



## FPS Bulletin 25 – October 2019

Welcome to issue 25 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="#">Pensions tax seminar</a>	12 November 2019
SAB LPB effectiveness committee	14 November 2019
Midlands regional FPOG	19 November 2019
SAB	12 December 2019 - TBC
North East regional FPOG	4 March 2020
<a href="#">LGA annual Fire conference and exhibition</a>	10-11 March 2020
SAB	19 March 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

## FPS

### TPR – six key processes

The Pensions Regulator (TPR), who has a statutory duty for regulatory oversight under the [Public Service Pensions Act 2013](#) monitors six key processes as part of their annual governance and administration survey. TPR use these key processes as indicators of public service pension scheme performance.

The six processes are:

- i. Documented policy to manage board members conflicts of interest
- ii. Access to knowledge, understanding and skills needed to properly run the scheme
- iii. Documented procedures for assessing and managing risks
- iv. Process to monitor records for accuracy / completeness
- v. Process for resolving contribution payment issues
- vi. Procedures to identify, assess and report breaches of the law

In 2018, only 63% of Firefighters' Pension Scheme (FPS) across the UK reported having all six processes in place<sup>1</sup>.

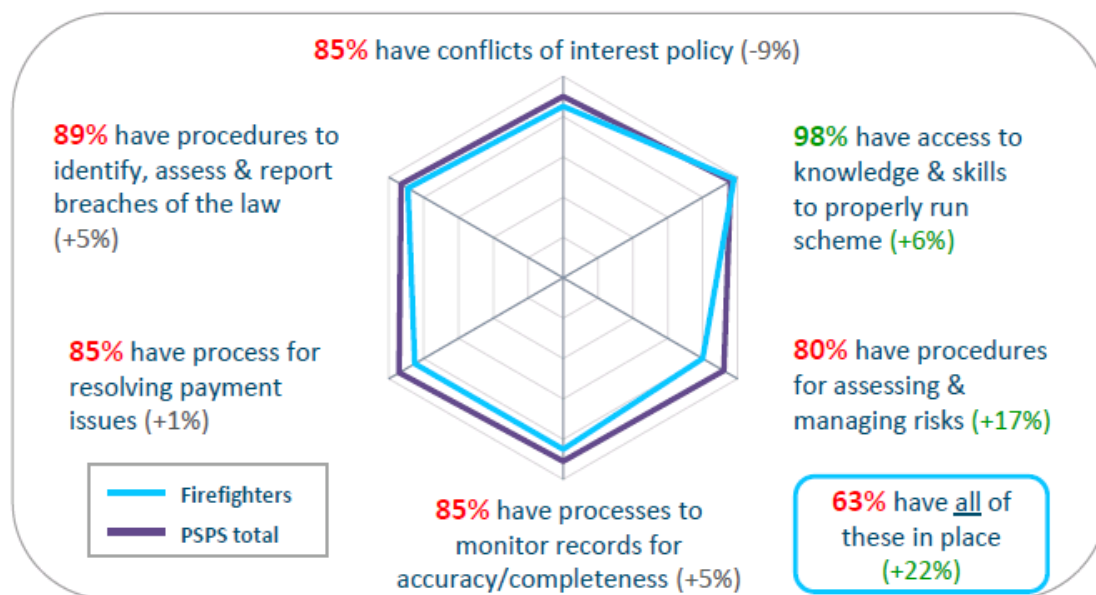


Figure 1 Spider-diagram of doom

Following feedback from FRAs, a [factsheet](#)<sup>2</sup> has been prepared to give further guidance on the six key processes in order to achieve a higher rate of understanding and compliance ahead of the 2019 survey.

### Fire Finance Network – a message from the Chair

The Fire Finance Network (FFN) is an informal network of finance professionals from across the Fire Sector and is a great way to engage with colleagues from other Fire and Rescue Services.

The FFN meets quarterly and holds an annual conference, where attendees receive updates on strategic and technical issues; recent speakers included the Home Office Fire Funding team and CIPFA Police and Fire advisor. Key members of the FFN also sit on the National Fire Chief's Council Finance Co-ordination Committee and so are ideally placed to influence nationally.

We are particularly keen to hear from colleagues who work with county and devolved Fire Services to ensure their voices are heard. Membership is free and the best way to get involved is via our Workplace page as information and events are shared regularly – if you would like to join please contact the FFN Chair, Amy Webb, via email at [awebb@dsfire.gov.uk](mailto:awebb@dsfire.gov.uk).

