

## FPS Bulletin 21 – June 2019

Welcome to issue 21 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, issue and content indexes are held 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](#).

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## 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](#).

<a href="#">CLASS annual conference</a> : Manchester Holiday Inn	3-4 July 2019
Midlands regional FPOG	9 July 2019
<a href="#">Pensionable pay workshop</a>	18 July 2019
South East regional group	26 July 2019
LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
North East regional group	2 October 2019
SAB	3 October 2019
<a href="#">Fire Finance Network conference</a> : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

## FPS

### FPS 2015 transitional protections challenge update

As detailed in [FPS Bulletin 20 – May 2019](#), the outcome of the Government's application for permission to appeal to the Supreme Court was expected in July. This decision has been made earlier than expected and on 27 June 2019 the Supreme Court has denied the Government's request for an appeal in the transitional protections case in respect of age discrimination and pension protection.

We are aware that members may have a number of questions around the on-going legal challenge to the transitional provisions of FPS 2015. While we have covered this in-depth for FRAs in previous bulletins<sup>1</sup>, we are preparing a briefing note covering the full background to the case and each stage of the challenge, which can be shared with members. The note will be published as soon as possible.

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<sup>1</sup> <http://www.fpsboard.org/images/PDF/Bulletin15/Bulletin15.pdf>

**Until the remedy has been determined by the employment tribunal and any regulations changed as a result, we cannot speculate how future benefits may change. Therefore any retirement projections, Annual Benefit Statements as at 31 March 2019, or pensions advice must be based on the regulations as they currently stand.**

### [Scheme Advisory Board Levy](#)

In 2014, LGA contacted FRAs about entering into a shared agreement to fund a technical adviser post in order to support FRAs with their understanding and management of the Firefighters' Pension Schemes. This post is currently held by Clair Alcock, and was funded by a voluntary subscription of £2 per firefighter, which each FRA signed up for.

Under the terms of the 2014 regulations 4H(1) the costs of the new governance arrangements are to be met by scheme employers under a levy set by the Scheme Advisory Board (SAB) and approved by the Secretary of State. This budget was first set in 2016 and included provision of a secondary post to provide secretarial support for the scheme advisory board. The then Fire minister agreed that the technical adviser subscription of £2 per firefighter should be brought within the levy.

**I can advise that the SAB levy has now been approved by the Fire minister, and the total levy for the 2019/2020 year will be £6.67 per firefighter**, which is calculated at £4.50 for the SAB and £2.17 for employers. A letter has been sent out to Chief Fire Officers advising them of this.

### [Annual Benefit Statements \(ABS\)](#)

We are pleased to issue the final Annual Benefit Statement and explanatory notes template for 2019. Please note that there have been no amendments for this year. The statement and supporting documents are available as Appendices [1 \[Word version\]](#) and [2 \[PDF version\]](#). A tracked version of the statement is available on request.

These and other resources relating to [Annual Benefit Statements](#) are available in the member area of the FPS Regulations and Guidance site. Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) if you do not have a relevant log-in.

#### **Using the statement**

We appreciate that different administrators may wish to use different formats, so do not expect everyone to issue in this format, however, we hope that an approved version will help to achieve some consistency in the statements and the explanations of awards to Firefighters.

The text marked in red should be considered by each authority as to whether the statement applies, or whether they wish to add an instruction on how to contact them. It is particularly important to note how you have treated partnership status at the date of the statement and whether you have assumed married or civil partnered, or used the partnership status on the records as this may affect the death benefits quoted in the statement. Please also remember that how the survivor's pension is calculated will depend on which pension scheme the member is in at the date of death, and whether they die in service or after retirement, see annex F. **You may also wish to make reference to the 2019 amendments to same-sex partners' benefits under SI 2019/ 328<sup>2</sup>.**

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<sup>2</sup> <http://fpsregs.org/images/admin/SI2019-378disclosure.docx>

The document was edited by Plain English in 2018 and awarded a [crystal mark](#). The crystal mark can only be used by those wishing to use the document in its entirety with no additional text changes other than those marked in red; adapting the formatting to put on the internet or booklet form is fine. Please see the [crystal mark conditions of use](#). If you wish to consider a crystal mark for your own adapted document, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) - any costs associated with this would have to be borne by the individual authority.

