



## FPS Bulletin 35 – July 2020

Welcome to issue 35 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

Although restrictions on travel and social distancing are gradually easing, face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video (MS Teams, Skype, or Zoom).

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

|  |           |
|--|-----------|
| <b>Contents</b>  | <b>2</b>  |
| <b>Calendar of events</b>  | <b>3</b>  |
| <b>Actions arising</b>   | <b>3</b>  |
| <b>FPS</b>   | <b>4</b>  |
| Sargeant remedy consultation published   | 4         |
| Raising tax awareness through job advertisements – update                                    | 5         |
| FPS England – 2020 valuation update  | 5         |
| Website and resources update   | 5         |
| July query log   | 6         |
| <b>FPS England SAB updates</b>   | <b>6</b>  |
| Template administration strategy consultation – reminder                                     | 6         |
| SAB levy 2020-21   | 6         |
| <b>Other News and Updates</b>  | <b>7</b>  |
| Equalisation of male survivor benefits in public service pension schemes                     | 7         |
| Government response to the consultation on restriction of exit payments in the public sector | 7         |
| Government launch call for evidence on pensions tax relief                                   | 8         |
| TPO publish corporate plan 2020–2023   | 8         |
| TPR publish corporate plan 2020-2021   | 8         |
| PASA launches GMP equalisation guidance  | 8         |
| <b>Events</b>  | <b>9</b>  |
| FPS AGM – save the date(s): 22 and 23 September 2020   | 9         |
| FPS coffee mornings  | 9         |
| Local Pension Board wrap-up training 2020 – event summary                                    | 9         |
| <b>HMRC</b>  | <b>10</b> |
| HMRC newsletters/bulletins   | 10        |
| <b>Useful links</b>  | <b>10</b> |
| <b>Contact details</b>   | <b>10</b> |
| <b>Copyright</b>   | <b>11</b> |
| <b>Disclaimer</b>  | <b>11</b> |

## 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                                       |
|--|--|
| Virtual Eastern regional FPOG                    | 20 August 2020                             |
| <a href="#">FPS coffee and catch up</a>          | Every second Tuesday from 1 September 2020 |
| Virtual Fire Communications Working Group        | 7 September 2020                           |
| Virtual special SAB                              | 3 September 2020                           |
| North East regional FPOG – TBC                   | 16 September 2020                          |
| Virtual SAB                                      | 17 September 2020                          |
| Virtual Firefighter Pensions Technical Community | 22 September 2020                          |
| Virtual FPS AGM                                  | 22-23 September 2020                       |
| <a href="#">Fire Finance Network conference</a>  | 7-8 October 2020                           |
| SAB  | 10 December 2020                           |

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Raising tax awareness](#): FRAs to include relevant wording on job adverts.

[Template administration strategy consultation](#): all interested parties to respond to consultation by 31 August 2020.

## FPS

### Sargeant remedy consultation published

On 16 July 2020, HM Treasury (HMT) published their [consultation on proposals to remove age discrimination](#) from the unfunded public service pension schemes in line with the result of the McCloud/Sargeant case, together with an [update on the employer cost cap process](#). These were accompanied by a [statement from the Chief Secretary to the Treasury](#).

The consultation relates to members of the unfunded public service schemes including Fire, Teachers and Police. A separate [consultation on remedying age discrimination within the Local Government Pension Scheme \(LGPS\)](#) (amending the statutory underpin) was issued on the same date by the Ministry of Housing, Communities & Local Government (MHCLG).

We will be issuing further commentary on the consultation once we have had an opportunity to review, however the major proposals by HMT are that:

- Protections will be extended to cover all unfunded scheme members who were in active scheme membership on 31 March 2012 and have membership in the reformed schemes (without a 5-year break) regardless of whether they have made a claim to a tribunal on this matter
- Protection will take the form of the right to membership of the relevant unfunded final salary scheme during the protected period which runs from 1 April 2015 to 31 March 2022
- Protection will be backdated for qualifying members even if they have left the scheme since the start of the protected period
- Accrual in all unfunded final salary schemes for existing and new protected members will cease at the end of the protected period 31 March 2022
- Protected members will be given the opportunity to elect for benefits accrued during the protected period to be calculated on a CARE basis as an alternative to protected final salary benefits
- There are two proposals for when the election is to be made – immediate (soon after the proposals are in force) or deferred (when the member takes their benefits)

For ease, we have collated the [consultation questions](#) into a separate document. A more detailed review of the proposals contained within the consultation will follow soon and all information can be found on our new webpage [Age Discrimination Remedy \(Sargeant\)](#).

The employer cost cap process, applicable to all public service pension schemes including the FPS is currently paused and will now be restarted. We understand that HMT's objective would be to complete the process by next year, taking into account the cost of the proposals to remedy age discrimination as set out in the consultation.

