

## Consultation Questions

To ensure compliance with data protection legislation, we request that you do not provide any personally identifiable information (for example, names, dates, and locations) in your answers to the following questions:

Q1. Do you agree that the proposal for missed pension payments for deceased individuals achieves the stated policy objective (see paragraph 4.4)?

Agree	Disagree
	X

If you disagree, please explain your answer:

As a point of clarity, we are responding to this based on the policy objective at paragraph 4.2, which references Missed pension lump sum, and not Survivor's missed pension payment, which is at paragraph 4.4, as you have stated in the consultation questions in the consultation document.

There are areas of further clarity which we recommend should be included, as follows:

- Does this payment also cover those who opted out? As this consultation is consulting on proposals to extend provisions to allow eligible individuals with periods of 'opted out' service in the standard 2006 scheme to count towards their special service.
- The payments include interest, but the regulations do not cover whether pension increases should be included, as these would have been payable in any arrears to a member over 55, had they have not died.
- The sector will require clarity on whether the lump sum payment is subject to tax, and if so at what rate?
- We are concerned over the reasonability of the time limit of two months for FRAs to be able to identify, and trace those who are eligible for a missed pension lump sum. We would recommend that this should be three months, in line with the time limit set at regulation 5B (8) for the second Matthews exercise.
- There does not appear to be any provision within the draft regulations, to cover where an FRA is unable to determine the period of deceased's service and pay during the relevant period, unlike within the existing regulations 4(7), 4(8) and 4(9), and those drafted for the proposed Survivor's missed pension lump sum grant at regulation 4 (5-9). We recommend that this are also included for missed pension lump sum payments.

Q2. Do you agree that the proposal to provide a survivor's missed pension lump sum payment achieves the stated policy objective (see paragraph 4.5)?

Agree	Disagree
	X

If you disagree, please explain your answer:

As a point of clarity, we are responding to this based on the policy objective at paragraph 4.4, which references Survivor's missed pension payment, and not 4.5, as you have stated in the consultation questions in the consultation document.

In regulations 4 (10) as per our response to missed pension payment lump sum we recommend that this should be three months, in line with the time limit set at 5B (8) for the second Matthews exercise.

In regulation 4 (12) we believe that this should reference (10) and not (11) as is drafted and so should read:

(12) Where a person did not receive a notification from the authority under paragraph (10), despite the authority using reasonable endeavours to notify eligible persons as required by that paragraph, an application under paragraph (3) may be made after 31 March 2026.

Q3. Do you agree that the proposal to extend the eligibility criteria for the 'additional death grant' achieves the stated policy objective (see paragraphs 4.12-4.15)?

Agree	Disagree
	X

If you disagree, please explain your answer:

For the avoidance of doubt within the consultation paper it references this change within 4.13 – 4.14 not as referenced within the consultation questions of 4.12-4.15.

We agree with the proposal to extend this to those who did not join in the 2014 Options exercise but would have been eligible to join in the 2023 Options exercise but for the fact that they died prior to joining.

What we seek clarity on is within the Explanatory notes, and its references, as this appears to reference paragraph 3(a), 3(b) and 3(c), however within the draft amendments they are referenced as 3(1), 3(2), 3(3) and 3(4). We therefore recommend that one of them needs to be amended so that the references are consistent with each other.

Q4. Do you agree that the proposal to extend the conversion options for 'special deferred members' achieves the stated policy objective (see paragraphs 4.16-4.18)?

Agree	Disagree
	X

If you disagree, please explain your answer:

For the avoidance of doubt within the consultation paper it references this change within 4.15 – 4.17 not as referenced within the consultation questions of 4.16-4.18.

We agree that conversion from 2006 standard service to 2006 special service should be achieved we recommend that the time limit of two months should be three months, in line with the time limit set at regulations 5B(8) for the second Matthews exercise.

The sector will also require clarity on cases, such as, if an individual has standard service and at the time of leaving was between age 55-60 (and didn't elect for early reduced payment of their standard pension), could they then elect to convert to special and then receive immediate payment (with backdated payments) as they would then meet the criteria for special pensioner member?

We seek clarity within the Explanatory notes, and its references, as this appears to reference paragraph 5(a), 5(b) and 5(c), however within the draft amendments they are referenced as 5(1), 5(2), 5(3), 5(4), and 5(6). It also appears to be missing 5(5). We therefore recommend that one of them needs to be amended so that the references are consistent with each other.

