

Firefighters' Pensions Annual Conference

Wednesday 20 September 2023
18 Smith Square, London

Chair's welcome

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board

#LGAFirepensions

Emergency procedures

Please familiarise yourself with the emergency evacuation procedures

On hearing the fire alarm (a continuous siren)

**Leave the building immediately and proceed to the assembly point:
Tufton Street**

Wait at the assembly point until given the all clear to return to the building

DO NOT USE THE LIFTS

DO NOT STOP TO COLLECT PERSONAL BELONGINGS

DO NOT RE-ENTER THE BUILDING UNTIL AUTHORISED TO DO SO

Agenda

- Chair's welcome and introduction
- Legal update: The Pensions Ombudsman
- Technical Workshops
- Actuarial update – (GAD) valuation
- Technical/ legislative update – Sargeant and Matthews
- The Home Office – A view from Government
- Making your communications work harder - Aon
- Closing remarks

Chair's welcome

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board

#LGAFirepensions

Legal update: The Pensions Ombudsman

Alexander Waters, Senior Lawyer, The Pensions Ombudsman

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The Pensions Ombudsman

Alexander Waters, Senior Lawyer
Firefighters' Pensions AGM
20 September 2023



Today's topics

1. Background to who we are, what we do and an update from us
2. What we are currently seeing in relation to Firefighters' Pensions
3. Case studies
4. Administration and how to avoid TPO



Disclaimer

You will appreciate that only the Ombudsman and Deputy Ombudsman have the power to determine a complaint or dispute. They will do so in accordance with their understanding of the legal principles at the relevant time and the specific facts of the case. The slides set out, in general terms, our current approach on particular issues but it should not be assumed that TPO will take the same approach in future Determinations.



Our role

We are:

- a free service
- impartial – we look at the facts without taking sides
- customer-focused.

We can investigate:

- complaints about occupational and personal pension schemes
- some decisions of the Pension Protection Fund (PPF) and the Financial Assistance Scheme.

We have

- unique powers: unlimited redress, legally binding, enforceable in the courts
- early resolution and formal adjudication services, as well as the Pensions Dishonesty Unit (PDU).

The Customer Journey

Enquiries – Stage 1

Potential complaint enquiries and Make an application enquiries

More than 8,500
enquires resolved

Application & Case Assessment – Stage 2

Make an application/Assessment for resolution options and jurisdiction

Around 5,500
closures

Early resolution – Stage 3 (not for all complaints)

Informal resolution by staff and volunteers for pre-IDRP complaints

More than 1,500 Early
Resolution closures

Adjudication – Stage 4

Three adjudication teams investigate and attempt resolution

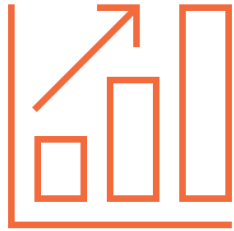
Around 800
investigation closures

Ombudsman – Stage 5

PO and DPO Determinations

More than 300

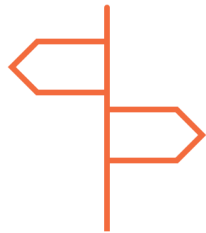
What we are seeing



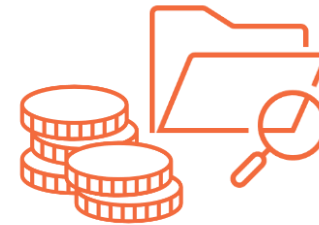
Increase in number/complexity of cases



More scheme members (**auto-enrolment**)



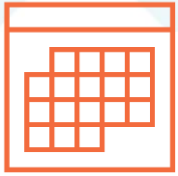
More **choices** (pension freedoms /transfers)



Exploitation of choices (**scams**)

What are we doing?

Working hard to reduce waiting times:



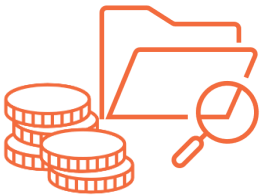
- Resolving cases earlier in our processes.
- Embedding a new Projects Team.
- Growing rapidly - 54 staff in 2017, going up to 165 this year.

Resources for schemes and members:



- How to avoid the Ombudsman.
- Factsheets and case studies.
- Decision tree and live chat.

Pensions Dishonesty Unit



- First Determinations published this year.
- Directed the return of millions of pounds to the schemes involved.
- Funding secured for a further two years.

Firefighters' Pension Schemes

2021/22

Cases received: 33
(9 resolved, 24 open)

2022/23

Cases received: 21
(7 resolved, 14 open)



Top 3 topics

- Pensionable pay
- McCloud / Sargeant
- Ill-health pensions

Pensionable pay

Issue:

- Whether certain elements of pay are pensionable and should be taken into account for the basis of pension calculations.
- Previous controversial pay elements include: day crewing, training allowance, urban search and rescue (and many others).
- Current complaints involve similar and other elements of remuneration across different schemes and FRAs, or implementation of remedy.
- Cases still ongoing in resolving these issues.

Previous cases:

- Ombudsman: K00521, PO-14863
- Courts: *Norman v Cheshire FRS* [2011], *Booth v Mid and West Wales FRA* [2019]



McCloud/Sargeant – immediate detriment

Issue:

- Age discrimination for period 2015-2022 relating to transitional protections.
- Remedy: choice of legacy / replacement scheme benefits.

Complaints received:

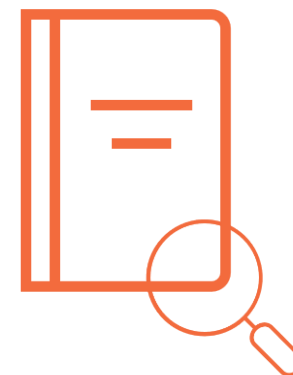
- ‘Immediate detriment’ cases, typically retirees whose benefits are due, and not being offered McCloud/Sargeant remedy, some ‘opt-out’ cases.

TPO approach:

- Examine facts of each case carefully before accepting.
- Starting position: no investigation of complaints about age discrimination before roll-out.
- May consider severe hardship/serious injustice immediately, or maladministration.

TPO has no jurisdiction where the same matter is in court or ET

Case study 1 – CAS-38812-C6W1



Background

- Mr N, a retired firefighter in 1992(E) Scheme
- He contributed from age 18-55, retired in 2003 at 55
- In 2016, scheme amendment by way of legislative amendment (backdated to 2006) provided firefighters under 50 with more than 30 years' service no longer needed to contribute
- Those who had paid for more than 30 years received a contribution refund
- Mr N reclaimed the contributions he paid between 18 and 20*, saying the criteria set for a refund was unnecessarily restrictive

Case study 1 – CAS-38812-C6W1

Decision

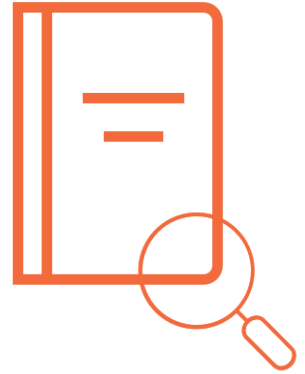
- Not upheld: back-dating to 2006 was to harmonise with age discrimination law
- Mr N had not made any contributions after 2006 i.e. which could be refunded
- The Government had legislative authority over the scheme, not the FRA

Points to note

- Make decisions in line with legal principles not simply a 'fair and reasonable' basis
- Union had informed him of the effect of the legislation



Case study 2 – CAS-52488-R2F3



Background

- LGPS case relating to ill-health of Mr D, deferred member.
- Hard of hearing, applied for IHER, which was refused.
- Medical adviser (MA) appointed by former employer referred to 'moderate' hearing loss, not 'moderate to severe', which was referred to in GP notes.
- MA referred to ability to undertake other employment (not relevant to test).
- At IDR appeal, specialist audiology report provided by member not provided to MA.

Case study 2 – CAS-52488-R2F3

Decision

- Partly upheld: employer not bound to consult a specialist as a matter of course.
- However, audiology report was adduced by member as relevant information and inexplicably not forwarded to the MA. Report directed to be forwarded to MA.
- Formulation in report of 'moderate' was a serious error, and report should have been considered afresh by employer in light of it.
- MA comments on other employment were irrelevant but did not invalidate decision.
- MA to provide further opinion and employer to review decision. Maladministration award made.

Points to note

- Safe decision making and proper process is tested – not evaluation of result.
- Specialist appointment not mandatory, but members may adduce relevant information.



How to avoid the Ombudsman

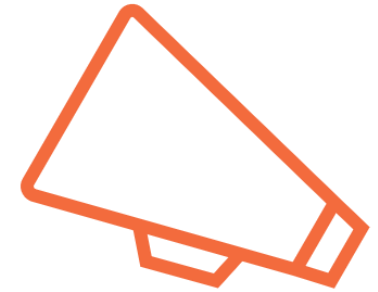
- Helping you resolve complaints without the need for TPO to be involved.
- Guidance on common complaint topics, including:
 - communicating with customers
 - ill-health pensions
 - unpaid contributions
 - death benefits.
- Good communication is key - over a third of complaints dealt with by our ERS are closed by providing a robust explanation.



Key things to remember

Good administration:

- avoid delays
- compliance with legal and scheme rules.



Good communication:

- provide clear, accessible and up-to-date information
- communicate any scheme changes to members and scheme administrators.

Accept responsibility if something has gone wrong and put things right.

Useful resources

- How to avoid the Ombudsman:
www.pensions-ombudsman.org.uk/how-avoid-ombudsman
- Sign-up to our e-newsletter:
stakeholder@pensions-ombudsman.org.uk
- TPO Determinations:
<https://www.pensions-ombudsman.org.uk/decisions>
- Case studies:
<https://www.pensions-ombudsman.org.uk/case-studies>
- Factsheets:
<https://www.pensions-ombudsman.org.uk/our-publications>





Any questions?

Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Refreshments and networking

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Technical workshops

W1: Matthews Second Options Exercise – (*Main Room*)

W2. Remedy: Communications – (*Smith Square 1&2*)

W1: Matthews Second Options Exercise

Brian Allan, Actuary, Government Actuary Department
(GAD)

Claire Johnson, Senior Firefighters Pension Advisor, Local
Government Association

#LGAFirepensions



Government
Actuary's
Department

FPS AGM Technical Workshop

1. Matthews Second Options Exercise

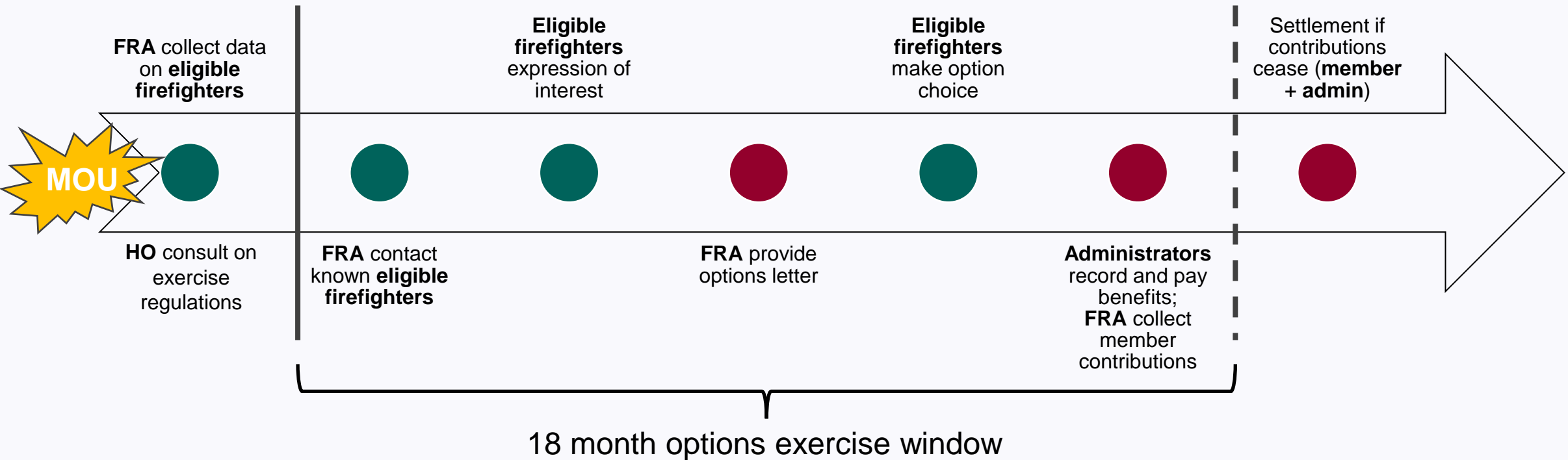
Claire Johnson, Martin Agass, Brian Allan

