

Matthews

- Amendment readiness
- Compensation
- Litigation



Proposed amendments



Deceased individuals

- Missed Pension lump sum payments
- Missed survivor pension payments
- Additional death grant
- Extended death grant (misleading wording correction)



Conversion options

- Special Deferred members
- Special Pensioner members who are in receipt of a Member Initiated Early Retirement payment of pension



Lifting of restrictions on opt out cases



Timings

- Flexibility to new provisions beyond 31 March 2026
- 2023 options exercise extension

Deceased individuals – Pension payments and survivor benefits

This issue relates to individuals who:

- (i) would have been entitled to join the modified scheme under the 2014 Option exercise or the 2023 Options exercise but have died before having opportunity to make an election to purchase their full retained service; and
- (ii) would have been entitled to receive special pension payments or increased special pension payments prior to their death.

Current position

- At present there is no provision for the missed special pension payments that the member would have received had they not been deceased to be paid to the member's estate.

What is the proposal?

Missed pension lump sum

- To provide payment of any 'lost' pension and lump sum (pre-commutation) to the deceased member's survivor or estate as a single lump sum plus interest.
- The interest should be applied in the same way as it is to retrospective pension payments for those who join as special pensioner members.
- Date of payment shall be assumed as the date the member would have become entitled to receive their pension payments.
- Calculation to include Pension Increase (PI)
- Entitlement to be reduced by the contribution adjustment.
- In some circumstances a Survivor missed pension payment may also be due.

Immediate steps to take

Identify eligible individuals

- M1 – Employed as a retained FF between 1 July 2000 and 5 April 2006
- M2 – Employed as a retained FF:
 - 7 April 2000 to 30 June 2000 (only),
 - 7 April 2000 to 30 June 2000 plus 1 July 2000 to 5 April 2006,
 - 1 July 2000 to 5 April 2006 and not given 2014 option.

Gather financial and service data

- To complete fields for the GAD calculator

Identify surviving partners

- Make a clear note of when the eligible individual died – Help with exclusions
- Identify what, if anything, has been paid already and under what provision i.e. additional death grant.

Deceased individuals – Additional death grant

This issue relates to individuals who:

- (i) individuals who chose not to join during the 2014 Options exercise but could have joined during the 2023 Options exercise (as they have pre-July 2000 service) but have since died before having the opportunity to make an election;
- (ii) individuals who did not get a reasonable opportunity to join during the 2014 Options exercise and could have joined during the 2023 Options exercise (these individuals won't necessarily have pre-July 2000 service) but have since died before having the opportunity to make an election.

Current position

- The regulations allow for **special death grant** to be paid to the surviving spouse of a deceased individual who would have been entitled to join the modified scheme but for the fact that they had died in active service during the period 7 April 2000 and 5 April 2006 inclusive.
- The regulations also allow for an **additional death grant** which is payable providing that they joined as a special member in the first options exercise, had service before 1 July 2000 and dies before making an election (31 March 2025).

What's under consultation?

- Whether any payments should be made in respect of survivor benefits.
- It is proposed to extend the eligibility criteria for the additional death grant so that it is also payable in respect of any member 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.

Immediate steps to take

Identify eligible individuals

- 7 April 2000 to 30 June 2000 (only),
- 7 April 2000 to 30 June 2000 **plus** 1 July 2000 to 5 April 2006,
- 1 July 2000 to 5 April 2006 **and** not given 2014 option.

Gather financial data

- Pensionable pay in last year of service, and
- How many full years could have been purchased under 2023 options exercise

Identify surviving beneficiary

- Spouse/civil partner (not co-habiting partner)
- Eligible child

Conversion options

Current position

- Conversion options are restricted to individuals who join as a Special Firefighter and some Special Pensioner members.
- There are no conversion options for individuals who joins the scheme as a Special Deferred member or for Special Pensioner members who are in receipt of a Member Initiated Early Retirement (MIER) payment of pension.

What is the proposal

- To allow standard to special conversions for Special Deferred members and Special Pensioners with MIER

Immediate steps to take

Identify eligible cases

- Currently deferred
- Deferred benefits now in payment
 - NPA or MIER

Find original GAD calculator

- Data required for revised calculator

Restrictions on opt out cases

This issue relates to individuals who:

- are entitled to join the modified scheme;
- joined the standard 2006 Scheme on or after 6 April 2006; and
- opted out of the standard 2006 Scheme prior to April 2015

Current position

- Affected individuals can purchase their special service in the modified scheme up to the point they joined the standard 2006 Scheme.
- However, there is no provision to allow them to purchase the ‘opted out’ service as special service in the modified scheme.

What’s under consultation?

- To make an amendment to allow members who have joined the standard FPS 2006 for their service on or after 6 April 2006, and who subsequently opted out of the standard FPS 2006 prior to 1 April 2015, to purchase any period(s) of opted out service as special service under the modified scheme.

Immediate steps to take

Identify eligible cases

- Optant outs prior to 1 April 2015

Find original GAD calculator

- Data required for revised calculator

Gather financial and service data

- To complete fields for GAD calculator

A word on deadlines

Extension

- Original deadline 31 March 2025
- Proposed – Additional 12 months to 31 March 2026
- Final position – 12 months from date of SI

Flexibility for new benefits

- 12 months from date of SI

No further extensions

Proactive steps



Continue to process 2023 cohorts



Identify individuals affected by amendments



Locate original data



Gather new financial and service data

Compensation

Consequential losses

- GMP
- Tax
 - Tax relief on employee contributions (2014 exercise)
 - Annual Allowance
 - Income tax

Guidance

- MHCLG – Funding
- LGA – Scheme Manager

Litigation

Disqualifying break in service

- 45 Claimants identified
- Was the break mandated by FRA?
- Case management hearing 2026

Aggregation

- Types of claims
 - 1.RDS firefighters who, without a break in service, changed to become whole-time firefighters at some stage between 7 April 2000 and 6 April 2006, and who joined the Firefighters' Pension Scheme 1992 in respect of their wholetime service;
 - 2.RDS firefighters who, without a break in service, changed to become whole-time firefighters on or after 6 April 2006, and who joined the New Firefighters Pension Scheme in respect of their whole-time service;
 - 3.Firefighters with concurrent Retained and wholetime service.
- Case management hearing 2027

Matthews 3?



Thank you!
Q3 Matthews data received by all FRAs

Any questions



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Thank you for listening!

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