

**STAY AT HOME** 

**PROTECT  
THE NHS**

 **save  
lives**



## FPS Bulletin 41 – January 2021

Welcome to issue 41 of the Firefighters' Pensions Schemes bulletin and a belated Happy New Year to all. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended due to restrictions on travel and social distancing. However, the Bluelight team are available at home by mobile, email or video.

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
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 9 February 2021
Midlands regional group	9 February 2021
North East regional group	17 February 2021
Eastern regional group	18 February 2021
SAB	11 March 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

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

[TPR six key processes](#): scheme managers and LPBs to consider the six key processes factsheet, assess which they have in place and take action to address any gaps.

## FPS

### Age discrimination remedy consultation update

We expect that HM Treasury (HMT) will publish their response to the [consultation on changes to the transitional arrangements](#) to the 2015 public service pension schemes in early February.

In preparation, we have created a new section on the FPS regulations and guidance website for [age discrimination remedy](#), which splits out the existing content from the earlier page under Legal Landscape. We will update the new section as more information becomes available.

### Factors extended for FPS 2006 special member transfer service credits

Following an administrator request, GAD has provided the following table (Table A) to extend the conversion factors for [transferred-in service credits](#) (standard to special membership) from age 59 to age 60.

Age last birthday at relevant date	Male Conversion Factors	Female Conversion Factors
55 and under	0.700	0.710
56	0.706	0.713
57	0.716	0.721
58	0.728	0.731
59	0.740	0.740
60	0.750	0.750

The factor at age 60 should be applied in the same way as for factors at other ages. Note that the factors for ages 59 and below in the above table are unchanged from the current published table.

GAD is not aware of any exclusions which prohibit the conversion of transferred-in service credits at age 60 and this position was confirmed by the Home Office.

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

### Firefighters' Compensation Scheme

In [FPS Bulletin 39 - November 2020](#) we commented on identifying a qualifying injury. We have received further requests regarding the FRA's position on the compensation scheme, and we offer the following points that may assist when making determinations under the compensation scheme:

- The compensation scheme is the responsibility of the employing FRA, payments from the scheme are paid from the Fire and Rescue operating account, not the notional pension account topped up by Government as per paragraphs 3.23 to 3.29 of the [finance guidance](#).
- There have only been minor amendments to the [compensation scheme rules](#) since 2006.
- The entitlement to an injury award under the compensation scheme occurs if the infirmity is occasioned by a 'qualifying injury' [[Part 2, Rule 1, sub para 1](#)]
- 'Qualifying Injury' is defined in [Part 1, Rule 7](#). There has only been a minor amendment to this rule by [SI 2014/447](#) which substituted 'regular firefighter' for 'regular or retained firefighter' "references in this Scheme to a qualifying injury are references to an injury received by a person, without his own default, **in the exercise of his duties as a regular or retained firefighter.**"

- Regular firefighter is defined in the [interpretations](#) as “regular firefighter” means—
  - (a) a person who is employed—
    - (i) by a fire and rescue authority as a firefighter (whether whole-time or part-time), other than as a retained or volunteer firefighter; and
    - (ii) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting) and whose employment is not temporary;
  - (b) a person who holds office as the London Fire Commissioner where the terms and conditions of appointment to that office include—
    - (i) resolving operational incidents, or
    - (ii) leading and supporting others in the resolution of operational incidents;”
  
- Retained firefighter is defined by the [interpretations](#) as “retained firefighter” and “retained or volunteer firefighter” mean a person employed by an authority—
  - (a) as a firefighter, but not as a regular firefighter,
  - (b) on terms under which he is, or may be, required to engage in fire-fighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his role as a firefighter (whether instead of, or in addition to, engaging in fire-fighting),
  - (c) otherwise than in a temporary capacity, and
  - (d) who is obliged to attend at such times as the officer in charge considers necessary, and in accordance with the orders that he receives;”
  
- It is for the FRA to consider whether the qualifying injury occurred **‘in the exercise of duties’ as a ‘regular or retained firefighter’**.
  
- It would not be appropriate for anyone other than the employer to determine what is the exercise of duties as a firefighter; the regulatory definitions of a regular or retained firefighter do not refer to the role map, rather to their **employment** as a regular or retained firefighter.
  
- FRAs should take into account what the contractual arrangements for additional duties are and whether these are in the context of the existing contract as a firefighter, or whether these are contracted for separately with no reference to being employed as a firefighter. You may be aware of the employers circular FAQs Q12 regarding volunteering for additional duties *“What is the position in respect of my pension”* to which the answer is:
 

*“You are volunteering to assist your service’s response to the pandemic, thereby agreeing to undertake a variation to your normal duties following a reasonable request by your employer. You are therefore undertaking authorised duty within the context of your existing contract and the pension scheme rules.”*

## January 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 monthly in line with the bulletin release dates.

Queries from earlier months have been grey shaded to differentiate from new items. New queries have been added under the following categories: abatement and death benefits.

