

Sargeant

Remediable Powers to Reduce or Waive Liabilities



Overview

Guidance: Remediable Powers to Reduce and Waive Liabilities



Legislative foundations: The guidance is based on key legislation including [PSPJOA 2022](#), [Firefighters' Pensions \(Remediable Service\) Regulations 2023](#), and [HM Treasury Directions](#).



Discretionary Powers Use: Scheme managers must apply discretionary powers on a case-by-case basis, considering individual member circumstances.



Emphasis on Fairness: The guidance highlights fairness, transparency, and legal compliance to maintain trust and confidence in pension governance.

Key Legislative Powers

PSPJOA

Section 18 of PSPJOA 2022 grants authority to alter liabilities in remedy processes including pensions and contributions.

HM Treasury Directions

HM Treasury's Direction 4 specifies discretionary powers and conditions for scheme managers to apply liability adjustments.

Remediable Service Regulations

Regulation 63 of the 2023 Remediable Service Regulations ties authority specifically to Firefighters' Pension Scheme governance.

Legal Basis for Scheme Managers

These laws provide a consistent legal basis ensuring discretion aligns with statutory intent and governance principles.

Considerations when Exercising Discretion

Need for Individual Evaluation

Decisions require careful assessment of each member's unique circumstances, avoiding blanket rules.

Balancing Fairness and Recovery

Scheme managers must balance recovery of public funds with fair and pragmatic treatment of individuals.

Discretion Over Rigid Rules

Diversity and complexity of cases require discretionary judgment rather than strict application of rules.

Transparency and Justification

Each decision must be transparent, justified, and defensible with clear reference to context.

Decision Making

Governance and Responsibility

Scheme managers operate under statutory powers to ensure lawful and accountable decision-making.

Evidence-Based Reasoning

Decisions require strong, well-documented evidence to be robust and withstand scrutiny from auditors and oversight bodies.

Consistency with Flexibility

Consistent reasoning frameworks must apply to similar cases, while allowing outcomes to vary due to differing circumstances.

Integrity and Transparency

The pension system's integrity depends on transparent, fair, and well-evidenced decision processes.

Record Keeping Responsibilities

Comprehensive Record Keeping

Document identity, liability details, rationale, supporting evidence, and decision makers for liability waivers.

Financial and Audit Records

Record financial amounts waived or reduced for auditing and accurate pension scheme updates.

Data Protection Compliance

Ensure GDPR compliance with secure data storage, access control, and retention policies.

Oversight and Collaboration

Work with pension administrators and Local Pension Boards for transparent record keeping.

Example Scenarios for Discretion

Uneconomical Interest Recalculation

Waivers may be considered when recalculating interest for deferred choice members is uneconomical due to accrued interest.

Overpayment Burden on Members

Retrospective overpayments from remedy adjustments may justify waiving to avoid unfair burden on immediate choice members.

Circumstances Involving Deceased Members

Waiving may apply where beneficiaries change under remedy or errors occurred in payments related to deceased members.

Exceptional Personal Situations

Severe ill-health, financial hardship, or other exceptional situations may warrant partial or full waivers by scheme managers.



Scheme Manager Experiences

Support and Advice

Central Guidance

Remediable Powers to reduce or waive liabilities

Support from the LGA

Signposting

Clarity on procedural issues

Independent Legal Advice

Significant liabilities and disputes

Any questions



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Thank you for listening!

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