### **Raising tax awareness through job advertisements – update**

Following our article in [FPS Bulletin 34 – June 2020](#) on raising tax awareness, it has been pointed out that the wording was written to exclude temporary promotions from pensionable pay, whereas an FRA may exercise their discretion to treat this pay as pensionable by way of an [Additional Pension Benefit \(APB\)](#).

We therefore suggest the following optional paragraphs:

#### **Temporary Promotions/Positions**

##### **Non-pensionable**

*Please note that any period of 'temporary', whether that is by way of promotion or allowances associated with a temporary position, will be treated as non-pensionable.*

##### **Pensionable as an APB**

*Please note that any period of 'temporary', whether that is by way of promotion or allowances associated with a temporary position, will be treated as pensionable by way of an [Additional Pension Benefit \(APB\)](#).*

### **FPS England – 2020 valuation update**

The Government Actuary's Department (GAD) have advised that they are close to being able to provide FPS administrators with the 2020 valuation data collection spreadsheet. Due to the size of the spreadsheet, GAD will be providing this to administrators via a secure transfer area instead of an open link.

Contact details for each administrator have been provided to GAD, who will send an email setting out the process for receiving, completing and sending the data sheet

Contacts will then receive a further email giving them access to a secure data area in which the data collection spreadsheets will be stored, along with an email address to use for any queries.

### **Website and resources update**

As previously detailed, we have created a separate page on [age discrimination remedy \(Sargeant\)](#) which holds a timeline of the 2015 scheme reforms and subsequent legal challenges. You can also find the documents relating to the HMT consultation. We will continue to update this page as the consultation period progresses, so please check back for new information.

The [related legislation](#) page has been updated to include HMT Directions which have an impact on the FPS.

[Click here to return to Contents](#)

The following pages have been added to the member-restricted section of the [Firefighters' Pension Schemes Regulations and Guidance](#) website this month. If you require log-in details for this area, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

**[Contributions holiday](#)**. This page has been created to hold legislation and resources relating to the employee contributions holiday for FPS 1992 members who accrued or could accrue the maximum 30 years' pensionable service prior to age 50

### **[July 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 July.

## **[FPS England SAB updates](#)**

### **[Template administration strategy consultation – reminder](#)**

A reminder that we have a separate consultation running until the end of August on the [draft template administration strategy](#).

The document has been developed with the Fire Communications Working Group (FCWG) and [SAB administration and benchmarking committee](#) to set out the roles and expectations of scheme managers and administrators, and improve communication and engagement between both parties. More information on the background to this work is available in [FPS Bulletin 34 – June 2020](#).

While stakeholder groups have been involved in the development of the draft, it is essential for us to hear the views of the wider FPS community to deliver a strategy that is fit for purpose and fully incorporates all aspects of administration, management, and governance of the schemes. Please take the opportunity to have your say by answering the questions in the [consultation document](#).

The consultation will run until 31 August 2020 and responses should be sent to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

### **[SAB levy 2020-21](#)**

Under arrangements for the Firefighters' Pension Scheme [2014 regulations 4H\(1\)](#), the Scheme Advisory Board are required to set an annual budget for approval by the Secretary of State.

We are currently awaiting approval of the 2020-21 budget by the minister and expect that we will start the collection process in August/ September. A letter will be sent to Chief Fire Officers to request a purchase order number.

Included in the final levy is the employers' voluntary subscription that FRAs entered into a shared agreement in 2014 in order to fund support with FRAs understanding and management of the FPS.

## Other News and Updates

### Equalisation of male survivor benefits in public service pension schemes

The Chief Secretary to the Treasury has made [written statement HCWS397](#) on public service pensions: survivor benefits for opposite-sex widowers and surviving male civil partners.

The statement was in relation to a Teachers' Pension Scheme Employment Tribunal case where "male survivors of female scheme members remain entitled to a lower survivor benefit than a comparable same-sex survivor" and confirmed that "government believes that this difference in treatment will also need to be remedied in those other public service pension schemes, where the husband or male civil partner of a female scheme member is in similar circumstances".

Part C of the [FPS 1992 regulations](#), Awards on Death – Spouses, does not differentiate between a male or female survivor. The definition of a surviving spouse is given as a widow or widower. Therefore, the benefits from the scheme are already equalised and we do not consider that any amendments to Part C are needed.

However, Rule J1(2)(c) in relation to Guaranteed Minimum Pensions (GMP) states:

*(c) in the case of a woman who dies at any time and leaves a widower, the widower is entitled to a pension at a weekly rate equal to half of that part of the deceased's guaranteed minimum which is attributable to earnings factors for the tax year 1988—89 and subsequent tax years.*

This rule is inserted further to [section 17\(4\) of Pension Schemes Act 1993](#). We await to see whether the primary legislation is amended.