20 September 2023



Matthews 2nd exercise: Work stream overview

● Step at which (GAD) FRA calculator intended to be used



FRA calculator functions

Member contributions calculations

- Essential core updates
- Bulk calculation option
- User (FRA) to populate interest rate parameters (avoiding monthly version updates)
- Refreshed outputs to help answer queries

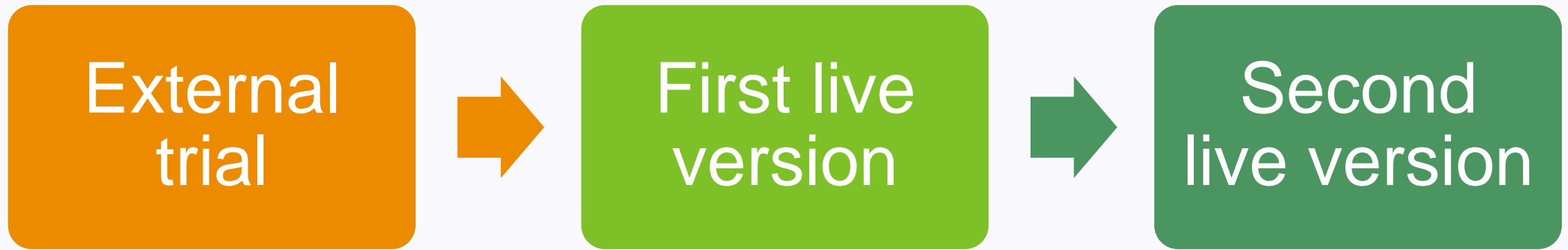
Address 2014/15 lessons learned

Benefit calculations

- service from salary history data provided by FRA
- pension and lump sum from service, pay data from FRA
- Limited other calcs

Fire England SAB/sector request

Second options exercise tool delivery plan



First version calculator – Staged Launch

Start of October

- Regulations come into force
- First version calculator available to launch group

Early October

- Calculator interest file published
- Launch group start to run initial cases

Mid October

- Launch group share initial cases outputs with GAD for review and approval

By end October

- First version calculator available to all FRAs for use

First version calculator – Staged Launch

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Calculator Demo





Matthews 2 Calculator

This calculator is a work in progress and therefore the outputs of it cannot be relied upon. Please do not use this version of the calculator for anything other than testing that inputs can be imported and the error checking functionality.

Update
Interest Rates



Latest Preston rate: May 2023
Latest gilt yields: August 2023

Preston rates source: <https://www.gov.uk/government/collections/preston-guidance>

Sheet

Description

[Interface](#)

For processing a single member at a time

[Bulk interface](#)

For processing multiple members simultaneously.

[Bulk output](#)

Outputs of the bulk calculator will appear in here.

[Bulk errors](#)

Inputs with errors in them will appear in here after running the bulk calculator.

	A	B	C	D	E	F	G	H	I	J	K	L	AA
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511													

The Retained Firefighters' Pension Settlement Calculator

Model Key

Inputs

Fixed value

Button

Outputs

Warnings

This version may be used for calculations dates up to 31/05/2023

Model Buttons

For all calculations, please reset the form to start:

Reset

Please select the type of calculation required:

Initial calculation

Settlement lump sum

For initial calculations: Once you have filled in the firefighters' Basic details below please click this button to proceed with the calculation:

Continue

Click to print:

Print

Basic details

Name

Unique identifier (eg NI number)

Address

Date of birth (dd/mm/yyyy)

Calculation date (dd/mm/yyyy)

Age on calculation date (years and complete months)

Was the member offered the opportunity to take part in the first options exercise?

Matthews 2 details

Special membership category at the time of the second options exercise

Latest or final reference pay

Date left service

Special Membership Category

Special Firefighter Member, Special Deferred Member or Special Pensioner Member as set out in Rule 1a of Part 2 of the Order

Basic details

Name

A.N.Other

Unique identifier (eg NI number)

03/01/2238

Address

Date of birth (dd/mm/yyyy)

10/10/1975

Calculation date (dd/mm/yyyy)

01/11/2023

Age on calculation date (years and complete months)

48 years & 0 months

Was the member offered the opportunity to take part in the first options exercise?

No

Matthews 2 details

Special membership category at the time of the second options exercise

Special Firefighter Member

Latest or final reference pay

Date left service

Converting membership from standard to special membership?

No

Converting membership from special to standard membership?

No

Mandatory Special Period Pension Contributions*(Rule 6A of Part 11)***Mandatory special period**

Start of the Mandatory Special Period (dd/mm/yyyy)

01/05/1995

End of the Mandatory Special Period (dd/mm/yyyy)

31/03/2015

Pay details for the Mandatory Special Period

Year	Actual Pensionable Pay	Reference Pay
1995 - 96	£1,648.70	£16,487.00
1996 - 97	£1,712.30	£17,123.00
1997 - 98	£1,790.40	£17,904.00
1998 - 99	£1,882.20	£18,822.00
1999 - 00	£1,959.80	£19,598.00
2000 - 01	£2,006.80	£20,068.00
2001 - 02	£2,074.20	£20,742.00
2002 - 03	£2,074.20	£20,742.00
2003 - 04	£2,232.40	£22,324.00
2004 - 05	£2,462.50	£24,625.00
2005 - 06	£2,551.00	£25,510.00
2006 - 07	£2,628.80	£26,288.00
2007 - 08	£2,689.10	£26,891.00
2008 - 09	£2,754.70	£27,547.00
2009 - 10	£2,797.20	£27,972.00
2010 - 11	£2,805.90	£28,059.00
2011 - 12	£2,805.90	£28,059.00
2012 - 13	£2,827.00	£28,270.00
2013 - 14	£2,855.30	£28,553.00
2014 - 15	£2,883.80	£28,838.00

Warnings/Checks

Pay amounts

Warnings/Checks

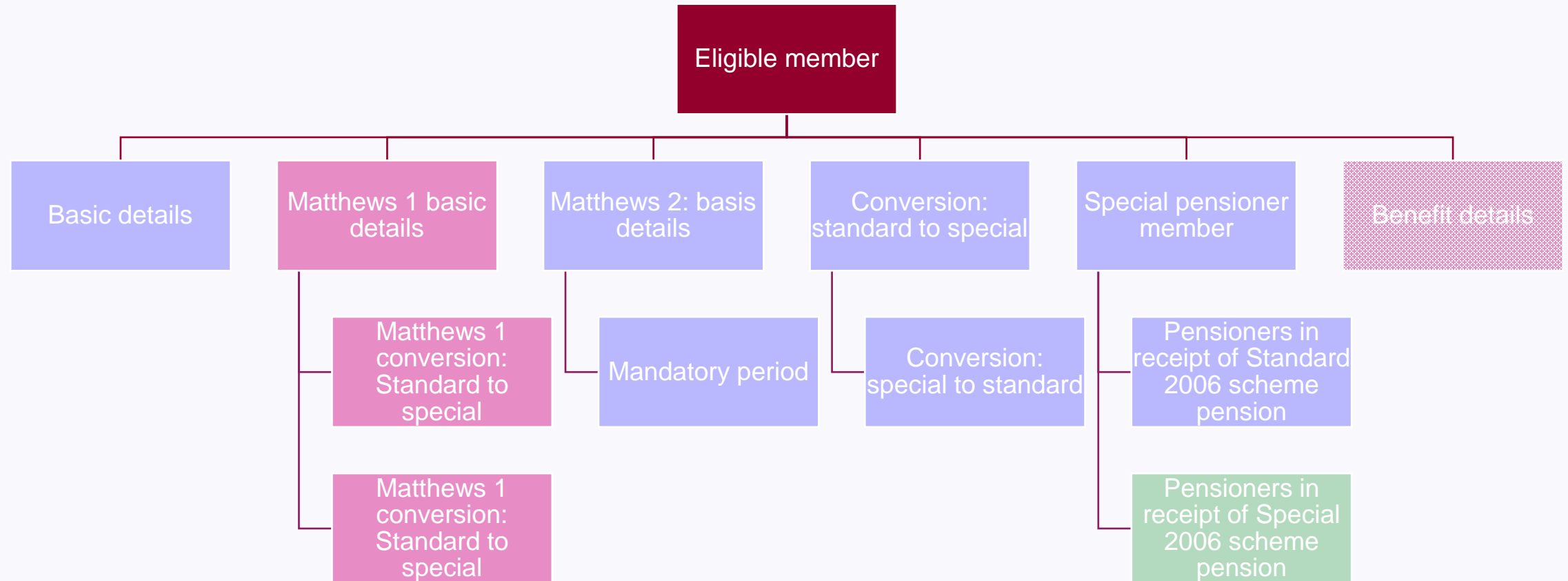
Pay amounts

Mandatory Special Period Pension Contributions

(Rule 6A of Part 11)

Contributions due to scheme (excluding tax relief and interest)	£5,382.14
Tax relief on contributions	£1,152.80
Interest on contributions	£2,034.43
Total amount due to scheme	£6,263.77
Periodic contributions for service on or after 1 July 2000 (monthly payments spread over 10 years)	£39.39
Total interest on periodic contributions for service on or after 1 July 2000	£1,024.88
Periodic contributions for service before 1 July 2000 (monthly payments spread over 20 years)	£17.10
Total interest on periodic contributions for service before 1 July 2000	£1,542.16
Amount of mandatory special period service being purchased	2 years & 0 months
Annual special pension per annum being purchased	£177.78

FRA calculator: input description



Clear data

Import data

Check for
errorsProcess
dataExport
inputsExport
errorsInclude member in run?
Error count
Warning count**Basic details**

Name

Unique identifier (eg NI number)

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Date of birth

Calculation date

Was the member offered the opportunity to take part in the first options exercise?

Did the member elect to take part in the first options exercise?

Matthews 1 details

Date of calculation for first options exercise (ddmm/yyyy)

Start of the Mandatory Special Period for first option exercise (ddmm/yyyy)

What was the special membership category at the time of the first options exercise?

Did the member convert any standard to special membership as part of the first options exercise?

Did the member convert any special to standard membership as part of the first options exercise?

Does the member want to undo this conversion?

Did the member cease paying contributions for the first options exercise?

What proportion of the contributions did the member pay for the first options exercise?

First exercise conversion from standard membership to special membership

Start of membership in standard 2006 scheme (ddmm/yyyy)

End of membership in standard 2006 scheme (ddmm/yyyy)

Using past contributions or pay data?

Member Contributions Paid

2006 - 07

2007 - 08

2008 - 09

2009 - 10

2010 - 11

2011 - 12

2012 - 13

2013 - 14

2014 - 15

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D

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YES

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YES

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YES

4

YES

Clear data

Import data

Check for errors

Process data

Export inputs

Export errors

Include member in run?

Error count

Warning count

Basic details

Name

Unique identifier (eg NI number)

Address (line 1)

Address (line 2)

Address (line 3)

Address (line 4)

Date of birth

Calculation date

Was the member offered the opportunity to take part in the first options exercise?

Did the member elect to take part in the first options exercise?

Matthews 1 details

Date of calculation for first options exercise (ddmm/yyyy)

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Does the member want to undo this conversion?

Did the member cease paying contributions for the first options exercise?

What proportion of the contributions did the member pay for the first options exercise?

exercise?

First exercise conversion from standard membership to special membership

Start of membership in standard 2006 scheme (ddmm/yyyy)

End of membership in standard 2006 scheme (ddmm/yyyy)

Using past contributions or pay data?

Member Contributions Paid

2006 - 07

2007 - 08

2008 - 09

2009 - 10

2010 - 11

2011 - 12

2012 - 13

2013 - 14

2014 - 15

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Firefighter A

10/10/1960

06/02/2023

Yes

Yes

01/06/2015

01/07/2000

Special Firefighter Member

Yes

No

Yes

No

08/09/2007

31/03/2015

Contributions

£726.00

£1,226.50

£860.48

£962.50

£1,104.40

£591.60

£838.50

£1,116.12

Microsoft Excel

Data imported successfully!

OK

Bulk interface

Bulk errors

Bulk output

Bulk inte ...

