



## FPS Bulletin 29 – February 2020

Welcome to issue 29 of the Firefighters' Pensions Schemes bulletin.

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.

You may notice a change to our appearance this issue. This is to make our bulletin more accessible. If you have any comments on the accessibility of 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)

Event	Date
SAB LPB effectiveness committee	5 March 2020
<a href="#">LGA annual Fire conference and exhibition</a>	10-11 March 2020
SAB	17 March 2020
South West regional FPOG	26 March 2020
SAB Administration & Benchmarking committee	6 May 2020
North East regional FPOG	20 May 2020
SAB	11 June 2020
SAB	17 September 2020
Firefighters' Pensions AGM – save the date!	22-23 September 2020
SAB	10 December 2020

Table 1: Calendar of events

## FPS

### Update on transitional protections remedy (Sargeant)

The remedy update in [FPS Bulletin 28 – January 2020](#) included a request for information from the Scheme Advisory Board (SAB). We have received a limited number of responses and so we have extended the deadline.

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## Fire Authority Immediate Action

We recognise that members with an immediate event are a priority. To determine the number of members affected, please complete the [request for information sheet](#) provided as Appendix 1 to the January bulletin. Please email completed returns to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) by 16 March 2020.

Immediate retirements 1 January 2020			
Fire and Rescue Authority (Select from the drop down list)	Type (Add any others to the list)	Claimants	Non-Claimants
FRA drop down			
	<b>Ill-Health</b>		
	No ill-health pension in payment because 2015 scheme lower ill-health criteria not met	1	1
	Tier 1 in payment only (refused higher tier in 2015 scheme)	2	5
	Tier 2 in payment under 2015 scheme	2	1
	<b>Immediate retirements (meet 50+ &gt;25 yrs service between 1 January 2020 and 31 December 2020)</b>	2	6
	<b>Due to taper between 01 January 2020 and 31 December 2020</b>	2	10
<b>Total</b>		<b>9</b>	<b>23</b>

We are aware that some FRAs are having difficulty identifying their legal claimants. The legal claims were made against each service, so there should be a record of them. We would expect the records to be with the Human Resources or Legal teams. The Employment Tribunal sent the claims in paper form in October 2015. As these are live legal cases there should be a folder of them in one or other of those departments

If they cannot be found then we would have to ask the legal representatives, Bevan Brittan, to provide copies. This may have a cost to the service. We would need advance written confirmation that the service would meet the cost, as it would not be appropriate to pass on any of that cost to other services through the cost sharing agreement. Please let us know if you wish us to make such a request.

## Scheme Advisory Board Technical Discussions

Technical discussions to inform the SAB response to HMT's informal proposals concluded this week. A series of three meetings took place between a working group of stakeholders including administrators, software providers, NFCC representatives and senior Fire and Rescue officers. A draft response will be presented to the Board for agreement at their meeting in March.

This informal engagement is taking place ahead of the formal consultation expected in spring.

Details of these discussions are currently confidential, we will share an update as soon as we are able.

## Claims for refunds of NICs - FPS 2006 special members

As per [FPS Bulletin 24 - September 2019](#) HMRC have now written to all FRAs with regards to backdating their FPS 2006 scheme contracting out certificate to 6 April 2000. This is to allow HMRC to process the refund of National Insurance Contributions and to correct the contracted out status. In a few cases HMRC have informed FRAs that they do not currently have a valid contracting out certificate for the FPS 2006 and this will first need to be applied for and then backdated.

The relevant form to complete has been sent to each FRA by HMRC and is form APSS155b. The backdating should be from 6 April 2000. HMRC goes on to confirm that 'a notice of intention or explanation must be given to all employees and recognised trade unions and the notice period of up to 3 months must have expired'. On the assumption that some form of consultation took place with employees following the ruling about backdating membership HMRC will accept that as having given the necessary notice of intention or explanation.

**We can confirm that DCLG (now Home Office) consulted on changes to the scheme under the [retained firefighters pension settlement consultation](#), so there is no need to issue anything further.**

In order to reduce the burden on FRAs with regards to providing information for these refunds to be made, we did agree with HMRC that only name, date of birth, NI number and period bought back needed to be provided. [FPS Bulletin 2](#) and [FPS Bulletin 3](#) provide more information. We also covered this topic at the [special members refresher workshop](#) [slides 52 and 53] to clarify that there was no discretion to not provide this information because it was needed for the HMRC GMP reconciliation project.

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

HM Treasury reduced the SCAPE discount rate from 2.8% to 2.4%pa above CPI from 1 April 2019. As a result of the change, the Government Actuary's Department (GAD) undertook a [factor review](#) for the Firefighters' Pension Schemes.

GAD have recently provided the guidance notes below to accompany actuarial factors previously issued to FRAs during 2018 -2019. This includes updated versions of several guides released in [FPS Bulletin 27 – December 2019](#), and some newly added guides.