Q5. Do you agree that the proposal to amend formula at Part 5, Rule 1B(8) to change the reference from 'additional death grant' to 'extended death grant' achieves the stated policy objective (see paragraphs 4.19-4.21)?

Agree	Disagree
X	

If you disagree, please explain your answer:

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Q6. Do you agree that the proposal to allow individuals to purchase any period/s of opted out standard service as special service achieves its stated objective (see paragraphs 4.22-4.23)?

Agree	Disagree
	X

If you disagree, please explain your answer:

For the avoidance of doubt within the consultation paper it references this change within 4.21 – 4.22 not as referenced within the consultation questions of 4.22-4.23.

The proposed amendment does not agree with the Explanatory note, as the amendment states Part 15 and the explanatory note says 16. This will need to be amended for consistency.

We seek clarify as to whether this should also cover for those who would be eligible for missed pension payment lump sums. Whilst we note that it does cover for other awards upon death when referencing spouse, civil partners and children of the deceased.

We recommend that the time limit of two months should be three months, in line

with the time limit set at regulations 5B (8) for the second Matthews exercise.

Q7. Do you agree the proposal to extend flexibility for payments relating to new provisions achieves its stated policy objective (see paragraph 4.24)?

Agree	Disagree
X	

If you disagree, please explain your answer:

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Q8. Are there any adverse consequences that we might not have considered of extending the closing date of the 2023 Options exercise to 31 March 2026 (see paragraphs 4.26-4.27)?

Yes	No
X	

If "Yes", please explain your answer:

For the avoidance of doubt within the consultation paper it references this change within 4.25 – 4.26 not as referenced within the consultation questions of 4.26-4.27.

We agree that following the evidence received from the sector, that there is risk that not all members will receive their options by the deadline of 31 March 2025, we therefore support the extension to 31 March 2026.

We would however highlight, that this creates a group of individuals who will have been sent their options i.e. within January 2025 to March 2025 who will not have been given the same amount of time i.e. six months, to make their decision. Whilst we know the time limits are indicative within the regulations, FRAs will want to provide parity for all members. The suggested amendment will cause disparity between groups of people within the sector, but particularly within the same FRA, as the way in which the consultation is worded suggests that the deadline will be extended for circumstances where the FRA is unable to meet the 31 March 2025 deadline, whereas the regulations only allow for an extension where the member has not yet been sent their options. Therefore, if the member has been sent their options close to the 31 March 2025 deadline, they will not be able to extend the decision date beyond 31 March 2025, whereas someone who is sent their options after the proposed regulations come into effect, will be given a longer period to make their decision.

The consultation does not make this disparity clear, and therefore does not protect all members equally.

Q9. Do you agree that the proposal to allow special pensioner members who are in

receipt of a 'member initiated early retirement' pension to convert standard service to special service achieves the stated policy objective (see paragraphs 4.28-4.31)?

Agree	Disagree
X	

If you disagree, please explain your answer:

Q10. Do you anticipate any equality issues arising from the implementation of the proposals in this consultation (see section 6)?

Yes	No	Don't Know
X		

If yes, please explain the issue(s) and cause(s):

As referenced in our response to Question 8, we believe that the extension to the deadline as proposed through the draft regulations will create a group of individuals who will have been sent their options i.e. within January 2025 to March 2025 who will not have been given the same amount of time i.e. six months, to make their decision.

Whilst we know the time limits are indicative within the regulations, FRAs will want to provide equality for all members. The suggested amendment will cause disparity between groups of people within the sector, but particularly within the same FRA, as the way in which the consultation is worded suggests that the deadline will be extended for circumstances where the FRA is unable to meet the 31 March 2025 deadline, whereas the regulations only allow for an extension where the member has not yet been sent their options. Therefore, if the member has been sent their options close to the 31 March 2025 deadline, they will not be able to extend the decision date beyond 31 March 2025, whereas someone who is sent their options after the proposed regulations come into effect, will be given a longer period to make their decision.

The consultation does not make this disparity clear, and therefore does not protect all members equally.

Q11. Do you agree that the proposed changes effectively address the issues that have been identified in this consultation?