C14					
	A	B	C	D	E
1	<div>Export outputs</div> <div>Basic details</div> <div>Name</div> <div>Unique identifier (eg NI number)</div> <div>Errors and warnings</div> <div>First exercise conversion from standard membership to special membership</div> <div>Refund due to member</div> <div>Interest on refund due to member</div> <div>Total amount due to member</div> <div>First exercise conversion from special membership to standard membership (actives only)</div> <div>Contributions due to scheme</div> <div>Interest on contributions due to scheme</div> <div>Total amount due to scheme</div>				
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6			1	2	3
7			Firefighter A	Firefighter B	
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10			There are 1 errors and 0 warnings for this member.	There are 10 errors and 0 warnings for this member.	
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Supported scenarios



Calculator scenarios

First live version	Second live version
Cohort 1 (can buy mandatory period benefits only)	Cohort 2 who did not purchase at M1 and are eligible to convert 2006 serviced
Cohort 3 (existing M1 functionality)	Cohort 2 who did purchase at M1
Cohort 2 who did not purchase at M1 and are not eligible to convert 2006 service	Current firefighters earning outside of basic rate tax bands at election.
(excluding any scenarios included at second version or case by case only)	(excluding any case by case scenarios)

Case by case scenarios

Cases which we do not expect to automate via the FRA calculator

Firefighters medically retired between 7 Apr 2000 – 5 April 2006 inclusive

Revising retrospective ill-health retirement awards

Revising retrospective ill-health retirement awards

Earnings outside of basic rate tax bands during the extended limited period

HMRC tax relief moratorium cases

Opted not to pay a settlement lump sum on ceasing periodic contributions

Conversion reversions that may lead to member contribution refunds

Conversion reversions that may lead to reductions in total pension in payment


Purchased modified scheme AP and who might now exceed the 30-year service cap

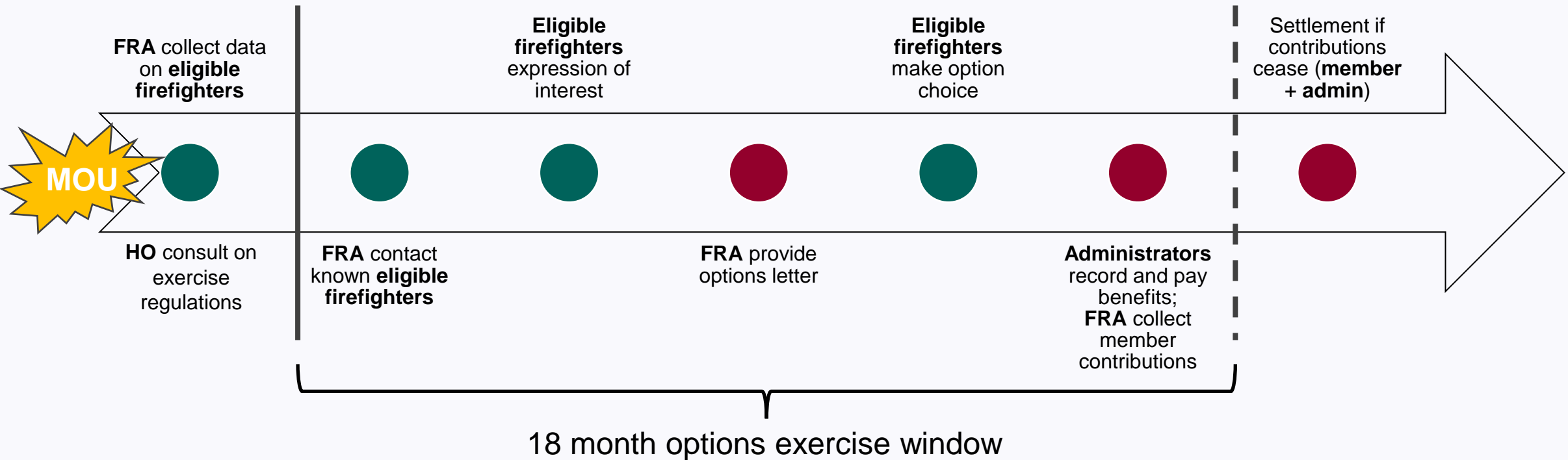
Deceased firefighters

Next steps



Matthews 2nd exercise: Work stream overview

 Step at which (GAD) FRA calculator intended to be used



QUESTIONS?





The Government Actuary's Department is proud to be accredited under the Institute and Faculty of Actuaries' [Quality Assurance Scheme](#). Our website describes [the standards we apply](#).

The information in this presentation is not intended to provide specific advice. Please see [our full disclaimer](#) for details.



Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Workshop 2

Remedy Communications
LGA and AON

20 September 2023

www.local.gov.uk

Agenda

1

- Why we are doing the workshop

2

- Remedy communications overview

3

- Group discussions

4

- Feedback

So..... you ask what is this workshop all about????



REMEDY
COMMUNICATION



BUT WHAT IS THAT?

Remedy Communications Overview



What have we already created?

Warm up letters
Ill health reassessment member factsheet and supporting letters
Member benefit illustrations



www.fpsregs.org www.fpsmember.org



What are we working on now?

Member Remedy Video
Member Website updates
Remediable Service Statements (RSS)
Contingent Decisions guidance
Compensation guidance



What will we be working on?

RSS explanatory video
Annual Allowance for 2023/2024 factsheet/letter
Contributions factsheet
Tax remedy factsheet – member and practitioner

Questions

1. How do your members like to be communicated with? Is it the same for all of them? How do you know? Do you do member listening?
2. What suggestions do you have for making the McCloud video easily accessible to members?
3. What would you like to see more of in member communications, particularly from the LGA? What gaps do you think there are in the current deliverables?
4. What are your views on the website? How could we get more engagement on there?
5. What factors are most important to members when making their immediate or deferred choice? How do you think we could address these?
6. Discretions – General Principals for decision making. Any thoughts on what is a good principal?



Feedback



Lunch and networking

Firefighters' Pensions Annual Conference

Wednesday 20 September 2023
18 Smith Square, London

Chair's welcome back

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board

#LGAFirepensions

Actuarial update – Government Actuary Department (GAD) valuation

Robert Fornear, Actuary, Government Actuary Department
(GAD)

Brian Allan, Actuary, Government Actuary Department
(GAD)

Samantha Watts, Actuary, Government Actuary
Department (GAD)



Government
Actuary's
Department

FPS AGM – Actuarial update

GAD 2020 valuation

Brian Allan

20 September 2023



Overview and Expected Timeline

	2023										2024			
	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Announcement of SCAPE discount rate														
Final HM Treasury Directions published														
Delivery of final valuation results														
Implementation of 2020 valuation results														



1. SCAPE Discount Rate



1. SCAPE Discount Rate - 2020 Valuations

The discount rate (net of inflation) is a key financial assumption which has the most significant impact on valuation results. **This assumption is prescribed by HM Treasury (and DoF in NI).**

Announcements made on 30 March 2023 which are reflected in the published Directions...

- HM Treasury [response to consultation](#) confirms SCAPE discount rate will continue to be based on **expected long-term GDP growth**.
- [Written Ministerial Statement confirming](#) for the 2020 valuations:
 - SCAPE discount rate will be **CPI inflation + 1.7% p.a.** (*reduced from 2.4% p.a. for 2016 valuations*)
 - Commitment from Government to provide **funding (for employers who are centrally funded) for increases in employer contribution rates** as a consequence of changes to SCAPE



1. SCAPE Discount Rate - 2020 Valuations

What does this mean for the employer contribution rates in the 2020 valuations?

lower net
discount rate

=

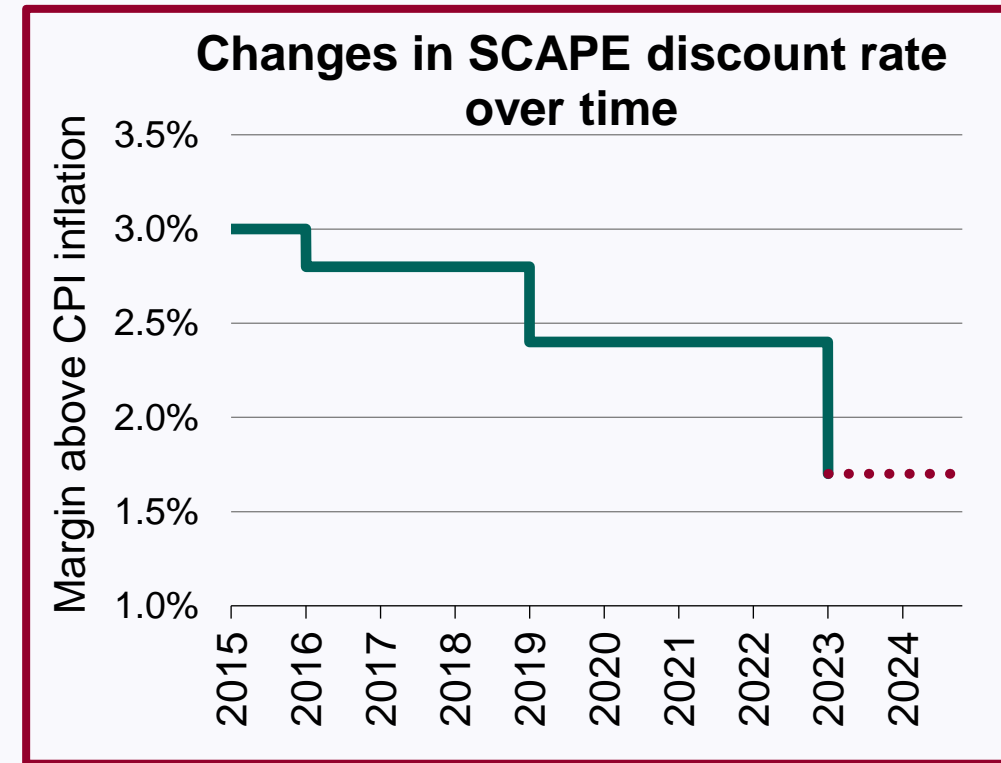
higher employer
contribution rate

(all else being equal)

SCAPE Upward pressure expected to be offset,
To an extent, from other factors such as change in
other financial and demographic assumptions and
experience since the 2016 valuation

Inclusion of **Matthews 2 liabilities** will increase rates
Overall combined impact will vary by scheme

Eligibility and process for receiving excess funding
from Government will vary by region



1. SCAPE Discount Rate - Review of Factors

Example statistics (per scheme)...

19 factor types

138 factor tables

*by scheme, section,
scenario, etc.*

45,000+ factors

*by age, gender (where
appropriate), etc.*

Some of the types of the factors calculated
by GAD

Cash Equivalent
Transfer Values

Pensioner Cash Equivalents

Early and Late Retirement

Capitalisation
(e.g. Scheme Pays)

Transfers In

Member Options
(e.g. additional pension)

