

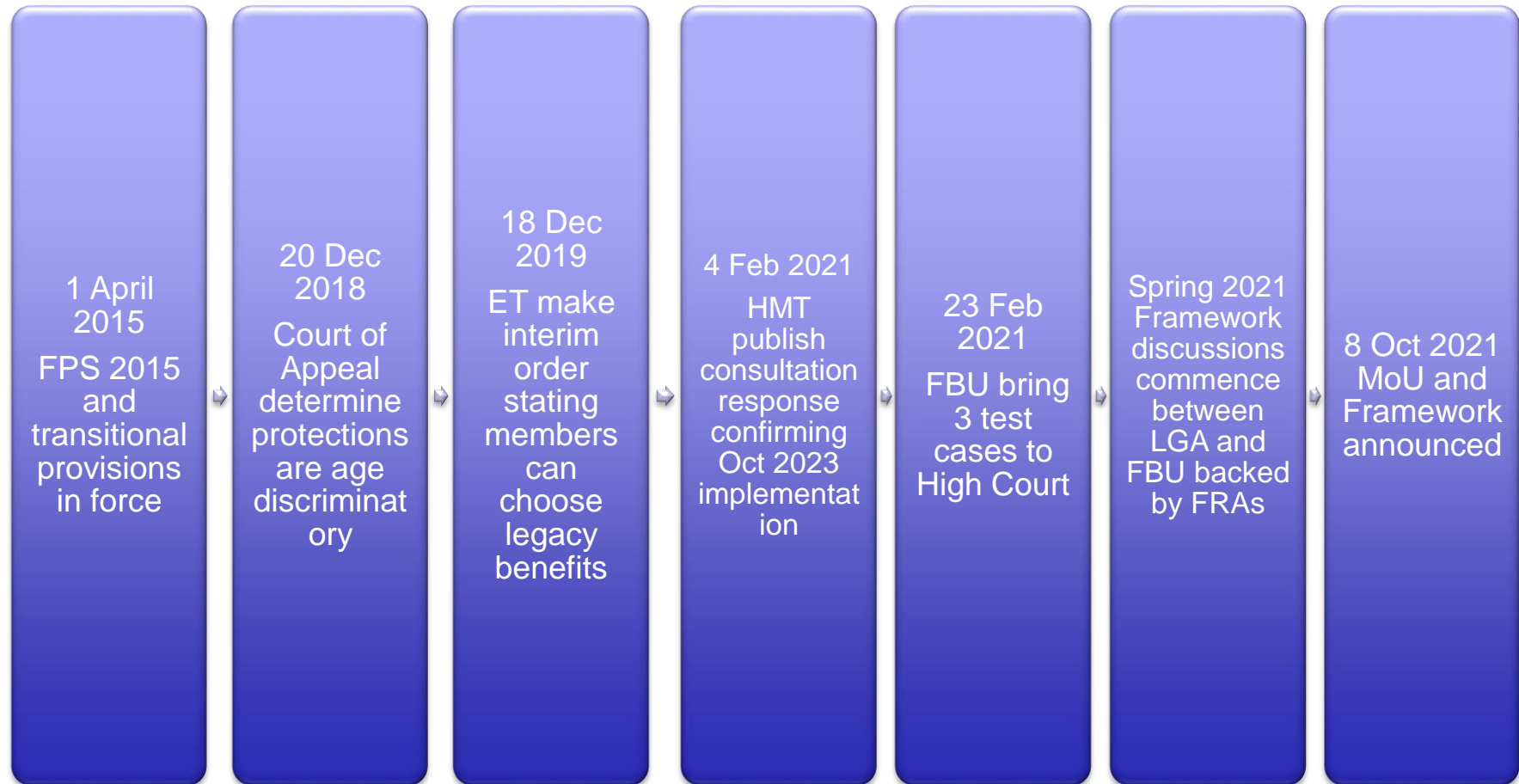
# Immediate Detriment Framework

October 2021

# Background

- Legal cases brought against two FRAs
- FBU clear that further cases would follow
- Genuine difficulty for FRAs in determining how to resolve ID cases before legislation while minimising risk
- LGA enter discussions with FBU supported by all UK FRAs to agree mechanism to process ID cases

# Timeline



# MoU and Framework

- [Joint statement](#) and [MoU](#) published on 8 October 2021
- MoU includes:
  - Background and objectives
  - Framework
  - Process
  - Record of compensation (see nominated contact)

## IDF guidance for FRAs

- Each FRA considers adoption of the Framework
- Applies to both new and retrospective retirements
- Make administrator aware of decision to adopt the Framework

“The FRA will need to discuss with the administrator the necessary resourcing and/or re-prioritising or work to ensure the IDF can be delivered or if this is not possible arrange for alternative resourcing to deliver the IDF”

- Make members aware of their right to apply

# Scope

- Category 1
  - Members approaching retirement (benefits not in payment)
- Category 2
  - Members who have already retired and have benefits in payment
  - Members who did not qualify for IHR under FPS 2015 but would do under FPS 1992 (benefits not in payment)

# Eligibility

- Pensionable FPS service in the remedy period (1 April 2015 – 31 March 2022)
- Unprotected or taper member
- Qualify for remedy under the PSP&JO Bill (in PSPS service on or before 31 March 2012 AND on 1 April 2015)
- No disqualifying break (more than 5 years)

# Process

- Assess scope and respond to member
- Data collection
- Recalculation of benefits and tax growth
- Calculation of arrears and interest
- Calculation of unauthorised payment charge
- Calculate contribution arrears or compensation adjustment due
- Provide options to member
- Arrange payment



# Timescales

- Member applications accepted from point that FRA adopt IDF
  - 14 days to accept or decline application
  - 62 days (from date of application) to provide calculations and option form/ record of compensation
  - 28 days to pay arrears of pension/ lump sum
- = total timeframe 90 days

# Governance

- Processes in place to record details of calculations, how they applied before remedy, and the underpinned benefits on the reformed basis to enable any rectification needed or answer questions once the legislation comes into force.
- Local Pension Boards (LPBs) to consider what assurances they can seek that additional processes are in place to check decision making and comply with TPR requirements.

# Considerations:

- Data requirements
- Administration
- Timescales
- Record keeping
- Costs

# Any questions



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**Thank you for listening!**

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