



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

Purpose: Noted

Date: **20 JULY 2021**

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

Report of Chief Financial Officer

### SUMMARY

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

### FPS BULLETINS

2. LGA issue a bulletin at the end of each month; there have been three bulletins issued since the last Fire Pension Board report. The bulletins are emailed out to a variety of contacts but can also be accessed via the [www.fpsregs.org](http://www.fpsregs.org) website.
3. Bulletins 43, 44 and 45 can be found in APPENDICES A, B & C. There is a lot of information contained within these bulletins; the key items are set out below.

### GMP INDEXATION (BULLETIN 43)

4. A Guaranteed Minimum Pension (GMP) would have accrued through an occupational pension scheme for service between 6 April 1978 and 5 April 2016 when Contracting Out was ceased. It was to guarantee that the scheme would pay you a pension of at least the difference in the value that you would have had from the state if you had not been Contracted Out.
5. In the majority of cases, the occupational pension far exceeded the GMP amount, when the member reaches State Pension Age the GMP becomes

payable and forms part of the scheme pension. Different arrangements were in place to increase the GMP elements and this depended on whether the GMP had accrued pre or post 6 April 1988.

6. The Department of Work and Pensions was responsible for paying increases on any pre 1988 GMP amounts, whereas the Pension Scheme was responsible for paying increases on any post 1988 GMP amounts. This is the case for anyone that reached State Pension Age before 6 April 2016.
7. When Contracting Out ceased on 5 April 2016, the Government put in place a temporary arrangement for those that were reaching State Pension Age on or after 6 April 2016. The changes meant that for these members the Pension Scheme would be responsible for paying increases on all the GMP elements.
8. The Government published a consultation about a permanent solution which would have involved a lot of work to “convert” the GMP amounts to full scheme benefits. They issued their response to this consultation on 23 March 2021 and the Government have announced that the temporary solution put in place will become the permanent solution from 5 April 2021. This means that there are no further changes to the processes currently in place for the increasing of pensions each April.

#### TAX DAY (BULLETIN 43)

9. 23 March 2021 was Tax Day and the Government announced a number of tax related policies and published a range of documents and consultations.
10. In Chapter 3 of the policy paper, section 3.8 there is a note about Pensions Tax Technical Updates which says:

*“The government is finalising the remedy for the age discrimination found in the 2015 public service pension reforms (the ‘McCloud case’). In the process of designing the remedy, the government has identified several aspects of the pension tax framework that do not work as intended in all situations and need updating to deal properly with cases of this type. For example, the current framework does not straightforwardly permit individuals to ask their pension scheme to settle annual allowance charges from previous tax years by reducing their future pension benefits (‘Scheme Pays’). The government will therefore make technical updates to pension tax rules to remove such anomalies.”*

11. This is one of a number of queries that we have outstanding with regard to the McCloud remedy and the processes involved particularly with Annual Allowance and any Scheme Pays elections.

#### LIFETIME ALLOWANCE (BULLETIN 43)

12. At the Spring Budget on 3 March 2021, the Government announced that legislation would be introduced in the Finance Bill 2021 to remove the uprating of the Lifetime Allowance, in line with the Consumer Price Index for tax years 2021/22 up to and including 2025/26.
13. The amount of the pension Lifetime Allowance for tax years 2021/22 up to and including 2025/26 will remain at £1,073,100.

#### IDRP DATA COLLECTION (BULLETIN 44)

14. The annual data collection of information relating to the numbers of Internal Dispute Resolution Procedures (IDRP) was issued in FPS Bulletin 44. As this was for the 2020/21 scheme year, the Employer Pension Manager submitted two returns, one for IWFRS and one for HFRS as this was prior to the CFA being formed.
15. HFRS did not have any IDRPs in 2020/21 and IWFRS had one, which was not upheld at either Stage One or Stage Two appeals.

#### REMEDY DATA COLLECTION (BULLETIN 44)

16. A remedy data collection template, along with notes for completion and guidance for administrators and FRAs was published. These have been compiled in conjunction with the software suppliers and the Fire Communications Working Group.
17. These data collection tools have been designed to deal with the large volume of data that is required for each member with relevant membership to enable the implementation of the Deferred Choice Underpin option by October 2023.

#### ANNUAL BENEFIT STATEMENTS (BULLETIN 44)

18. Traditionally, projections to normal pension age are included on Annual Benefit Statements (ABS'). For current protected members of the 1992 Fire Pension Scheme, where 30 years service is achieved after age 55, the projection on the ABS' would be to the members 30 years service date. It is therefore possible that this projection would go past 31 March 2022.
19. From 1 April 2022, all members will move into the 2015 Fire Pension Scheme, this means that for this group of current protected members, their projections would be incorrect as the software is not yet able to take account of the scheme change from 1 April 2022.

20. The national consensus from FRAs is that projections should therefore not be provided on ABS' for 2021 for any members that have Protected status in any of the Fire Pension Schemes.

The current numbers of Protected members are shown below:

Scheme	Number of Protected members
1992 Fire Pension Scheme	42
2006 Modified Fire Pension Scheme	20
2006 Fire Pension Scheme	11

21. A caveat will be put on these statements to explain why no projections have been provided and that if they require an estimate up to 31 March 2022 then they can request this in the usual way. Caveats will be placed on all other ABS' to say that it has not been possible to provide any remedy calculations in the ABS' for 2021.

#### FRA ASSESSMENT SURVEY (BULLETIN 45)

22. At the SAB event on 20 May, the FRA remedy self assessment survey was launched. The SAB require each FRA to complete the survey and this will enable a 'temperature check' to be taken to establish where each FRA is at with their planning and preparation for McCloud. It will also enable the SAB to identify what areas of support are required so that resources can be targeted and developed.
23. The Chief Finance Officer completed this survey in his role as the delegated Scheme Manager for day to day work. The survey did not highlight any areas of concern for Hampshire & IOW Fire Pensions and in fact showed that we are in a very good position and currently have adequate resources and expertise in place.

#### FPS MEMBER WEBSITE (BULLETIN 45)

24. On 20 May 2021, the Scheme Advisory Board held an update event where they launched the new national website for Firefighters Pension Scheme members. The site is now live at [www.fpsmember.org](http://www.fpsmember.org).
25. Although there are scheme changes from 1 April 2022, it was felt it was right to launch the site now with the current position. The site will be updated in real time as and when legislation comes into force.
26. There is already a list of items that are planned for development which will bring enhancements to an already very comprehensive factual website. This is a key bit of communication which will aid in the consistency of information being provided to firefighters.

RECOMMENDATION

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

APPENDICES ATTACHED

28. APPENDIX A - [FPS Bulletin 43 \(March 2021\)](#)  
29. APPENDIX B - [FPS Bulletin 44 \(April 2021\)](#)  
30. APPENDIX C – [FPS Bulletin 45 \(May 2021\)](#)

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