Majority of factors now updated

2. Cost Control Mechanism

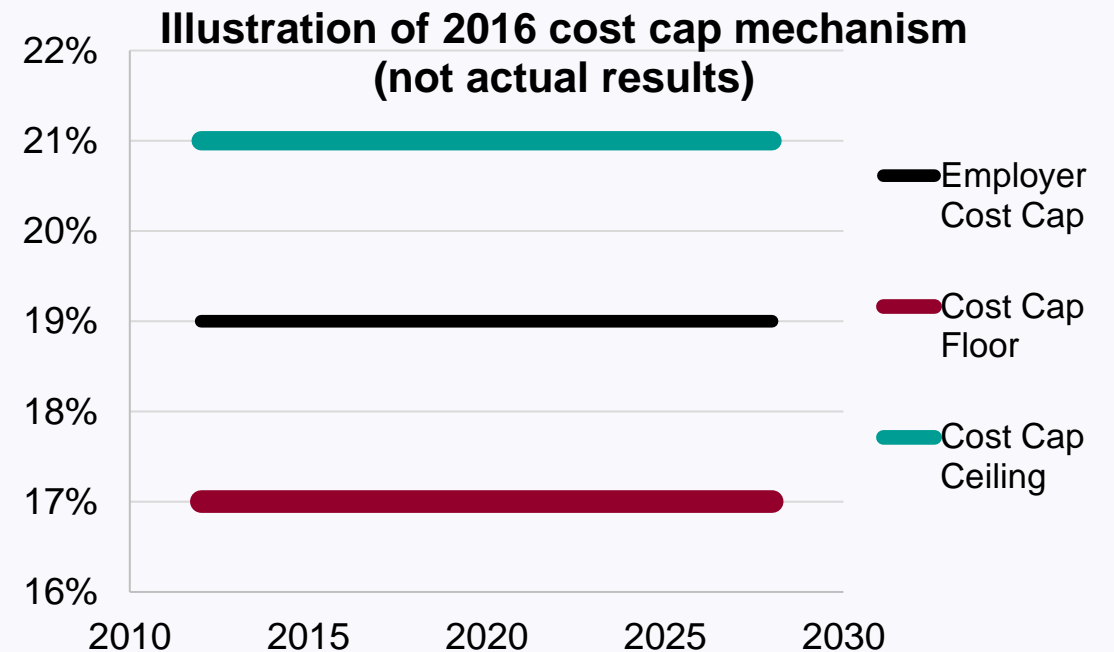


2. Cost Control Mechanism

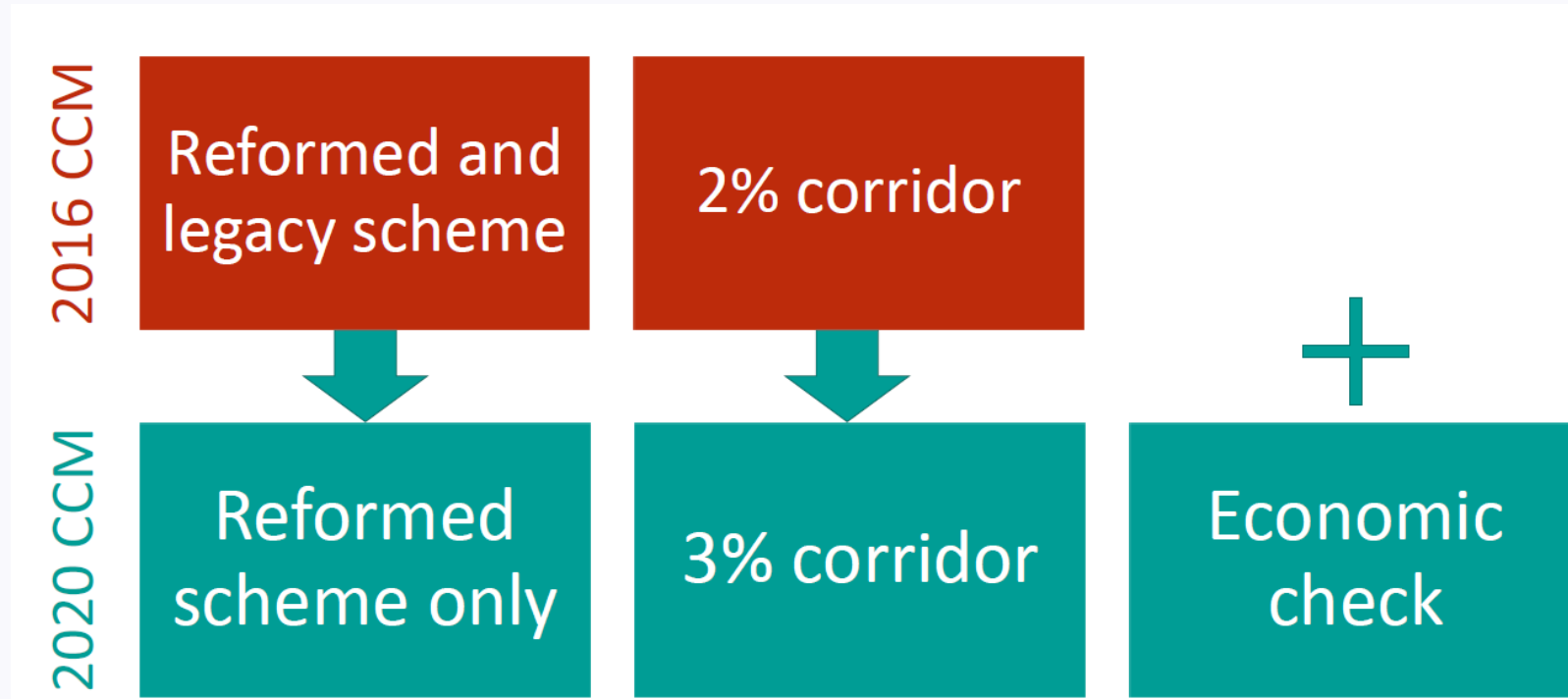
Tool for managing the overall cost of benefit provision
in public service pension schemes

- “Employer cost cap” set as part of the 2012 valuation
- At each subsequent valuation, updated “Employer cost cap cost” is determined
 - Only captures changes in costs arising from changes related to profile of scheme members (i.e. “member costs”).
 - Excludes decisions and changes in assumptions that are financial or technical in nature

- Breach (in 2016) occurs if: **Cost of scheme is $\pm 2\%$ from target cost** (i.e. outside buffer zone)
- Position “rectified” by adjusting benefits and/or amending member contributions



2. Cost Control Mechanism

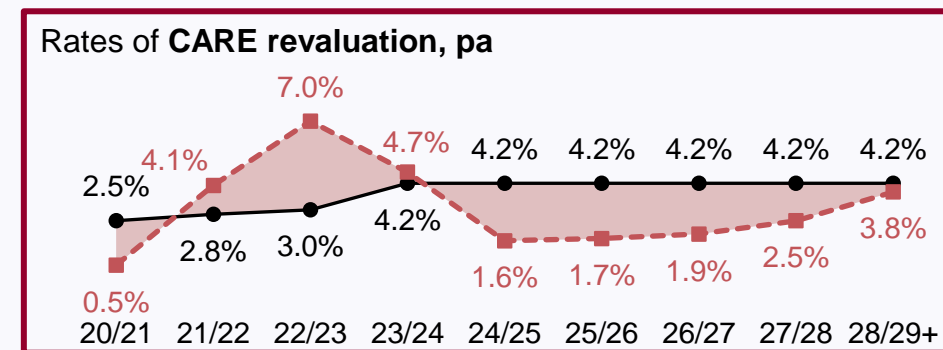
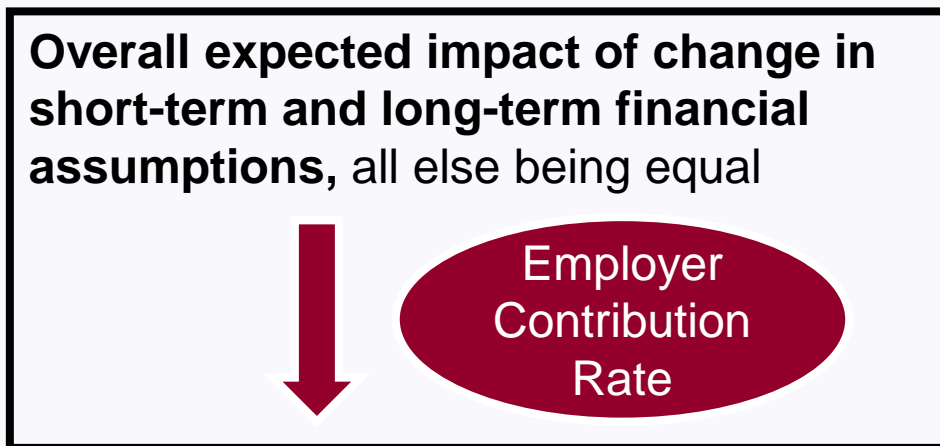
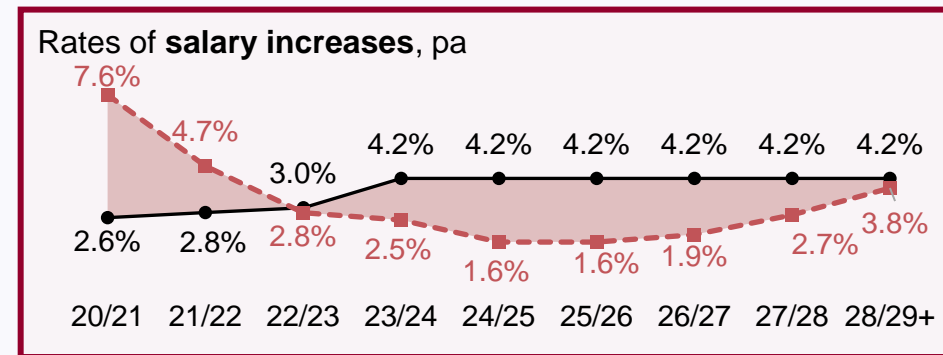
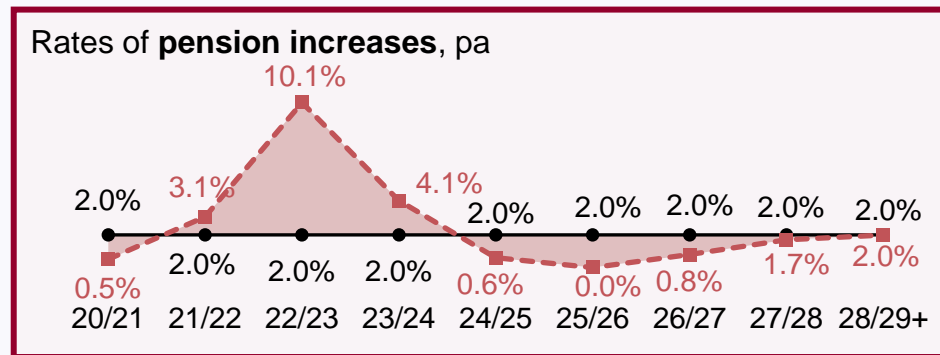


3. Other notable observations of HM Treasury's 2020 Valuation Directions



3. Other notable observations of HM Treasury's 2020 Valuation Directions

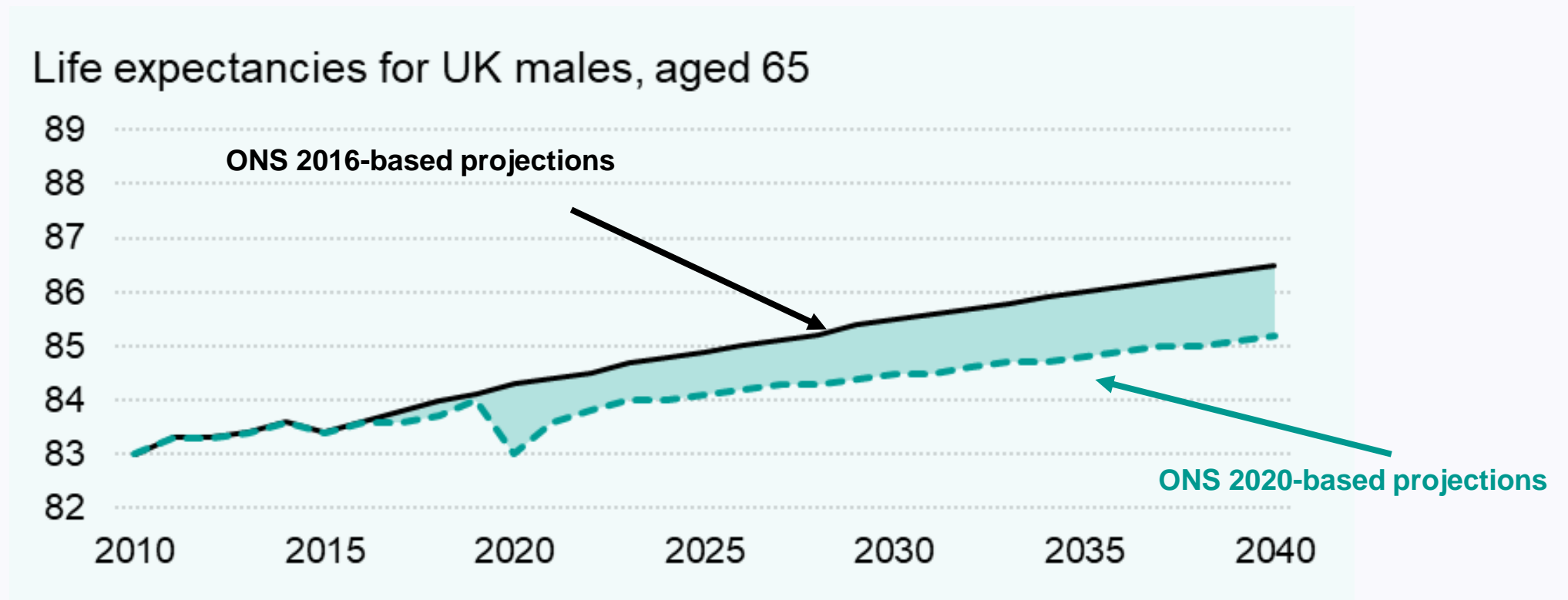
1. Short-term and long-term financial assumptions prescribed by HM Treasury (based on OBR projections)



2016 assumptions
 2020 assumptions (dotted line) and difference from 2016 assumptions (shaded area)

3. Other notable observations of HM Treasury's 2020 Valuation Directions

2. Change in prescribed assumptions for future improvements in longevity



QUESTIONS?





