



## FPS Bulletin 32 – April 2020

Welcome to issue 32 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

The Coronavirus pandemic continues to raise queries and concerns for scheme employers and members. Our dedicated [COVID-19 webpage](#) is being updated frequently, so please check in on a regular basis.

All meetings, training and travelling remain suspended for the foreseeable future but the Bluelight team are 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).

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

Table 1: Calendar of events

Event	Date
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

### Annual Benefit Statements (ABS) 2020

Producing annual benefit statements to meet the statutory deadline of 31 August 2020 will no doubt create additional challenges while working remotely. TPR have confirmed that they “recognise that producing ABS this year could be challenging, and we’ll take a pragmatic view about schemes that don’t manage it by 31 August” and will be “proportionate and fair when assessing whether to take any action”. However, the Scheme Advisory Board (SAB) were very encouraged by the survey results from the [Annual Benefit Statement 2019 survey](#) which shows that the production of ABS by administrators and scheme managers improves significantly year on year.

This year we recognise that there will be additional challenge in meeting members expectations on being able to communicate the outcome of the Sargeant case. While the Government have accepted the Courts' findings in the Sargeant and McCloud legal cases and are committed to treating claimants and non-claimants in the same manner, it was never going to be possible to accurately reflect the outcome of either the legal case or the current HMT informal consultation. This is because:

- a) the ongoing discussions on remedy is still confidential, and
- b) the software companies have confirmed that it will take at least 12 months to programme the software.

Nevertheless, we understand that that some members may expect the statements to reflect the legal position and may be disappointed to receive a statement that does not reflect the outcome of the legal decision.

We understand that some administrators have therefore been considering whether it would be better to remove the projections to normal pension age as they will not reflect Sargeant. While we understand the different reasons for making those decisions, it is important that members across the country receive consistent information and that a central decision is made to achieve consistency.

The SAB was asked to consider this issue and agreed that **ABS should continue to include projections to normal retirement age (based on the current scheme rules only)**<sup>1</sup>.

**The ABS should contain the caveat below**, which Home Office have agreed with HMT and issued for use across all Police and Fire statements, and we have updated the template statement with this caveat accordingly:

Please note that this year's Annual Benefit Statement provides an estimate of your pension benefits accrued in your current scheme membership to 31/03/2020. Any projections on your pension entitlement are also based on the assumption that your current membership will continue until your normal pension age.

Please also note that on the 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes and is currently working on removing this discrimination to all affected scheme members. This work is complex and will take time. For further information please see the Written Ministerial Statement from 25 March 2020: <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2020-03-25/HCWS187/>

At this stage there is still uncertainty around the final approach to removing this discrimination. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.

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<sup>1</sup> [Paper1: Annual Benefit Statements - Meeting 17 March 2020](#)

We understand this decision may be disappointing to those who have already considered this issue, however it is important that members are treated consistently and given access to the same information. We would urge you to review that decision in light of this statement.

The [ABS templates and notes](#) have now been published and we have taken the opportunity to hold the annexes for the statement notes separately as per the decision taken by the Fire Communications Working Group (FCWG).

We will also look to convene a meeting of the FCWG as soon as possible to agree how we will distribute the message to members that this year's statements will continue to project based on current scheme rules.

### **Annual Benefit Statement 2019 survey results**

Between 29 November 2019 and 6 January 2020, FRAs and administrators were invited to complete separate web-based surveys to measure the success of the ABS process in 2019.

During this time 33 FRA and 36 administrator responses were received in respect of the 45 FRAs in England, equating to an overall response rate of 73% and 80% respectively. The results of the survey have now been collated and analysed, and we are pleased to present the final [research report](#).

Individual FRA submissions have been exported and can be provided to the relevant organisation on request.

The survey will continue to be run on an annual basis following the end of each ABS cycle.

The [LPB Effectiveness Committee](#) would like to thank all that were able to submit a response for their participation in the survey, and for continuing to support the work of the SAB. The recommendations within the report will now be taken forward with the support of the Committee and the SAB.

### **31 March 2020 scheme valuation timeline**

The Government Actuary's Department (GAD) have provided the following statement on their expectations on when the valuation data will be requested, confirming that the expected timeline will give administrators until 31 December 2020 to complete the data request.

