



FPS Bulletin 46 – June 2021

Welcome to issue 46 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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.

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
FPS coffee and catch up	Every second Tuesday (13 and 27 July 2021)
SAB LPB effectiveness committee (TBC)	8 July 2021
SAB Cost-effectiveness committee (TBC)	13 July 2021
Fire Communications Working Group	13 July 2021
Firefighters' Technical Community	15 July 2021
SAB SMA committee (TBC)	16 July 2021
North East regional group	18 August 2021
SAB	9 September 2021
SAB	9 December 2021

FPS

Home Office informal immediate detriment guidance (June 2021)

On 10 June 2021, the Home Office issued an update to the existing informal and non-statutory guidance on immediate detriment cases. This can be found here: [Home Office informal detriment guidance 10 June 2021](#)

The guidance applies to pipeline immediate detriment cases (i.e. those cases where the member is about to retire and receive their pension) and does not cover where a pension is already in payment. This is technical guidance and aimed primarily at pension managers and practitioners.

As readers will know, to implement remedy in full, both primary and secondary legislation are required, as well as administration work (at local FRA level) to implement the changes. The deferred choice underpin will be implemented by October 2023.

As a result, the guidance will not offer resolution to all the current issues – there are outstanding technical issues that are being worked through across the public sector pension schemes and the responsible Government departments. The updated guidance aims to provide ways forward where possible.

The guidance provides informal advice but the overall responsibility for interpreting and applying the pension scheme regulations still remains with each FRA as the relevant scheme manager. FRAs and administrators will need to consider the guidance in relation to their own process and systems.

To note, the Home Office guidance only applies to England as firefighters' pensions policy is devolved in Scotland, Northern Ireland, and Wales.

[LGA immediate detriment information note - version 2](#)

Following the release of the updated informal Home Office guidance on 10 June, we have updated the LGA information note to take account of this additional guidance:

[LGA immediate detriment information note – version 2](#)

The purpose of this information note is to provide FRAs with additional information relating to immediate detriment.

If your FRA is receiving and considering processing claims, please liaise with your FRA's nominated contact.

We are aware that FRAs may be receiving an increasing number of enquiries following publication of the updated information. A member note was provided directly to FRAs on 18 June 2021 for them to use if required to update scheme members on the current position.

[Factsheets updated](#)

The following factsheets have been updated in line with new limits or thresholds for 2021/22:

- [Topping up your State Pension](#)
- [FPS 2015 Added Pension](#) – Word factsheet and election form

We have taken the opportunity to convert the State Pension factsheet into a standalone webpage on the [FPS Member](#) site.

The [Added Pension information](#) is also available on the member website, but without the election form.

[Technical 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 have been added this month in the following categories: contribution banding and pension sharing.

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Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

FPS England SAB updates

IDRP data request update

In [FPS Bulletin 44 – April 2021](#) we launched this year's Internal Dispute Resolution Procedure (IDRP) data request to monitor trends and establish where further guidance or advice may be needed.

The [IDRP 2020-21 data request update](#) was presented to the Scheme Advisory Board (SAB) at its meeting on 24 June 2021. The key findings are summarised below.

Thirty-four FRAs submitted data, equating to around 76 per cent. Of those responses, nine FRAs reported a nil return.

The FPS retains a two stage procedure and the [IDRP factsheet](#) issued in 2020 set out that Stage One decisions should be heard by the Chief Officer or a delegated senior manager, and the Stage Two decision should be heard by a nominated panel of representatives of the FRA.

Of the 25 FRAs who responded with an IDRP during 2020-21 there were 57 Stage One decisions; around one quarter (14) of those were upheld in the member's favour. Twenty Stage Two cases were reported. This is around half of the overturned number of cases from Stage One (43).

The data showed that the number of IDRPs received remains relatively low and that decision makers at both stages are generally in line with guidance.

Pensionable pay complaints were by far the most common type of dispute. Ill-health was also a common cause for complaint. The number of cases in relation to transfers and special members had increased and seven IDRPs about age discrimination remedy were received during the year.

Despite the development of resources to improve knowledge and understanding, pensionable pay and ill-health continue to be areas of contention. More development is planned in these areas, including a factsheet on resolving historic pensionable pay errors, and a review of the ill-health documentation.

The increase in other types of complaint could be linked to ongoing legal proceedings and may therefore be a continuing trend until resolution is reached.

Almost half of the number of overturned Stage One decisions went to Stage Two, showing that the second stage is still of value, albeit a low number of decisions were changed during the Stage Two process.

FRA remedy self-assessment survey closing date

The SAB survey of FRA's remedy arrangements closes today – 30 June 2021.

Thank you to the authorities who have submitted a response to date. We will contact those outstanding within the next three weeks to offer any extra support needed to make a submission.

The data will be collated and analysed to provide a report to the SAB at its September meeting.

Other News and Updates

GAD review of the cost control mechanism published

In 2018, the then Chief Secretary to the Treasury (CST) announced a review of the cost control mechanism by the Government Actuary to examine whether it was operating appropriately and in line with the original policy intentions.

On 15 June 2021, the CST laid [written statement HCWS90](#) to announce the publication of the [Government Actuary's review](#). The final report sets out the Government Actuary's assessment of the current mechanism and recommendations on possible changes. These changes are being now being consulted on.

HMT consultations published: cost control mechanism and discount rate methodology

HM Treasury (HMT) published two public consultations on 24 June 2021 alongside [written statement HCWS117](#). The consultations seek views on proposals to changes to the cost control mechanism in public service pension schemes, and secondly on the appropriate methodology for setting the discount rate used in scheme valuations.

The consultations run for eight weeks and close on 19 August 2021.

