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## FPS Bulletin 30 – March 2020

Welcome to issue 30 of the Firefighters' Pensions Schemes bulletin.

We hope this bulletin finds you safe and well. We understand that the current restrictions on movement due to the Coronavirus pandemic will lead to some challenging times. To enable us to communicate with you quickly, we have a dedicated [COVID-19 webpage](#), which contains important information, please check this page regularly. We have suspended all meetings, training and travelling with immediate effect for the foreseeable future but remain available at home by mobile, email or video (MS Teams or Skype for Business).

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 this bulletin or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

## Contents

### [Calendar of events](#)

### [FPS](#)

- [COVID-19 online survey: action needed](#)
- [Update on transitional protections remedy \(Sargeant\)](#)
- [FPS contribution rates 2020-21](#)
- [FPS annual update 2020](#)
- [Firefighters' Pension Schemes \(England\) - Factor Guidance Notes](#)
- [Suspension of medical appeal boards due to COVID-19](#)
- [March query log](#)

## FPS England SAB updates

- [A fond farewell to our chair Malcolm Eastwood](#)
- [Malcolm Eastwood signs off](#)
- [IDRP data collection: action needed](#)
- [Immediate event data request update](#)

## Other News and Updates

- [Spring Budget 2020](#)

## HMRC

- [HMRC newsletters/bulletins](#)

## Training and events

- [LGA annual fire conference - 10-11 March 2020 Blackpool](#)

## Legislation

## Useful links

## Contact details

## 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 email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

<b>Event</b>	<b>Date</b>
SAB Administration & Benchmarking committee	6 May 2020 – TBC
North East regional FPOG	20 May 2020 – TBC
Eastern regional FPOG	21 May 2020 – TBC
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

## FPS

### COVID-19 online survey: action needed

On 25 March 2020 an [email](#) was sent to administrators and scheme managers to seek information on working arrangements and concerns with regards to COVID-19. Please ensure this [online survey](#) has been completed on behalf of your Fire and Rescue Authority (FRA).

### Update on transitional protections remedy (Sargeant)

The Scheme Advisory Board (SAB) are close to submitting their response to HM Treasury's (HMT) informal proposals to address long-term remedy in the Firefighters' Pension Schemes. All public service Boards have been asked for their views on the proposals to inform government thinking ahead of a full formal consultation in late spring/ early summer.

Under the proposals, members will revert to their original final salary scheme from 1 April 2015 to a future date, when discriminatory provisions are removed from the schemes. This will be known as the remedy period.

As indicated by the interim order made in December 2019, which stated that claimants are "entitled to be treated" as a member of their former final salary scheme, there will be an element of choice afforded to individuals as to whether they wish to receive final salary or CARE benefits for the remedy period, depending on what would be more beneficial to their circumstances. The HMT proposals centred around when this choice would be made.

While the mechanics of implementing these changes and arrangements for the post-remedy period are not yet clear, the SAB, in consultation with a working group of representative stakeholders from the Fire sector, have developed a considered and comprehensive response to the proposals to outline the practicality and feasibility of delivering remedy and particular implications for the unique FPS workforce.

On 25 March the Economic Secretary to the Treasury, John Glen, made [written statement - HCWS187](#) regarding progress toward remedy in public service pension schemes following the McCloud/Sargeant age discrimination case. **The statement confirms that no qualifying scheme member will need to make a claim for the remedy to apply to them.**

### FPS contribution rates 2020-21

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<sup>1</sup>, 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 were instructed that the 2018-19 rates would continue to apply, due to the pause of the cost-cap mechanism. These rates will continue to apply for 2020-21. **The [contribution rate factsheet](#) reminds FRAs of the contribution rates set out in the above Regulations and Orders which will apply from 1 April 2020.**

### **FPS annual update 2020**

Relevant thresholds and rate changes for 2020 are available in the [FPS annual update 2020](#).

All relevant legislation can be viewed on our website under [annual update Statutory Instruments](#).

### **Firefighters' Pension Schemes (England) - Factor Guidance Notes**

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 29 October 2018. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

Guidance notes covering divorce, pension credits and debits for the 1992 and 2006 schemes to accompany actuarial factors previously issued to FRAs during 2018 - 2019 are included below.

- [FPS 1992 Pensioner cash equivalents on divorce, pension credits and pension debits - factors and guidance](#)
- [FPS 2006 Pensioner cash equivalents on divorce, pension credits and pension debits - factors and guidance](#)

All factor tables and guidance notes can be found on our dedicated [GAD guidance webpage](#).

