

## FPS Bulletin 2 – September/ October 2017

Welcome to the second issue of the Firefighters' Pensions Schemes bimonthly bulletin. If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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### FPS

#### 2017 amendment orders

Two amendment orders for the Firefighters' Pension Schemes were laid in the House of Commons on 11 September 2017 following the [Government response](#) to consultation.

[SI 2017/892](#) primarily gives effect to the government decision as was announced in the budget of 18 March 2015 that widows, widowers, and surviving civil partners of firefighters and police officers who died or die on duty in England and Wales would no longer lose their survivor benefits if they remarry or form a civil partnership. On 12 October 2015, the Home Secretary announced in the House of Commons that, in respect of police pensions, such changes would be applied retrospectively to marriages, remarriages and civil partnerships entered into on or after 1 April 2015. The current reforms regarding firefighters are consistent with that approach.

[SI 2017/888](#) makes minor administrative changes to the 2015 Firefighters' Pension Scheme.

LGA have produced a detailed guidance note summarising the changes and have also provided the full consolidated regulations with the change incorporated where appropriate to do so. This can be found at [Appendix 1](#).

There are two actions that Fire Authorities should note:

- 1. Need to ensure they record all circumstances regarding an injury, even where an injury pension is not awarded in order to assess later eligibility to pension on remarriage / re-civil partnership**
- 2. Need a process in place to ensure payroll does not move a member into the 2015 scheme IF an IQMP is currently taking place**

#### Added pension

As no determination under [rule 2, \(1\)\(b\)\(i\) of schedule 1](#) was made this year by Treasury on the overall limit of extra pension for 2017/2018, the amount from the previous scheme year (£6,500) should therefore be increased by pension increase orders as per paragraph (1)(b)(ii).

#### Meaning of "overall limit of extra pension"

2.—(1) The overall limit of extra pension is—

- (a) £6,500 for any scheme year ending before 1st April 2016; and
- (b) for any scheme year beginning on or after 1st April 2016—

(i) the overall limit of extra pension determined by the Treasury in respect of that scheme year as published before the start of that scheme year, or

(ii) if no such determination is made, the amount calculated under sub-paragraph (2).

(2) The amount is the amount to which the annual rate of a pension of an amount equal to the overall limit of extra pension for the previous scheme year would have been increased under the PIA 1971 if—

(a) that pension were eligible to be so increased; and

(b) the beginning date for that pension were the first day of the previous scheme year.

### Annual conference 2017



*Malcolm Eastwood, chair of the Scheme Advisory Board, addressing the audience on day two.*

Thanks to all who attended the Firefighters' Pensions annual conference on 9 and 10 October 2017. More than 120 delegates were welcomed to Layden House, Farringdon across the two day event, with fascinating presentations from the Pensions Regulator, the Pensions Ombudsman, GAD, and Eversheds Sutherland, among others.

The full presentations from both days of the conference can be accessed [here](#).

Suggestions are welcome for topics to be covered at next year's event. Please email the [Bluelight team](#).

### Scheme Advisory Board website

The annual conference also saw the launch of the Scheme Advisory Board website. The site can be found at [www.fpsboard.org](http://www.fpsboard.org) and contains a host of information on the role and work of the Board.

Content will be added on a regular basis, so check back frequently to see what's new in the fire pensions community. We are also constantly looking to develop and improve the site, if you have any feedback please contact [Claire Hey](#) by email or via the link on the homepage.

This is the first of three websites that are being developed to support the work of the Fire Pensions team at LGA, so look out for the administrator site and member site – coming soon.

## [Annual Fire \(England\) Scheme Advisory Board subscription levy](#)

On 5th September 2017, the Secretariat emailed all Fire and Rescue Authorities with a letter containing this year's Fire (England) Scheme Advisory Board levy. The letter is available at [Appendix 2](#). Thank you for your responses so far, the invoices will be sent out in early November.

## Auto-Enrolment

### Transitional delay

FRA's who used transitional delay will be aware that the end of the transitional period is 30 September 2017. We encourage employers to review the [transitional delay guidance](#) on TPR's website and to note the implications of the 12 month opt out exception for transitional delay.

For authorities who used transitional delay, in essence, this means that an employer **cannot** automatically enrol an eligible jobholder who opted out more than 12 months before the transitional delay assessment date of 1 October 2017. As this exception was introduced by the [Occupational and Personal Pension Schemes \(Automatic Enrolment\) \(Amendment\) Regulations 2015](#) with effect from 1 April 2015, it is likely to have changed the position for many employers whose staging date was prior to 1 April 2015. Letters will have been sent to eligible jobholders to whom transitional delay was applied, informing them that they would be enrolled into the relevant Firefighters' Pension Scheme on 1 October 2017 if they met the eligible jobholder criteria on that date. However, where the worker opted out more than 12 months before 2 October 2017 this cannot now happen. It would be advisable for FRA's to write to such individuals to inform them they will not be automatically enrolled from 1 October 2017 and to remind them of their option to opt in to the FPS.