## FPS England SAB updates

### IQMP assessments

At their meeting on 10 December 2020, the Scheme Advisory Board (SAB) discussed a [paper updating Board members on medical retirements](#) from the FPS.

The Board agreed that the paper should form a factsheet update to stakeholders on ill-health and injury retirements and that it would proceed with forming a review group for guidance.

In consideration of the question on the ability of an Independent Qualified Medical Practitioner (IQMP) to make an assessment under both the legacy and reformed schemes [paragraphs 30 to 33], the Board agreed for the secretariat to draft a statement on behalf of SAB to confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy/ immediate detriment.

This statement is included below:

“In cases of immediate detriment, some IQMPs have felt unable to make assessments under two schemes, due to wording in the scheme regulations that state the IQMP should not previously have been involved in a case for which his/her opinion has been requested, and they feel that whether the IQMP can express an opinion on both schemes simultaneously is unclear.

While the Board recognise that neither they, the LGA or the Home Office can provide a definitive interpretation of the regulations as only a court can provide a definitive interpretation of legislation, they are satisfied that the regulation wording should not prevent IQMPs from giving an opinion on both schemes, citing the example that this is currently the position for injury and ill-health retirements or deferred pension ill-health retirements, where the IQMP assesses the member under both the compensation scheme and pension scheme, or from both pension schemes for a deferred members retirement.

In consideration of the question on the ability of the IQMP to make an assessment under both the legacy and reformed schemes, the Board confirm that IQMPs may assess the same member against the criteria of multiple schemes for recognised purposes including injury awards under the compensation schemes, transitional deferred benefits, and age discrimination remedy.”

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## TPR six key processes factsheet 2021

We advised readers in [FPS Bulletin 39 – November 2020](#) that the results of the [2019 Governance and Administration survey](#) had been published by the Pensions Regulator (TPR).

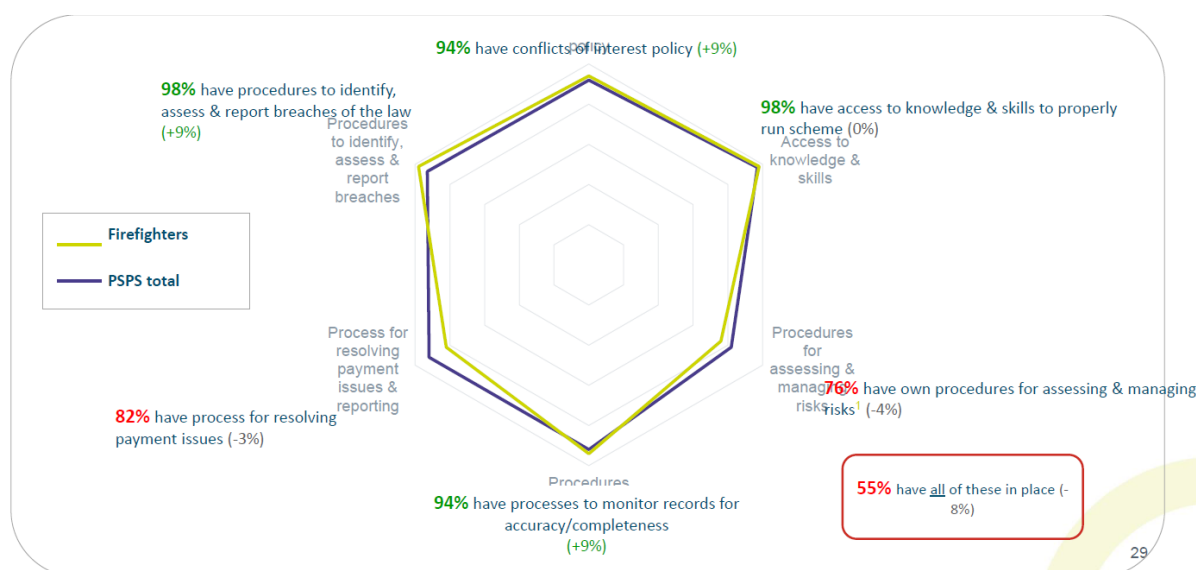
As part of the annual survey, TPR measures six processes as key indicators of public service pension scheme performance.