In line with best practice and in order to make sure that factors are being used as intended and the instructions are fit for purpose, we suggest that some example calculations are sent to GAD for review.

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<sup>1</sup> [SI 2015/579](#), [SI 2015/590](#)

## **Suspension of medical appeal boards due to coronavirus (COVID-19)**

As readers will be aware, under FPS 1992 – Rule H2, FPS 2006 - Part 8, paragraph 2, FPS 2015 - Part 12, Chapter 2 and Part 6, Paragraph 2 of the compensation scheme, a medical decision can be appealed. The secretary of state delegated responsibility for managing the appeal process in [FPSC 9/2010](#) and the current contract is with Duradiamond Health Ltd.

Unfortunately, due to complexities arising from COVID-19, Duradiamond have announced below that this service will be suspended for three months. This will have the effect of suspending all processes in the medical appeal, and we appreciate this will be disappointing to members and FRAs currently in an appeals process or about to begin one, however as we are sure you are aware the COVID-19 crisis is unprecedented, and this delay is unavoidable.

FRAs should address any concerns or queries about the suspension to [Philip.Perry@homeoffice.gov.uk](mailto:Philip.Perry@homeoffice.gov.uk).

### **National Framework Agreement for the Supply of Police & Fire Medical Appeal Board Services**

**Framework Ref. No: C15285**

#### **COVID-19**

Due to the current COVID-19 situation, we are following Govt guidance regarding self-isolation, limiting social contact and travelling in London.

Duradiamond Healthcare has asked the Home Office under Clause 10.8 of the National Framework Agreement, that the Supply of Police & Fire Medical Appeal Board Services is suspended for an initial period of 3 months (to 20<sup>th</sup> June 2020) with a review at the end of that time (and within the 4 months allocation under 10.8.1.). The Home Office has confirmed that they agree with this approach.

We very much enjoy working with both the Police and Fire Authorities and the decision to suspend the service has not been taken lightly. We look forward to resuming the service as soon as the situation settles.

Best wishes,

Carole Scott  
Client Relationship Manager

#### **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.

There have been no new items added since January.

## FPS England SAB updates

### A fond farewell to our chair, Malcolm Eastwood

Sadly, the time has come to say goodbye to Malcolm Eastwood who is retiring from his role as chair of the FPS England SAB. We would like to take this opportunity to thank Malcolm for his time, energy and passion, and to wish him a happy retirement with his wife Sylvia. Malcolm has said goodbye to you in his own words below.

### Malcolm Eastwood signs off

“Dear Friends & Colleagues,

As per that well known, tear jerking song, it is now, "Time To Say Goodbye", as I reluctantly 'sign off' from my role as Chairman of the Firefighters' Pension Scheme Advisory Board.

I am conscious I do so at a time when we as a nation are facing the biggest disruption ever seen to society globally since the last World War and I wish you and your families well at this difficult and challenging time for us all.

Many of you hold key positions within 'Fire Pensions' and, in spite of this situation, Scheme Members will still be retiring, have queries, become ill, and unfortunately, some will die, all of which will require your ongoing support and assistance to provide a 'business as usual' service...”

Read Malcolm’s message in full at [Appendix 1](#).

### IDRP data collection: action needed

As detailed in [FPS Bulletin 28 – January 2020](#), the SAB have agreed that data on Internal Dispute Resolution Procedure (IDRP) should be collected on an annual basis, in line with the scheme year, to collect numbers of cases and any emerging themes.

**We request that FRAs complete the spreadsheet at [Appendix 2](#) and return this to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) by 30 April 2020.**

An IDRP can be raised by a member of the Firefighters’ Pension Scheme if they feel that the scheme manager has made a decision under the scheme incorrectly. Each Fire and Rescue Authority (FRA) should have in place a process which determines how an IDRP will be managed.

A [full list of discretions and determinations](#) made by the scheme manager can be found under the ‘Guides and Sample Documents’ tab, within the ‘Administration Resources’ tab of [www.fpsregs.org](http://www.fpsregs.org)

If the disagreement involves an issue of a medical nature<sup>2</sup>, then an IDRP is **not** appropriate and the correct route is a medical appeal. However, it should be noted that in certain situations it may be possible that medical disputes could end up with both a medical appeals dispute process and an IDRP where the processes that should have been in place to deal with the medical issue have not been appropriately managed.

