detriment data](#)

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

FRAs should now work with their administrators to identify all eligible members and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.

### **FPS contribution rates 2021-22**

Banded contribution rates were introduced to the Firefighters' Pension Scheme 1992 and the Firefighters' Pension Scheme (England) 2006 by Statutory Instruments [2012/953](#) and [2012/954](#) respectively.

These rates have subsequently been amended each year by an amendment order to the schemes. The most recent amendments<sup>4</sup>, which came into force on 1 April 2015, listed the rates applicable from 2015-2016 to 2018-2019, including contribution rates for Special Members of the Firefighters' Pension Scheme (England) 2006.

The Firefighters' Pension Scheme 2015 was introduced on 1 April 2015 by SI 2014/2848. [Regulation 110](#) set out details rates applicable from 2015-2016 to 2018-2019.

For 2019-2020, FRAs were instructed that the 2018-2019 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2021-2022. The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2021.

### **Lifetime allowance factsheet updated**

The [Lifetime Allowance factsheet](#) for members has been updated in collaboration with the FCWG and is available from our website under [guides and sample documents](#).

### **February 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. New queries have been added under the following categories: compensation scheme.

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<sup>4</sup> [SI 2015/579](#), [SI 2015/590](#)

## FPS England SAB updates

### SAB LPB effectiveness committee vacancy

We still have a vacancy on the [LPB effectiveness committee](#) for a practitioner representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Other News and Updates

### Exit payments cap revoked

On 12 February 2021 the government issued the [Exit Payment Cap Directions 2021](#) which disapplied parts of the [Restriction of Public Sector Exit Payments Regulations 2020](#) in England with immediate effect.

As the Directions disapply regulation 3, the exit cap no longer applies in England with effect from 12 February 2021.

HMT issued [guidance on the Directions](#) setting out the expectation that employers should pay the additional sums that would have been paid had the cap not applied for employees who left between 4 November 2020 and 12 February 2021.

On 25 February 2021 [The Restriction of Public Sector Exit Payments \(Revocation\) Regulations 2021](#) were made and laid before parliament and will come into force on 19 March 2021. These regulations confirm the effect of the disapplication Directions made on the 12 February 2021 but are not retrospective.

The regulations contain an obligation for employers to make payments of the difference between what was paid and the exit payments that would have been payable had regulation 3 of the 2020 Regulations not been in force, to affected employees who left during the period between the original regulations coming into force (4 November 2020) and the date of the revocation regulations coming into force. As the cap was disapplied from 12 February 2021, no restricted payments should have been made after this date.

Payments made under the revocation regulations should include interest calculated in accordance with the [Judgment Debts \(Rate of Interest\) Order 1993](#)

As the exit cap had very limited application for the FPS, we do not believe that any relevant exits would have occurred before the cap was disapplied.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please visit the LGPS Scheme Advisory Board [public sector exit payments](#) webpage.

### **HMT consult on implementation of increased normal minimum pension age**

The normal minimum pension age (NMPA) is the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge (unless they are taking their pension due to ill-health). It is currently age 55.

On 11 February 2021 HMT published a [consultation on implementing an increase to NMPA](#) from age 55 to age 57 on 6 April 2028. The consultation confirms that the increase will not apply to those who are members of the Firefighters' Pension Schemes [paragraph 1.12].

The consultation closes on 22 April 2021.

### **Pension Schemes Bill becomes law**

The Pension Schemes Bill 2019/2021 was granted Royal Assent on 11 February 2021 and is now the [Pension Schemes Act 2021](#).

The Act enhances the powers available to the Pension Regulator (TPR) to protect pension savers. On 16 February, David Fairs, Executive Director of Regulatory Policy, Analysis and Advice at TPR, published a [blog examining the new provisions](#).

The Act also drives forward the pensions dashboards agenda, by creating a legislative framework for dashboards and paving the way for the secondary legislation that will make it mandatory for pension providers and schemes to connect to them.

Read more about the [passing of the Pensions Schemes Bill and the impact on pensions dashboards](#) on the Pensions Dashboards Programme website.

### **PASA publishes GMP equalisation guidance on tax issues**

On 15 February 2021, the Pensions Administration Standards Association (PASA) issued [GMP equalisation guidance on tax issues](#). The guidance highlights issues which pension schemes may encounter in adjusting benefits to correct for the inequalities of GMPs and identifies possible approaches for dealing with those issues.

## 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.

The next event is scheduled to take place on 9 March 2021. If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### LGA Annual Fire Conference March 2021

The LGA Fire Conference provides an opportunity to consider key strategic and practical developments that can be expected to impact the fire and rescue sector over the next year.

This year, the conference will be run virtually across four days from **Monday 1 March – Thursday 4 March** with four Zoom webinars and two interactive meeting sessions.

The session dates, timings and links to the booking webpages are below:

[Fire Minister \(Zoom webinar\)](#) Monday 1 March 11.00 – 12.30pm

This session will be an opportunity to hear from Lord Stephen Greenhalgh, Minister of State for Building Safety, Fire and Communities, to discuss the Government's Fire Reform Programme.

[Inspection \(Zoom meeting\)](#) Monday 1 March 2021, 2.00pm – 4.00pm

During this session, Sir Tom Winsor will outline his assessment of the Fire and Rescue Service, following the COVID-19 Inspections and previous State of Fire Report. We will then hear from Roy Wilsher, Chair of the NFCC and Dr Fiona Twycross, Deputy Mayor for Fire and Resilience (London), with their reflections on the future of the service.

[Neurodiversity in the fire and rescue service \(Zoom webinar\)](#) Tuesday 2 March 2021, 11.00am – 12.30pm

This session webinar will focus on neurodiversity in the fire and rescue service, showcasing the work that is already underway and discussing how we can build on best practice. During this session, Dr Nancy Doyle, CEO of Genius Within, will discuss what it means to be neurodiverse, and Dawn Whittaker, CFO, and Tom Glandfield, Firefighter, at East Sussex FRS, will highlight the ways in which we can improve our workplaces and ways of engaging the community to be more inclusive of people who are neurodiverse.

[Building safety – Legislation \(Zoom webinar\)](#) Wednesday 3 March 2021, 11.00am – 12.30pm

[Building safety - Enforcement \(Zoom meeting\)](#) Wednesday 3 March 2021, 2.00pm – 4.00pm

With building safety remaining the largest and most urgent challenge facing the sector, the current work regarding the Building Safety Bill and related enforcement will be explored in this session. There will also be an opportunity to attend an interactive meeting on Building Safety in the afternoon from 2.00pm- 4.00pm and you will need to book on separately for the webinar and the meeting.

[Building community resilience \(Zoom webinar\)](#) Thursday 4 March 2021, 11.00am – 12.30pm

COVID-19 has shaped our lives for the last year, including how our communities think and feel. This session will explore how our communities have been impacted by the pandemic, and the issues that are of key importance to them as we look at recovery, in particular climate change. Many have identified climate change as a particular concern but are unsure of their role in tackling it. This session will explore engaging with our communities on climate change and then look more specifically at the fire and rescue service role.

