



FPS Bulletin 47 – July 2021

Welcome to issue 47 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

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.

Contents

Calendar of events	3
FPS	3
PSP&JO Bill introduced	3
Knowledge Hub technical forum reinstated	4
Technical query log	4
FPS England SAB updates	5
TPR 2020-21 Governance and Administration survey	5
Template FPS Administration Strategy published	5
SAB response to pensions dashboards staging call for input	6
Other News and Updates	6
Clair Alcock leaves the team	6
HMT response to consultation on implementation of increased NMPA	7
MHCLG consultation on special severance payments	7
TPO's term of office extended	7
Stronger nudge to pensions guidance consultation	7

Actuarial, Benefits and Governance Consultancy Services Framework	8
HMRC	8
HMRC newsletters/bulletins	8
Contracting-out reconciliation update	9
Pension Scheme Pays reporting: information and notice deadlines	9
Events	10
FPS coffee mornings	10
Legislation	10
Useful links	10
Contact details	10
Copyright	11
Disclaimer	11

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
North East regional group	18 August 2021
FPS coffee and catch up	Next scheduled event 24 August 2021
Eastern regional group	7 September 2021
SAB	9 September 2021
Eversheds Sutherland cyber and data breach training	20 September 2021
SAB	9 December 2021

FPS

PSP&JO Bill introduced

On 19 July 2021, HM Treasury (HMT) introduced the Public Service Pensions & Judicial Offices Bill (PSP&JO Bill) to the House of Lords.

The following documents are available from the [PSP&JO Bill publications page](#) and updated versions will be added as the Bill progresses through Parliament:

- Bill (as introduced)
- Explanatory Notes
- Delegated Powers Memorandum
- Equality Impact Assessment
- Impact Assessment
- Two documents on the Bill's first reading

The PSP&JO Bill sets out in law how the Government will remove the discrimination identified by the courts in the way that the 2015 reforms were introduced for some members (i.e., remedy).

This is the primary legislation which closes final salary schemes for accrual past 31 March 2022 and moves all remaining members into FPS 2015, while ensuring that existing transitional protections such as the final salary link and double accrual are retained.

More information about how benefits are calculated for transitional members of the FPS 2015 is available from the [FPS 2015 transition members](#) page of www.fpsmember.org, including details of how final salary accrual in the FPS 1992 is treated under the [double accrual protection](#).

HMT has provided a [central Q&A document](#) and we are expecting a version that is more tailored to the FPS in due course.

Details of the Bill have been published on www.fpsmember.org under [Age Discrimination Remedy](#) and we will be working with the Fire Communications Working Group on developing central communications for scheme members.

The second reading of the Bill is due to take place in the House of Lords on 7 September 2021.

Knowledge Hub technical forum reinstated

Readers may remember that before the introduction of www.fpsregs.org, all resources and technical advice were provided through a Knowledge Hub forum.

While we have moved away from this platform in order to provide central and consistent access to resources and formal technical guidance, the forum has been reinstated for members to share technical knowledge and best practice, in order to promote peer working and collaboration within the sector.

Forum members can raise technical queries and share experiences with colleagues; however, users must note that any information provided is on an informal basis and should not be treated as legal advice. If a query needs to be escalated, it should be logged using the existing [technical query form](#).

The forum is restricted to administrators and employer representatives of the FPS and can be accessed using the following link:

<https://khub.net/group/thefirefighterspensionsdiscussionforum/group-forum>

You will need to register and request to join if you are not already a member.

Readers should also note that the Firefighters' Pensions practitioners' group on Workplace will shortly be closed down as it is not being used.

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.

No new queries have been added this month.

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.

[Click here to return to Contents](#)

FPS England SAB updates

TPR 2020-21 Governance and Administration survey

On 1 July 2021, the Pensions Regulator (TPR) published the results of its [2020-21 Governance and Administration survey](#).

The survey was conducted online between January and March 2021 and aims to track governance and administration practices among public service pension schemes. The 2020-21 survey also included new questions on response to the pandemic and pensions dashboards.

TPR measures annual progress against the following six key processes:

- have a documented policy to manage board members' conflicts of interest
- have access to the knowledge, understanding and skills needed to properly run the scheme
- have documented procedures for assessing and managing risk
- have processes to monitor records for accuracy and completeness
- have a process for resolving contribution payment issues
- have procedures to identify, assess and report breaches of the law.

