

Meeting of the Board 23 January 2023

Remedy timetabling

Introduction

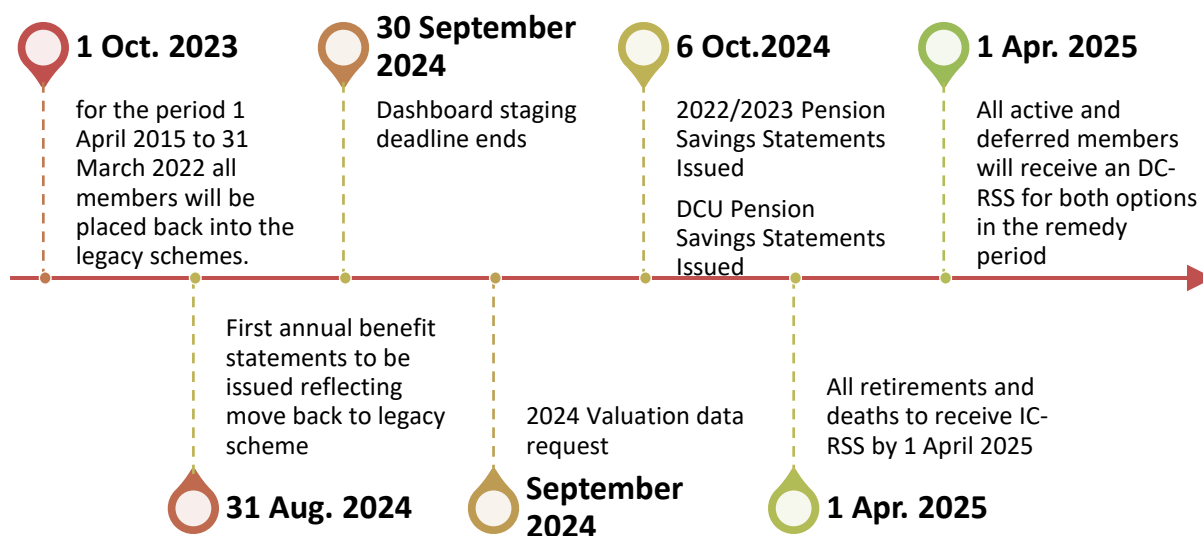
1. The [Public Service Pensions and Judicial Offices Act 2022](#) (PSPJOA 2022) requires scheme managers to provide all eligible members with a Remediable Service Statement (RSS) that informs them of their options under remedy by 1 April 2025 (18 months from the in-force date of 1 October 2023).
2. The purpose of this paper is to update the Scheme Advisory Board (SAB) with regards to proposals made by the LGA for scheme managers to schedule the provision of these statements to eligible members from 1 October 2023 considering their individual cohort needs.
3. The LGA has worked collaboratively with the National Police Chiefs' Council (NFCC) to develop the proposals.
4. This paper is provided for information only, there is no action required from SAB members.

Background

5. These proposals have already been delivered to the Fire and Police Scheme Advisory Board engagement group, as well as with selected practitioner stakeholders, and have been received positively.
6. The PSPJOA 2022 creates two distinct groups of members:
 - Immediate Choice members (IC) – these members are pensioners and beneficiaries who are currently in receipt of benefits.
 - Deferred Choice members (DC) – these members are active and deferred and are not currently in receipt of benefits.
7. Within these two groups, members will have diverse needs. IC members will need to make immediate choices about their benefits; for most unprotected members these will be proactive choices to change the benefits they are currently in receipt of for legacy benefits. Once they receive their options, members have a further 12 months make their choice, although it is unlikely that members will take that long.
8. DC members do not need to make a choice straight away. They will only make a choice at retirement, but will need to receive an RSS statement following remedy implementation and then on an annual basis to remind them what their benefits will look like at retirement.

The timeline

9. It is recognised that there are a significant number of members who will need to be provided with an RSS by 1 April 2025. To meet that deadline a timetable will need to be introduced to schedule production of RSSs between 1 October 2023 and 1 April 2025.
10. To consider what order statements should be processed in, consideration also needs to be given to what statutory dates/ deadlines must be met between 1 October 2023 and 1 April 2025.



11. There are four main dates that scheme managers will need to be aware of in that period.

11.1. 31 August 2024 – This is the first date that annual benefit statements will be required to be produced post-implementation. This will need to show that the member is in the legacy scheme for the remedy period.

11.2. September 2024 – The next valuation date is 31 March 2024. GAD will typically request data after the annual benefit statements have been produced.