All of these are stand-alone sessions and therefore you will need to book a place on each session that you wish to attend. The sessions are free to attend for all councils and fire and rescue services who are in LGA membership.

If you have any questions, please contact **Catriona Coyle**, Events Manager, Phone: 020 7664 3385 / 07867 857514 Email: [catriona.coyle@local.gov.uk](mailto:catriona.coyle@local.gov.uk)

## HMRC

### HMRC newsletters/bulletins

On 3 February HMRC published [Pension schemes newsletter 127](#) containing important updates and guidance for schemes. Articles include:

- Managing Pension Scheme service – practitioner registration and authorisation features
- Relief at source – notification of residency status reports for 2021 to 2022
- Gibraltar qualifying recognised overseas pension schemes (QROPS) – new regulations
- Pension flexibility statistics – for period 1 October 2020 to 31 December 2020

## Legislation

Act	Title
2021 c.1	<a href="#">Pension Schemes Act 2021</a>



SI	Reference title
2021/89	<a href="#">The Pension Schemes (Qualifying Recognised Overseas Pension Schemes) (Gibraltar) (Exclusion of Overseas Transfer Charge) Regulations 2021</a>
2021/93	<a href="#">The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling) Order 2021</a>
2021/157	<a href="#">The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2021</a>
2021/197	<a href="#">The Restriction of Public Sector Exit Payments (Revocation) Regulations 2021</a>

## 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](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)

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## The Pension Regulator – six key processes

### Introduction

The Pensions Regulator (TPR) has a statutory duty for regulatory oversight under the [Public Service Pensions Act 2013](#) and monitors six key processes as part of their [annual governance and administration survey](#). TPR uses these key processes as indicators of public service pension scheme performance.

In 2019, two-thirds (64 per cent) of public service schemes had all six key processes in place.

For the Firefighters' Pension Scheme (FPS) across England, Wales, Scotland and Northern Ireland, 55 per cent have all six processes in place<sup>1</sup>.

The TPR report notes that this is a decrease from 2018, which is likely due to a change to the question on assessing and managing risk. Nevertheless, the FPS had the lowest proportion of all processes in place.

Publication of the 2019 TPR research report was delayed due to the COVID-19 pandemic. The LGA surveyed Fire and Rescue Authorities (FRAs) on the impact of the pandemic on their own governance arrangements. The [COVID-19 governance survey update](#) was presented to the Scheme Advisory Board (SAB) in September 2020.

This factsheet has been updated to give further guidance to FRAs on the six key processes in order to achieve a higher rate of understanding and compliance ahead of the next survey.

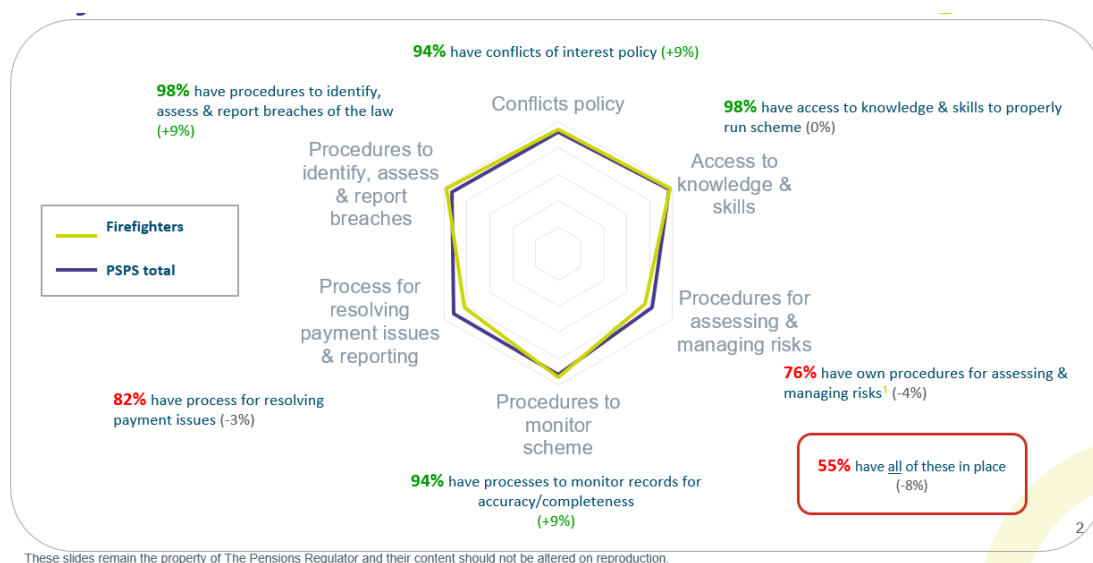
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<sup>1</sup> [TPR public service research report 2019](#) [Paragraph 1.1]

## The six processes

- [Documented procedures for assessing and managing risks](#)
- [Process for resolving contribution payment issues](#)
- [Documented policy to manage board members conflicts of interest](#)
- [Process to monitor records for accuracy / completeness](#)
- [Access to knowledge, understanding and skills needed to properly run the scheme](#)
- [Procedures to identify, assess and report breaches of the law](#)

## TPR Governance and Administration survey results 2019



Source: [Local Pension Board Wrap Up Training 2020](#) – slide 29

## Historical results

	2019	2018 <sup>2</sup>	2017 <sup>3</sup>	2016 <sup>4</sup>	2015 <sup>5</sup>
Conflict of interest	94%	85%	94%	80%	78%
Knowledge and skills	98%	98%	92%	94%	36%
Risk	76%	80%	63%	44%	36%
Monitoring records	94%	85%	80%	88%	88%

<sup>2</sup> [FPS AGM 2019 - slide 20](#)

<sup>3</sup> [FPS governance conference 2018 - slide 17](#)

<sup>4</sup> [FPS AGM 2017 - slide 29](#)

<sup>5</sup> [TPR public service research report 2015](#)

Contribution issues	82%	85%	84%	68%	78%
Breaches of law	98%	89%	84%	78%	36%
All six processes in place	55%	63%	41%	-	-

There has been a clear improvement in most processes since the survey was introduced in 2015.

The decline in risk management processes in 2019 is likely to reflect an amendment to the questionnaire which asked if organisations have their 'own' documented procedures in place. The decrease was less marked for FPS than other named public service schemes.

Although the 2019 results appear to be improved in the majority of areas, performance still lags behind other public service schemes with only 55 per cent of Firefighters' schemes having all six key processes in place. The table below shows where improvement is most needed.

Process	Not in place
<a href="#">Risk</a>	24%
<a href="#">Contribution issues</a>	18%
<a href="#">Conflict of interest</a>	6%
<a href="#">Monitoring records</a>	6%
<a href="#">Breaches of law</a>	2%
<a href="#">Knowledge and skills</a>	2%

Each FRA should ensure that they assess which processes they have in place and take action to improve.

## Documented procedures for assessing and managing risks

At the 2019 survey, 76 per cent of Firefighters' schemes reported to have documented procedures for assessing and managing risks, with a slightly higher proportion (86 per cent)<sup>6</sup> having a risk register in place.

