

Age Discrimination Payroll Overview

Objective(s)

1. To gain a better understanding of the payroll requirements for age discrimination remedy.
2. To share ideas and best practices on how to cleanse and collect the data required for age discrimination remedy.
3. To facilitate discussion on payroll related issues.

Agenda

- Background of age discrimination
- Remedy solution
- Challenges
- Steps to success
- Feedback and sharing opportunity
- Resources
- Q&A

Age discrimination – Background

- Challenge to transitional protections.
- Deemed to be unlawful by Court of Appeal in Dec 2018.
- Government confirm in July 2019 that discrimination will be removed retrospectively across public sector ([HCWS1725](#)).
- In March 2020, Government state members will be given a choice of most beneficial scheme ([HCWS187](#)).
- They add that members will not need to make a claim for remedy.
- Consultation took place between July and October 2020. Government's response published Feb 2021.

Section added to website - <https://www.fpsregs.org/index.php/age-discrimination-remedy>

Solution - Key provisions

- From 1 April 2022, all members will build up service in FPS 2015, removing future discrimination.
- All affected members “roll back” to final salary scheme with effect from 1 April 2015 to rectify past discrimination.
- As members may have been better off under reform, they will be offered a choice at retirement to receive CARE benefits for the remedy period 1 April 2015 to 31 March 2022 – deferred choice underpin (DCU).

Deferred Choice Underpin



Convert all CARE pension for remedy period to final salary pension and store original CARE as an underpin.

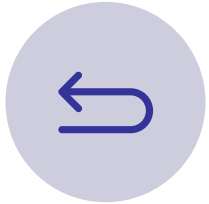


Maintain underpinned benefits, including for protected members



Offer choice at retirement of default final salary for remedy period or underpinned care

Complexity



CONVERT TO
FINAL SALARY



INCLUDES TAPER
MEMBERS



CONTRIBUTIONS
ADJUSTMENT



UNIQUE
FEATURES OF
FPS



DATA STORAGE
30 YEARS PLUS?





Step 1 – Identify affected members

To be in scope a member must meet all of the following conditions:

- i. They must have pensionable service under FPS 2015 in the period beginning 1 April 2015 and ending 31 March 2022 (the remedy period).
- ii. That service would have been pensionable service under FPS 1992 or FPS 2006 but for the person's failure to meet the condition relating to the person's attainment of normal pension age by a specified date. (i.e., they are unprotected or tapered members).
- iii. They must have been, on 31 March 2012 or any earlier day, in service in any employment or office that is pensionable service under:
 - a) a public service legacy scheme, b) a judicial legacy scheme or c) A local government legacy scheme.
- iv. There must not be a continuous break of 5 years or more without any pensionable service in the schemes listed in condition iii., from the last day of pensionable service in condition iii. to the first day of pensionable service in condition i.

Step 2 – Identify data requirements



Pay Data

Service
Data

Benefit
entitlement

Pay Data

Protected

✓ Final Salary
X CARE

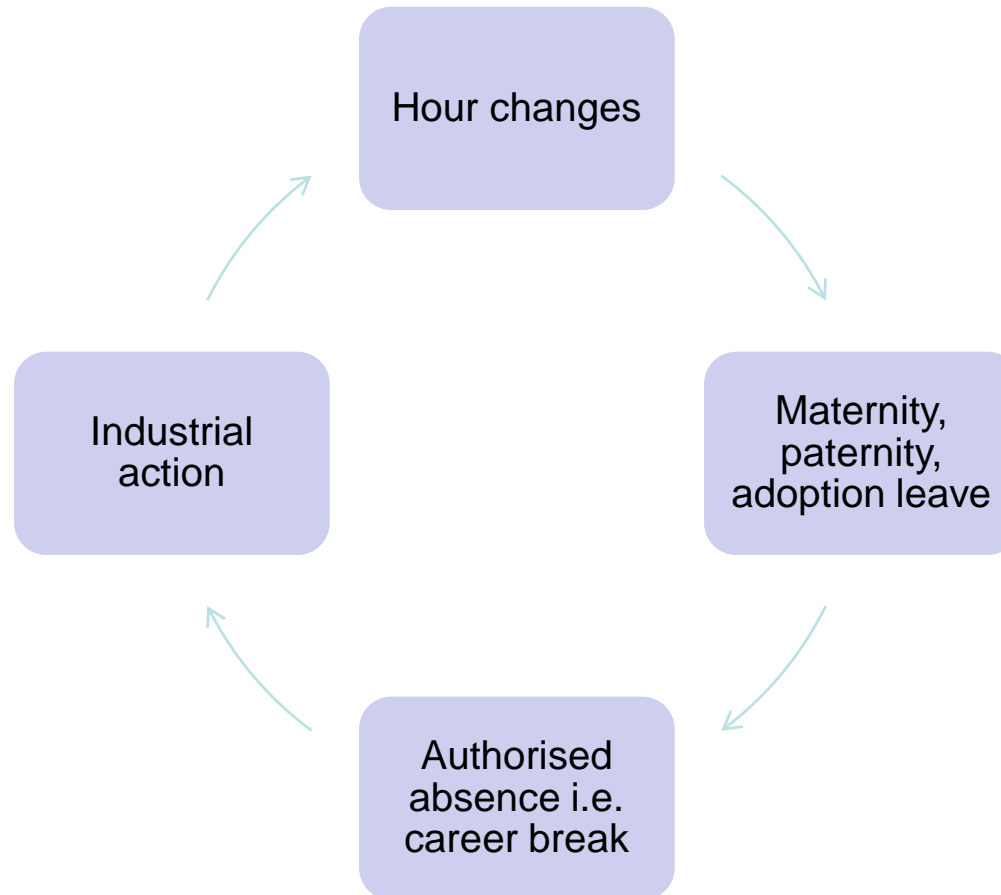
Unprotected

✓ CARE
X Final Salary

Taper

✓ / X Mixture of final salary and CARE
• How much will depend on taper date

Service Data



Benefit entitlement

Two pension award

Contributions holiday

APBs

Optant outs

Step 3 – Complete data collection template

- [Remedy data collection template](#)
 - [Notes](#)
- The template is divided into three worksheets
 - Part-time hours
 - Service breaks
 - Financial data
- Extraction of data from payroll software
 - Manual v Programme

Top tips to get ahead

- Identify scope prior to receiving partially completed spreadsheet from administrator
- Filter data into protection categories
 - Protected, unprotected, taper
- Filter data into legacy schemes
 - FPS 1992, FPS 2006, FPS 2006 Special Members
- Highlight problematic cases
 - Service breaks, contribution holiday



- Feedback on steps to success
- Sharing of best practices

Sharing opportunity

- Have an awareness to how unpaid sickness absence is treated in each scheme
- Factor in that you might have disproportionate figures due to the buy-back of strike
 - This will need to manually altered
- Consider data-sharing requirements for transfer cases
- Be aware of technical/ compatibility issues

Resources

- www.fpsboard.org
- www.fpsregs.org
- www.fpsmember.org
- [Monthly bulletins](#)
- [Regulations](#)
- [GAD Guidance](#)
- [Age discrimination](#)

Any questions



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Thank you for listening!

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