### **2015 scheme transition members – Estimates to age 60**

All members who qualify for taper-protection have a legal right to transfer to the 2015 scheme and will have benefits in section 5 estimated to Normal Pension Age (60), whether or not they have moved into the 2015 scheme at the statement date. Annex C clarifies the options for early withdrawal of the 2015 benefits for 1992 taper-protected or unprotected members

### **Important note regarding using the Crystal Mark**

Please note the conditions of use mean that you can only use the Crystal Mark on the approved document. Anyone wishing to adapt the standard notes template is free to do so, but **must not** use the Crystal Mark.

Guidance on [issuing Annual Benefit Statements](#) and a [checklist](#) can be found on the Pension Regulator's [website](#).

### **Revised Fire (England) factors: Non-Club Transfer-In**

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 for FPS 2006 standard members [table reference x-216 to x-217].

#### **[Appendix 3: Non-Club Transfer-In \(“TV-in”\)](#)**

The suspension of any outstanding cases can be lifted and these factors can be used with immediate effect.

**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](mailto: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.**

### **Fire (England) conclusion of factor review**

In order to assist FRAs and administrators, GAD has provided the table of consolidated factors at [Appendix 4](#), which includes implementation dates for all changes.

GAD is currently updating factor guidance notes to include these revised factors and updated examples. This work is expected to be completed by the end of September 2019.

## Joint Local Pension Boards (LPBs)

Regular readers will be aware that discussions around joint LPBs have been ongoing for some time.

The scheme rules [[4A, paragraphs 2 & 3](#)] set out in what circumstances a joint LBP may be established if approval in writing is obtained from the Secretary of State:

*(2) Where the administration and management of this scheme is wholly or mainly shared by two or more scheme managers, those scheme managers may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.*

*(3) Approval under paragraph (2) may be given subject to such conditions as the Secretary of State thinks fit and may be withdrawn if any conditions are not met or if in the opinion of the Secretary of State it is no longer appropriate for the approval to continue.*

Following an expression of interest from Leicestershire, Nottinghamshire, and Derbyshire boards, and in order to make a recommendation to the Scheme Advisory Board (SAB), the Local Pension Board Effectiveness Committee (the “Committee”) considered at their meeting of 19 April 2018 [[Item 7](#)] how these rules should be interpreted to gain approval from the Secretary of State.

It was determined that in order to assist LPBs in making an application, guidance would be developed which set out criteria that LPBs have to meet, to evidence shared administration and management of the Firefighters’ Pension Schemes. This guidance has been drafted by the Board secretariat in conjunction with the Committee, and incorporates feedback from a meeting with the three LPBs in June 2018 which was attended by the secretariat, the chair of the SAB, and the Home Office. We are pleased to share the guidance at [Appendix 5](#).

The Committee’s view in setting out the criteria is that there should be a high bar on the evidence used to demonstrate joint management of the scheme to avoid concerns that poorly performing scheme managers or LPBs could use a joint board as a way of bypassing legislative requirements.

At the 2018 FPS AGM, Ian Howe of Leicestershire County Council gave a presentation on the work of the East Midlands FRAs in looking to form the first joint FPS local pension board [[slides 22-25](#)]. We are now able to confirm that the application has been submitted, and we await the outcome with interest.

## LPB draft terms of reference updated

Following recommendations in the Pensions Regulator Governance and Administration survey 2017 and our own SAB survey of local boards<sup>3</sup>, we have taken the opportunity to update the draft terms of reference for boards, particularly around frequency of meetings and length of term for members. Clean and tracked versions of the amended document are attached at [Appendix 6](#) [clean] and [Appendix 7](#) [tracked].

The documents can be downloaded and amended as required. Terms of reference for all FPS LPBs are available [here](#).

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<sup>3</sup> <http://www.fpsboard.org/images/PDF/Bulletin6/Appendix3.pdf>

## June 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 May.

## Other News and Updates

### GAD PSPS newsletter

The Government Actuary's Department has issued the [June edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

### The Pensions Ombudsman (TPO) newsletter 6

TPO have published the sixth edition of their stakeholder newsletter which is attached to this bulletin as [Appendix 8](#).

Earlier communications from TPO and a full history of determinations in relation to FPS can be found [here](#).

## HMRC

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 111 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 111 – 26 June 2019](#): Relief at source | Master Trusts supervision | Managing Pension Schemes service | Guaranteed Minimum Pension (GMP) equalisation - HMRC working group | Telling HMRC about pension tax charges on the SA100 tax return | Appendix 1 - guidance on receiving your Notification of Residency Status Report

## Training and Events

### FPS training survey

We are still accepting responses to the following survey on our current and future training provision [https://www.surveymonkey.co.uk/r/FPS\\_training\\_survey](https://www.surveymonkey.co.uk/r/FPS_training_survey), particularly as we have held two national events in June.