TPR analysed the impact of risk registers on performance and found that schemes with a risk register in place performed significantly better in other areas. This demonstrates the importance of good internal controls as an indicator of effective governance.

	Risk register	No risk register
Have a documented policy to manage pension board members' conflicts of interest	95%	86%
Have a register of pension board members' interests	95%	86%
Held at least 4 board meetings in last 12 months	36%	0%
Evaluate knowledge, understanding and skills of the board at least annually	90%	57%
Have a succession plan for members of the pension board	55%	14%
Have documented procedures for assessing and managing risk	86%	14%
Reviewed exposure to new/existing risks at any board meetings (1+) in last 12 months	100%	57%
Completed a data review in last 12 months	90%	71%
Identified any issues in latest data review	85%	40%

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Source: [Local Pension Board Wrap Up Training 2020](#) – slide 39

The SAB has recently published agreed and published its own [risk register](#) to demonstrate good practice.

Despite improved understanding of risk being reported as the top driver of improvement to governance and administration for the FPS at 57 per cent, TPR noted that Firefighters' schemes are least likely to regularly review their exposure to new and existing risks, with only 20 per cent reviewing this each quarter<sup>7</sup>. This is reflective of the fact that FPS boards are least likely to hold the recommended four meetings per year:

*“Other’ schemes were most likely to have held at least four board meetings in the previous 12 months (82% had) and Firefighters’ schemes least likely (31% had).”<sup>8</sup>*

Schemes were asked to comment on the top three governance and administration risks on their register. For the FPS these were record-keeping and securing compliance with regulatory change (both at 53 per cent) and recruitment and

<sup>6</sup> [TPR public service research report 2019](#) [Table 4.2.1]

<sup>7</sup> [TPR public service research report 2019](#) [Table 4.2.4]

<sup>8</sup> [TPR public service research report 2019](#) [page 2]

retention of staff or knowledge at 24 per cent<sup>9</sup>. Correspondingly, these issues were also identified within the top barriers to improving governance and administration: complexity of the scheme (84 per cent); volume of changes required to comply with legislation (55 per cent); recruitment, training and retention of staff and knowledge (31 per cent)<sup>10</sup>.

It is interesting to note that while only 2 per cent of FRAs had identified the McCloud judgment ([age discrimination remedy](#)) as a risk, 51 per cent stated it was a barrier to improvement. We would encourage all FRAs to add this to their registers as we believe there is considerable risk in the following areas:

### Age Discrimination: Deferred Choice Underpin



Risk considered the biggest factor in supporting DCU



Resources available to support immediate choice both at officer FRA level and administration



Risk about the levels of technology and information available to support decision making



Risk of knowledge being available



Risk of members making wrong decisions

Despite record keeping (i.e. receipt and management of correct data) being listed by 53 per cent of respondents as the joint top risk, 94 per cent of FRA reported that they have processes in place to monitor records. Evidence would suggest that there is some lack of clarity and understanding in what is being measured when it comes to record keeping, and accuracy and completeness of data. Further commentary on this is made under [monitoring records](#).

The risk of failure of internal controls had fallen from 22 per cent to 10 per cent in the 2019 survey. Internal controls are defined by [TPR code of practice 14](#) [paragraph 103] as “systems, arrangements and procedures that are put in place to ensure the scheme is being run in accordance with the scheme rules” and are therefore fundamental to ensuring compliance. Schemes who identify that they have no satisfactory mitigation in place for internal controls would need to prioritise mitigating that risk. An example of a failure of internal controls is where the delegated scheme manager cannot be identified.

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<sup>9</sup> [TPR public service research report 2019](#) [Table 4.2.3]

<sup>10</sup> [TPR public service research report 2019](#) [Table 4.9.1]

The FPS is an unfunded scheme with no investments, however, 8% of FRAs continued to list funding or investment as a risk. Relevant funding risk to the schemes could be considered as:

- Failure to deduct correct contributions from pay.
- Failure of the employer to pay contributions from the scheme.
- Failure to manage the notional pension fund correctly i.e. not abating pensions when necessary or claiming for payments under the compensation scheme.

It should be noted, that while the impact of increased employer contributions is certainly something that would be recognised by the wider FRA risk register, it is not a 'pensions' risk, and does not need to be included on pension risk registers.

Anecdotally, we understand that understanding who the risk register is for and whose responsibility it is to maintain is one of the most common problems for FRAs and Local Pension Boards (LPBs).

It is the LPB's statutory duty to assist the [scheme manager](#) in ensuring compliance<sup>11</sup>, therefore the responsibility for risk sits with the scheme manager, and it is for the board to ensure there is suitable mitigation of risk in the form of a risk register and procedures.

In such cases where the role of scheme manager for the organisation appears to be unclear and there is no suitable delegation in place, then lack of internal controls would need to be on the risk register.

#### **Common risk items are:**

Failure to have appropriate governance arrangements in place.

Failure to ensure internal controls are in place to manage the scheme appropriately.

Failure to ensure legislation, rules and guidelines are interpreted correctly and therefore failure to secure compliance.

Failure to ensure any conflicts of interest are identified and declared in a transparent and open manner.

Failure to ensure member data is complete and accurate and is of suitable quality to be relied upon.

Failure of administration processes / occurrence of maladministration.

Failure to ensure that there timely and accurate communication arrangements in place.

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<sup>11</sup> [The Firefighters' Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#) [Regulation 4A, Paragraph 1]

Failure to ensure an operational disaster such as significant fire or flood does not impact on the activities of the Local Pension Board or the Pension Administrators.

Failure to ensure suppliers and customers are not overcharging and creating additional liabilities against operational budgets resulting in a lack of value-for-money (VFM).

Failure to ensure occurrences of fraud are identified and escalated within client / constituent authority.

Failure to ensure employers pay the appropriate contributions to the scheme, and that employees are contributing appropriately.

Failure to ensure there is appropriate membership of the LPB, as a result of planned or unplanned absence.

Failure to ensure the LPB is able to fulfil its information reporting requirements in terms of reporting to the Pensions Regulator and Local Government Association as well as reporting between the LPB, administrator, FRA and SAB etc.

An example risk register and other related resources are available on the [LPB resources webpage](#). We recommend that schemes examine and update their risk registers to ensure relevant risks and current mitigations are reflected, and also ensure that risk is an agenda item for each quarterly meeting to review that the risk is still relevant and that appropriate mitigating controls are in place.



## Process for resolving contribution payment issues

At the 2019 survey, 82 per cent of Firefighters' Pension Schemes reported to have a process for resolving contribution payment issues in place. This is a three-percentage point drop from 2018 but has risen significantly from 68 per cent in 2016. Ninety per cent have a process for monitoring the payment of contributions<sup>12</sup>.

While it is recognised that contribution payment issues are more likely to be an issue for multi-employer funded schemes rather than a single employer non-funded scheme, there are several challenges that can arise for the FPS, both within business as usual processes and the forthcoming implementation of age discrimination remedy.

There should be a documented procedure for dealing with these challenges as part of the process for resolving contribution payment issues.

## Business as usual

### BAU processes include:

Calculation of correct [Additional Pension Benefits \(APBs\)](#) as per circular [FPSC 02/2008](#).

