



FPS Bulletin 34 – June 2020

Welcome to issue 34 of the Firefighters' Pensions Schemes bulletin.

We hope that readers remain safe and well.

While travel and social restrictions are gradually easing, the Coronavirus pandemic continues to raise queries and concerns for scheme employers and members. Our [COVID-19 webpage](#) is being updated accordingly, 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.

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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

Table 1: Calendar of events

Event	Date
Local Pension Board wrap-up training	8 July 2020
FPS coffee and catch up	Every second Tuesday – next event 14 July 2020
Virtual South East regional FPOG	27 July 2020
Virtual Fire Communications Working Group	7 September 2020
Virtual SAB	17 September 2020
SAB	10 December 2020

Actions arising

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

[ABS 2020 - member communications](#): scheme managers to ensure members are kept informed of position relating to ABS 2020 and remedy.

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

[COVID-19 governance survey](#): scheme manager and/ or Local Pension Board chair to complete online survey by 31 July 2020.

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

[Transfer arrangements for CARE additional pension](#): administrators to review Club transfer in/out processes to ensure that CARE added pension is calculated using the non-Club methodology and factors.

[LPB wrap-up training 2020](#) – book places for pension board members wishing to attend.

FPS

FPS England – 2020 valuation final data specifications

The Government Actuary's Department's (GAD) final 2020 valuation data specifications for the Fire England schemes were issued by email to administrators and software suppliers on 3 June 2020. The document has also been uploaded to the dedicated [valuations webpage](#) in the password-protected area of the FPS Regulations and Guidance website.

The specifications are largely identical to the draft issued at the end of 2019. The one change is to clarify which members require the additional Sargeant data.

GAD are still working on the data collection spreadsheet and instructions which should be issued in the near future.

The deadline for submission of data remains 31 December 2020 as confirmed in [FPS Bulletin 32 – April 2020](#).

Protected Pension Age - HMT extension

As previously confirmed in [written statement HCWS196](#), the Protected Pension Age (PPA) tax rules were temporarily relaxed for the period 1 March to 1 June 2020 for those returning to work as a result of COVID-19.

On 2 June 2020 HM Treasury/ HMRC announced an extension to the easement of the tax rules relating to PPA. The deadline has been extended to 1 November 2020 for retired firefighters re-employed in relation to FRAs' response to the coronavirus pandemic.

Please see the announcement in the amended [HMRC pension schemes newsletter 119 - April 2020](#), under heading 1.a.

HMT have confirmed that the effect of the statement is that anyone re-employed between 1 March and the deadline would be deemed as having satisfied the re-employment conditions, regardless of how long the employment lasted.

[New Clause 20: Protected pension age of members employed as a result of coronavirus](#) has been inserted at Report Stage of the Finance Bill 2020 and introduces a new re-employment condition to [paragraph 22\(7F\) of Schedule 36](#) to the Finance Act 2004.

HMRC have published a [tax information and impact note](#) which explains more about these changes.

We recommend that the reasons for re-employment being COVID-19 related are clearly documented and shared with your Local Pension Board.

Readers may have recently noted the ombudsman decisions [PO-15170](#) and [PO-15168 & PO-15171](#) regarding PPA and the responsibility of the employer. We have taken the opportunity to create a [new page for PPA](#) within the password protected member area of the Regulations and Guidance website to collate information and resources about PPA as it relates to members of the FPS 1992.

ABS 2020 – member communications

As detailed in [FPS Bulletin 32 – April 2020](#), it will not be possible to include projections on the Annual Benefit Statements (ABS) this year which reflect the outcome of the Sargeant legal judgment.

This is because:

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

We have recommended that members are provided with a projection based on current regulations up to their normal pension age and that the caveat provided by HMT is included on the statement.

With both the remedy consultation and final Employment Tribunal hearing expected in July, member expectations may understandably be heightened. We appreciate the need to manage those expectations ahead of the ABS being released, so there is a clear understanding of why the statements do not reflect the outcome of the legal decision.

We suggest that wording adapted from the HMT caveat can be provided to members in advance of the ABS deadline, as follows:

On 20 December 2018, the Court of Appeal ruled that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' Pension Scheme were discriminatory and, therefore, unlawful.