“In order to spread the work on processing and checking the valuation data GAD have divided the public sector pension schemes into clusters, each of which has a different date when we expect the data to be returned. Both Fire England and Police England & Wales fall into the second cluster which has a date of 31 December 2020 for expected delivery of data.

We will hopefully be sending out the data collection tool and user guides in May which will allow administrators to see the format we expect the data to be returned in (very similar to prior years) which should help them plan the collection exercise. If the tool is delivered in May that will give administrators 7 months to prepare and return the data.

Note that the release of the data tool is not an indication to administrators that we need it completed and returned immediately and we will communicate the timeframes when we provide the tool. However, given current circumstances it may be reassuring for the Home Office to communicate to administrators the 31 December deadline which may help to relieve some worries they currently have.

We are continuing to monitor the situation surrounding COVID-19 and work required during and after the lockdown period and will update timelines if it becomes necessary.”

### **Top Up grant 2020: Collection of pensions accounting data – action required**

On 8 April 2020, the Home Office sent an email to Claim Certifiers (and Claim Administrators) to advise that FRAs should now all be working towards submitting audited 2018/19 and unaudited 2019/20 pensions income/expenditure data as part of this year’s top up grant claim. To reiterate, this year’s pension accounting data will need to be submitted on the DELTA online data collection system. Notification will be sent via DELTA when the forms go live.

**ACTION:** In addition to the pensions income/expenditure data that you will be submitting on DELTA, the Home Office are also requesting that all FRAs provide by email, electronic copies of the trial balances from audited accounts where the pensions income/expenditure data was extracted for completion of the audited 2018/19 DELTA return, to include any post balance sheet adjustment events. These should be sent to [Anthony.Mooney@homeoffice.gov.uk](mailto:Anthony.Mooney@homeoffice.gov.uk).

Please note that this information is needed by **Friday 15 May** to enable the relevant checks to be undertaken (and seek further clarification from FRAs where necessary) in time to make the next batch of grant payments in July. The Home Office appreciate that FRAs may be under workforce pressures at present dealing with the response to COVID-19 and can consider extending the deadline, where needed. However, they do want to avoid any delays in paying the grant.

The Home Office will only be able to make Top Up grant payments on any claims that they can validate as being correct and, as such, failure to provide the requested information, or the submission of incomplete information, will delay any grant payments due in July.

Please also note that a number of automatic comparison checks have been incorporated on the data that you submit on DELTA with the data that you previously submitted. The automatic checks include:

- a cross-reference check on the audited 2018/19 pension income/expenditure data with the unaudited 2018/19 pension income/expenditure data submitted last year by each FRA. This level of check will be necessary as it will be the last chance to identify errors before the period falls outside the Top Up grant's 3 year financial cycle; and
- a cross-reference check on the unaudited 2019/20 pension income/expenditure data with the updated forecast 2019/20 pensions income/expenditure data (submitted by each FRA in September 2019).
- If the variances breach certain tolerance levels, then the DELTA form will request a short explanation to explain the difference before the form can be submitted.

Please contact [Anthony.Mooney@homeoffice.gov.uk](mailto:Anthony.Mooney@homeoffice.gov.uk) if you have any questions.

### **Ill-health retirement applications**

Our colleagues on the pensions team recently contacted the Association of Local Authority Medical Advisers (ALAMA) regarding inconsistency in the approaches taken by IQMP providers during the COVID-19 crisis.

ALAMA confirmed that the following instruction has been posted to their website:

“During the current COVID-19 crisis, it is important to continue to progress ill health retirement applications. It is also particularly important that assessments remain fair and reasonable, and that should include requesting GP and specialist reports as required. There has never been a requirement for these assessments to be face to face, therefore paperwork reviews, with telephone clarification if needed, is the most appropriate way to progress these.

If it is not possible to get reports, an assessment should be based on whether reports are likely to influence your decision further, and whether you have enough objective evidence to make an opinion. Opinions should always be ‘on balance of probability’. There will be times when you simply don’t have sufficient objective evidence to support ill health retirement, and you have been unable to get clinical reports. You should suggest that the applicant request copies of clinical reports direct from their GP.”

