FPS Bulletin 18 – March 2019

Welcome to issue 18 of the Firefighters’ Pensions Schemes bulletin.

If you are looking for information on a certain topic, don’t forget to visit the issue and content indexes which are available on the main bulletin page of the website and are updated following each new issue.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact Claire Hey.

Contents

Calendar of events

FPS

- 2019 amendment order - SI 2019/378
- Revised Fire (England) factors
- Contribution rates 2019-20
- Year End update 2019
- New factsheet - Additional Pension Benefits (APBs)
- SAB cost-effectiveness committee vacancy
- March query log

Other News and Updates

- SFGB renamed
- PASA data guidance
- DWP launches midlife MOT website

HMRC

- HMRC newsletters/bulletins
- Contracting-out reconciliation update
- HMRC workshops on the Manage and Register Pension Schemes service

Training and Events

- Data: Pensions in a digital era
- Brighton rocks: LGA annual fire conference

Legislation
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 contact Claire Hey.

<table>
<thead>
<tr>
<th>Event Description</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Data: Pensions in a digital era</td>
<td>3 April 2019</td>
</tr>
<tr>
<td>North West regional FPOG</td>
<td>4 April 2019</td>
</tr>
<tr>
<td>Eversheds annual Public Sector Pensions Conference – London</td>
<td>5 April 2019</td>
</tr>
<tr>
<td>Eversheds annual Public Sector Pensions Conference – Leeds</td>
<td>12 April 2019</td>
</tr>
<tr>
<td>LPB effectiveness committee</td>
<td>18 April 2019</td>
</tr>
<tr>
<td>Fire Communications Working Group</td>
<td>29 April 2019</td>
</tr>
<tr>
<td>Joint Fire and Police governance event</td>
<td>15 May 2019</td>
</tr>
<tr>
<td>Eastern regional FPOG</td>
<td>30 May 2019</td>
</tr>
<tr>
<td>Administration &amp; benchmarking committee</td>
<td>6 June 2019</td>
</tr>
<tr>
<td>North East regional FPOG</td>
<td>12 June 2019</td>
</tr>
<tr>
<td>SAB</td>
<td>13 June 2019</td>
</tr>
<tr>
<td>Local Pension Board annual wrap-up session</td>
<td>18 June 2019</td>
</tr>
<tr>
<td>Ill health and medical appeals seminar</td>
<td>19 June 2019</td>
</tr>
<tr>
<td>Firefighter Pensions Technical Community</td>
<td>26 June 2019</td>
</tr>
<tr>
<td>CLASS annual conference: Manchester Holiday Inn</td>
<td>3-4 July 2019</td>
</tr>
<tr>
<td>Pensionable pay workshop</td>
<td>18 July 2019</td>
</tr>
<tr>
<td>Firefighters’ Pensions AGM</td>
<td>24-25 September 2019</td>
</tr>
<tr>
<td>SAB</td>
<td>3 October 2019</td>
</tr>
<tr>
<td>Pensions tax seminar</td>
<td>12 November 2019</td>
</tr>
<tr>
<td>SAB</td>
<td>12 December 2019</td>
</tr>
</tbody>
</table>
The Police and Firefighters’ (Pensions etc.) (Amendment) (England and Wales) Regulations 2019 SI 2019/378 was laid on 28 February 2019 and comes into force on 1 April 2019. The government response to the consultation can be found here.

A technical note has been published to confirm the details of the amendment order as it relates to the Firefighters’ Pension Schemes. FRAs and local pension boards should take the following action:

1. Ensure they are satisfied that the two pension rule is properly applied.
2. Identify and recalculate any survivor’s pension in payment under these rules.
3. Identify and make additional payment to the estate of deceased survivor members who would have had a survivor pension in payment under these rules.
4. Identify and recalculate any CETV calculations (whether for a transfer or divorce) where the value of the survivor’s pension was calculated under these rules.

We recognise that scheme records may not be held in such a way that allows the administrator to identify such cases, and therefore a communications exercise will need to take place to all persons or relatives of such persons who may be affected. The communications group will be consulted on the most effective way to communicate this and further advice will be available as soon as possible.

Consolidated versions of rule B5A as amended by this order can be found here.

Revised Fire (England) factors
Further to the letter issued by the Home Office on 31 October regarding the review of scheme factors due to the change to the SCAPE discount rate, GAD has provided the following replacement factor tables.

Appendix 1: Pension Debit Adjustment and Pension Credit factors
These factors replace those currently in use with immediate effect from 8 March 2019.

The pension credit factors used in each particular case should be those which correspond to those used for the calculation of the Divorce CETV. In particular, if there are any outstanding pension credits to be calculated where a determination has been made using a Divorce CETV calculated on the old factors then they should be processed using the old pension credit factors.

The pension debit adjustment factors contained in this email should be used for all calculations going forward.

We would be grateful if administrators could undertake some sample calculations using the new factors, which we can forward to GAD to ensure that they have been implemented in line with current guidance. Please send any examples to bluelight.pensions@local.gov.uk.

GAD has informed us that they will update the guidance and example calculations to reflect these revised factors at a later date. The updated tables and subsequent guidance will be made available at http://fpsregs.org/index.php/gad-guidance in due course.
**ACTION:** Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure that the factors are applied with immediate effect.

**Contribution rates 2019-20**

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\(^1\), which came into force on 1 April 2015, listed the rates applicable from 2015-16 to 2018-19, 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 2015-16 to 2018-19.

For 2019-20, FRAs have been instructed that the current rates shall continue to apply, due to the pause of the cost-cap mechanism. The factsheet at Appendix 2 reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2019.

**Year End update 2019**

A factsheet containing relevant thresholds and rate changes is available at Appendix 3.