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The information in this presentation is not intended to provide specific advice. Please see [our full disclaimer](#) for details.



Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Technical/ legislative update – Sargeant and Matthews

Claire Johnson, Senior Firefighters' Pension Advisor, Local Government Association

#LGAFirepensions

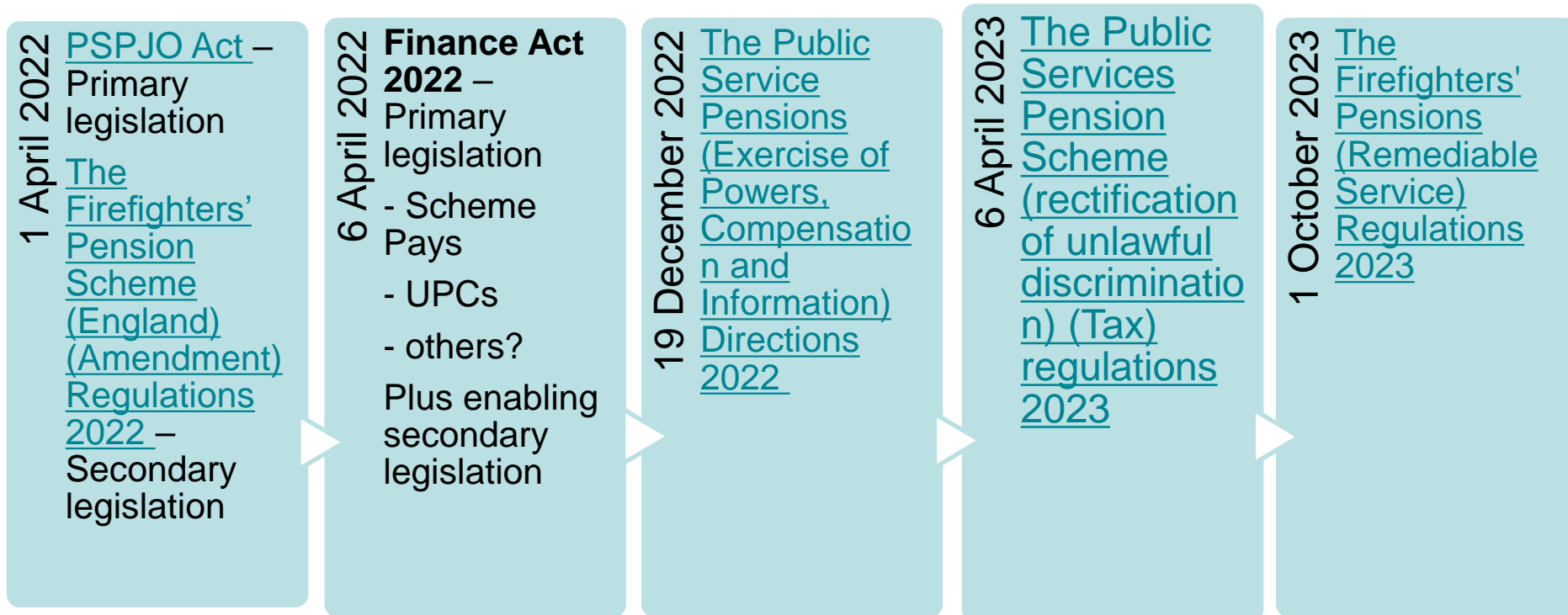
Legislative update

Sargeant and Matthews

20 September 2023

www.local.gov.uk

Sargeant - legislative timeline



Remediable Service Regulations

Pre-consultation engagement with SAB – PDDs and other documents held at <https://www.fpsregs.org/index.php/member-area/age-discrimination-remedy-provision-definition-documents>

Consultation sought responses on the regulations needed to enact the second phase of the remedy, as set out in the PSPJOA 2022

- Roll-back
- Deferred and Immediate choice

[Consultation document](#) set out policy positions and draft Statutory Instrument

Consultation closed on 23 May 2023. [Consultation response](#) published 19 July 2023

[The Firefighters' Pensions \(Remediable Service\) Regulations 2023](#) were laid on 20 July 2023 and are effective from 1 October 2023.

Eligibility

To be eligible a member must have “remediable service” [[Section 1](#)]:

- Service during the remedy period
- Pensionable under a legacy or reformed scheme
- A member or eligible to be a member on or before 31 March 2012
- No break in service greater than five years

If a member meets these conditions for one employment, they automatically meet them for any multiple employments

Timeline

1 October
2023

- Regulations come into effect
 - 'Roll back' enacted
 - Offer DCU at retirement
 - IC exercise commences

31 August
2024

- DC RSS/ABS showing roll back position

6 October
2024

- Pension Savings Statements
 - DCU PSS for remedy years
 - Latest deadline for 2022/23 PSS

1 April
2025

- Deadline for IC RSS and DC RSS

Four types of RSS

IC-RSS

- Pensioners retired between 1 April 2015 and 1 Oct 2023 (not ID)
- Deceased between 1 April 2015 and 1 Oct 2023 (includes active, deferred, pensioner)

ABS-RSS

- From 1 Oct 2023, active members provided annually with or included on ABS
- From 1 Oct 2023, deferred members must receive an ABS-RSS, then 'on demand'

DC-RSS

- Active and deferred members at DCU date (after 1 Oct 2023)
- Active and deferred members who die after 1 Oct 2023 – beneficiary to make DCU election

R-RSS

- Members making a contingent decision claim under Sect. 5 (opted out service)
- 18 months from point claim is successful
- May be in addition to another type of RSS

Expected content

Alternative scheme benefits

- Pension
- Lump sum

Death benefits

- Death grant
- Spouse and children provisions

Contributions and tax

- Under/ overpaid conts
- AA/ LTA
- Pension credit/ debit
- Interest

Transfers

- Higher value CETV
- CETV should be included in alt. benefit calc

Elections

- How and when
- Default (TBC)
- IDRP

IC only

- Under/ overpaid benefits
- Including interest

Reinstatement only

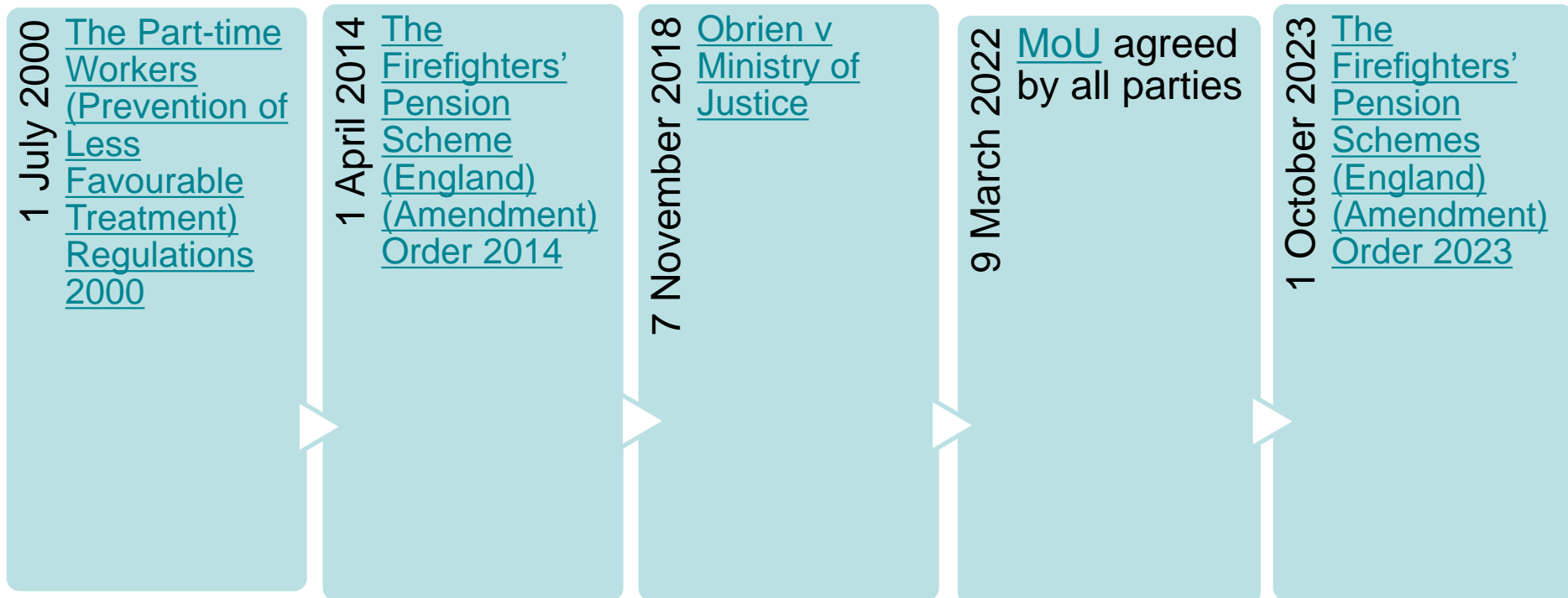
- Service to be reinstated
- Benefits
- Terms of re-joining
- Net conts owed
- Interest

GAD calculator



- Interest and tax
- Live from 13 September 2023
- Calculator and supporting documents available on FPS regs and guidance website

Matthews - legislative timeline



Matthews Regulations

Pre-consultation engagement with SAB and Matthews TWG

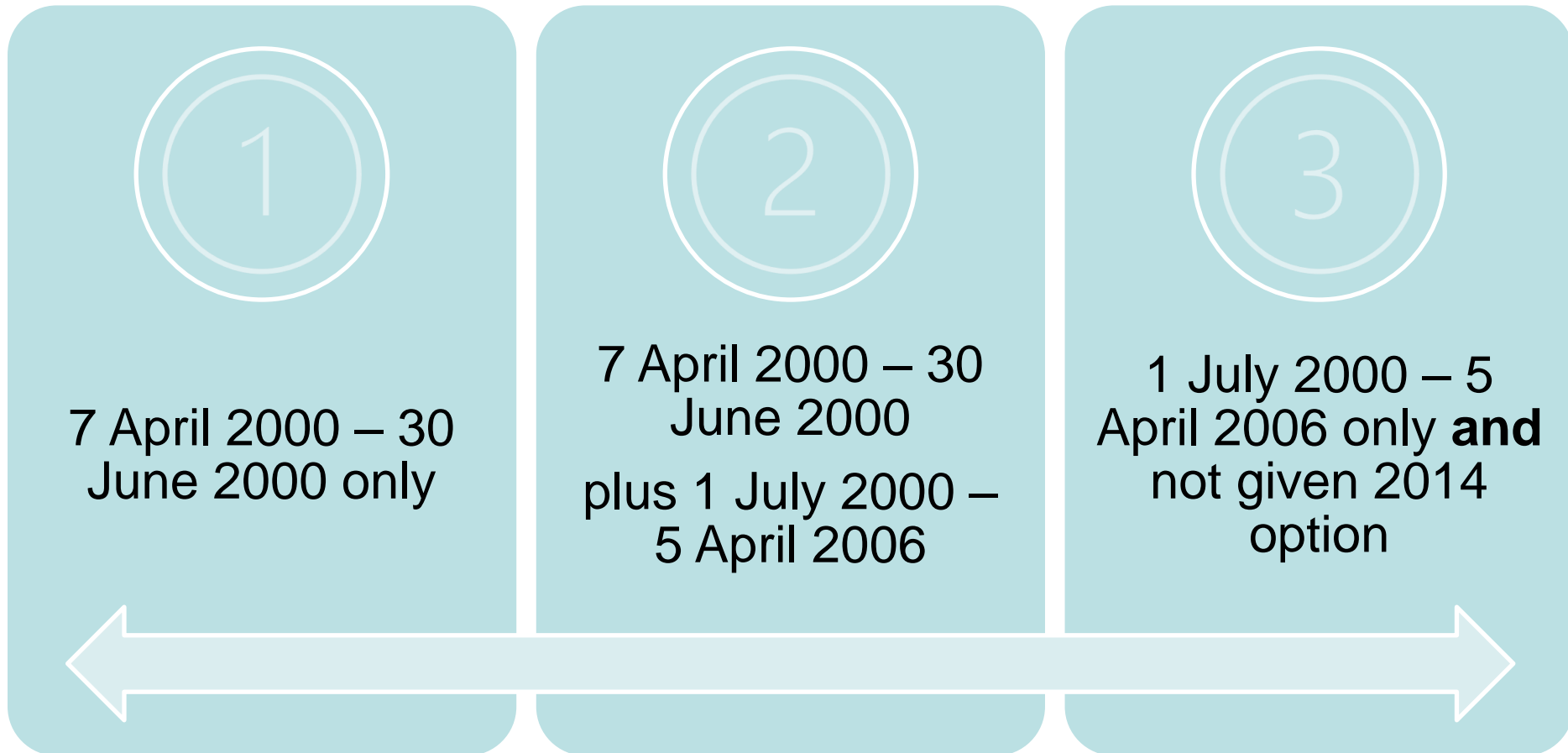
Consultation sought responses on the regulations needed to provide further remedy to people employed as retained firefighters between 7 April 2000 and 5 April 2006.

