

LOCAL PENSION BOARD – FRA AS SCHEME MANAGER

The Local Pension Board held an Awareness Session on 8th October 2018 which was delivered by the LGA Firefighters’ Pensions Adviser.

The FRA – as Scheme Manager for the Firefighters’ Pensions Scheme – were invited to attend. The following Members attended:

Cllr Chris Lamb (Chair)

Cllr Robert Taylor

Cllr Malcolm Clements – Link / Lead Member from the FRA to the Local Pension Board.

A number of questions were posed to the Scheme Manager (FRA) as part of the presentation, and it was agreed that these questions would be answered formally, and provided to the FRA as part of the assurance that those charged with administering, managing and scrutinising the various Firefighters’ Pensions Schemes were fulfilling their role.

Assurance for Members is already provided through an Annual Report to the FRA from the Chair of the Local Pension Board, together with the recent appointment (2017) of Link / Lead Member from the FRA so sit on the Board and provide feedback to the wider Authority.

By addressing the questions below, this will provide the FRA with additional assurance. That said, it is proposed to run the Awareness Session annually and invite the FRA Members to attend. Given the potential change in membership of the FRA, it is important that the role and responsibilities of the Scheme Manager are explained and understood.

Question	Yes	No	Comments	Actions
Is there a clear scheme manager delegation?	X		The LPB Constitution includes several references to the role of the Scheme Manager.	To review Constitution annually. To continue to invite FRA Members to the annual Awareness Session to ensure they are aware of the FRA’s role as Scheme Manager.
Is that delegation monitored?	X		From 2016/17 the LPB includes a Link / Lead Member from the FRA to provide that two-way information flow and communication.	To continue to raise awareness with FRA Members around the role of the FRA as Scheme Manager.
Are the risks understood by the Fire Authority?		X	The FRA has a risk register which includes pensions considerations as part of the Medium-Term Financial Strategy but this is not explicit. However, the proposal (2018) for employer contributions to increase will have a significant financial impact on the FRA’s budget so this will raise the profile of the risks associated with the Pensions Scheme.	Maintain awareness of any potential pension changes and implications that may pose a risk to SYFR. Monitor any risks to the SLA and performance, both internally and externally with WYPF. Raise any concerns with the LPB, escalate to the FRA where appropriate.

Question	Yes	No	Comments	Actions
			<p>The LPB also has a separate risk register (from 29-6-18) which will be a standing item on the Board's agenda. There is the mechanism to escalate risks from the LPB to the FRA if necessary.</p> <p>GMP Reconciliation and potential cost implications due to revised annual pension payments.</p>	
Do you have any tax challenges?	X		<p>The impact on Annual Allowance (AA) and Life Time Allowance (LTA) breaches due to HMRC limits.</p> <p>Employee impact due to lack of knowledge and understanding of HMRC reporting and Scheme Pay options and implications.</p> <p>Employer impact by reducing the limits in which to breach by HMRC, means that SYFRS through the Mandatory and Voluntary Scheme Pays, means the charge to HMRC is paid by SYFRS and then adjusted from member at retirement.</p>	<p>Work with WYPF to provide more workshop training sessions for scheme members and also the Payroll & Pensions team, this will help provide support and guidance to members.</p> <p>Currently working on a guide to help regarding registering with HMRC for Self-Assessment and how to complete return.</p>
Confident in Annual Benefit Statement process?	X		Submission of data now sent to WYPF monthly, Estimates and Retirement notifications submitted via the one-line portal, albeit the portal has a number of technical issues which have been raised with WYPF	New version of the one-line portal currently in test with WYPF, once signed off the employee registration will be pushed again, Annual Benefits and Saving Statements stored on line for members to access.
Managed scheme reconciliation process and now completed GMP - Reconciliation		X	Update required from WYPF confirming submission of queries by 31 st October deadline	WYPF informed FRA@s that they met the reporting deadline in November monthly bulletin, however the true impact of the changes will not be presented to FRA's until the full scheme reconciliation dealing with queries is resolved.
How comfortable do you feel that the right processes are in place?				
- Eligibility to Scheme	X		In line with regulations, supported by WYPF	
- Pensionable Pay decisions understood and made correctly	X		In line with regulations and applied after seeking opinion of LGA and WYPF	