- [FPS 1992 Statutory CETV and Club Transfers Out - factors and guidance](#) – NEW
- [FPS 2006 Individual Cash Equivalent Transfers - factors and guidance](#) – NEW
- [FPS 2015 Purchase of Additional Pension - factors and guidance](#) – UPDATED
- [FPS 1992 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2006 Tax charge debits - factors and guidance](#) – UPDATED
- [FPS 2015 AA charges: scheme pays offsets - factors and guidance](#) – UPDATED

- [FPS 2006 Service Credits for non-Club Incoming Transfers - factors and guidance](#) – NEW
- [FPS 1992 and 2006 Trivial Commutation and Capitalisation for Death Gratuities - factors and guidance](#) – NEW
- [FPS 2015 Commutation of Small Pensions - factors and guidance](#) – NEW

Please note the following changes to the [FPS 1992 Tax charge debits guidance](#):

- Updated definition of RTF to be RTFret
- For the Adjusted pension debit =  $AAPD \times PI \times RTFret \div RTFimp$ . It is agreed that this is for ages over 60 and therefore excludes ages under 60

The RTFret factor should use the factors in force at the relevant implementation date. The rationale is the numerator and denominator should be consistent and therefore factor should be selected at a consistent date for both.

GAD have also updated the pension input periods for the tax charge and scheme pays offsets notes so that they refer to the tax year period 6 April to 5 April, rather than 1 April to 31 March.

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

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.

### **Medical appeals forms**

The Home Office appointed Duradiamond Healthcare (DHC) as the new Board of Medical Referees contractor from 1 October 2019. We have been advised that DHC are going to review the forms for the appeal process as they were last updated in 2013. However, in the interim, the existing forms have been updated to reflect the correct legislation and contact details and have been uploaded to our [Ill-health and Injury page](#) for authorities to use if they wish.

Each FRA is required to sign the call-off contract and complete a new account form with DHC so that they can be set up as a client for invoicing purposes. It may be wise to complete this before submitting new cases. However, the forms can be completed while DHC are processing cases to avoid cause any delays in the appeal process. The call-off terms are defined by the framework contract with the Home Office so these cannot be amended.

Concerning the two forms which DHC send out to authorities:

- One form is a new customer account form which is required for invoicing purposes by the finance team.
- The other form – the ‘call-off form’/schedule 3 – is the order form contained within the framework provided by the Home Office. This clarifies what is contractually expected of DHC within the appeal process and only needs to be completed once prior to any cases being arranged.

To assist FRAs in completing the call-off forms, please note the following to be completed:

- Order Number – This can be left blank or it can be prepopulated by the authority with a PO number if required.
- Order Date – The date when the authority signs the form.
- Description of Order – This has been amended and prepopulated as requested.
- Total value of Order – Please enter the text ‘Cost/price per board’, we have asked Duradiamond for this to be pre-populated

## **Election to join FPS**

Following a request from the Fire Communications Working Group (FCWG) an opt in form for members electing to join FPS outside of auto-enrolment has been produced.

### [Election to join form](#)

Please note that the form is based on our interpretation of the current regulations which give people eligibility to join FPS 2006 or FPS 2015 based on their date of birth and previous service.

## **February 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.

## **Other News and Updates**

### **Public Service Pension Indexation and Revaluation 2020**

On 25 February 2020, HM Treasury issued [written statement HCWS123](#) to confirm that public service pensions will be increased from 6 April 2020 by 1.7 per cent, in line with the annual increase in the Consumer Prices Index up to September 2019.

Revaluation for active members of FPS 2015 is applied in line with Average Weekly Earnings up to September 2019. The figure for the earnings element of revaluation is 4 per cent.

The Treasury has issued the [Pensions Increase 2020 covering note](#) and [Pensions Increase 2020 multiplier tables](#) to help scheme administrators correctly apply the annual increase to public service pensions.

## **The Pensions Ombudsman (TPO) newsletter 7**

TPO have published [Issue 7 – January 2020](#) of their stakeholder newsletter

The newsletter includes:

- an introductory message from the Pensions Ombudsman, Anthony Arter
- an article covering the relationship and promotional work undertaken since June 2019
- a legal update
- dates of future events
- volunteering for the TPO

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

## **Auto Enrolment (AE) Earnings Trigger and Qualifying Earnings Band Review 2020**

On 13 February, in a [written statement](#) to the House of Commons, [Guy Opperman](#) provided an update on this year's annual review of the AE earnings trigger and qualifying earnings band. The review concluded that the existing earnings trigger remains at the correct level and both the lower and upper earnings limits will continue to be aligned to the National Insurance contribution thresholds. The proposed 2020/21 AE thresholds are as follows:

- £6,240 for the lower limit of the qualifying earnings band
- The AE earnings trigger will be maintained at £10,000
- The upper limit of the qualifying earnings band will remain at £50,000

## **DWP updates guidance on pensions after Brexit**

The Department for Work and Pensions has updated the [guidance explaining the rights of UK nationals](#) in the European Economic Area or Switzerland to benefits and pensions after the UK has left the EU.

## **Pensions dashboards - Industry Delivery Group (IDG) blog**

On 20 February Richard Smith, Industry Lead at the IDG, published a blog about the [progress of the pensions dashboards working groups](#).

## **HMRC**

### **HMRC newsletters/bulletins**

On 20 February HMRC published a [Guaranteed Minimum Pension \(GMP\) equalisation newsletter](#) explaining how equalisation benefit adjustments will interact with annual allowance and lifetime allowance.

## Legislation

SI	Reference title
<a href="#">2020/101</a>	The Pension Protection Fund and Occupational Pension Schemes (Levy Ceiling and Compensation Cap) Order 2020
<a href="#">2020/179</a>	The Local Government Pension Scheme (Amendment) Regulations 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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