Discretion to request a member to pay the employer contributions during absence from work due to illness, injury, trade dispute or authorised absence [[Rule 111](#)].

Employer ill-health contributions: two times pensionable pay for lower tier ill-health and four times pensionable pay for higher tier ill-health<sup>13</sup>.

Identification of members who qualify for a [contribution holiday](#) upon reaching 30 years' pensionable service before age 50 and implementation of the holiday [[Rule G2, paragraph 1B](#)].

Monitoring contributions for a [special member of FPS 2006](#) who is paying periodic contributions over ten years, particularly for those paying by direct debit.

Backdated [pensionable pay decisions](#) due to case law and subsequent adjustment to contributions.

Taper-protected contribution changes for both the employee and employer where a member transitions from FPS 1992 or FPS 2006 to the FPS 2015 every 56 days<sup>14</sup>.

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<sup>12</sup> [TPR public service research report 2019](#) [Table 4.3.7]

<sup>13</sup> [Guidance for Fire and Rescue Authorities on new financial arrangements for firefighter pensions with effect from April 2006](#) [Paragraph 3.4]

<sup>14</sup> [Part 4 Taper Tables](#)

Any taper-protected members going through the IQMP process before reaching their taper date to remain paying contributions at the relevant rate for their final salary scheme<sup>15</sup>.

## Age discrimination remedy

Contribution adjustments will be needed for members who change schemes as a result of remedy implementation. Depending on the outcome of the HMT consultation on removing discrimination, these adjustments will need to be made once or twice.

### Adjustments needed:

Balancing contributions between FPS 1992 and FPS 2015.

Refund contributions between FPS 2006 and FPS 2015.

Contributions for temporary promotion to be treated as an APB under FPS 1992 and FPS 2006.

Additional balancing payments for CPD as an APB in FPS 1992 and FPS 2006.

Adjustment +/- for contribution holiday

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<sup>15</sup> [The Firefighters' Pension Scheme \(England\) \(Amendment\) Regulations 2017](#)

## Documented policy to manage board members' conflicts of interest

The Firefighters' schemes returned the highest score across the public sector for having a documented policy to manage board members' conflicts of interest. This has increased nine points to 94 per cent, from 85 per cent in 2018<sup>16</sup>.

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
<b>PSPS Survey 2019</b>	<b>92%</b>	<b>73%</b>	<b>94%</b>	<b>92%</b>	<b>93%</b>
PSPS Survey 2018	90%	82%	85%	93%	91%
PSPS Survey 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

Under [regulation 4C](#) of the FPS 2015 regulations, the scheme manager must ensure that there is no conflict of interest upon appointment and manage any potential conflict of interest that may arise.

The Public Service Pensions Act 2013<sup>17</sup> confirms that a conflict does not arise by virtue of membership of the scheme or any connected scheme but “means a financial or other interest likely to prejudice the person's exercise of functions as a member of the board” [Paragraph 5.12].

[Guidance on the creation and operation on LPBs](#) produced in 2015 confirms:

*“It is important to note that the issue of conflicts of interest must be considered in light of the LPB’s role, which is to assist the scheme manager. The LPB does not make decisions in relation to the administration and management of the scheme: these decisions still rest with the scheme manager. As a result, it is not anticipated that significant conflicts will arise in the same way as would be the case if the board were making decisions on a regular basis. Nevertheless, steps need to be taken to identify, monitor, and manage conflicts effectively.”*

TPR [code of practice 14](#) covers conflicts of interest at paragraphs 61 to 89; paragraph 89 provides examples of conflicts that may arise.

A documented policy to manage board members conflicts of interests should include how the scheme manager intends to identify, monitor, and manage conflicts and potential conflicts.

The SAB published its [conflict of interest policy](#) in January 2020.

<sup>16</sup> [TPR public service research report 2019](#) [Table 4.1.1]

<sup>17</sup> [Public Service Pensions Act 2013](#) [Section 5(5)]

## Process to monitor records for accuracy / completeness

At the 2019 survey, 94 per cent of Firefighters' Pension Schemes reported to have a process to monitor membership types on an ongoing basis to ensure they are complete and accurate. This has also increased nine points, from 85 per cent in 2018<sup>18</sup>.

Proportion with a process...		Total			Scheme Type		
		Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
To monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	2019	92%	97%	100%	94%	94%	82%
	2018	91%	92%	91%	85%	95%	89%
	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%

TPR [guidance on record keeping](#) says “you should not rely on the statutory audit to tell you the quality and accuracy of your data or the controls around it. You should take an active role in monitoring data. This should be an ongoing process.”

### Processes for monitoring records should include:

How administrators are informed when someone joins or leaves the scheme, whether this is manually or electronically and how often.

How and when members might move from final salary into the CARE scheme.

How special members records will be kept up to date including how their options are recorded, for example whether they opted to pay by periodical contributions or lump sums.

How entitlement to certain benefits, such as APBs, [two-pension award](#), or contribution holiday might be identified and recorded.

How and when contributions might change, for example moving into the next contribution band or tapering into FPS 2015.

Recording and reporting changes to a member's personal details, such as name and address.

<sup>18</sup> [TPR public service research report 2019](#) [Table 4.3.7]

Whether someone who has a pension in payment (whether from the same FRA or another) is employed or re-employed for [abatement](#) and/ or [protected pension age](#) purposes.

In what circumstances a data improvement plan might be expected to be put into place.

Processes to monitor records are closely linked to [data scoring](#) and the processes in place for [measuring accuracy](#).

Paragraphs 122 to 146 of [code of practice 14](#) cover record keeping and data scoring.

We commented in the previous version of this factsheet that the findings around data processes contrasted with the research done by AON as part of the SAB administration and benchmarking project in 2018-19.

In the Aon questionnaire, some employers indicated that they sometimes experience difficulties in providing data for the administration of the scheme; in meeting expected turnaround times, providing data of required quality, not being clear on what was expected and extracting data.<sup>19</sup> There was also an inconsistency between the scheme specific data scores reported by employers (31 employers provided a score which gave an average of 90 per cent<sup>20</sup>) to the scores reported by administrators (34 administrators provided a score which gave an average of 67 per cent<sup>21</sup>).

As AON comment at page 61 of their report:

*“Given, that the scheme is a single employer scheme, one might expect reasonably higher levels of data quality compared to a multi-employer scheme.”<sup>22</sup>*

While it can be difficult to draw definite conclusions, due to the differences in questions asked and uncertain nature of surveys, these discrepancies do seem to indicate that there is a lack of clarity and understanding in what should be measured in respect of accuracy and completeness of data. This position is supported by the limited data received from FRAs when asked to provide [details of their immediate detriment age discrimination cases](#) for the SAB.