Question	Yes	No	Comments	Actions												
- Scheme discretions such as temporary promotion	X		In line with regulations and applied after seeking opinion of LGA and WYPF	Working towards a combined Scheme Discretion policy for all pension schemes – LGA have provided a template for guidance												
How do you implement new processes?	NA	NA	<p>Work with all parties to under the impact/regulations if a new processed is to be implemented.</p> <p>SYFRS have a good relationship with payroll provider, to maintain system and support any additional reporting requirements.</p> <p>Internally Payroll & Pensions work closely with HR to ensure any changes are communicated to employees.</p>	<p>Continue to run awareness sessions for any pension regulation changes, communicate with staff, bulletins, newsletters and notice boards.</p> <p>Work with all parties to ensure smooth implementation of any changes.</p>												
Are you confident in your administrator relationship?	X		Yes, although with WYPF continuing to take on pension responsibility of other FRA's, it's important that we continue to monitor and assess the level of service provided.	<p>Monitor KPI's and feedback to LPB ay matters arising from other FRA's under the shared service agreement.</p> <p>Quarterly meetings take place with all FRA's – Feedback to LPB</p>												
Record keeping - Have you completed scheme notice return?	X		Confirmation received that the return was completed by WYPF and submitted to TPR on the 5 th November 2018													
What was your data score?			<table border="1"> <thead> <tr> <th></th> <th>1992</th> <th>2006</th> <th>2015</th> </tr> </thead> <tbody> <tr> <td>Common Data Score</td> <td>99%</td> <td>99%</td> <td>99%</td> </tr> <tr> <td>Conditional Data Score</td> <td>89%</td> <td>97%</td> <td>96%</td> </tr> </tbody> </table>		1992	2006	2015	Common Data Score	99%	99%	99%	Conditional Data Score	89%	97%	96%	
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What are your priorities for the coming year?	NA	NA	<p>From a governance perspective, to continue to develop the Local Pension Board's understanding of the Firefighters' Pensions Schemes to ensure they are fulfilling their role.</p> <p>To continue to engage with the LGA in terms of learning and development.</p> <p>To continue to engage (at Chair level) with the National Scheme Advisory Board.</p> <p>To keep key issues at the forefront of the LPB's agenda.</p> <p>Within SYFRS, continue to gain better understanding of all the pension schemes, annual allowance charges and scheme pay reporting.</p>	<p>To support employees further in an advisory capacity, ensure communication updates are at the forefront to keep everyone informed of changes.</p> <p>Utilise WYPF more to provide workshops on key hot topics, annual allowance charges, pre-retirement courses. 1-1 session opportunities.</p>												

Question	Yes	No	Comments	Actions
			Arrange Annual Allowance workshops for employees, due to continued reduction in allowance this is impacting more and more on SYFR employees.	
Are IDRP's managed effectively?	X		Policy in place and adhered to under statutory legislation.	Continue to review IDRP policy in line with any regulation changes.
Are reports to Government / TPR submitted on time? If no, what are the issues / penalties?	X		Returns submitted in accordance with Annual Reporting schedule, returns noted at LPB meetings. Any issues with non-compliance or potential reporting breaches are flagged to LPB at earliest opportunity	
When would the FRA (as Scheme Manager) expect to be notified of a breach?	NA	NA	At the point at which the breach has been identified, alongside managers of the Scheme, LPB Members, Pension Scheme Administrator, the employer, professional advisers, and those involved in advising the Scheme Manager.	A bespoke Breaches policy is currently being developed for the SY Local Pension Board, and is being advised on by the LGA. It is hoped to submit a final version to the LPB in February 2019.
Is the SLA between WYPF and SYFR set at the right level?	X		Standard Shared Service Agreement utilised by all FRA's administered by WYPF	Continue to monitor the SLA and KPI levels, raise any concerns internally and also at LPB level.