FPS Bulletins 13 and 14<sup>3</sup> commented on the duty of FRAs to 'not act blindly' on receipt of an IQMP opinion. The responsibility of the decision maker (the authority) is to not act blindly in accepting a medical opinion and should ensure the IQMP reaches their opinion in a proper manner. Various case law was cited in the bulletins.

The wording of the regulations across the schemes is identical and states that where a member disagrees with a scheme manager's determination, they can within 28 days of the determination require the scheme manager to conduct an IDRP.

The guidance in [FPSC 1/2009](#)<sup>4</sup> put in place a two stage process: stage one should be considered by the Chief Fire Officer (CFO) or a senior manager specified by the CFO, stage two should be considered by the elected members of the FRA.

The guidance also set out timescales for the authority to deal with the complaint which could have the effect of the total process taking 16 months to complete.

The SAB received a number of queries regarding the potentially lengthy process and whether two stages were necessary, and / or whether the elected members of the FRA were the appropriate body to review the second stage owing to a lack of technical knowledge of the scheme.

At their meeting on 20 June 2018 [[Paper 3](#)]<sup>5</sup>, the SAB considered retaining a two stage process or moving to a one stage process and decided to retain the two stage process, albeit they agreed that a review should be made of which roles would be appropriate to be involved and whether the time limit should be lowered<sup>6</sup>. The Board also agreed that further training should be provided to FRAs if needed.

The decision maker at each stage and timescales was further considered by the SAB at their meeting on 13 June 2019 [[Paper 2](#)]<sup>7</sup>.

The Board are currently reviewing informal guidance which updates the 2009 FPSC circular in respect of who each stage of the appeal should be heard by, and the relevant timescales for each stage. A workshop on IDRPs is planned for the Fire Pensions Annual Conference 2020.

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<sup>2</sup> See Ill-Health and Injury Pension Quick Guide - <http://www.fpsregs.org/images/admin/illhealth.pdf>

<sup>3</sup> <http://www.fpsboard.org/images/PDF/Bulletin13/Bulletin13.pdf> and <http://www.fpsboard.org/images/PDF/Bulletin14/Bulletin14.pdf>

<sup>4</sup> <http://fpsregs.org/images/FPSC/1-2009.pdf>

<sup>5</sup> <http://www.fpsboard.org/images/PDF/Meetings/20062018/ITEM12-200618v2.pdf>

<sup>6</sup> <http://www.fpsboard.org/images/PDF/Meetings/20062018/Minutes200618.pdf> [Item 12]

<sup>7</sup> <http://www.fpsboard.org/images/PDF/Meetings/13062019/ITEM9-130619.pdf>

## Immediate event data request update

In [FPS Bulletin 28 - January 2020](#) we asked FRAs to return [data on immediate events](#) for the year 2020; the deadline was extended to 16 March in [FPS Bulletin 29 - February 2020](#).

Unfortunately to date, only 28 of the 45 English FRAs have responded to this request, representing a 62% response rate.

The total information gathered so far is shown in the table below, we are still gathering this data so please make your return as soon as possible. Completed spreadsheets should be returned to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

Table 2: Data on immediate FPS events

	Claimants	Non-Claimants	Totals
<b>Ill-Health Retirements</b>			
No ill-health in payment because FPS 2015 lower tier criteria not met.	5	25	30
Lower Tier in Payment only (Higher tier criteria not met)	17	53	70
Higher tier in payment	10	17	27
<b>Immediate retirement</b>			
<b>Those who meet 50+ with &gt;25 years's service between 1 January 2020 and 31 December 2020 in all schemes</b>			
	27	1665	1692
<b>Tapered</b>			
<b>Due to Taper between 01 January 2020 and 31 December 2020</b>			
	9	484	493
<b>Totals</b>	<b>68</b>	<b>2244</b>	<b>2312</b>

## Other News and Updates

### Spring Budget 2020

The Chancellor Rishi Sunak delivered his first Budget on 11 March 2020 and announced the new Lifetime Allowance limit and changes to the tapered annual allowance that will take effect from 6 April 2020.

Lifetime Allowance will increase to £1,073,100 from 6 April 2020.

Annual allowance taper provisions to change from 6 April 2020. Threshold income and Adjusted income will both increase by £90,000, but the minimum tapered annual allowance will drop to £4,000. From 6 April 2020:

Threshold income: £200,000

Adjusted income: £240,000

Minimum reduced annual allowance: £4,000.