[Consultation document](#) set out policy positions and draft Statutory Instrument

Consultation closed on 9 June. [Consultation response](#) published 8 September 2023

[The Firefighter Pension Schemes \(England\) \(Amendment\) order 2023](#) were laid on 8 September 2023 and are effective from 1 October 2023.

2023 options exercise – in scope



Timeline

1 October
2023

- Regulations come into effect

October 2023
to March 2025

- FRAs to use reasonable endeavours to notify all persons eligible to join the modified scheme.
- FRAs to write to each eligible person who indicated an initial interest in joining the modified scheme.
- Eligible person to confirm that they wish to take up membership of the scheme and pay the required historic contributions.

1 April 2025

- 18 month deadline expires
- Additional flexibility to allow FRAs to give individuals the opportunity to join the modified scheme after the closure of the 2023 Options exercise where they had not been identified prior to the expiration of the 18 month deadline.

GAD calculator and other resources



- Historic contributions, interest and tax adjustments
 - To include benefit projections
- Finalisation of communication material
 - Employer guide
 - Member guide
 - Letter templates



Individuals eligible for both Sargeant and Matthews

Additional complexities

- Matthews to be addressed in the first instance
 - To ensure an individual is placed in the correct legacy firefighters' pension scheme as on 31 March 2012. This which will provide them with eligibility to the Sargeant remedy for any remedial service.
 - Matthews remedy will deal with an individual's service up to and including 31 March 2015.
 - Sargeant remedy deals with service accrued between 1 April 2015 and 31 March 2022 inclusive.
 - Special provision in place to allow firefighters who elect to purchase service under the Matthews remedy and who were not members of the 2015 Scheme on 1 April 2015, to have an entitlement to buy back their service in the 2015 Scheme from 1 April 2015 under a Contingent Decision.

Aggregation



Questions



Disclaimer

- The information contained in these slides are the authors interpretation of the current regulations.
- Readers should take their own legal advice on the interpretation of any particular piece of legislation.
- No responsibility whatsoever will be assumed by LGA or their partners for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in these slides.

Thank you for listening!

Claire.johnson@local.gov.uk

Bluelight.pensions@local.gov.uk

www.fpsboard.org

www.fpsregs.org

www.fpsmember.org

Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

The Home Office – A view from Government

Helen Fisher, Head of Police and Fire Pensions - Police Workforce and Professionalism Unit - Reward and Recognition, Home Office

#LGAFirepensions

Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Making your communications work harder - Aon

Virginia Burke, Senior Public Sector Pensions Consultant,
Aon Employee Benefits

Ben Smithson, Communications Consultant, Aon

#LGAFirepensions

Making your
communications
work harder



Speakers



Virginia Burke

- Senior Consultant with Aon, specialising in the implementation of McCloud



Ben Smithson

- Senior Communication Consultant with Aon

Agenda

**Communications
theory and
strategy**

**Making your
communications
work harder**

**Hot topics
around
communications**



Communication theory and strategy

Why is communication important now?

- The impact of the cost of living crisis on members
- Acceleration of technology
- Heightened interest in
 - McCloud/Sargeant
 - Diversity and inclusion




Why do I need to communicate?


- Is there a statutory requirement and timescale?
- Do I need people to do something?
- Retirement adequacy?
- Better member outcomes?
- Improve member experience?
- Engage with pension website at least once a quarter?
- DE&I (Diversity, Equity and Inclusion) Policy?
- Increase awareness and understanding?
- Pre-retirement planning?
- Provide guidance to members?
- Ease workload for administration?
- Do I just need to send something out and I don't care if it goes straight in the pensions drawer?

And what would your members say?

Challenges for communicating about retirement

1 Negative/passive attitude towards retirement and saving for it 

2 Other saving priorities 


3 Lack of knowledge – whether about contribution options or retirement options 

4 Cynicism 

5 Terminology 

6 Choosing an effective communication deliverable 

7 Unengaging communications 

8 Target audience doesn't have the time to read/review lots of pension information 



Your starting point for any communications

Why?

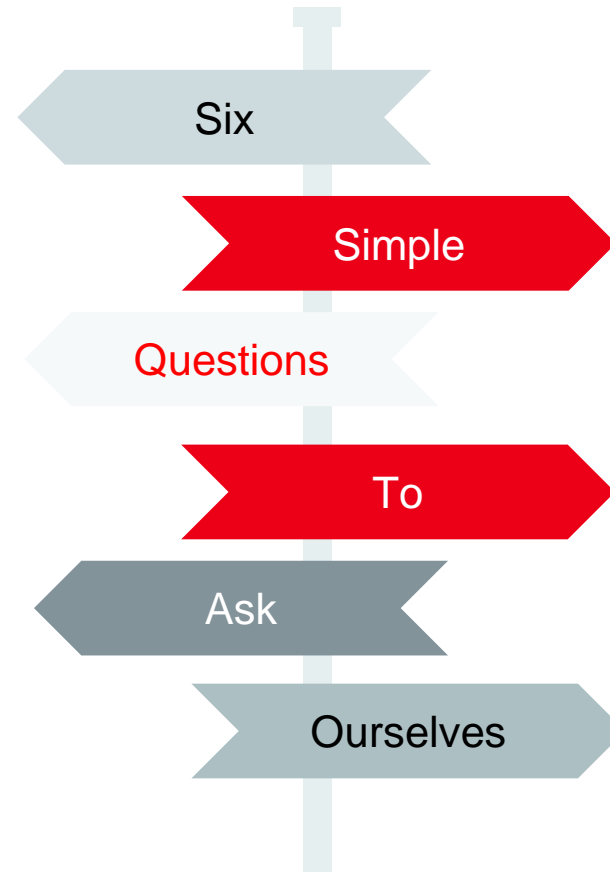
Why are we communicating?

What?

What is our message?

How?

How will we communicate?



Who?

Who are we talking to?

When?

When do we communicate?

Outcome?

What do we want members to do/to feel?

A communication strategy is key and guides the way

Influencing
behaviour is like
launching a rocket
into space...



A simple process to influence behaviour

REMOVE FRICTION

What is holding us back?



ADD FUEL

What incentives will work?



– REMOVE FRICTION

What is holding us back?

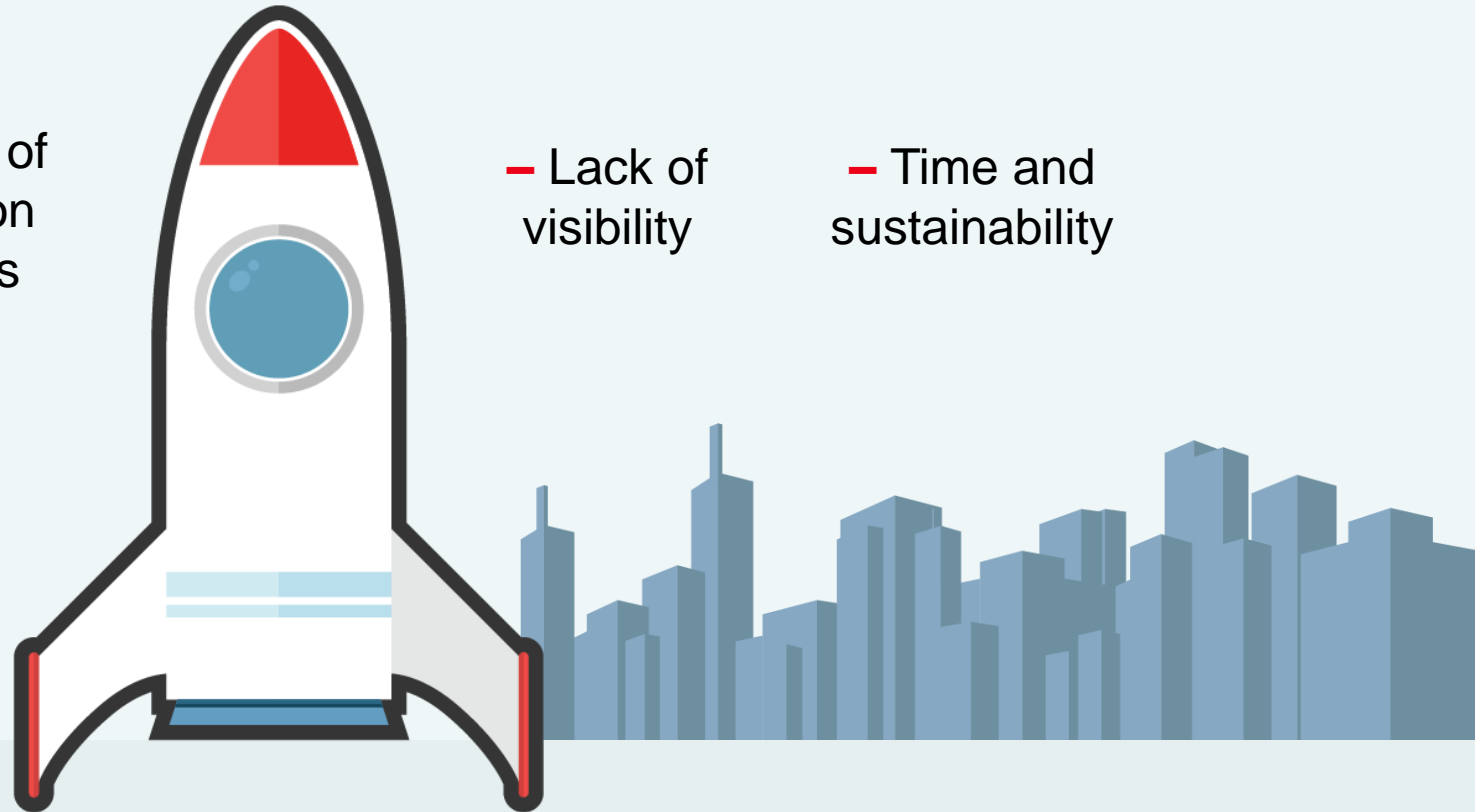
– Confusing messages

– Delivery channels

– Fear of pension scams

– Lack of visibility

– Time and sustainability



+ ADD FUEL

What incentives will work?

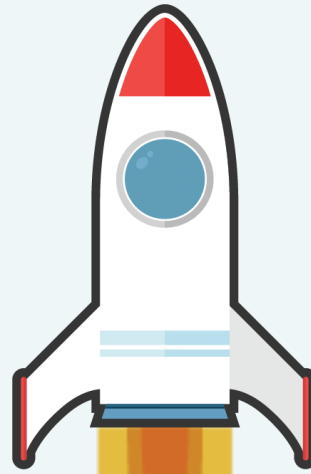
+ Segmentation

+ Stories
“people
like me”

+ Branding


+ Personalisation

+ Timing



Case study - Segmentation

A cost you can afford this Christmas?



It's easy to understand why you might have decided not to pay anything into your Scheme account. After all, the Bank contributes 10% of your salary whether you add anything or not.

But how long is it since you last thought about your pension contributions? Could you find a bit extra to add to the pot?


It's worth reminding yourself what a difference even a small contribution will match what you pay up to a certain level, on top of their 10%. Take the picture:

If you are aged ...	And you contribute up to ...	The Bank will match it by up to ...
Under 40	2%	2%
40 to 49	5%	5%
50 or over	8%	8%

So, within the limit for your age band, the Bank 'doubles' your contribution. Another way, the extra amount you want to go into your account needn't be much.


To start making SMARTPension contributions - where you also make National Insurance - just go to [HR Direct Online](#) and complete and by 8 January at the latest, (or you can start contributing outside SMARTPension saving - at any time.)

Trustees of the AIB Group UK Defined Contribution Scheme



AIB Group UK Defined Contribution Scheme,
Aon Hewitt, Building 5200,
Hibernian House,
Cork Airport Business Park, Cork, Ireland

Treat yourself this Christmas



Have you thought about giving yourself an extra something this holiday season - perhaps in your pension pot?