The six processes are:

1. Documented policy to manage board members conflicts of interest
2. Access to knowledge, understanding and skills needed to properly run the scheme
3. Documented procedures for assessing and managing risks
4. Process to monitor records for accuracy / completeness
5. Process for resolving contribution payment issues
6. Procedures to identify, assess and report breaches of the law

In 2019, 55 per cent of Firefighters' schemes across the UK reported having all six processes in place. This had reduced from 63 per cent in 2018.

Figure 1: Spider graph showing schemes' performance against the six key indicators



Source: [Local Pension Board Wrap Up Training 2020](#) [slide 29]

We have refreshed our [six key processes factsheet](#) to reflect the most recent results and give guidance to FRAs and their Local Pension Boards (LPBs) to improve understanding and compliance in the next survey.

### **SAB LPB effectiveness committee vacancy**

We have a vacancy on the [LPB effectiveness committee](#) for a practitioner representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

This position would ideally suit an individual with an administration background who understands scheme governance and has experience of attending LPB meetings.

The required commitment is usually three to four meetings per year, although no committee meetings have taken place during the pandemic. We expect that meetings will resume as we progress through remedy and that most future meetings will be held virtually.

If you are interested in sitting on the committee or would like more information, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## **Other News and Updates**

### **Public Service Pension Indexation and Revaluation 2021**

On 12 January 2021, HMT issued [written statement HLWS699](#) confirming the Public Service Pension Indexation and Revaluation for 2021.

Public service pensions will be increased in line with the annual increase in the Consumer Prices Index up to September 2020. The increase from 12 April 2021 is 0.5%.

HMT has published the [2021 pensions increase multiplier tables](#) and [covering note](#) to the GOV.UK website in advance of the Pensions Increase (Review) Order being laid.

FPS 2015 will use the figure of 2.4% as set out in the statement for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2021.

### **Restriction of exit payments update**

We confirmed in [FPS Bulletin 39 – November 2020](#) that HMT had published Directions and guidance on the [Exit Payments Regulations](#).

Just before Christmas, amended versions of these documents were published. The documents set out the obligations on individuals and employers and the waiver process for exit payments over £95,000. The new versions can be accessed below:

- [Guidance on the 2020 Regulations](#)
- [HM Treasury Directions](#)



On 21 December 2020, Lord Agnew of Oulton, Minister of State (HM Treasury), confirmed in response to a [written parliamentary question on redundancy pay](#) that employer's national insurance contributions (NICs) are not an exit payment and therefore not included when determining if the £95,000 cap has been breached.

For the latest information on exit payments in respect of FRA employees who are members of the Local Government Pension Scheme (LGPS), please see [LGPC Bulletin 205 – January 2021](#).

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

TPO has published the latest issue of its stakeholder newsletter: [Issue 10 – December 2020](#). The newsletter includes details of recent appointments, updates on stakeholder and customer surveys, and further enhancements to the TPO website.

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

### **Pensions Dashboards Programme – welcome to 2021**

The Pensions Dashboards Programme (PDP) published a blog on 12 January 2021 entitled '[welcome to 2021 and brighter days ahead](#)'. The blog outlines progress made by the PDP in 2020 and sets out milestones for the year ahead.

A significant step for the PDP will be the [Pensions Schemes Bill 2019-21](#) passing into law. The Bill will set out high-level legislative requirements that schemes and providers must comply with. In addition, the PDP expects to start a program of procurement for the digital infrastructure needed to support dashboards.

### **Automatic enrolment (AE) earnings trigger annual review**

The Department for Work and Pensions (DWP) published its [annual review of the AE earnings trigger](#) on 20 January 2021. The review proposes that the existing trigger of £10,000 should remain unchanged for 2021/22.

### **FCA publishes DB transfer advice tool**

The [Pension Schemes Act 2015 \(Transitional Provisions and Appropriate Independent Advice\) Regulations 2015](#) introduced the requirement for members to take independent advice where the value of their transfer value exceeds £30,000.

On 15 January 2021, the Financial Conduct Authority (FCA) published the [Defined Benefit Advice Assessment Tool](#).

The purpose of the tool is to allow the industry to understand how the FCA assesses advice suitability given before October 2020. The FCA will publish an updated tool reflecting changes made to pension transfer permissions in October 2020 during the coming months.

### **Government updates Brexit pension guidance**

The Government has updated the [Brexit pension guidance](#) to reflect that the State Pension will continue to be increased while the person is resident in the EU and that the transition period has ended.

The guidance explains the rights of UK nationals in the EU, the European Economic Area or Switzerland to benefits and pensions now that the UK has left the EU.

## Events

### FPS coffee mornings

Our MS Teams coffee mornings are continuing every second Tuesday. The 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 9 February 2021. If you would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khuh 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](#)
- [LGPC Bulletins](#)
- [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)

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