Although the key process for TPR is the ongoing monitoring of all membership types to ensure accuracy, in order for that process to be effective TPR also measure whether there are:

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<sup>19</sup> [FPS administration and benchmarking review](#) [Pages 35 to 37]

<sup>20</sup> [FPS administration and benchmarking review](#) [Page 40]

<sup>21</sup> [FPS administration and benchmarking review](#) [Page 19]

<sup>22</sup> [FPS administration and benchmarking review](#) [Page 61]

## Administration and record-keeping processes:

Processes for employers to receive, check and review data [94 per cent]<sup>23</sup>

Whether employers provide timely data [86 per cent]<sup>24</sup>

Whether employers provide accurate and complete data [80 per cent]<sup>25</sup>

Employers who submit data monthly [76 per cent] and electronically [90 per cent]<sup>26</sup>

These scores have all increased between 6 to 15 per cent, with the most significant increase in the number of employers submitting data monthly and/ or electronically.

While Aon acknowledged in 2019 that administrators were largely content with the timely and accurate submission of data, they went on to state:

*“There appears to be a need to consider improving how data is transferred for some administrators and FRAs given that 38% of FRAs and 32% of administrators indicated that they do not currently operate an employer self-service facility. Clearly data is not the only factors, but it may be impacting on why a third of members did not agree that they received timely responses to queries and requests.”<sup>27</sup>*

It is positive to see that more FRAs are now submitting data to their administrator on a monthly basis. The SAB recommend monthly electronic data uploads, as an automated process that takes employee data from the payroll system and uploads to the administration system and checks for tolerance matches is likely to result in more accurate data. This also allows validation and data cleansing to take place on a monthly basis and queries to be addressed in real time. However, an electronic process could also be in the form of a spreadsheet upload.

The percentage of Fire schemes undertaking an annual data review has increased year on year but is still lower than all other schemes except Police in 2019, at 88 per cent<sup>28</sup>. The most commonly identified data issues were incorrect or missing postcode, first line of address, or NI number<sup>29</sup>.

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<sup>23</sup> As above

<sup>24</sup> [TPR public service research report 2019](#) [Table 4.3.9]

<sup>25</sup> As above

<sup>26</sup> [TPR public service research report 2019](#) [Table 4.3.12]

<sup>27</sup> As above

<sup>28</sup> [TPR public service research report 2019](#) [Table 4.5.1]

<sup>29</sup> [TPR public service research report 2019](#) [Table 4.5.2]

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	92%	100%	88%	97%	82%
PSPS Survey 2018	83%	82%	78%	93%	68%
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

Of those respondents that had identified issues, only 2 per cent stated that no data improvement plan had been developed and no work undertaken<sup>30</sup>.

Although robust data underpins all pensions transactions, as we move through the process of implementing age discrimination remedy having a good understanding of where data is held, how accurate it is, and how to monitor, measure, and report it, is going to be more important than ever.

Some examples of data considerations specific to remedy are detailed below. The LGA are working with the Fire Communications Working Group on remedy data guidance and a standard data collection template.

## Remedy data

Pay Data	Service Records	Final Salary	Opt-Outs
<ul style="list-style-type: none"> <li>• CARE Pay for current protected members</li> <li>• Final Salary Pay for Remedy Period</li> <li>• Include any temporary promotion not pensionable in FPS 2015</li> <li>• For retained this will be actual pay and full time equivalent pay to establish service records</li> </ul>	<ul style="list-style-type: none"> <li>• Final Salary Service Record will need re-creating</li> <li>• Maternity Leave</li> <li>• Paternity Leave</li> <li>• Parental Leave</li> <li>• Authorised Absence</li> <li>• Have contributions been repaid to establish service?</li> <li>• Changes to hours are recorded</li> </ul>	<ul style="list-style-type: none"> <li>• Would entitlement to two pensions have been established by a drop in pay?</li> <li>• Temporary Promotion in FPS 2015 would be treated as APB in Final salary if appropriate discretion is in place</li> <li>• CPD payments in FPS 2015 will need to be treated as APB in final salary scheme</li> </ul>	<ul style="list-style-type: none"> <li>• Dependent on consultation decision</li> <li>• Eligibility Criteria needs to be established</li> <li>• Data needed</li> <li>• Collate all opt-outs from 1 April 2014</li> <li>• Establish reason for opt-out, ie auto-enrolment</li> </ul>

<sup>30</sup> [TPR public service research report 2019](#) [Table 4.5.3]

## Procedures to identify, assess and report breaches of the law

At the 2019 survey, 98 per cent of Firefighters' Pension Schemes reported to have procedures both to identify and assess and report breaches of the law. Scoring against this process has increased each year that the survey has been carried out<sup>31</sup>.

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2019	93%	100%	98%	90%	93%
PSPS Survey 2018	93%	100%	89%	94%	93%
PSPS Survey 2017	90%	100%	84%	95%	84%
PSPS Survey 2016	84%	100%	78%	91%	69%
PSPS Survey 2015	53%	67%	36%	51%	73%

Paragraph 242 of [code of practice 14](#) confirms a list of responsible bodies who are required by law to report a breach of law. This includes all parties who are involved with or have an interest in running the scheme.

A procedure for identifying, recording, and assessing breaches of law should:

1. Determine whether a breach of law has occurred
2. Record the Breach
3. Assess for materiality to TPR
4. Report to TPR if considered material

## Identify and determine whether a breach of law has occurred

### Breaches could be identified in a number of different ways:

Tracked under a regular board agenda item - i.e. annual benefit statements

Flagged from a LGA bulletin - e.g. guidance on two pension calculations

Reported by the pension administrator - e.g. incorrect benefits paid

Reported by the scheme manager - e.g. identification of a pension accounting error

Reported by a scheme member - e.g. pension entitlements incorrectly identified due to lack of procedures

<sup>31</sup> [TPR public service research report 2019](#) [Table 4.8.1]



## Record the breach

If a potential breach has been identified, both the facts and regulations need to be examined to clarify which regulation or statutory process has been breached<sup>32</sup>. Administrators may be able to help with this or FRAs can submit a [technical query](#) to the LGA Bluelight pensions team, who will respond confidentially to the query.

Once a breach of law has been determined, it must be recorded, whether or not it is subsequently found to be material. The breach can be recorded by completing the LGA [breach assessment template](#) and providing a copy to the LPB and scheme manager.

## Assess the breach for materiality to TPR

The TPR survey results showed that in 2019, 27 per cent of Firefighters' schemes recorded breaches of law that excluded those relating to annual benefit statements. Of these, 10 per cent were reported as material<sup>33</sup>.

Schemes should ensure that where a breach has not been assessed as material there is clear evidence of the assessment available.

TPR have published [guidance on assessing materiality](#), which is often referred to as the traffic light system for assessing over four key categories: Cause, Effect, Reaction and Wider Implications. The breach assessment template has been developed to use in line with the TPR guidance.

Potential investigation outcomes				
	Cause	Effect	Reaction	Wider implications
Red	Inadequate internal processes for issuing annual benefit statements, indicating a systemic problem	All members may have been affected	Action has not been taken to correct the breach and/or identify and tackle its cause to minimise the risk of recurrence and identify other members who may have been affected	It is highly likely that the scheme will be in breach of other legal requirements
Amber	An administrative oversight, indicating variable implementation of internal processes	A small number of members may have been affected	Action has been taken to correct the breach, but not to identify its cause and identify other members who may have been affected	It is possible that the scheme will be in breach of other legal requirements
Green	An isolated incident caused by a one off system error	Only one member appears to have been affected	Action has been taken to correct the breach, identify and tackle its cause to minimise the risk of recurrence and contact the affected member	It is unlikely that the scheme will be in breach of other legal requirements

Assessment for materiality should also consider any relevant history, i.e. have breaches occurred for the same membership type previously, and what action is being taken to ensure no further breaches occur.