Agree	Disagree	Don't know
	X	

If you disagree, please explain the issue(s) and cause(s):

There are some areas within the proposals that need to be considered, as set out

within the questions above:

#### **Q1, Missed Pension Payment lump sum:**

There are areas of further clarity which we recommend should be included, as follows:

- Does this payment also cover those who opted out? As this consultation is consulting on proposals to extend provisions to allow eligible individuals with periods of 'opted out' service in the standard 2006 scheme to count towards their special service.
- The payments include interest, but the regulations do not cover whether pension increases should be included, as these would have been payable in any arrears to a member over 55, had they have not died.
- The sector will require clarity on whether the lump sum payment is subject to tax, and if so at what rate?
- We are concerned over the reasonability of the time limit of two months for FRAs to be able to identify, and trace those who are eligible for a missed pension lump sum. We would recommend that this should be three months, in line with the time limit set at regulation 5B (8) for the second Matthews exercise.

There does not appear to be any provision within the draft regulations, to cover where an FRA is unable to determine the period of deceased's service and pay during the relevant period, unlike within the existing regulations 4(7), 4(8) and 4(9), and those drafted for the proposed Survivor's missed pension lump sum grant at regulation 4 (5-9). We recommend that this are also included for missed pension lump sum payments.

#### **Q2 Survivor Missed Pension Payment:**

In regulations 4 (10) as per our response to missed pension payment lump sum we recommend that this should be three months, in line with the time limit set at 5B (8) for the second Matthews exercise.

In regulation 4 (12) we believe that this should reference (10) and not (11) as is drafted and so should read:

(12) Where a person did not receive a notification from the authority under paragraph (10), despite the authority using reasonable endeavours to notify eligible persons as required by that paragraph, an application under paragraph (3) may be made after 31 March 2026

#### **Q3 Additional Death Grant**

What we seek clarity on is within the Explanatory notes, and its references, as this appears to reference paragraph 3(a), 3(b) and 3(c), however within the draft amendments they are referenced as 3(1), 3(2), 3(3) and 3(4). We therefore recommend that one of them needs to be amended so that the references are consistent with each other.

#### **Q4 Conversion options for Special Deferred members:**

We recommend that the time limit of two months should be three months, in line with the time limit set at regulations 5B(8) for the second Matthews exercise.

The sector will also require clarity on cases, such as, if an individual has standard

service and at the time of leaving was between age 55-60 (and didn't elect for early reduced payment of their standard pension), could they then elect to convert to special and then receive immediate payment (with backdated payments) as they would then meet the criteria for special pensioner member?

We seek clarity within the Explanatory notes, and its references, as this appears to reference paragraph 5(a), 5(b) and 5(c), however within the draft amendments they are referenced as 5(1), 5(2), 5(3), 5(4), and 5(6). It also appears to be missing 5(5). We therefore recommend that one of them needs to be amended so that the references are consistent with each other.

#### **Q6 Opted out individuals**

The proposed amendment does not agree with the Explanatory note, as the amendment states Part 15 and the explanatory note says 16. This will need to be amended for consistency.

We seek clarify as to whether this should also cover for those who would be eligible for missed pension payment lump sums. Whilst we note that it does cover for other awards upon death when referencing spouse, civil partners and children of the deceased.

We recommend that the time limit of two months should be three months, in line with the time limit set at regulations 5B (8) for the second Matthews exercise.

#### **Q8 Extension to deadline**

We would highlight, that this creates a group of individuals who will have been sent their options i.e. within January 2025 to March 2025 who will not have been given the same amount of time i.e. six months, to make their decision. Whilst we know the time limits are indicative within the regulations, FRAs will want to provide parity for all members. The suggested amendment will cause disparity between groups of people within the sector, but particularly within the same FRA, as the way in which the consultation is worded suggests that the deadline will be extended for circumstances where the FRA is unable to meet the 31 March 2025 deadline, whereas the regulations only allow for an extension where the member has not yet been sent their options. Therefore, if the member has been sent their options close to the 31 March 2025 deadline, they will not be able to extend the decision date beyond 31 March 2025, whereas someone who is sent their options after the proposed regulations come into effect, will be given a longer period to make their decision.

The consultation does not make this disparity clear, and therefore does not protect all members equally.

Thank you for participating in this consultation