The survey can also be accessed by scanning the QR code below.



The survey will close at the end of July, with an overview of the findings presented at this year's AGM in September.

### [LPB annual wrap-up training 2019 – event summary](#)

Twenty delegates from across the FPS governance community attended the popular annual LPB wrap-up training event held at 18 Smith Square on 18 June 2019.

In the session led by Claire Hey, attendees received a whistle-stop tour of the background to the Firefighters' Pension Schemes and funding, followed by an overview of the roles and responsibilities of those involved in governance – the Scheme Advisory Board (SAB), scheme manager, and Local Pension Boards (LPBs). Malcolm Eastwood, chair of the SAB, was also on hand to provide input on the current work of the Board.

We were joined in the afternoon by The Pensions Regulator, to provide the headline results from the Governance and Administration survey 2018 in relation to FPS. This summary provided an ideal basis for the following session, which considered next steps LPBs could take to become more effective and signposted [resources](#) available to assist boards. The event concluded with a look at current and future issues affecting the schemes.



The full presentation slide deck from the event is available [here](#).

The content of the course will be reviewed on an annual basis and we plan to continue to offer wrap-up training yearly, for new members to boards or those requiring a refresher session.

If you wish to enquire about full board training at your own venue, please contact the team at [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk). Each board is entitled to a free training session under the Scheme Advisory Board levy. Examples of previous sessions are held [here](#).

### Ill-health and injury workshop – event summary

Over 90 delegates attended the Firefighters' and Police pensions ill-health and injury workshop at 18 Smith Square on 19 June 2019. We were delighted to welcome so many colleagues from the sector to the event, to examine the common issues found when running an ill-health process and discuss what can be improved to help best practice.

The morning session was opened by the LGA's Clair Alcock, who gave an overview of the structure and benefits of ill-health and injury awards in the Firefighters' and Police schemes. This was followed by an in-depth look at the legislation governing both schemes from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Jane also took the audience through the appeals process and relevant case law, highlighting common issues than can arise in the process and how to avoid them.



Continuing the theme of sharing best practice, Claire Johnson from West Yorkshire Fire & Rescue Service took to the stage to discuss the ill-health retirement process in place at WYFRS, from employee awareness to final outcome and potential appeal. The number of questions received demonstrated how invaluable it is to delegates to hear first-hand the experiences of other authorities.

Following the overview of an FRA's role and responsibilities, we were pleased to welcome Dr Ian Griffiths, Consultant Occupational Physician and experienced IQMP, who gave a fascinating and often humorous insight into the role of the IQMP and the decision making process. Dr Griffiths covered some further elements of case law, discussing how these may impact on the medical decision.





After lunch we were joined by our LGA colleague Phil Bundy, senior employment law adviser, to talk about mental health in the workplace, with particular reference to the emergency services. Phil outlined the legal framework in place to protect employees, and what employers can do to support staff with mental health conditions.

For the final session of the day, the audience were split into their respective areas of expertise, with a dedicated workshop for each scheme. Clair Alcock led an interactive session for FPS colleagues, using the Sli.do app. Delegates were invited to select randomly from 7 hidden discussion points relating to all aspects of ill-health and injury, and submit questions and comments, in addition to voting in anonymous polls. A list of FAQs based on issues raised will be posted on the [Events](#) page in the coming weeks.



The complete presentation slide decks from the event are available [here](#).

To view the full conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

### **Pensionable pay workshop**

We are pleased to invite readers to a pensionable pay workshop being held at the LGA offices at 18 Smith Square, London on **Thursday 18 July 2019**, from 10:30 to 15:15.

This conference will look at recent case law relating to pensionable pay and how it applies to the Firefighters' Pension Schemes. The conference will examine the process of making pensionable pay decisions and what can be improved to help best practice.

Jane Marshall from Weightmans will be providing a detailed view of the legislation and legal background to pensionable pay considerations, as well as the implications of retrospective action. Delegates will have the opportunity to hear from experienced FRA practitioners and HR professionals on their experiences of decision making and managing disputes.

The event is aimed at HR practitioners and senior management responsible for implementing pay systems, along with supporting stakeholders such as pension practitioners, employee representatives and administrators.

A draft agenda is available via the booking link, however, please note that the programme is subject to change.

[Click here to book your place.](#)

## Legislation

There have been no new items of legislation laid since our April bulletin.

## 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](#)

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