An example of this is annual benefit statements for special members of FPS 2006. We understand there are relatively low numbers of special members who did not receive a benefit statement by the deadline of 31 August 2019 as the statement needed to be manually calculated and checked. Materiality cannot be determined on the low numbers alone; an assessment of materiality should include whether these

<sup>32</sup> [TPR code of practice 14](#) [Paragraph 246]

<sup>33</sup> [TPR public service research report 2019](#) [Figure 4.8.2]

members have previously experienced issues or delays with statements and calculations.

## Report to TPR

Finally, if the breach is assessed as material it must be reported to TPR and submitted either by post or electronically using email or the exchange online service.<sup>34</sup> The breach assessment template can be submitted as a record of the breach.

For further information on breaches, see:

[FPS AGM 2020 Day 1 presentation by TPR](#) [Slides 4 to 12]

[TPR code of practice 01: Reporting breaches of the law](#).

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<sup>34</sup> [TPR code of practice 14](#) [Paragraphs 263 to 271]

## Access to knowledge, understanding and skills needed to properly run the scheme

At the 2019 survey, 98 per cent of Firefighters' Pension Schemes reported to have procedures to enable access to all the knowledge, understanding and skills necessary to properly run the scheme; this is unchanged from 2018. In addition, 88 per cent said they had sufficient time and resources to run the scheme properly.<sup>35</sup>



However, over one third of schemes (35 per cent) rated lack of resources or time as one of their top three barriers to improving scheme governance and administration. Additionally, 31 per cent cited training and retention of staff and knowledge.<sup>36</sup>

[Paragraphs 34 to 60 of code of practice 14](#) cover the knowledge and understanding required by board members. TPR published a [quick guide to personal development](#) for board members in 2015 and expect the modules in the [Public Service toolkit](#) to be completed as a minimum training requirement.

### A procedure for ensuring there is access to knowledge, understanding, and skills to run the scheme should include:

Confirmation of the legal requirements for board members

Relevant policies

Access to a development discussion (not mandatory) to discuss any requirements board members have to fulfil their role

Annual access to training to ensure knowledge and understanding of the responsibilities of the Scheme Manager and Local Pension Board

[The scheme rules](#)

<sup>35</sup> [TPR public service research report 2019](#) [Figure 4.1.4]

<sup>36</sup> [TPR public service research report 2019](#) [Table 4.9.1]

[TPR code of practice 14](#)

Wider pension rules

[LGA bulletins](#) should be made available to all board members

All members should be offered an opportunity to attend [national events](#) run by LGA and sponsored by the SAB

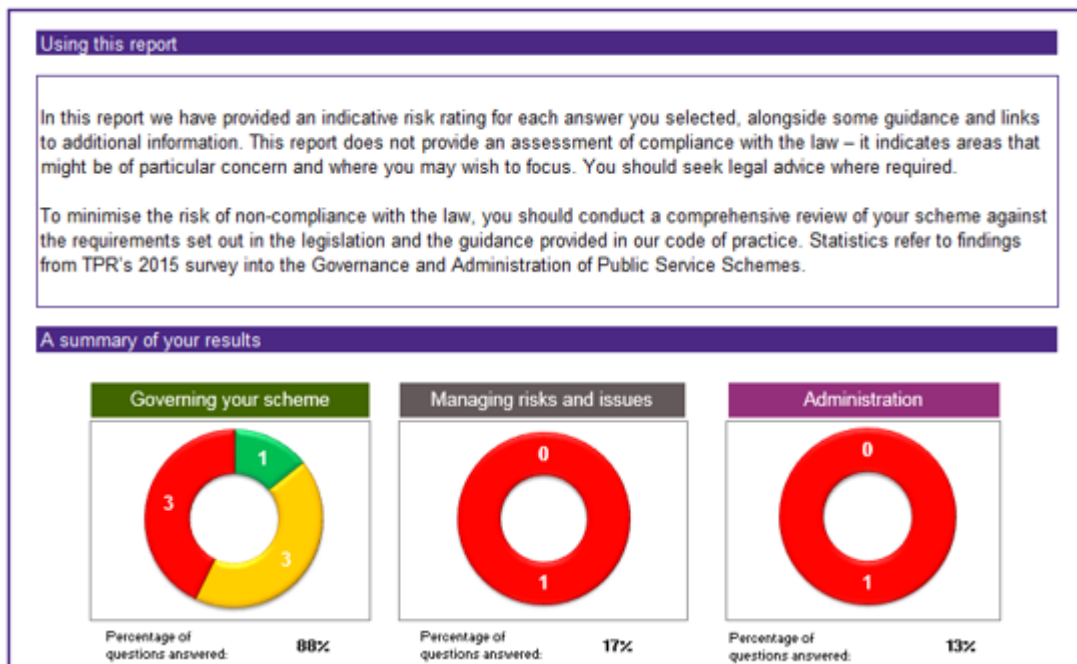
A log of all training undertaken by board members in the form of a personal [training needs analysis](#)

An annual evaluation of skills

To assess the knowledge, understanding, and skills of the LPB, 85 per cent of scheme managers or board carry out an evaluation at least annually. Sixteen per cent evaluate on a quarterly basis.<sup>37</sup>

Boards need to have a robust plan to ensure that regular evaluation takes place of the skills needed to run the scheme properly, particularly for boards with a high turnover. It is also important to identify whether the skills level is split evenly or if the board relies on a particular individual as this can feed into the risk matrix.

TPR have an [online tool for schemes to assess their knowledge and understanding](#) in the following areas: governing your scheme, managing risks and issues, and administration.



<sup>37</sup> [TPR public service research report 2019](#) [Figure 4.1.5]

## Further Resources

- [Firefighters' Pension Schemes Management and Governance Factsheet](#)
- [Scheme Manager Factsheet](#)
- [Local Pension Board Guidance, Training and Resources](#)
- [The Pensions Regulator Guidance and Resources](#)
- [Code of Practice 14](#)
- [Library of TPR Admin and Governance Surveys](#)

This factsheet has been prepared by LGA to give guidance on the TPR six key processes and provide commentary on the TPR governance and administration survey 2019 using the regulations and TPR guidance as they stand at January 2021.

In particular we note that due to the finding of the Court of Appeal in the case of Sargeant the scheme rules may be amended. this factsheet will be amended at that time and on an annual basis, referencing any changes to the scheme and policies that might be needed.

This factsheet should not be interpreted as legal advice.

## Written questions, answers and statements

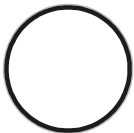
UK Parliament > Business > Written questions, answers and statements > Find written statements > HCWS699

# Public Service Pension Scheme Indexation and Revaluation 2021

## Statement made on 12 January 2021

Statement UIN HCWS699

### Statement made by



**Steve Barclay**

The Chief Secretary to the Treasury

Conservative

North East Cambridgeshire



Commons

### Statement

Public service pensions continue to be among the very best available.