11.3. 30 September 2024 – This is the date that public sector schemes are required to stage on the dashboard. Value data (scheme benefits) will not be required until the later of 1 April 2025 or after the RSS has been produced.

11.4. 6 October 2024 – The revised pension savings statement for the remediable period (1 April 2015 to 31 March 2022) will need to be issued.

12. However, scheme managers will also need to consider business as usual (BAU) retirements for those members who are retiring from active status after 1 October 2023 and need to be provided with retirement options on a post-remedy basis immediately. Scheme managers, along with their administrators, will need to consider the process for providing these members with a quote of their benefits in advance of their retirement date after 1 October 2023.
13. Scheme managers will also need to collaborate with administrators to understand the BAU processes, service level agreement (SLA), and disclosure deadlines.

Proposed timetable – IC members

14. IC members are not affected by the statutory dates, because they already have benefits in payment. They do not need an annual benefit statement, will not be on the dashboard in respect of their Firefighters' Pension Scheme, and the timetable for providing pension savings statements is six months after they have made a choice of benefits.
15. However, these members have benefits in payment based on reformed scheme service during the remediable period and are likely to make positive choices to switch these benefits to legacy scheme benefits. Once members have received their RSS, they will have 12 months to make their choice.
16. Before breaking down the cohort of IC members, it is necessary to consider the order that members are processed in, i.e. recent retirements first or oldest retirement first:
 - 16.1. Recent retirements have more remediable service and therefore could be considered to be at more detriment.
 - 16.2. Oldest retirements have been waiting longest and will have more interest. The longer they wait the more interest will apply.
17. After lengthy consideration, it is confirmed that the preferred method is to process the most recent retirements first. This is because they are most detrimentally affected in having their current pension based on more reformed service. It may also remove uncertainty on retirement dates for those considering retiring before October 2023.
18. All members will still be provided with an RSS by 1 April 2025, thereby meeting the statutory requirements under the regulations.

Recent retirement first	Oldest retirement first
<ul style="list-style-type: none"> • Has most remediable service • More of current pension in payment is based on reformed scheme service • More detrimented • Preferred method 	<ul style="list-style-type: none"> • Least remediable service • Less pension based on reformed scheme service • Most interest • Have been waiting longer for remedy

19. Scheme managers will also need to consider data about special cases, such as those with a divorce, transfer-in, Added Years contract or existing annual allowance breach. Further consideration is needed before agreeing what order to process these members in.

20. Members in the Immediate Choice category are existing pensioners or beneficiaries of deceased members, and each of those can be broken down further depending on whether they were originally protected, unprotected, or tapered, as well as the reason for leaving.

Pensioners
Ill-health retirements
1992 ill-health retirements with a re-assessment
Unprotected and taper-protected pensioners
Protected 1992 pensioners
Protected 2006 pensioners
Beneficiaries
Beneficiaries of members who died in service
Beneficiaries of members who died on an ill-health pension
Unprotected and taper-protected beneficiaries
Protected beneficiaries
Contingent decision - opt out

21. It is recommended that the members above are processed in line with the timescales set out in the table below. It is recognised that FRAs will have different numbers of members in each cohort and may need to discuss their ability to meet the timescales with their administrator.

22. Certain cohorts have been given priority based on their needs, whereas other cohorts (those already in receipt of full legacy benefits) are de-prioritised and recommended to be dealt with at the end of the timetable as they are less likely to make a choice of alternative benefits.

23. Priority groups (within the first six months of remedy) are colour coded in red, non-priority groups are colour coded in green.

Pensioners	
Ill-health retirements	Between October 2023 and March 2024
1992 ill-health retirements with a re-assessment	Between October 2023 and March 2024
Unprotected and taper-protected pensioners	Between October 2023 and November 2024
Protected 1992 pensioners	Between October 2024 and March 2025
Protected 2006 pensioners	Between May 2024 and January 2025

Beneficiaries	
Beneficiaries of members who died in service	Between October 2023 and March 2024
Beneficiaries of members who died on an ill-health pension	Between October 2023 and May 2024
Unprotected and taper-protected beneficiaries	Between October 2023 and May 2024
Protected beneficiaries	Between August 2024 and March 2025
Contingent decision - opt out	Between January 2024 and July 2024

24. It is recognised that some groups of protected members will need specific investigation because in some cases it may be in their interest to elect for reformed benefits. These are most likely to be:

24.1. Protected FPS 2006 pensioners who may wish to receive reformed benefits, or

24.2. Beneficiaries of protected members who may have better family benefits under FPS 2015.

25. FRAs will need to consider how many members they have in each cohort, to determine how they can schedule this.

26. As part of the pre-work process, the LGA provided a factsheet for FRAs with the [November FPS bulletin](#) outlining which ill-health cases may require reassessment in order that a member can be offered alternative benefits at roll-back. The factsheet encourages scheme managers to take immediate steps to review the cohort of their membership which will require a re-assessment to ensure that cases can be dealt with as soon as possible after 1 October 2023.