Three quarters (74 per cent) of Firefighters' schemes who responded to the survey had all six processes in place. This is a significant increase from 55 per cent in 2019.

The report is being considered by the Local Pension Board (LPB) effectiveness committee ("the Committee") to make recommendations to the Scheme Advisory Board (SAB) on any actions needed.

The [TPR six key processes factsheet](#) will be updated in due course to reflect the latest performance and give further guidance to FRAs in order to achieve a higher rate of understanding and compliance ahead of future surveys.

In the short-term, the Committee recommends that LPBs can use the survey results to carry out an annual evaluation.

Template FPS Administration Strategy published

In [FPS Bulletin 34 – June 2020](#) we launched a consultation on a template pension administration strategy for the FPS, which was developed following a recommendation in [AON's 2019 review](#) of the administration and management of the scheme.

The initial consultation response was published with [FPS Bulletin 37 – September 2020](#).

All feedback has now been considered and we are pleased to include tracked versions of the [updated consultation response](#) and the [revised template strategy](#) as appendices to the bulletin. The final strategy is available from the [guides and sample documents page](#) of www.fpsregs.org as a Word document for FRAs to download and adapt to suit their individual requirements.

TPR reported in section 4.3 of the latest [governance and administration survey results](#) that just under half of Firefighters' schemes had an administration strategy, compared to almost three-quarters of schemes across the public sector. We hope that publication of the template will help schemes to put an administration strategy in place and increase this outcome for the 2021-22 survey.

SAB response to pensions dashboards staging call for input

We confirmed in [FPS Bulletin 46 – June 2021](#) that the SAB would respond to the Pensions Dashboards Programme (PDP) call for input on dashboard staging, which proposed that public service schemes join the dashboard within a two-year period starting from April 2023.

In summary, the [Board's response to the call for input](#) was that staging for the Firefighters' Pension Scheme should be only after the age discrimination remedy has been implemented and the first set of annual benefit statements issued successfully in Autumn 2024.

Other News and Updates

Clair Alcock leaves the team



Many of our readers will be aware that Clair will shortly be leaving the LGA to take up a new role as Head of Police Pensions with the National Police Chiefs' Council (NPCC). Clair's last day is 3 September 2021.

Clair is a familiar face to many and has worked for the LGA in the pensions team since December 2014, leading and advising stakeholders in the management, governance, and administration of the Firefighters' Pension Schemes.

Clair works closely with all stakeholders across the Fire sector and has had a significant impact on improving the understanding of the pension schemes and its effect on the workforce and employer.

Before joining the LGA, Clair was the lead consultant for software development on Police and Fire Pensions having previously worked with both private and public sector pension schemes.

Clair will be sorely missed by all colleagues at the LGA and across the Fire sector. Congratulations on your new role Clair, and good luck!

HMT response to consultation on implementation of increased NMPA

We confirmed in [FPS Bulletin 42 – February 2021](#) that HMT was consulting on the implementation of an increased normal minimum pension age (NMPA) from age 55 to age 57 on 6 April 2028.

NMPA is the minimum age at which most pension savers can access their pensions without incurring an unauthorised payments tax charge (unless they are taking their pension due to ill-health).

On 20 July 2021, HMT published its [response to the NMPA consultation](#) in addition to a [policy paper and draft regulations introducing measures to increase the NMPA](#).

The measures will not affect members who:

- are retiring due to ill health
- have a protected pension age
- are members of the firefighters, police, and armed forces public service schemes.

MHCLG consultation on special severance payments

The Ministry of Housing Communities and Local Government (MHCLG) has published a consultation on New Best Value statutory guidance covering special severance payments for local authorities in England. You can find the draft statutory guidance and covering letter from MHCLG on the [scheme consultations](#) page of www.lgpsregs.org.

Our colleagues on the Local Government Pension Scheme (LGPS) team also have published [LGA's initial comments](#) on this page.

MHCLG welcomes responses from all interested parties. They are particularly keen to receive responses from the bodies listed in the Annex to the covering letter. This list covers public sector scheme employers, including Fire and Rescue Authorities and the London Fire Commissioner.

TPO's term of office extended

The DWP has confirmed that it has extended the term of Anthony Arter as The Pensions Ombudsman (TPO) for another year.