Legislation governing public service pensions requires them to be increased annually by the same percentage as additional pensions (State Earnings Related Pension and State Second Pension). Public service pensions will therefore be increased from 12 April 2021 by 0.5 per cent, in line with the annual increase in the Consumer Prices Index up to September 2020, except for those public service pensions which have been in payment for less than a year, which will receive a pro-rata increase. This will ensure that public service pensions take account of increases in the cost of living and their purchasing power is maintained.

Separately, in the career average public service pension schemes introduced in 2014 and 2015, pensions in accrual are revalued annually in relation to either prices or earnings depending on the terms specified in their scheme regulations. The Public Service Pensions Act 2013 requires HMT to specify a measure of prices and of earnings to be used for revaluation by these schemes.

The prices measure is the Consumer Prices Index up to September 2020. Public service schemes which rely on a measure of prices, therefore, will use the figure of 0.5 per cent for the prices element of revaluation.

The earnings measure is the Whole Economy year on year change in Average Weekly Earnings (non-seasonally adjusted and including bonuses and arrears) up to September 2020. Public service schemes which rely on a measure of earnings, therefore, will use the figure of 2.4 per cent for the earnings element of revaluation.

Revaluation is one part of the amount of pension that members earn in a year and needs to be considered in conjunction with the amount of in-year accrual. Typically, schemes with lower revaluation will have faster accrual and therefore members will earn more pension per year. The following list shows how the main public service schemes will be affected by revaluation:

Scheme	Police	Fire	Civil Service	NHS	Teachers	LGPS	Armed Forces	Judicial
Revaluation for active member	1.75%	2.4%	0.5%	2%	2.1%	0.5%	2.4%	0.5%

### Statement from



## Linked statements

This statement has also been made in the House of Lords

### Treasury



Public Service Pension Scheme Indexation and Revaluation 2021



[Lord Agnew of Oulton](#)

Minister of State

Conservative, Life peer

Statement made 12 January 2021

HLWS698

Lords

# Age discrimination remedy data collection - Guidance for administrators and FRAs

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## Background

1. On 16 July 2020, HM Treasury (HMT) published a [consultation on changes to the reformed 2015 public service pension schemes](#) in order to remove the unlawful age discrimination found by the Courts in relation to the 'transitional protection' arrangements. The consultation closed on 11 October 2020.

2. The main change proposed to rectify retrospective discrimination gives members a choice of receiving final salary (legacy) benefits or CARE (reformed) benefits for the period 1 April 2015 to 31 March 2022, or their date of leaving if earlier. This period will be known as the remedy period.



3. HMT consulted on two options as to when a member would be asked to make a choice, either within 12-18 months of 2022 (immediate choice) or at date of leaving the scheme (deferred choice underpin - DCU).
4. The [outcome of the consultation](#) as confirmed on 4 February 2021 was DCU.
5. Under DCU, all eligible FPS 2015 members will be returned to their original legacy scheme for the remedy period in 2022. This includes taper members regardless of their taper date.
6. The second part of the remedy is to remove future discrimination from the schemes by providing that all members will move to the reformed scheme (FPS 2015) from 1 April 2022.
7. All eligible members will be automatically entitled to remedy without having to make a claim. To be eligible, the member must have been in service on or before 31 March 2012 **and** on or after 1 April 2015.
8. A full background to the scheme reforms, Court processes, and documents relating to the consultation can be found on the [age discrimination remedy webpage](#).
9. In order to return members to their original legacy scheme administrators will need additional data from Fire and Rescue Authorities (FRAs) to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven-year period.
10. To assist administrators and FRAs with the process of collecting data and ensure consistency where possible, we intend to provide a template of data items that will be required for each cohort of member. This will be dependent on collaboration with the software companies to agree the required data fields and formats. In the meantime, we have written this supporting documentation which will complement the eventual template.
11. The documents have been created in conjunction with the Fire Communications Working Group (FCWG).

## Identifying affected members

12. FRAs should work with their administrators to identify all eligible members.
13. Eligible members are those who were in scope for transitional protection under the original reformed schemes and includes members (or those eligible to be a member) who were in service on or before 31 March 2012 and on or after 1 April 2015, including those who had a qualifying break in service of less than five years.
14. This also includes members who have left employment since 1 April 2015.
15. The consultation also suggests that [members who opted out](#) as a consequence of the scheme reforms may be eligible to repay contributions in order to qualify for remedy. Therefore, these members should also be identified.

## Identify data requirements

Pay Data	Service Records	Benefit entitlements
<ul style="list-style-type: none"><li>• Final Salary Pay for Remedy Period</li><li>• Pay that is pensionable under final salary definitions that is not pensionable under CARE</li><li>• Include any temporary promotion not pensionable in FPS 2015</li></ul>	<ul style="list-style-type: none"><li>• Final Salary Service Record will need re-creating<ul style="list-style-type: none"><li>• Maternity Leave</li><li>• Paternity Leave</li><li>• Parental Leave</li><li>• Authorised Absence</li></ul></li><li>• Have contributions been repaid to establish service?</li><li>• Changes to hours are recorded</li><li>• For retained this will be actual pay and full time equivalent pay to establish service records</li><li>• CETVs and Added Pension</li></ul>	<ul style="list-style-type: none"><li>• <b>Two pension Entitlement:</b> Would entitlement to two pensions have been established by a drop in pay?</li><li>• <b>Additional Pension Benefits (APBs):</b><ul style="list-style-type: none"><li>• Temporary Promotion in FPS 2015 would be treated as APB in Final salary if appropriate discretion is in place</li></ul></li><li>• CPD payments in FPS 2015 will need to be treated as APB in final salary scheme</li><li>• Pension Debits due to divorce or scheme pays</li></ul>

### Pay

16. The final salary pensionable pay for the remedy period will require final salary actual pensionable pay for the period 1 April 2015 to 31 March 2022 or date of leaving.

17. The year-end final salary pay used for the final salary link will be stored on the member record.

18. However, consideration will need to be given to the definition of [pensionable pay](#) under the final salary scheme and whether pay under the definition of the FPS 2015 would be pensionable under the FPS 1992 or FPS 2006.

19. This will include any temporary promotion not pensionable in FPS 2015.

### Final salary service record

20. As the legacy schemes are based on salary and service, all changes in hours for regular firefighters need to be correct and up to date on pension records. This is full-time to part-time, part-time to full-time, and changes as a part-time member, but isn't required for retained firefighters.

21. Additionally, any breaks in service due to periods of absence need to be recorded including:

22. Maternity, paternity, and adoption leave.

23. Authorised absence.

24. Industrial action.

25. Software suppliers have indicated that this element of work could be completed now, as facility is available within the legacy scheme records to update the hours and service break data.

26. For retained firefighters, actual and full-time equivalent reference pay will be needed to establish service records.

27. Any cash equivalent transfer values (CETVs) transferred into the FPS 2015 will need to be considered how this is converted to additional service in the legacy scheme. Schemes should now actively analyse the data to understand how many CETVs were received during the remedy period that will need converting.