In addition, FRA's should also be aware that [TPR's guidance](#) (see paragraphs 73 to 78) states that where an individual to whom transitional delay was applied is not an eligible jobholder on 1 October 2017 the employer must keep assessing the worker each pay reference as usual. If at any point after 1 October 2017 the eligible jobholder criteria are met, unless one of the exceptions apply, the individual must be automatically enrolled with effect from 1 October 2017 i.e. active membership must be backdated to start from 1 October 2017 irrespective of the date the employee first meets the eligible jobholder criteria after 1 October 2017. Obviously, this could have serious consequences if employers are required to backdate contributions for several years. The LGA team is seeking clarification from DWP on this and will provide further information as soon as it becomes available

## [The Employers' Duties \(Miscellaneous Amendments\) Regulations 2017 \(SI 2017/868\)](#)

The above regulations were laid in Parliament on 5 September 2017 and come into force from 1 October 2017.

The purpose of these regulations is to amend The Employers' Duties (Implementation) Regulations 2010, so that those regulations work as intended for newly created (PAYE and non-PAYE) employers. The amendments include:

- aligning the timing of the deferral date in relation to postponement so that for staging and post-staging employers the period for which automatic enrolment can be deferred is the same i.e. three months and one day; and
- changes to ensure that employers whose first eligible worker is employed before 1 October 2017, but who first pays PAYE income tax on or after 1 October 2017, are able to defer automatic enrolment by using postponement.

## Other News and Updates

### Government response to scams consultation

The Government have [published their response](#) to the pension scams consultation that took place in late 2016 and early 2017.

The response confirms that the Government plan to proceed with all three of the measures they consulted upon to tackle pensions scams and notes that respondents to the consultation were, in the vast majority of cases, also supportive of the proposed measures.

The table below lists each of the measures the Government hope to introduce and how the Government intends to implement these.

Measure	Implementation
Introduce a ban on cold calling in relation to pensions – <i>the Government have confirmed this ban will also now extend to cold calling via electronic communications such as email and text message, as well as traditional cold calling via phone</i>	The Government intend to work on the final and complex details of the ban on cold calling and then bring forward legislation when Parliamentary time allows.
Limiting the statutory right to transfer so that individuals only have a statutory right to transfer to the following schemes: <ul style="list-style-type: none"><li>• To personal pension schemes operated by firms authorised by the FCA</li><li>• To authorised master trust schemes</li><li>• Where a genuine employment link to the receiving occupational scheme can be evidenced</li></ul>	<p>The Government intends to work closely with industry, consumer groups and other stakeholders on how best to implement the employment link and add QROPS to the statutory transfer criteria (where this is a legitimate transfer).</p> <p>However, as the authorisation process the Government is introducing for master trusts is not being rolled out until late 2018/ early 2019, any changes to the statutory right to transfer will not come into force until after the authorisation process has been rolled out.</p>
Allowing only active companies to register a pension scheme, except in legitimate circumstances where HMRC will have the discretion to register such schemes. HMRC will also have the power to de-register existing registered pension schemes where the sponsoring employer is a dormant company.	The Government intend to introduce legislation in a Finance Bill later in 2017 to introduce this requirement.

### GDPR

Matthew Burrell, PLSA's Senior Policy Adviser for DC, has written a guest blog for the Pension Regulator about the new data protection rules coming into force from May 2018 and what they mean for pension schemes. The blog is available on the TPR's website [here](#).

PLSA have also produced a new [GDPR Made Simple](#) guide to help schemes understand the new rules.

TPR's presentation from the annual conference, Data challenges in the pensions landscape and GDPR, can be accessed in full with accompanying notes at [Appendix 3](#).

## Pensions dashboard

The Pensions Dashboard Project have published a newsletter on current developments in the establishment of the Pensions Dashboard, which can be found at [Appendix 4](#).

It has since been confirmed in a [press release](#) from the Association of British Insurers (ABI) that DWP will take forward development of the Pensions Dashboard.

Chair of the SAB, Malcolm Eastwood, is actively involved in representing the interests of the FPS to the Dashboard project team.

## We are moving!

From 30 October 2017 the LGA is moving back to their previous offices in Westminster. The newly refurbished building has been renamed as 18 Smith Square.

Our new postal address will therefore be [18 Smith Square, Westminster, London SW1P 3HZ](#). All other contact details remain the same.

## HMRC

### HMRC newsletters/ bulletins

HMRC have published [pension schemes newsletter 90](#) - August 2017 and [pension schemes newsletter 91](#) – September 2017 containing important updates and guidance on pension schemes.