You have obviously thought about your retirement saving - you are paying in the right amount to make the most of the Bank's potential matching contributions for your age band.

Add to your account?

However, if you can afford to pay more, it's worth considering it (even though the extra amount will not be matched by the Bank). It will help to boost the amount in your Scheme account and - in the longer term - provide better benefits.

If you decide you'd like to pay extra over the coming year, just go to [HR Direct Online](#) and complete and submit a Pension e-form by 8 January at the latest.

SMARTPension is our 'salary sacrifice' arrangement - that is, you give up the amount you want to contribute from your salary, and we pay it into the Scheme directly instead. This means you pay lower National Insurance, and make a saving in your take-home pay. However, if you contribute to the Scheme outside SMARTPension, you lose the National Insurance saving, but you can change your contribution rate whenever you like.


Change new investments?

Whether or not you are able to pay any extra contributions, it might also be worth trying our [Investment Guide](#) to see if your choices are still the most suitable for your current situation, and attitude to investing.


If you are reasonably confident financially, for example, you could consider investing in 'growth' funds - or increasing any growth investments you have already. If you are comfortable carrying a higher level of risk - for example, if retirement is still some years away - you may benefit from higher returns.

You can check where you're currently investing on [MyPensionLine](#).

Trustees of the AIB Group UK Defined Contribution Scheme



AIB Group UK Defined Contribution Scheme,
Aon Hewitt, Building 5200,
Hibernian House,
Cork Airport Business Park, Cork, Ireland



The objective

Pension scheme members were not maximising the amount of contributions they could have been receiving from their employer.

The solution

A segmented email campaign in which members received tailored messaging aimed at pushing them up just one step from their current position.

The outcome

The client has a high rate of attrition, we've run this campaign every year for six years and every year total member contribution rates have increased.

Case study – Branding

The objective

To give the pension scheme communications a refreshed look and feel to better engage with members of the scheme. To redevelop the Scheme's communications, to better connect with the membership.

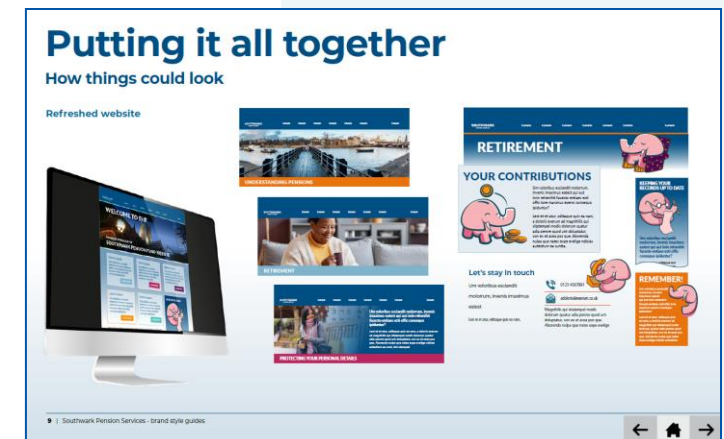
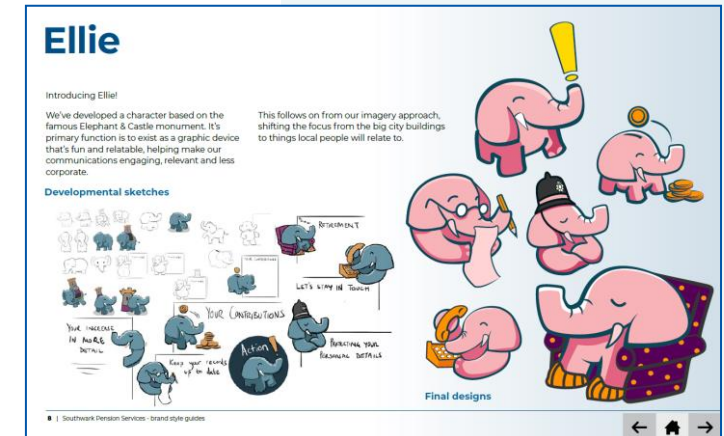
The solution

A re-imagined brand for the Scheme, with the introduction of “Ellie the Elephant” connecting to the local routes of the scheme.

The new brand is to be used across the Scheme's website, benefits statements and newsletters in future to engage with members more effectively.

The outcome

Feedback to date is that the logo is fun, and relevant to members. It's early days in the roll out, but so far feedback from stakeholders has been very positive.



Case study – personalisation

Pension Fund

<FIRST NAME>, ARE YOU ON TARGET?

Your situation now



£<xxxx>

What you contribute



<Date>

Your target retirement age



£<xxxx>

The yearly pension you might receive from your target retirement age (in today's money) if you work with until then. <You also have benefits from the DB section of the Fund, which are not included in the above.>

Your potential situation



£<xxxx>

If you contribute £<xxxx> <more> each month, your yearly pension might increase to this amount



£<xxxx>

Your monthly take-home pay would only reduce by this amount*



£<xxxx>

If you choose a target retirement age that's two years later, your yearly pension might increase to this amount

*assuming a tax relief rate of [xx]%

Pension Fund



ARE YOU ON TARGET TO AFFORD THE LIFESTYLE YOU'D LIKE IN LATER LIFE?

Retirement Living Standards

Are you heading for a Minimum, Moderate or Comfortable retirement income?

Use this statement to review your position against the Retirement Living Standards. You can also refer to the feature articles in our two most recent newsletters (Autumn 2021 and 2020) for tips and more information on targeting a particular level of retirement income.

What changes can you make to your pension-saving to improve your financial future?

Financial advice

You should consider taking independent financial advice when it comes to planning your retirement and we've negotiated discounted rates with Wren Sterling, an authorised firm of independent financial advisers. To find out more, go to www.myrbpension.com or: www.wrensterling.com

0808 175 0006

rb@wrensterling.com

MoneyHelper

For information and free guidance on all money matters including pension-saving and retirement, go to MoneyHelper.

www.moneyhelper.org.uk

0800 011 3797

State Pension

Don't forget about your State Pension entitlement when reviewing your retirement plan.

- Check your State Pension Age at www.gov.uk/state-pension-age
- Get a State Pension forecast at www.gov.uk/check-state-pension

Remember!

- You need to claim your State Pension, you won't start receiving it automatically.
- You can delay your claim and start receiving your State Pension later.

Find lost pensions

If you've lost track of any pensions you've built up during your career, the Pension Tracing Service can help.

www.gov.uk/find-pension-contact-details
0800 731 0193
From outside the UK: +44 (0) 191 215 4491
Textphone: 0800 731 0176

Achieving the retirement income you want doesn't just happen – it takes planning.

The good news is that a small change today could have a big impact on your future.



Look at the figures overleaf.

To help you, we've prepared this short statement to highlight simple changes that could make a big difference to your future:

- > increasing your contributions
- > taking your benefits later

We hope you find the information useful – it's time to review your retirement plan.

When you're ready to make a change, go to
www.myrbpension.com

- > To contribute more
- > To change your target retirement age
- > To review your investment options

Alternatively, to change your level of contributions, fill in and return the enclosed form.

AON

123

Research

Considering behaviours and outcomes



Data analysis



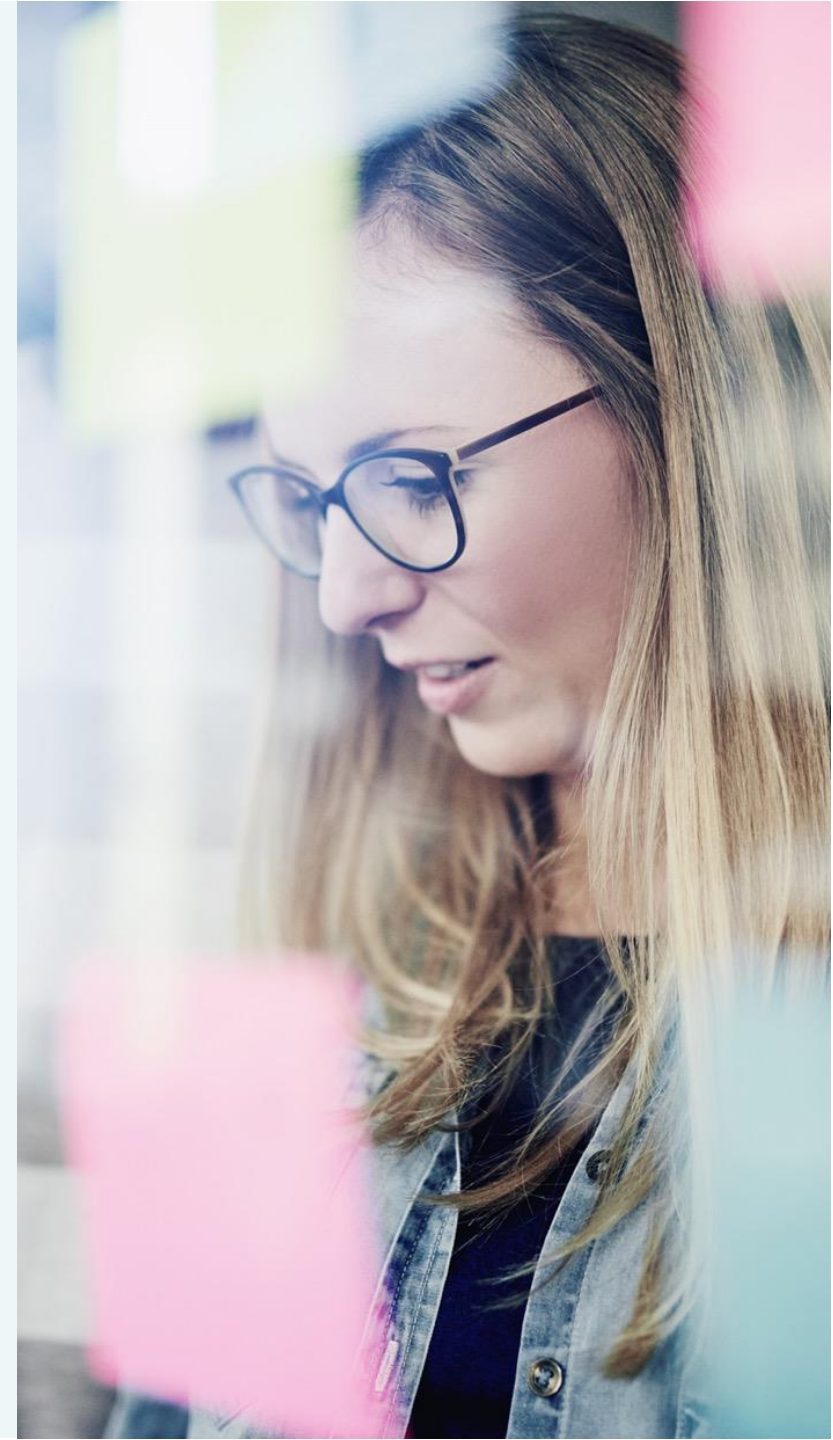
Surveys



Polls



Focus Groups



Understanding attitudes is crucial too

Traditional surveys are:



The diagram features a large iceberg floating in a light blue sea. The tip of the iceberg, which is above the water line, is divided into two sections. The left section is labeled 'Rational' and 'Considered', and a small penguin is perched on its edge. The right section is labeled 'Influenced' and 'Effortful', and a polar bear is standing on its surface. The much larger part of the iceberg is submerged below the water line. This submerged portion is labeled with 'Emotions and feelings', 'Intuitions', 'Instinct', 'Without conscious bias', and 'Automatic and effortless'. A horizontal line separates the visible tip from the hidden base.

Rational
Considered

Influenced
Effortful

Neurotech surveys will give you:

Emotions and feelings
Intuitions
Instinct
Without conscious bias
Automatic and effortless

Building a better picture of your members



Understand any barriers getting in the way

Target your communications to more relevant segments



Discover where members are not engaged

Target members with additional communications where needed



Understanding the most effective channels

Digital, video, paper, face to face?



Look at what areas members are missing (or feel they are missing)

Find out if there are any gaps of understanding



Taking these steps leads to an improved segmentation approach and personalisation

However....

One size does not fit all

Case study – people like me

Dan



Age:
45

Lifestyle: Married branch worker with two secondary school-aged children. Earns £30k pa, financially literate but finds it hard to save anything at the end of each month due to too many commitments e.g children's activities and running two cars.



Mohammed



Age:
55

Lifestyle: Married with no children at home (all left home with one at university), £89k pa + bonuses, manages to max ISA every year, has always paid max into DC. Has a good pot £750k and actively manages investments.