**New factsheet – Additional Pension Benefits (APBs)**

A new factsheet on Additional Pension Benefits (APBs) has been published on the factsheets tab of the FPS Regulations and Guidance website. This factsheet has been prepared to give guidance to FRAs on APBs, and the requirement to make a discretionary determination on whether eligible payments should be treated as pensionable or not.

More detailed information, including the regulatory background and calculation guidance, is available from the APB GAD guidance page.

**ACTION:** FRAs should ensure that a policy is in place on the exercise of their discretion, and that any APBs are reported to their administrator in a timely manner.

**SAB cost-effectiveness committee vacancy**

We have a vacancy on the SAB cost effectiveness committee for an HR FRA representative. If you are interested in sitting on this committee, please email clair.alcock@local.gov.uk for further information.

---

\(^1\) SI 2015/579, SI 2015/590
March 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in February.

Other News and Updates
SFGB renamed
In FPS Bulletin 16 – January 2019, we reported that the government’s Single Financial Guidance Body (SFGB) had officially adopted its delivery functions and would be seeking a new name for the organisation as 2019 progressed.

The new name has now been confirmed by The Financial Guidance and Claims Act 2018 (Naming and Consequential Amendments) Regulations 2019 as the Money and Pensions Service.

PASA data guidance
The Pension Administration Standards Association (PASA), in partnership with ITM, has produced the following data guidance to help those responsible for running schemes to review the quality of their existing data, and provides guidance on taking any necessary action to ensure that their data meets all stakeholders’ needs.

Once again data quality and record keeping are high on the TPR agenda, with poor administration a key regulatory concern. Over one quarter of all schemes have not measured their data within the last three years, and a further one quarter only measure common data².

DWP launches midlife MOT website
On 21 February 2019, the DWP launched a new website aimed at encouraging people aged 40 or over to take a ‘mid-life MOT’ to assess their finances, wellbeing and career.

In addition to the mid-life MOT website for individuals, DWP, in association with Business in the Community, has also produced a guide for smaller companies on how they can provide mid-life MOTs for their staff.

HMRC
HMRC newsletters/bulletins
At the time of writing, there have been no new publications since our February bulletin.

² Pensions Age seminar 15 March 2019: Louise Sivyer, Policy Manager, TPR,
Contracting-out reconciliation update
The following bulletins, containing important guidance and information about the end of contracting out and the scheme reconciliation process, have been published by HMRC in March.

Countdown bulletin 43
Updates include:
- Pension Scheme Administrator queries
- Pension Scheme Administrator guidance about the end of contracting-out
- Scheme Reconciliation Service process improvements
- reminder of deadlines
- contracted-out statements

Countdown bulletin 44
This bulletin gives important information and dates regarding scheme financial reconciliation.

HMRC workshops on the Manage and Register Pension Schemes service
On 27 and 28 February 2019, HMRC held workshops on the Manage and Register Pension Schemes service.

The slides from the workshop are attached to this bulletin as Appendix 4.

Training and Events
Data: Pensions in a digital era
We are pleased to invite readers to a data seminar being held at the LGA offices at 18 Smith Square, London on Wednesday 3 April 2019, from 10:30 to 15:15.

We know that data is a major focus this year for TPR and pension schemes, but why is data so important in a digital era and what can we do to improve our approach?

We have put together an agenda of industry speakers to reflect on why data is so important for the Firefighters’ and Police Pension Schemes and how technology can help us to get it right.

The event is aimed at Fire and Rescue Authorities and Police Authorities including scheme managers and Local Pension Board representatives, pension practitioners and administrators, along with software providers and industry professionals.

There will be sessions on the Pensions Dashboard project, valuation data, data improvement plans, scheme reconciliation, and member communications, as well as an LGA-led workshop on data scoring for TPR. The full programme can be viewed here.

Book your place now!
Brighton rocks: LGA annual fire conference

The Bluelight team recently had opportunity to attend the LGA annual fire conference and exhibition in Brighton. The event is well attended by those responsible for managing Fire and Rescue Services and their budgets, along with elected members of Fire Authorities, and so provides an excellent opportunity for networking and improving our knowledge of the wider issues affecting Services across the country. We were also able to catch up with the majority of our Scheme Advisory Board employer representative members, many of whom sit on the Fire Services Management Committee (FSMC).

There were thought-provoking keynote sessions on culture, diversity and inclusion; finance, risk, and capacity; the HMICFRS inspectorate programme; and building safety, among others, in addition to a varied selection of workshops. For those interested, the complete slide decks from the two day event can be viewed here.

Legislation

<table>
<thead>
<tr>
<th>SI</th>
<th>Reference Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2019/373</td>
<td>The Guaranteed Minimum Pensions Increase Order 2019</td>
</tr>
<tr>
<td>2019/374</td>
<td>The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2019</td>
</tr>
<tr>
<td>2019/376</td>
<td>The Social Security Revaluation of Earnings Factors Order 2019</td>
</tr>
<tr>
<td>2019/378</td>
<td>The Police and Firefighters’ (Pensions etc.) (Amendment) (England and Wales) Regulations 2019</td>
</tr>
<tr>
<td>2019/455</td>
<td>The Public Service Pensions Revaluation Order 2019</td>
</tr>
<tr>
<td>2019/546</td>
<td>The Pensions Increase (Review) Order 2019</td>
</tr>
</tbody>
</table>
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

Contact details

Clair Alcock (Firefighters’ Pension Adviser)
Telephone: 020 7664 3189
Email: clair.alcock@local.gov.uk

Kevin Courtney (NPCC Pensions Adviser)
Telephone: 020 7664 3202
Email: kevin.courtney@local.gov.uk

Claire Hey (Assistant Firefighters’ Pension Adviser)
Telephone: 020 7664 3205
Email: claire.hey@local.gov.uk