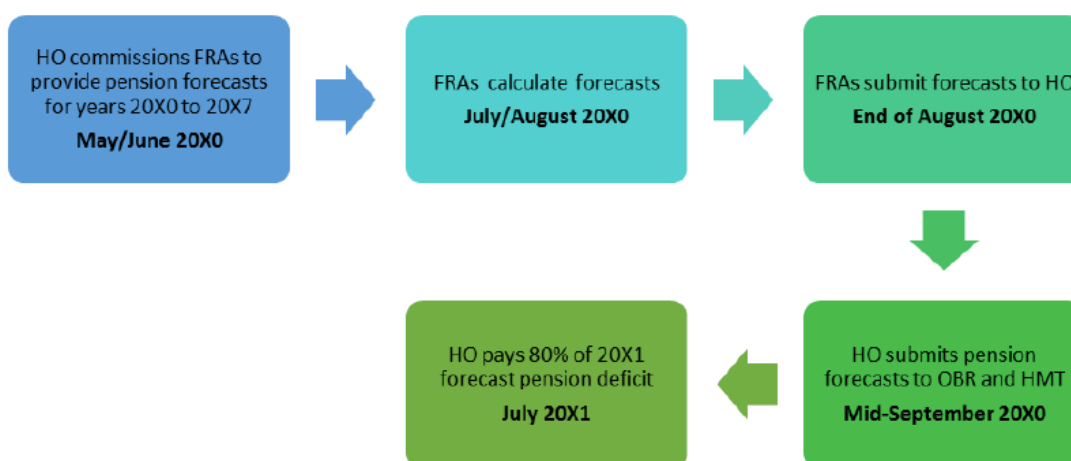
<sup>1</sup> Slide 6 – LGA Fire Pensions Conference Day One 24 September 2019  
<https://www.local.gov.uk/sites/default/files/documents/TPR%20Update.pdf>

<sup>2</sup> <http://fpsregs.org/images/admin/TPR-6-key-processes.v1.pdf>

## FPS forecasting guidance

Following the workshop on [Forecasting Public Service Pensions](#) held at the 2018 annual conference, the Home Office facilitated a working group to produce guidance for FRAs when calculating pension forecasts for the FPS top-up grant.

While this should already have been circulated to relevant stakeholders in line with the forecasting timetable, we are pleased to now include the guidance as [Appendix 1](#) to the bulletin.



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

Further to the letter issued by the Home Office on 31 October 2018 regarding the [review of scheme factors](#) due to the change to the SCAPE discount rate, GAD has provided replacement factor tables for FPS 2006 special member non-club transfer-in cases [table reference x-218 to x-219].

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

The updated table is available at <http://fpsregs.org/index.php/gad-guidance/transfers-in>. GAD has informed us that they will update the guidance and example calculations to reflect these revised factors at a later date.

**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.**

The table of consolidated factors at [Appendix 2](#), which includes implementation dates for all changes, has been updated to reflect the addition of the special member TV-in factors.

## Valuation data

As valuation year 2020 fast approaches, we wish to encourage FRAs to try and mitigate as many data issues as possible by ensuring that the data you hold is both correct and up-to-date before the year-end.

In particular we recommend that you ensure the following information is accurate:

- Contribution details
- Joiners and leavers
- Changes to the members details, including addresses,
- Any payments that qualify for [Additional Pension Benefits](#)

## Eligibility factsheet updated

Minor amendments have been made to the factsheet on 'Eligibility to join FPS' to correct a referencing error. [Clean](#)<sup>3</sup> and [tracked](#)<sup>4</sup> versions are available.

We have also taken the opportunity to produce a version for FPS Wales. The factsheet on [eligibility to join FPS Wales](#)<sup>5</sup> has been added to the [factsheets](#) tab of the FPS Regulations and Guidance website.

In brief, the factsheet confirms that in order for a person to be eligible for the scheme they have to be employed as a 'firefighter'. The regulations provide an interpretation of a 'firefighter', and it is for each FRA to satisfy themselves that those in the scheme are employed within this definition.

## TPR data requirements – 2019 scheme return

For the first time in 2018, TPR asked schemes to measure the common and scheme specific data they hold about their members and report this on the annual scheme return.

The LGA Bluelight team agreed that in order to achieve consistency and allow for benchmarking and best practice, a standard list of scheme-specific items for FPS should be developed, and issued informal guidance on data scoring including which data items might be considered.

Rather than produce a definitive list of data elements, we provided a range of suggested items, split into categories for active, deferred, pensioner, and dependant members. This was based on the GAD Universal Data Extract and TPR guidelines, subject to feedback from software suppliers and our knowledge of the Firefighters' Pension Schemes.