In a [letter to Work and Pensions Committee Chair Stephen Timms](#), Minister for Pensions and Financial Inclusion, Guy Opperman stated that Mr Arter's term will be extended for a period of 12 months from 1 August 2021.

Stronger nudge to pensions guidance consultation

On 9 July 2021, [DWP launched a consultation on draft regulations](#) that will require occupational pension schemes, in most situations, to nudge members aged 50 or above applying to access, or to transfer out for the purposes of accessing, their benefits.

The regulations will require pension schemes to explain the nature and purpose of

Pension Wise guidance and facilitate the booking of a Pension Wise appointment as part of the application process. The regulations will also require the member to have confirmed that they have received the guidance or opted out of receiving it before the scheme can action the application.

The regulations will implement the duty set out in section 19 of [the Financial Guidance and Claims Act 2018](#).

The consultation applies to England, Wales, and Scotland. It is anticipated that Northern Ireland will make corresponding regulations. The consultation closes on 3 September 2021.

Actuarial, Benefits and Governance Consultancy Services Framework

On 1 July 2021, the National LGPS Frameworks launched the [Actuarial, Benefits and Governance Consultancy Services Framework 2021](#).

The [framework joining instructions](#) confirm that scheme managers of public sector pension schemes can use the consultancy services framework.

If you would like more information or copies of the supporting documentation (including provider catalogues and guidance notes) or you have a query about this or any other framework, please email: NationalLGPSframeworks@norfolk.gov.uk.

HMRC

HMRC newsletters/bulletins

On 30 July 2021, HMRC published [Pension schemes newsletter 131](#) containing important updates and guidance for schemes. Articles include:

- relief at source – annual return of information for the tax year 2020 to 2021
- relief at source and National Insurance applications
- Managing pension schemes service:
- Retirement annuity contracts and deferred annuity contracts
- amending an Accounting for Tax return
- Managing pension schemes service – user research
- annual allowance - pension savings statements for tax year 2020 to 2021
- annual allowance - declaring the annual allowance charge on the Self Assessment tax return
- non-taxable payments following a member's death and Real Time Information (RTI) reporting
- pension flexibility statistics
- qualifying recognised overseas pension schemes transfer statistics

Contracting-out reconciliation update

On 26 July 2021, HMRC published [Countdown Bulletin 55](#) with updates on:

- the closure of Scheme Cessation and Scheme Reconciliation eRooms
- final data cuts for Pension Schemes
- how to raise queries with HMRC

Pension Scheme Pays reporting: information and notice deadlines

On 20 July 2021, [HMRC published a policy paper](#) and [draft regulations proposing to extend the mandatory scheme pays deadline](#) for members whose pension input amount is retrospectively changed.

The proposal has been made because of the age discrimination remedy, where a member's annual allowance position for a previous tax year may be changed retrospectively. However, HMRC has confirmed that the proposal will not be restricted to just these cases.

The proposal will extend the scheme pays deadline where –

- the administrator gives information to the member about a change to the pension input amount on or after 2 May in the year following that in which the relevant tax year ends and before the end of the six-year period beginning with the end of the tax year, and
- as a result of the change, the member qualifies to elect for mandatory scheme pays.

In these cases, it is proposed that the member must give the scheme pays election within three months from being given the information about the change or, if earlier, before the end of the six-year period beginning with the end of the relevant tax year. In other cases, the deadline remains 31 July in the year following that in which the tax year ends.

Consequently, the draft regulations also propose amending the deadline by which the administrator must report and pay the charge to HMRC. It is proposed that administrators will need to report the charge on the Accounting for Tax return for the quarterly period following that in which the administrator receives the scheme pays election (though schemes will continue to be able to include the charge on a return for an earlier period). This proposal will apply to all scheme pays elections (not just those resulting from a retrospective change).

The Government signified its intention to make these changes on Tax Day in March. See [FPS Bulletin 43 – March 2021](#) for more information.

It is intended that the changes will commence on 6 April 2022 with retrospective effect to 6 April 2016.

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.

We will be taking a short break over the holiday period and will resume the sessions on 24 August 2021.

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

Legislation

SI	Reference title
2021/764	The Financial Guidance and Claims Act 2018 (Commencement No. 8) 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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[Click here to return to Contents](#)

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