### Contracting-out reconciliation update

The following bulletins have been published by HMRC containing a number of items of general interest relating to the ending of contracting out and the scheme reconciliation process.

[Countdown bulletin 27 – September 2017](#)

[Countdown bulletin 28 – October 2017](#)

We are aware that gradual progress is being made within FRAs, however other Public Service Pension Schemes are reporting issues with query response times and the HMRC automated solutions, so it is imperative that authorities identify discrepancies and submit any subsequent queries as soon as they are able.

### Outstanding queries

A summary of FPS related enquiries outstanding with HMRC is available at [Appendix 5](#).

- We reported in bulletin 1 that a bulk procedure is now available to report and pay tax due on Unauthorised Payments relating to the 18-20 contributions holiday. If you have not yet contacted us to request your FRA'S individual PSTR & SAFE reference numbers, please do so by emailing [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk).

- A technical note has been issued on the correct tax treatment of ill-health pensions paid from the Compensation Scheme to retained firefighters who were employed prior to 6 April 2006. The note can be viewed at [Appendix 6](#).
- HMRC have now confirmed that, following testing carried out with the help of data supplied by FRAs, A- to D-rate employee and employer national insurance rebates for Special Members of the 2006 scheme (Modified Scheme) can be calculated using as a minimum:
  - Member name
  - National Insurance number
  - Date of Birth
  - Period bought back

FRAs should supply this information by email to [christine.moore1@hmrc.gsi.gov.uk](mailto:christine.moore1@hmrc.gsi.gov.uk) at HMRC. The exercise will need to be completed by the end of 2018 in line with scheme reconciliation.

## Training

### Tax awareness seminars

We were recently pleased to announce that a training programme for Scheme Managers and Local Pension Boards has been procured to ensure Fire Authorities understand the current tax regime and how it affects their employees. Please see the remaining dates available below.

Venue	Fire
Leeds	15 <sup>th</sup> November
Amersham	29 <sup>th</sup> November
Liverpool	5 <sup>th</sup> December
Bromsgrove	6 <sup>th</sup> December
Cheltenham	8 <sup>th</sup> January
London	10 <sup>th</sup> January – FULLY BOOKED

There is no cost for attending a session, as the training programme has been secured by the Scheme Advisory Board and is funded by the statutory levy. However, please note that a £70 cancellation charge will apply for non-attendance.

The flyer at [Appendix 7](#) gives more information about the aim and content of the sessions, which are being hosted and run by Barnett Waddingham.

[Please register your attendance here](#). Joining instructions will be sent prior to the event.

### LPB training reminder

Each Local Pension Board is entitled to a free training session under the Scheme Advisory Board levy, which the Pensions Regulator can be engaged to attend. The full day session runs to approximately five hours, but content can be tailored to suit the needs and composition of individual boards.

If you wish to enquire about full board training, please contact either [Claire Hey](#) or [Clair Alcock](#).

## Save the date – annual conference 2018

The dates for the next annual conference have been provisionally set as the 9 and 10 October 2018 and the event will be held at the LGA's office at 18 Smith Square, London.

This year's event was extremely popular, so please save the dates in your diary to avoid disappointment.

## Legislation

SI	Reference Title
<a href="#">2017/864</a>	The Police, Fire and Crime Commissioner for Essex (Fire and Rescue Authority) Order 2017
<a href="#">2017/868</a>	The Employers' Duties (Miscellaneous Amendments) Regulations 2017
<a href="#">2017/888</a>	The Firefighters' Pension Scheme (England) (Amendment) Regulations 2017
<a href="#">2017/892</a>	The Firefighters' Pension Schemes and Compensation Scheme (Amendment) (England) Order 2017
<a href="#">2017/916</a>	The Pensions Act 2014 (Commencement No. 11) and the Pension Schemes Act 2015 (Commencement No. 2) Regulations 2017

## Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board [www.fpsboard.org](http://www.fpsboard.org)
- Knowledge Hub Firefighters Pensions Discussion Forum

Knowledge Hub home page -

<https://khub.net/group/thefirefighterspensionsdiscussionforum>

Technical Group minutes -

[https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/5611524](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/5611524)

GAD Guidance - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/19045086](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/19045086)

Training - [https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message\\_boards/category/25859256](https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum/-/message_boards/category/25859256)

- Knowledge Hub FPS LPB members group forum



Home Page - <https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum>

SAB minutes - [https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message\\_boards/category/27800196](https://khub.net/group/firefighters-pension-scheme-local-pension-board-members-group-forum/group-forum/-/message_boards/category/27800196)

- FPS1992 guidance and commentary  
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator <http://www.thepensionsregulator.gov.uk/>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

## Contact details

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