This guidance has now been updated for the 2019 return, with some new items added based on feedback from administrators and an expanded section on testing data for accuracy as well as presence. We are pleased to include a matrix of weighting criteria to allow schemes to assess the likely accuracy of their data and adjust the score accordingly.

Please see the updated guidance at [Appendix 3](#) and spreadsheet at [Appendix 4](#).

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<sup>3</sup> <http://fpsregs.org/images/admin/Eligibilityv3clean.pdf>

<sup>4</sup> <http://fpsregs.org/images/admin/Eligibilityv3tracked.pdf>

<sup>5</sup> <http://fpsregs.org/images/admin/EligibilityWalesv1.pdf>

Information about measuring data is available on the TPR website:

<https://www.thepensionsregulator.gov.uk/en/trustees/managing-db-benefits/governance-and-administration/record-keeping/review-your-scheme-data>

To assist with completion of the scheme return, TPR have provided the following checklist and example return:

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/db-scheme-return-checklist.ashx>

<https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/db-scheme-return-example-form.ashx>

## GAD Fire pension accounting disclosures

GAD currently provide annual pensions accounting disclosures for more than half of all Fire and Police authorities in England and Wales and are looking to expand their portfolio.

If you are interested in speaking to GAD about the possibilities surrounding your 2019-20 disclosures more information can be found in the attached flier ([Appendix 5](#)) along with contact details.

## October 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 September.

## Other News and Updates

### The Queen's Speech

The Queen's Speech to Parliament on 14 October confirmed the introduction of a new Pensions Schemes Bill, which was published on 16 October.

The main elements of the Bill, as stated in the background briefing notes<sup>6</sup> to the speech, will provide a framework for Collective Defined Contribution (CDC) schemes, strengthen TPR's powers and existing sanctions, provide a framework to support pensions dashboards, and create new regulations to set out member rights to a transfer.

The latest news on the progress of the Bill can be followed on the parliament.uk website <https://services.parliament.uk/Bills/2019-20/pensionschemes.html>

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[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/839370/Queen\\_s\\_Speech\\_Lobby\\_Pack\\_2019\\_.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/839370/Queen_s_Speech_Lobby_Pack_2019_.pdf)

Eversheds Sutherland have produced a [Speedbrief](#)<sup>7</sup> which outlines the provisions of the bill in more detail.

### [GAD PSPS newsletter](#)

The Government Actuary's Department (GAD) has issued the [September 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.

### [TPO corporate plan 2019 – 2022](#)

The Pensions Ombudsman (TPO) published their corporate plan on 2 October, outlining their priorities and strategic aims for 2019 – 2022.

TPO state that the focus of the plan is to ensure that “every dispute can be resolved at the earliest point, with no loss of quality”. This will include a redesign of the casework function and expansion of digital solutions, supported by a strengthened governance structure as recommended by the DWP Tailored Review<sup>8</sup>.

The full corporate plan can be read at [Appendix 6](#).

## [HMRC](#)

### [Contracting-out reconciliation update](#)

The following bulletin, containing important information about the services and support HMRC will provide now that Scheme Reconciliation Service (SRS) has ended, was published on 4 October 2019.

#### [Countdown bulletin 49](#)

Updates include:

- final SRS outputs
- Scheme Contracted-Out Numbers (SCONs)
- incorrect GMP
- Contribution Equivalent Premiums (CEP)
- raising queries with HMRC

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<sup>7</sup> <https://www.eversheds-sutherland.com/global/en/what/articles/index.page?ArticleID=en/Pensions/Speedbrief-The-Pension-Schemes-Bill-was-it-worth-the-wait>

<sup>8</sup> <https://www.gov.uk/government/publications/the-pensions-ombudsman-tailored-review/tailored-review-of-the-pensions-ombudsman>

## Training and Events

### Pensions tax – London – 12 November 2019

We are pleased to invite readers to a pensions tax seminar being held at the LGA offices at 18 Smith Square, London on **Tuesday 12 November 2019**, from 10:30 to 15:30.

This conference will allow delegates to hear from various stakeholders on pensions tax for the Firefighters' and Police Pension Schemes.

The purpose of the day is to build up a picture of public sector pensions tax and how it is applied. The morning will cover the technical side of tax i.e. what it is, how is it calculated, what challenges arise, and then the second part of the day covers how can we move on, help better educate the sector and improve. The final session of the day will be a question and answer panel session with all of our speakers.

The event is aimed at FPS practitioners, Fire and Rescue senior management responsible for managing the pension scheme, LPB chairs and members, along with other professionals with an interest in the Firefighters' or Police Pension Scheme

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.](#)

## 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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