Following this ruling, the Government accepted that all public service pension schemes were similarly affected and is currently working on removing discrimination from the schemes for all affected members. This work is complex and is going to take some time. More information can be found in [written statement HWS187](#), which was released on 25 March 2020.

As yet, there is still uncertainty around the final approach to removing discrimination and for this reason it has not been possible to reflect the impact of the ruling in your ABS this year.

You will therefore receive an estimate of the benefits built up in your current scheme membership to 31/03/2020 and a projection of benefits based on current scheme regulations to the normal pension age for the current scheme you are a member of.

Members can also be referred to [Bulletin 32](#), which gives a clear direction from the Scheme Advisory Board (SAB) that projections can and should be based on the current scheme rules only.

Raising tax awareness through job advertisements

As thresholds for the annual and lifetime allowances have decreased, there is an increasing likelihood of members breaching tax limits by accepting a promotion or change of position which attracts pensionable allowances.

The importance of communicating potential tax issues to members has been a topic of regular discussion for the SAB and is supported by recent Pension Ombudsman determinations. Following a recent meeting of the Fire Communications Working Group (FCWG) we are pleased to provide the following standard wording to be included within job adverts.

Our thanks go to colleagues at West Yorkshire Fire and Rescue Service for supplying the suggested wording:

Pension Considerations

Annual Allowance

Please note that it is your personal responsibility to check whether by applying/accepting this position it would result in any Annual Allowance implications. A breach in the Annual Allowance threshold could result in a Tax charge. Further information on Annual Allowance can be obtained from our Pensions team.

Lifetime Allowance

Please note that it is your personal responsibility to check whether by applying/accepting this position it would result in any Lifetime Allowance implications. A breach in the Lifetime Allowance threshold will result in a Tax charge. Further information on Lifetime Allowance can be obtained from our Pensions team.

Temporary Promotions/Positions

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.

Guide to linking benefits in the FPS

We are pleased to release the long-awaited [guide to combining pension scheme service](#) in the Firefighters' Pension Schemes, developed by the FCWG.

The guidance set out in the booklet applies to all kinds of leaving and re-joining the FPS regardless of employment status.

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It has been designed to assist administrators in determining the actions to be taken when members have periods of pensionable service which can be linked.

This is an informal guide only, developed with the help of the communications group and the technical group and should not be treated as a complete and authoritative statement of the law. Please also note that the guide is based on our current understanding of the scheme rules.

Although the guidance is likely to be revoked or significantly altered when the remedy provisions are implemented, we felt it was important to release the guide in the meantime, to allow FRAs and administrators to reach a consistent position to apply remedy from.

We would be grateful to receive any comments on the guide to bluelight.pensions@local.gov.uk. We would like to thank West Yorkshire Pension Fund for their considerable input to the guide.

IQMP patient confidentiality and the pension scheme rules

We have previously been asked for guidance with regard to IQMPs providing the medical report directly to the member to request consent for the information to be shared with the FRA.

We have been provided with a copy of this [clarification from GMC on the sharing of confidential reports](#). While the report specifically refers to the Police Pension Scheme, we can advise that this would also cover the FPS. In brief the message is that:

- An IQMP is not required to provide a copy of their report to the applicant, this should be submitted to the FRA who must supply a copy of the opinion to the member within 14 days of the determination
- The applicant is not able to prevent the report's release to the FRA if they disagree with its contents or the IQMP's opinion. Once the examination has taken place, the IQMP is required by law to report their opinion to the FRA, and if the subject is dissatisfied with the report, they have the opportunity to appeal.