### **It’s good to talk...about pensions!**

We hope everyone is well and continuing to stay safe at this time. As social distancing measures are likely to stay in place for some time and it is likely we won’t see each other in person for a while we are going to start running an online coffee morning every second Tuesday at 11am to allow a catch up between colleagues and ourselves.

The session will last an hour and be facilitated by Zoom in the first instance, if you would like to join please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will forward the Zoom link and password. Please note sessions should not be recorded.

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## Brew and a Chat

- Come and join us every second Tuesday at 11am for a chance to catch up with colleagues starting 5 May

Invitation only: Please email

[bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk)

to be sent your zoom link and password.



### FPS 2015 Added Pension factsheet

A new factsheet on [FPS 2015 Added Pension](#) has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website.

This factsheet has been prepared by the FCWG to provide information and examples to members who may be interested in buying added pension. The factsheet includes an application form for a quote request.

GAD have recently issued revised [factors and guidance](#) for administrators to process the purchase of additional pension.



## April 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 April.

## Other News and Updates

### Letter from James Brokenshire MP

On 23 April James Brokenshire, the minister for State of Security, issued a letter by email to the National Fire Chiefs Council (NFCC) and the Fire Services Management Committee (FSMC) on [reducing burdens and supporting the fire sector through the current COVID-19 emergency](#).

This letter supports the work that is being done nationally to deal with coronavirus (COVID-19). It outlines a number of ways in which the government is seeking to further support local services in this challenging period.

### The Pensions Ombudsman (TPO) newsletter 8

TPO have published [Issue 8 – April 2020](#) of their stakeholder newsletter.

The newsletter includes an introductory message from Anthony Arter on how TPO are meeting the challenges presented by COVID-19, an update on appeals, and information on the redevelopment of the TPO website.

Earlier communications from TPO and a full history of determinations in relation to FPS are held on our [TPO webpage](#).

### Pension Dashboard Programme update

The Pension Dashboard Programme (PDP) was established by the Money and Pensions Service (MaPS) in July 2019. The aim of the PDP is to establish a pension dashboard service to allow the 52m in-scope adults within the UK to view information about all of their pension benefits, in a secure online environment.

This month the PDP have issued the first of their planned six-monthly progress reports setting out their broad approach to delivering the Programme and outlining priorities for the next six months.

#### [PDP progress update report – April 2020](#)

A key element of the Programme is the development of data standards. The following working papers have been issued alongside the progress report to describe the PDP's current thinking on data requirements for dashboards.

[Data scope](#): setting out options for achieving early coverage across all pension sectors.

[Data definitions](#): listing the set of data items that could be included in the dashboards data standards.

Industry consultation is expected to take place later in the year.

## HMRC

### HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 119 containing important updates and guidance on pension schemes. The following issues are covered:

#### [Pension schemes newsletter 119 – 30 April 2020](#)

- temporary changes to pension processes as a result of coronavirus (COVID-19)
- re-employment in response to the coronavirus (COVID-19) outbreak
- pension scheme returns for 2019 to 2020
- benefits crystallisation event 1 and valuing sums and assets held within a registered pension scheme
- other pension scheme valuations
- pension flexibility statistics
- registration statistics
- annual allowance calculator
- managing pension schemes service – timeline update
- unauthorised payments – operating the mandating procedure
- Gibraltar and the overseas transfer charge

Also published this month:

#### [Managing Pensions Schemes service newsletter – 1 April 2020](#)

HMRC have launched the Accounting for Tax (AFT) return on the Managing Pension Schemes service from 1 April 2020. Any pension scheme registered through the Managing Pension Schemes service can now start to compile AFT returns on the service for the quarter 1 April – 30 June 2020

### Contracting-out reconciliation update

On 1 April 2020 HMRC published [Countdown bulletin 52](#) to inform administrators that the deadline for the issue of final data cuts must be extended while work is reprioritised in response to the Coronavirus outbreak.

HMRC are aiming to publish a final timeline by the end of April 2020

## Legislation

SI	Reference title
<a href="#">2020/372</a>	The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2020

## 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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