28. Added pension bought during the remedy period may need to be converted to a final salary equivalent. Schemes should now actively analyse their data to understand how many members purchased added pension during the remedy period.

## Benefit entitlements

### Two pension awards

29. If a member has had a drop in pay since transitioning to FPS 2015, FRAs will need to establish whether they will have an entitlement to a [two-pension award](#).

30. Pay protection is available in FPS 2015 so the administrator may already have been informed depending on current processes in place. If not, then all affected members will need to be identified.

### Additional Pension Benefits (APBs)

31. Any FRA who treats temporary promotion as pensionable in the final salary scheme will need to identify members with a temporary promotion since transition to FPS 2015.

32. They will need to assess the notional pension contributions which apply to this additional temporary pay so that the pensions administrator can calculate the APB to be awarded to these members.

33. Members of FPS 2015 who have been receiving Continual Professional Development (CPD) as part of their CARE pay will also need an assessment of notional pension contributions so that the pensions administrator can calculate the CPD APB due.

### Pension Debits

34. Any debits on the pension record for the remedy period, such as scheme pays or divorce, which will affect the value of the benefit at entitlement will need to be re-calculated as a debit to the final salary pension.

35. Schemes should now actively analyse their data to understand how many members have a pension debit for the remedy period on their record.

## Optant outs

36. The HMT consultation response indicates that members who can evidence that they opted out as a direct consequence of scheme reform may be able to repay contributions in order to qualify for remedy.

37. The SAB recommended in their response that any option to re-join is time-limited and is based on the effective date of the opt-out, rather than a member needing to provide evidence. The [election to opt-out form](#) has a section to complete on reason for opting out with transfer to FPS 2015 as an option, but this is not believed to be widely completed.

38. The government has committed to undertaking further work with schemes to agree central guidance on handling cases, however, we believe that this will be relatively high level and decision making is likely to remain with individual schemes. We cannot therefore comment on a prospective date range with any degree of certainty and the suggestions given below are purely indicative.

39. As a starting point, we suggest that initially FRAs collate opt-out data between 1 April 2015 to date, and disregard any who have opted out as part of auto-enrolment or re-enrolment exercises. This will capture any members who were due to taper into FPS 2015 after 1 April 2015 but opted out instead.

40. While tapering continues in the absence of amending legislation, opt outs should continue to be monitored and recorded.

41. There is an argument to suggest that the starting point should be retrospective to 1 April 2012, as this is the qualifying date for eligibility to remedy. We recommend that FRAs agree a date based on their resource and capacity for risk and communicate this date to their administrator.

42. It is important to note that whatever date is agreed, whether that is centrally or locally, individuals may be asked to provide some form of evidence or confirmation that they opted out as a direct consequence of scheme reform, and in all cases payment of backdated contributions (with interest) will be due.

## Contributions schedule

43. The contributions schedule will include arrears for FPS 1992 or FPS 2006 special members as the contributions due for these members are higher than those paid while a member of FPS 2015:

44. Difference between main scheme contributions.

45. Additional contributions to treat service breaks as pensionable. (Difference between reformed and legacy scheme).

46. Additional payments for temporary promotion to be treated as an APB.

47. Additional payments for CPD APBs (difference between reformed and legacy scheme).

48. Adjustments if member is eligible for a [contributions holiday](#).
49. Members reverting from FPS 2015 to FPS 2006 as a standard member will be owed a contribution refund.
50. It is not yet known how HMT plan to manage these contribution adjustments.
51. It is recommended that the data required to correct the contribution position is requested now from payroll departments so that FRAs and administrators are in a strong position to implement remedy from 2022 and beyond.

### Contributions holiday

52. There may be members who will become eligible for a contributions holiday under legacy scheme rules upon reverting back to FPS 1992 for the remedy period. This affects members of FPS 1992 who attain 30 years' pensionable service before age 50. For the period between 30 years and age 50 their service counts in full but they don't pay employee pension contributions. The employer contributions will be paid as normal.
53. FRAs will need to calculate the amount of the contribution refund.
54. Further information and resources can be found on the password-protected [contributions holiday webpage](#). Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) for log-in details.
55. Schemes should now actively analyse their data, in order to establish a list of members who will potentially be affected.

## FAQs for employers

### Why is the data collection exercise necessary?

56. The government has confirmed that changes will be made to all public service pension schemes to remove the unlawful age discrimination identified by the Courts.

57. The government has confirmed that under the DCU, effective by October 2023, all eligible members must be retrospectively returned to legacy schemes for the period from 1 April 2015 to 31 March 2022, or the date they left the scheme.

58. To maintain those final salary records for the remedy period, the administrator will need additional data.

### Do I have to provide the data?

59. The data will be needed to comply with legislative changes that will be made to the FPS. You are required to provide your administrator with the information they need to calculate member's benefits.

### How do I submit the data?

60. You should use the data collection template to help you collate the required data. Please check with your administrator whether data such as CARE pay needs to be in a certain format. Once you have collected all the required information, submit the completed return to your administrator via your usual means.

### Do I have to submit data for employees who have left?

61. If the individual has membership from 1 April 2015, data will need to be submitted for them to make a choice, even if they are no longer employed.

### Is there a deadline for submitting the data?

62. As remedy period data will be needed up to 31 March 2022, we propose that data is collated up to 31 March 2021 by each FRA and submitted after this date. A reasonable deadline for submission would be 30 September 2021.

63. FRAs could then submit data for the remaining 12 months at the end of that scheme year in line with annual postings, or each month where monthly postings are in operation.

64. These timescales are however dependent on timely provision of the standard data collection template.

## What happens if I cannot supply the data?

65. Please contact your administrator if you are having difficulties obtaining the required data.

## Challenges and recommendations

66. Additional resourcing may be required to implement remedy. Some FRAs have a project team in place already including finance, HR, payroll and pension colleagues, and are holding working group meetings.

67. It is suggested that each FRA nominate a remedy lead as the main point of contact for their administrator and the LGA during this time.

68. Some data elements will inevitably be more challenging to collect than others and may be held in varying ways and by different parties, requiring additional collaboration. Some items, such as pensionable pay, may require analysis and judgement-based decision making. FRAs are therefore likely to be heavily reliant on internal processes in collating the required data, and responsibility for data collection and submission should be clearly defined in advance.

69. It is possible that there will be an order of priority for retrospective cases to be addressed. Membership could be further split into cohorts for collating data if this would be helpful e.g. active, deferred, pensioner.

70. The requirement to keep payroll records is six years plus current. If an FRA has changed payroll provider since 1 April 2015 it will need to be established if data has been retained or can be recovered. Data retention may have been agreed as part of the transfer.

71. If a member has transferred from another service, the current FRA will need to contact the previous FRA to request the relevant data. FRAs should check that data can be shared inter-brigade under data protection rules.

72. Central assumptions may need to be agreed for where data cannot be obtained. However, an FRA will need to robustly evidence where they are unable to obtain data required.

73. While it would be helpful to prepare data in a format that can be validated for upload, current validations in place may reject data for members who are no longer active. Administrators will need to be mindful of this and make any adjustments necessary.