Proposed timetable – DC members

27. DC members do not have benefits in payment and the statutory dates for these members will need to be complied with.
28. Scheme managers will also need to consider data about special cases, such as those with a divorce, transfer-in, Added Years contract or existing annual allowance breach. Further consideration is needed before agreeing what order to process these members in.
29. As DC members do not have benefits in payment, there are fewer cohorts to break these down into. They are simply split between whether they are active or deferred and protected or unprotected.
30. It is also simpler to prioritise, as all unprotected and tapered members will need an RSS by October 2024 to comply with other statutory dates. Protected members will already have benefits calculated correctly to comply with statutory dates (in particular the pensions savings statement) so need to receive an RSS by 1 April 2025.

Active unprotected and taper-protected members	Between October 2023 and October 2024
Deferred unprotected and taper-protected members	Between October 2023 and October 2024
Protected active and deferred members	Between September 2024 and March 2025
Contingent decision - opt out	Between April 2024 and October 2024

Proposed timetable – Miscellaneous

31. There are other groups of members who will also require a statement of their position within the 18 months from 1 October 2023.
- 31.1. Pension Credit Members – Where a pension saving order is in place, the original CETV to calculate the pension debit and corresponding credit will need to be recalculated and if higher, the debit adjusted on the original member record and the pension credit member given an additional credit. This will follow the adjustment to the member record in line with the above scheduling for IC and DC members.
- 31.2. Contingent decisions – Optant outs: members who opted out during the remedy period due to remedy are given the option to retrospectively opt back in under [section 5](#) of the PSPJO. Members who are eligible for this will need to be provided with an RSS within 18 months of a positive decision to opt back in.

- 31.3. Contingent decisions – Other: special cases under [section 22](#) are likely to include members who would make different decisions about purchasing additional benefits and transfers in or out. These members need to make a positive choice about contingent decisions before being given an RSS confirming their choice.
- 31.4. Transfer Out Re-calculations – Where a member has transferred out to a club or non-club scheme, a revised CETV calculation must be done on the alternative benefit and where higher an RSS must be sent within 18 months to the receiving scheme.
- 31.5. Transfer In Club Re-calculations – Club transfers are restricted to within 12 months of employment only, therefore there should be no club transfers received within the remediable service period for FPS 1992 as the scheme closed for new entrants from 2006. There may be small numbers of club transfers in FPS 2006. Schemes will need to wait to receive the revised transfer-out calculation before recalculating the transfer-in, into the appropriate scheme.

Interaction with Matthews remedy

32. There will be individuals who are eligible to make an elect to purchase backdated membership of FPS 2006 under the second options exercise for retained firefighters. This options exercise is expected to run concurrently with the implementation of age discrimination remedy and provision of RSS from 1 October 2023.
33. In some cases, individuals making an election under Matthews will also have an election to make under Sargeant. In circumstances where a member needs to make an immediate choice under Sargeant (i.e. they have already retired), the Matthews election needs to be made first in order to ensure the correct 'roll-back' position.
34. This may delay the provision of RSS for that particular cohort of member. The PSPJOA 2022 gives scheme managers the discretion to provide RSS at:
35. *“such later day as the scheme manager considers reasonable in all the circumstances in the case of a particular member or a particular class of member.”¹*
36. It is anticipated that scheme managers may need to utilise this discretion for members affected by both remedies.

¹ [Section 29\(10\)\(b\)](#)

Further resources

37. [ABS/ RSS coffee morning](#) (31 May 2022)
38. [Slides from SAB engagement session](#) (9 November 2022)
39. [Ill-health reassessment factsheet](#)
40. [Remedy timetabling coffee morning](#) (5 January 2023)
41. [Remedy RSS timetable](#)

Board actions

42. Board members are asked to note the contents of the paper.
43. Board members are asked to provide any additional comments regarding the proposals.

Board Secretary
December 2022