[Consultation on changes to the cost control mechanism:](#)

As detailed above, the Government Actuary has recently concluded his review of the cost control mechanism in the public service pension schemes. The Government has considered the report and is now consulting on three changes to the mechanism, all of which are recommendations by the Government Actuary:

1. Moving to a reformed scheme only design: to remove any allowance for legacy schemes in the cost control mechanism, so the mechanism only considers past and future service in the reformed schemes.
2. Widening the corridor: to widen the corridor from 2 per cent to 3 per cent of pensionable pay.

3. Introducing an economic check: currently the mechanism does not include changes in long-term economic assumptions and therefore cannot consider the actual cost to the Government of providing pension benefits. The Government proposes introducing an economic check so that a breach of the mechanism would only be implemented if it would still have occurred had the long-term economic assumptions been considered.

The outcome of the consultation will not impact on the 2016 cost control valuations.

[Consultation on the discount rate \(the “SCAPE rate”\) methodology:](#)

The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate is a discount rate used in the valuation of unfunded public service pension schemes to set employer contribution rates.

It expresses future pension promises that are being built up in present-day terms and is set by HMT following a prescribed methodology. The current methodology for setting the SCAPE discount rate has been in place since 2011. This consultation seeks views on the objectives for the SCAPE discount rate and the most appropriate methodology for setting the SCAPE discount rate going forward.

The options are broadly:

- In line with long-term GDP growth (current approach); or
- In line with the Social Time Preference Rate (the previous approach).

The current level of the rate will not be changed by this consultation; the Government will carry out a separate exercise to set a new rate in line with the chosen methodology following this consultation.

Next steps

The SAB will be considering a response to both consultations.

PDP: Staging Call for Input

As confirmed in [FPS Bulletin 45 - May 2021](#), the Pensions Dashboard Programme (PDP) has launched a [call for input on staging](#) for the dashboard. For those looking to submit a response, the [dashboard staging date discussion paper](#) provided to the SAB gives a useful summary of the PDP proposals and their impact on the FPS.

Stakeholders may wish to respond to the PDP with their views on how the dashboard staging date would interact with age discrimination remedy and its effect on providing value to firefighters.

The SAB will be providing a response to the call for input recommending a later staging date for Fire, which would follow the first successful run of annual benefit statements on a remedied basis, most likely in 2024.

The deadline for responses is 9 July 2021.

TPR publishes Equality, Diversity and Inclusion Strategy

On 24 June 2021, The Pensions Regulator (TPR) published its [Equality, Diversity and Inclusion Strategy](#).

The strategy sets out how TPR will embed diversity and inclusion throughout its organisation and how it will support the schemes it regulates to do likewise.

Finance Act 2021 receives Royal Assent

On 10 June 2021, the Finance Act 2021 received Royal Assent.

The Act gives legal effect to the Government's decision to [freeze the lifetime allowance at £1,073,100 for tax years 2021/22 to 2025/26](#), as announced at the last budget.

MaPS MoneyHelper goes live

On 18 March 2021, the Money and Pensions Service (MaPS) revealed plans to launch [a single offering for consumers called MoneyHelper](#). This will replace the Money Advice Service, the Pensions Advisory Service and Pension Wise, although Pension Wise will continue as a named service under the MoneyHelper umbrella.

The MoneyHelper website is now live at www.moneyhelper.org.uk.

Links to one of the legacy websites (Money Advice Service, The Pensions Advisory Service and Pension Wise) will automatically redirect to the new location on MoneyHelper. If the article(s) or tool(s) no longer exist, it will redirect to the most relevant landing page on the topic.

Following the launch of MoneyHelper, you will need to change how you reference MaPS in your communications. You will need to change any reference to:

- The Money Advice Service and The Pensions Advisory Service to 'MoneyHelper', and
- Pension Wise to 'Pension Wise a service from MoneyHelper'.

You can find support and messaging to help you prepare on the MaPS [Introducing Moneyhelper](#) webpage.

DWP publishes consultation response on TPR powers

The Pension Schemes Act 2021 ("the Act") gained Royal Assent on 11 February 2021. [Part 3 of the Act](#) relates to new powers for TPR and contains various provisions to make associated regulations

On 29 June 2021, the Department for Work and Pensions (DWP) published its response to the consultation [Strengthening The Pensions Regulator's Powers: Contribution Notice and Information Gathering Powers Regulations 2021](#), which sought views on the proposed drafting of two sets of regulations.

[The Pensions Regulator \(Information Gathering Powers and Modification\) Regulations 2021](#) [SI 2021/754] come into force on 1 October 2021.

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 events are scheduled to take place on 13 and 27 July 2021. We will then be taking a short break over the holiday period and will resume the sessions in September.

If you do not already receive the meeting invitations and would like to join us, please email bluelight.pensions@local.gov.uk.

HMRC

HMRC newsletters/bulletins

On 25 June 2021 HMRC published [Pension schemes newsletter 130](#) containing important updates and guidance for schemes. Articles include:

- an extension to some of the temporary changes to pension processes as a result of coronavirus
- managing the Pension Schemes service
- signing into online services
- self-invested personal pensions (SIPP) and small self-administered scheme (SSAS) pensions – connected tenants

Practitioners and administrators who use HMRC's online services should make sure that they have signed in recently to avoid losing access.

Legislation

Act	Title
2021 c.26	Finance Act 2021
SI	Reference title
2021/620	The Pension Schemes Act 2021 (Commencement No. 1) Regulations 2021
2021/752	The Pension Schemes Act 2021 (Commencement No. 2) Regulations 2021
2021/754	The Pensions Regulator (Information Gathering Powers and Modification) Regulations 2021

Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [FPS Member](#)
- [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](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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