This is supported by the following rules in the Firefighters' Pension Schemes:

Table 2: FPS regulations on IQMP examinations and reports

	FPS 1992 [H1]	FPS 2006 [Part 8, Para 2]	FPS 2015 [Part 12, Reg 152]
Person must submit to an examination by an IQMP in order to determine eligibility, otherwise the fire	Sub Para 3 If the authority is unable to obtain an IQMP opinion by reason of a person's refusal or wilful or negligent	Sub Para 6a If the person concerned wilfully or negligently submits to medical examination the authority may	Sub para 7a If the person concerned wilfully or negligently submits to medical examination the authority may

authority have discretion to make a decision.	failure, they may give such a decision on the issue as they may choose.	make a decision on the issue.	make a decision on the issue.
IQMP must report to FRA on their opinion	Sub Para 2 The IQMP must report and their opinion will be binding.	Sub Para 4 The IQMP must report and their opinion will be binding.	Sub Para 5 The IQMP must report and their opinion will be binding.
It is for the scheme manager not the IQMP to supply a copy on the opinion to the individual.		Sub Para 7 The scheme manager must supply a copy on the opinion within 14 days of making a determination	Sub Para 8 The scheme manager must supply a copy on the opinion within 14 days of making a determination

Website and resources update

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.

[Ill-health review group 2008](#). This page contains papers relating to meetings held by the Firefighters' Pension Scheme ill-health review group (FPS IHRG) in 2008.

The Secretary of State for Communities and Local Government established the group to look into the operation of the regulations governing ill-health pensions and related workforce arrangements.

[Protected pension age](#). This page has been developed to hold information and resources about protected pension age as it relates to members of the Firefighters' Pension Scheme 1992.

[Unauthorised payments](#). This page has been created to collate information, legislation, and resources relating to unauthorised payments in the Firefighters' Pension Schemes.

A new factsheet entitled [pensionable pay resources](#) has been added to the [Factsheets](#) tab of the website. This document reinforces the basic principles that should be taken into account when pensionable pay decisions are being made and highlights the guidance and resources available to assist decision makers.

June 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 June.

FPS England SAB updates

COVID-19 FPS governance survey

At the time of writing, we have received 15 responses to the [COVID-19 FPS governance survey](#) which we are running to establish whether the current situation is impacting on scheme governance.

The survey should take around 10 minutes to complete and we would welcome responses from the scheme manager and/ or Local Pension Board chair.

As our distribution lists do not yet extend to delegated scheme managers, please forward this request as appropriate.

The survey deadline is extended to 31 July 2020. Please ensure that a response is provided for your FRA.

Template administration strategy consultation

One of the recommendations arising from the SAB-commissioned [FPS administration and management review](#), as undertaken by Aon, was the development and implementation of a pension administration strategy.

One of the key proposals was that the strategy should include “expected timescales or key performance indicators which could be aligned with the provision of an effective and efficient administration service”¹.

Pension administration strategies are not commonly held for the FPS, as each FRA is the single employer and scheme manager, and administration is generally contracted out. In addition, there is no legislative requirement for a strategy to be in place.

However, Aon identified that implementation of an administration strategy, to complement any formal service level agreement in place by clearly setting out the roles and expectations of scheme managers and administrators, would help to formalise standards between both parties, as well as improving communication and engagement. A clear preference emerged from the [SAB administration and benchmarking committee](#) (“the Committee”) that this should incorporate administration, management, and governance of the schemes.

A template strategy has been drafted in collaboration with the FCWG and the Committee. We are now seeking stakeholders’ views on the document.

Please find the [consultation document](#) (Appendix 1) and [draft template administration strategy](#) (Appendix 2). The consultation will run until 31 August 2020 and responses should be sent to bluelight.pensions@local.gov.uk.

¹ [Firefighters' Pension Scheme - Administration and Benchmarking Review](#) [Page 69]

SAB minutes index

We have updated the index of SAB meeting minutes to allow readers to easily find discussion on certain topics.

The index is held on the main [Board meetings webpage](#) and will be updated following agreement of each new set of minutes.

Other News and Updates

TPO determine on data

The pensions' press have recently reported on a pension ombudsman decision on [Yorkshire & Clydesdale Bank Final Salary Scheme and Bradford and Bingley Staff Pension Scheme 1991](#) and the importance of good scheme data. The case centred on whether there was enough proof of a deferred benefit for a member, and the ombudsman ruled that the deferred pension should be reconstructed, and benefits paid to the individual.

A further case was upheld against the [Royal Mail Statutory Pension Scheme](#) (RMSPS) where the scheme's records did not correspond with the National Insurance Contribution Office's (NICO) records during GMP reconciliation, and the scheme could not evidence that the member's full pension benefits had been transferred to another arrangement. The ombudsman ordered that the member's full revalued deferred benefit should be paid, along with an award for distress and inconvenience.