Sandra



Age:
65

Lifestyle: Single with no children. Has always paid into her DB pension, left the business and then came back, so is now a member of two schemes. Is considering retirement but feels her role is a big part of her identity. Has visual impairment.





Personalised email



Microsite



Personalised video



Online form



OPTION 1:
Print guide -
Personalised



OPTION 2:
Pre-printed
info guide



Guidance



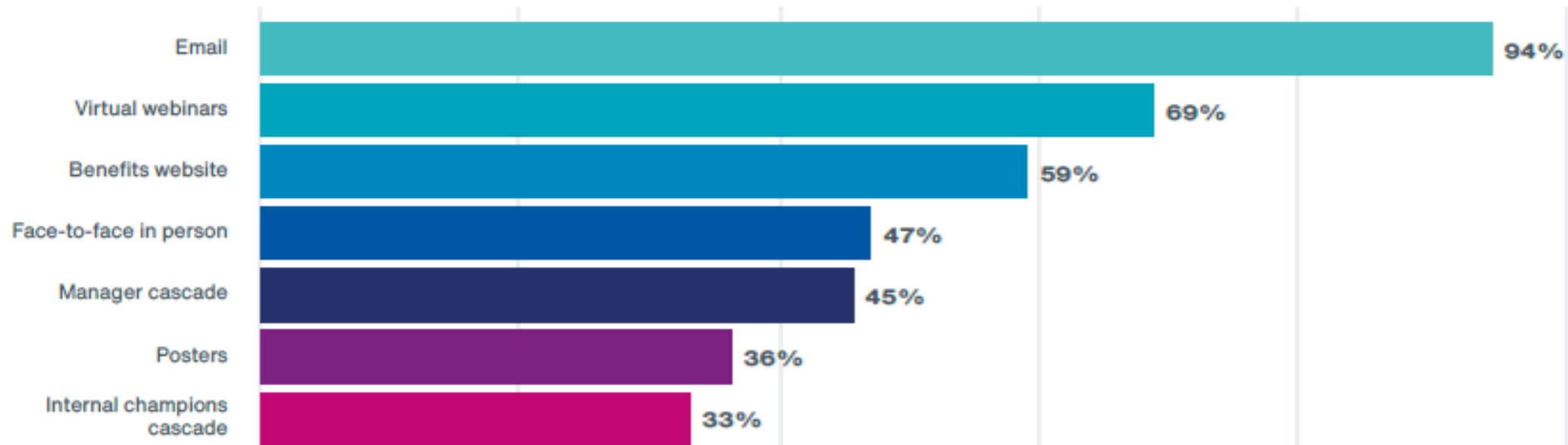
Feedback loop



Feedback loop

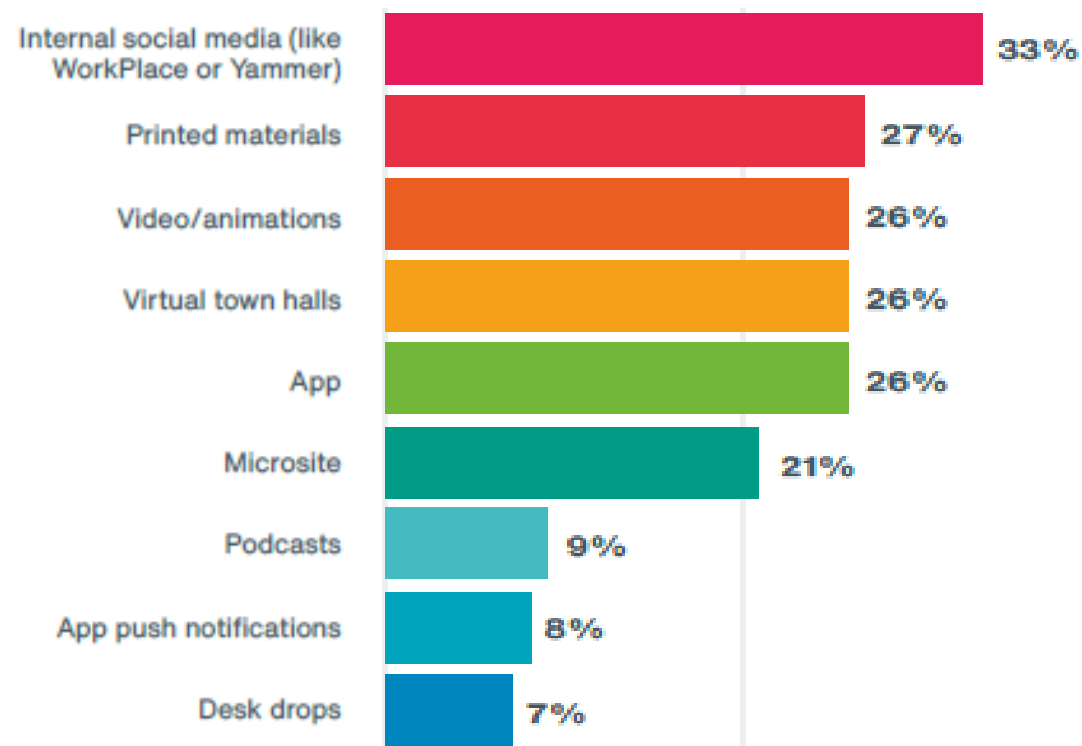
Deliver

Trends for communicating with Actives



Source: Aon UK Benefits and Trends Survey 2022

Trends for communicating with Actives



Source: Aon UK Benefits and Trends Survey 2022

Engaging members on McCloud



Objective

Explain to members of the Firefighters' Pension Schemes (FPS) if the McCloud remedy affects them and the actions they need to take.



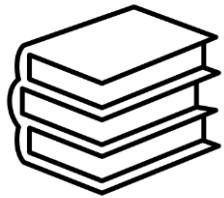
Why video for Firefighters members?

- Members of the Firefighters' Pension Schemes are very good at sharing pension information between them.
- Even more important to transmit a clear, early message in a format everyone can access and easily understand.
- In relation to McCloud, to ensure the intended message is received and members know what action they must take - video was the perfect choice.



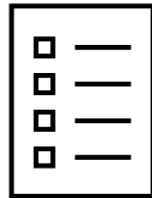
Engagement process

Technical
pension
documents



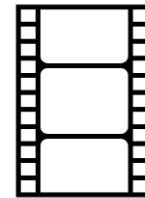
- Plain language
- Tone
- Segmentation

Key
messages



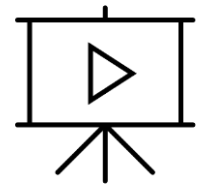
- Clear design
- Trusted brand
- 'People like me'

Artwork



- Choice of channel(s)
- Timing

Engaging
member
communications



Why video in this case?

- Cognitive science - most effective method of delivering new information
- Engagement increases from 10% for printed to 50% for video.
- Recent increase in pension schemes using video
- Average visitor visits 20%-40% more pages and spends 3 times as long on the site.



Analyse

How we analyse behaviours

- Clicks on emails/website?
- Look at member queries?
- Any opt-outs?

Opt-outs – what can we do?



Improving engagement through DE&I

What is Diversity, Equity and Inclusion (DE&I)?

Diversity

All the ways in which people differ.

Common types include race, age, gender identity, religious beliefs, socioeconomic status.

Equity

Fair treatment, access, opportunity, and advancement for all people. One's identity cannot predict outcome.

Inclusion

A variety of people have power, a voice and decision-making authority.

Diversity does not always translate to inclusivity.

Source: What Diversity, Equity, and Inclusion Really Mean (ideal.com)



Diversity, Equity and Inclusion



Communicator

Language

1st

Accessibility

2nd

Engagement

3rd



Diversity, Equity and Inclusion



Communicator

Language

Accessibility

Engagement

1st

2nd

3rd



Reader

Engagement

Accessibility

Language

Make it readable, simple to access and easy to take an action.



DE&I in communications and why is it important

Visuals

Representative

Ensure that the imagery used matches up with what you want representation to look like. Be authentic!

Style

Relevance

Avoid slang, acronyms and idioms as it can be misinterpreted across cultures or age groups.

Channels

Targeting

What communication channels work best for your specific audience: digital, print or face to face.

Formats

Accessibility

Make effective use of accessible communication formats for those with disabilities or impairments, e.g. font size, colour contrasting, braille.

Tone and language

Consistency

Create a consistent tone and use language that is inclusive of a diverse workforce.

Consider reading age of readers and use plain English.

Source: Importance of Diversity & Inclusion Communication Strategy | Simplr

Source: Lloyds Banking Group report: Championing Modern Britain – a guide to delivering positive representations of ethnicity in marketing communications – July 2021 (www.lloydsbankinggroup.com/championingmodernbritain)



Key takeaway

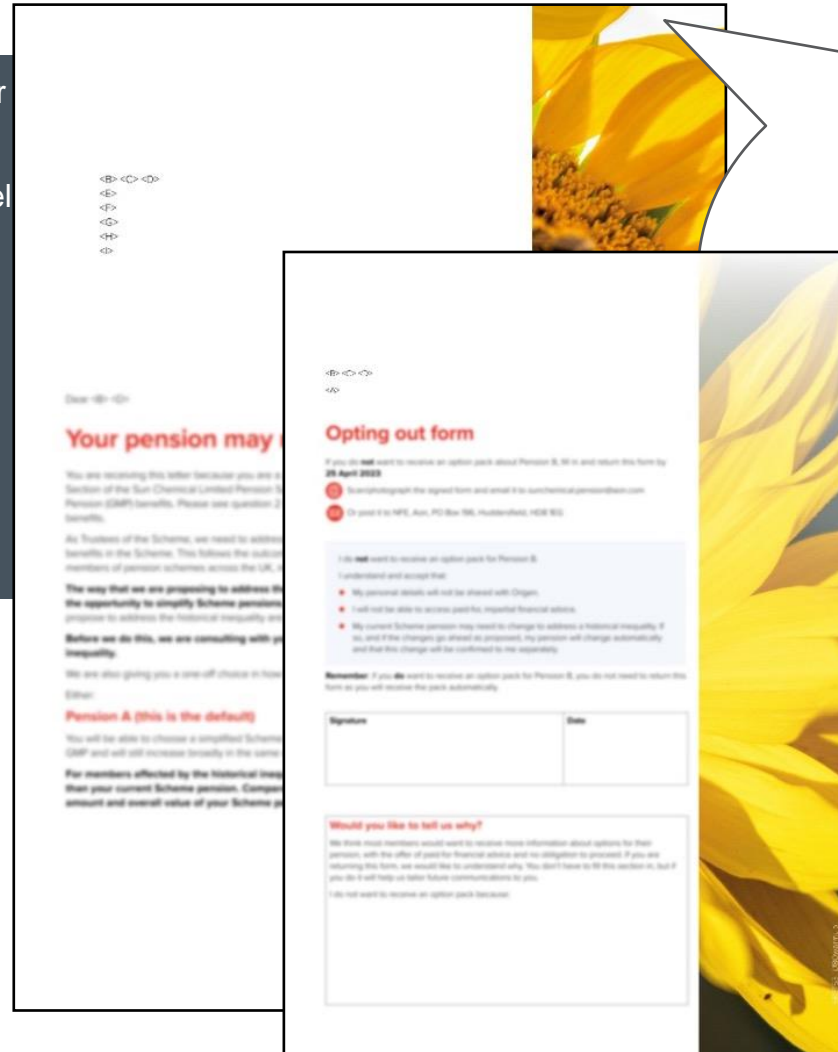
Shifting demographics in the workforce mean that now more than ever, it is important to consider diversity, equity and inclusion in communication strategies.

DE&I in action – Content drafting/review

Comms example:

Global insurance company wanted to review their Trustee Newsletter from a DE&I lens.

- Reading ease went up by **15%** and grade level went down from 11.2 to **9.6**
- Reduced number of passive sentences from **13.9%** to **2.1%**
- Word count reduced from **c5,200** to **c4,300**.



“As a retired former member, I received today my “**Your pension may need to change**” document.

The communication is outstanding: clear, comprehensive, structured, carefully worded, and easily read.

The presentation is attractive without being overbearing.”

Questions and discussion

Please wait for the roving microphone then state your name and authority / organisation prior to presenting your question.

Chair's closing comments

Joanne Livingstone, Chair, Firefighters' Pensions
(England) Scheme Advisory Board

#LGAFirepensions

Firefighters' Pensions Annual Conference

Wednesday 20 September 2023
18 Smith Square, London