### Government response to the consultation on restriction of exit payments in the public sector

The government has now published its [response to the consultation on restricting exit payments](#) in the public sector, often referred to as the £95k cap. A reminder of what the cap means for the Firefighters' Pension Schemes (FPS) is available in our [technical note](#).

The [SAB response to the consultation](#) welcomed the exemptions applied for the Firefighters' schemes but noted that in some limited circumstances of authority initiated early retirement, the cap would still apply and that changes to the FPS and related statutory GAD guidance would be necessary in order to comply with the cap. We will take this forward with the Home Office.

## **Government launch call for evidence on pensions tax relief**

On 21 July 2020, HMT launched a [call for evidence on pensions tax relief administration](#) for members who receive tax relief at a different rate to their highest marginal rate.

This has the scope to affect an individual's take-home pay, particularly those earning below the tax threshold, depending on whether their employer operates a net-pay or relief at source arrangement.

The government wish to explore feasible and deliverable options for change to the system which would produce fairer outcomes and are easily understandable. The call for evidence closes on 13 October 2020.

## **TPO publish corporate plan 2020–2023**

The Pensions Ombudsman (TPO) published its corporate plan on 14 July 2020, outlining its strategic aims for the next three years and providing updated key performance indicators for 2020-21. The plan also includes information on the potential impact of COVID-19 on the Ombudsman's activities.

TPO's focus remains on improving the customer experience by resolving disputes at an early stage, making the process quicker and easier for all parties.

### [TPO corporate plan 2020-2023](#)

TPO also published its [annual report and accounts for 2019-20](#) on 16 July 2020.

## **TPR publish corporate plan 2020-2021**

On 29 June 2020 the Pensions Regulator (TPR) published its [Corporate Plan 2020-21](#), setting out its priorities for the coming year. Publication was delayed as TPR revised its plans to respond to the challenges presented by the COVID-19 pandemic.

All of TPR's resources relating to COVID-19 can be accessed here: [COVID-19 \(coronavirus\): what you need to consider](#).

## **PASA launches GMP equalisation guidance**

On 14 July 2020, the cross-industry GMP Working Group, chaired by the Pensions Administration Standards Association (PASA), published guidance on the data required for GMP Equalisation.

The aim of the guidance is to help pension schemes understand the steps they can take now to get their data ready for equalisation. You can find the [GMP Equalisation Data Guidance](#) on the PASA website.



## Events

### **FPS AGM – save the date(s): 22 and 23 September 2020**

We are considering what our offer for a virtual AGM run across two days as usual could look like and hope to finalise this shortly. Please hold the dates in your diary and we will issue invitations and an agenda in the next few weeks.

### **FPS coffee mornings**

We are continuing to run our MS Teams coffee mornings every second Tuesday while social distancing measures remain in place. These informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

We are taking a break over August due to the traditional holiday period, although this may look a little different for many this year. The next event is scheduled to take place on 1 September 2020.

If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) and we will add you to the invite list for the sessions.

### **Local Pension Board wrap-up training 2020 – event summary**

We were pleased to deliver our first Zoom training events to Local Pension Board (LPB) members and advisors on 10 June and 8 July 2020.

First up was a slightly challenging virtual group “discussion” on the role of and challenges to the board using Slido! Following this, Clair Alcock gave a pre-consultation update on age discrimination remedy.

Nick Gannon from TPR then joined us to give an update on the outcomes from the Regulator’s 2019 governance and administration survey.

Attendees heard a brief update on the different [stakeholders involved in the administration and management of the FPS](#), and the interdependencies between them. This was followed by an in-depth look at the [six key principles](#) or processes of good governance from our resident expert, Clair.

The full [slides from the 8 July session](#) are available to view and we intend to upload recordings of the main sessions to our password-protected [videos and webinar recordings](#) page in due course.

## HMRC

### HMRC newsletters/bulletins

HMRC have published the following newsletters in July:

- [GMP equalisation newsletter – 16 July 2020](#)
- [Managing Pension Schemes Service newsletter – 21 July 2020](#)

### Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khuf Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPS member site](#)

### Contact details

**Clair Alcock (Senior Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

**Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

**Claire Hey (Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

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

## Copyright

Copyright remains with Local Government Association (LGA). This bulletin may be reproduced without the prior permission of LGA provided it is not used for commercial gain, the source is acknowledged and, if regulations are reproduced, the Crown Copyright Policy Guidance issued by HMSO is adhered to.

## Disclaimer

The information contained in this bulletin has been prepared by the Bluelight Pensions team, part of the Local Government Association (LGA). It represents the views of the team and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of legislation. No responsibility whatsoever will be assumed by the LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in this bulletin.

While every attempt is made to ensure the accuracy of the bulletin, it would be helpful if readers could bring any perceived errors or omissions to the attention of the Bluelight team by emailing [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).