A update from HMRC on these changes can be found in [Pension schemes newsletter 118 – 26 March 2020](#).

The Chancellor did not announce any changes to the operation of pension tax relief. An individual who earns less than the personal allowance benefits from tax relief if they pay into a relief at source arrangement, but they do not if they pay into a net pay arrangement. The Government will be publishing a call for evidence on pension tax relief shortly.

You can find more detail in the [Budget 2020 document](#) online.

## HMRC

### HMRC newsletters/bulletins

HMRC has published pension schemes newsletters 117 and 118 containing important updates and guidance on pension schemes. The following issues are covered:

#### [Pension schemes newsletter 117 – 28 February 2020:](#)

- Relief at source
- Guidance from The Pensions Regulator on Pension Scams
- Guaranteed Minimum Pension (GMP) Equalisation Newsletter - February 2020

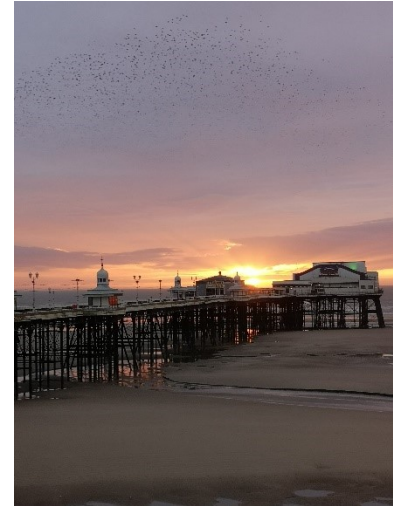
#### [Pension schemes newsletter 118 – 26 March 2020](#)

- Spring Budget 2020
- Temporary changes to pension processes as a result of coronavirus (COVID-19) Annual allowance calculator
- Relief at source
- The Managing Pension Schemes service
- GOV.UK updates
- Pension scheme administration - moving pension recipients from one payroll to another
- The Pension Schemes Online service

## Training and events

### LGA annual fire conference – 10-11 March 2020 Blackpool

Prior to lockdown, the Bluelight team had opportunity to attend the LGA annual fire conference and exhibition in Blackpool. 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 several of our SAB employer representative members, many of whom sit on the Fire Services Management Committee (FSMC).



There were thought-provoking keynote sessions on the climate emergency; finance and funding; risk, standards, and protection; and building safety, as well as a varied selection of workshops. Clair Alcock delivered a lunchtime fringe session to update delegates on changes to the Firefighters' Pension Schemes.

**Workshop and fringe sessions**

**Lunchtime fringe sessions**  
1.15-1.45pm

**F1 Flexible working with automated roaming availability, mobilisation integration, HR, training and more – all in one integrated solution via the new FireWatch App.**  
**Neville Room**  
As the only truly interconnected fire and rescue service management system, FireWatch connects resources, skills, payments and availability with mobilisation systems, and prevention and protection, to reveal the complete picture of your operations.  
Think you know FireWatch already – then think again!  
Our latest features change the way clients

**F2 Update on the Firefighters' Pension Scheme**  
**Nelson Room**  
Clair Alcock will be providing an update on the effect of the McCloud and Sargeant legal ruling and likely changes to the scheme.

The complete slide decks from the conference are now available on the LGA Events webpage: [LGA annual fire conference 10-11 March 2020](#)

## Legislation

SI	Reference title
<a href="#">2020/193</a>	The Social Security Revaluation of Earnings Factors Order 2020
<a href="#">2020/230</a>	The Public Service Pensions Revaluation Order 2020
<a href="#">2020/235</a>	The Guaranteed Minimum Pensions Increase Order 2020
<a href="#">2020/290</a>	The Pensions Increase (Review) Order 2020
<a href="#">2020/299</a>	The Social Security (Contributions) (Rates, Limits and Thresholds Amendments and National Insurance Funds Payments) Regulations 2020

[Click here to return to Contents](#)

[2020/342](#) The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2020

[2020/354](#) The Parental Bereavement Leave and Pay (Consequential Amendments to Subordinate Legislation) Regulations 2020

The above legislation amends the regulations of the Firefighters' Pension Schemes from 6 April 2020 to allow any period of parental bereavement leave to be counted as reckonable pensionable service and pay.

[FPS 1992 amendments](#)

[FPS 2006 amendments](#)

[FPS 2015 amendments](#)

## 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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