Such data errors are not confined to private sector schemes. Examples of common data errors we see in the FPS are knowledge of eligibility for [APB's](#) and the [two pension rule](#), [loss of protected pension age](#) and lack of payroll records to calculate retained firefighter benefits.

In order to help Local Pension Boards and scheme managers ensure there is good data management in the scheme LGA run an [annual data event](#), provide advice on [TPR data scoring](#) and [accuracy weighting](#), provided training on GDPR at the data event on [29 March 2018](#), commissioned a [template privacy note](#) for use by FRAs as data controllers, provide advice on one of the top six key processes that TPR measure performance on, which is a process to monitor records for accuracy / completeness, in the [TPR six key processes](#) factsheet, and ensure that all references to good data management can be easily found in the bulletin subject index found on the [bulletin page](#) under the topic heading 'Data and Statistics'

Pension dashboard update

We reported in [FPS Bulletin 32 – April 2020](#) that the Pension Dashboard Programme (PDP) had released two working papers outlining the Programme's current thinking on data requirements for dashboards:

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

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

Following a delay in consultation due to the outbreak of coronavirus, the call for input on the papers will open on 6 July 2020.

More information on the status of the project can be found in the [Money and Pension Service \(MaPS\) press release of 22 June 2020](#) and the newly launched [PDP website](#).

Transfer arrangements for CARE additional pension (FPS 2015)

The Cabinet Office (who is responsible for the Club transfer rules) has confirmed that additional pension attached to CARE benefits (“CARE added pension”) cannot be transferred under Club arrangements. CARE added pension is extra pension the member has bought by paying additional pension contributions.

[The Club Memorandum](#) sets out that added pension attached to final salary benefits should not be transferred under Club arrangements (under the “outer Club” rules). When a member with added pension takes an outer-Club transfer, the transfer value must be calculated in two parts: the final salary element, calculated on Outer-Club terms; and the added pension element calculated on non-Club terms. Our LGPS colleagues queried with the Cabinet Office whether this also applies when a member with CARE added pension takes an inner-Club transfer, as it did not appear to be covered in the Memorandum.

After consulting with GAD, the Cabinet Office has informed the LGA that the Club arrangements should also not apply to CARE added pension. This is because “the value of accrued Added Pension is not affected by an active service link, so it has no need of the Club.”

The Cabinet Office will update the Memorandum accordingly at its next review. In the meantime, they will send an update to all relevant public service pension schemes.

Events

FPS coffee mornings

We are continuing to run our online 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.

The next event is scheduled to take place on 14 July 2020.

Future sessions will be held using Microsoft Teams, as not all organisations allow access to Zoom.

If you would like to join us, please email bluelight.pensions@local.gov.uk and we will forward the meeting link and any password needed.

Please note that sessions should not be recorded. These sessions are informal and should not be construed as legal advice.



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 to be sent your zoom link and password.



No responsibility whatsoever will be assumed by LGA or their partners for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information shared in these sessions.

Annual Local Pension Board wrap-up training 2020

We are once again running our popular annual Local Pension Board (LPB) wrap-up session, for board members who are either new to the board or those wanting an opportunity to refresh themselves on the principles of governance for the Firefighters' Pension Schemes. [Details of our previous wrap-up sessions can be found here.](#)

We are delighted to welcome Nick Gannon from TPR who will be joining us for a session on last year's TPR governance and administration survey results; you may wish to read the [six key processes factsheet](#) to refresh yourselves on the processes that TPR monitors.

The second and final session is running via Zoom on 8 July, from 11:00 until 13:30, please [click to view the full agenda.](#)

If you would like to participate click the link to [request a place on the LPB wrap-up training 8 July 2020.](#)

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 121 containing important updates and guidance on pension schemes. The following issues are covered:

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[Pension schemes newsletter 121 – 25 June 2020](#)

- temporary changes to pension processes as a result of coronavirus (COVID-19)
- managing pension schemes service
- real time information - cessation of earlier year updates and use of full payment submissions

Legislation

SI	Reference title
<u>2020/630</u>	The Occupational and Personal Pension Schemes (Automatic Enrolment) (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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