

## HAMPSHIRE & IOW FIRE PENSIONS ADMINISTRATION REPORT



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

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

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### 1. Summary

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

### 2. Background

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

### 3. Covid-19

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

#### 4. Membership

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

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

#### 5. Administration Performance

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

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

##### Quarter 1

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

Quarter 2

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

Quarter 3

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

## Quarter 4

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

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

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

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

## 6. Member Portal

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

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

## 7. 2020 Annual Benefit Statements

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

## 8. McCloud remedy

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

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

## **9. Combined Fire Authority (CFA)**

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

## 10. Pensions Regulator – Data Quality

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

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

### Common Data

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

### Scheme Specific Data

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

## 11. Customer Service Excellence

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

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

## 12. Complaints

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