

## Age discrimination remedy data collection - Guidance for administrators and FRAs

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### Background

1. On 16 July 2020, HM Treasury (HMT) published a [consultation on changes to the reformed 2015 public service pension schemes](#) in order to remove the unlawful age

discrimination found by the Courts in relation to the 'transitional protection' arrangements. The consultation closed on 11 October 2020.

2. The main change proposed to rectify retrospective discrimination gives members a choice of receiving final salary (legacy) benefits or CARE (reformed) benefits for the period 1 April 2015 to 31 March 2022, or their date of leaving if earlier. This period will be known as the remedy period.

3. HMT consulted on two options as to when a member would be asked to make a choice, either within 12-18 months of 2022 (immediate choice) or at date of leaving the scheme (deferred choice underpin - DCU).

4. The [outcome of the consultation](#) as confirmed on 4 February 2021 was DCU.

5. Under DCU, all eligible FPS 2015 members will be returned to their original legacy scheme for the remedy period in 2022. This includes taper members regardless of their taper date.

6. The second part of the remedy is to remove future discrimination from the schemes by providing that all members will move to the reformed scheme (FPS 2015) from 1 April 2022.

7. All eligible members will be automatically entitled to remedy without having to make a claim. To be eligible, the member must have been in service on or before 31 March 2012 **and** on or after 1 April 2015.

8. A full background to the scheme reforms, Court processes, and documents relating to the consultation can be found on the [age discrimination remedy webpage](#).

9. In order to return members to their original legacy scheme administrators will need additional data from Fire and Rescue Authorities (FRAs) to rebuild the final salary record. For example, an unprotected member who transitioned to FPS 2015 from FPS 1992 on 1 April 2015 and remains in employment will need a final salary record creating for the full seven-year period.

10. [In order to offer choice under DCU, equivalent CARE pay records will also need to be created for members protected in the legacy schemes.](#)

~~11. To assist administrators and FRAs with the process of collecting data and ensure consistency where possible, we intend to provide a template of data items that will be required for each cohort of member. This will be dependent on collaboration with the software companies to agree the required data fields and formats. In the meantime, we have written this supporting documentation which will complement the eventual template. This document has been provided to help FRAs and administrators identify which types of data need to be collected and sits alongside the remedy data collection template and notes for completion.~~

~~12. Only data that needs to be uploaded into the pensions administration system is included on the template, so not all of the data considerations included within this guidance are on the template. Additionally, some data items will require action from~~

FRA, and some are more relevant for administrators. A quick reference table is included at Appendix 1.

9.13. Please note that the template and associated documents have been provided to collect data relating to cases that will be remedied following implementation of legislation and software solutions. It is not intended as a data collection mechanism for immediate detriment cases.

10.14. The documents have been created in conjunction with the Fire Communications Working Group (FCWG) and relevant software suppliers.

## Identifying affected members

11.15. FRAs should work with their administrators to identify all eligible members. Where a report has been provided via the template has been pre-populated by the pensions administration system, this should be cross-checked against FRA records.

12.16. Based on our current understanding of the scheme, eEligible members -are members (or those eligible to be a member) who were in service on or before 31 March 2012 and on or after 1 April 2015, including those who had a qualifying break in service of less than five years. This includes those who were in scope for transitional protection under the original reformed schemes, where the protections are applied to the member rather than the employment<sup>1</sup>.

13.17. This also includes members who have left employment since 1 April 2015.

14.18. The consultation response also suggests that members who opted out as a consequence of the scheme reforms may be eligible to repay contributions in order to qualify for remedy. Therefore, these members should also be identified.

## Identify data requirements

Pay Data	Service Records	Benefit entitlements
<ul style="list-style-type: none"><li>Final Salary Pay for Remedy Period</li><li>Pay that is pensionable under final salary definitions that is not pensionable under CARE</li><li>Include any temporary promotion not pensionable in FPS 2015</li></ul>	<ul style="list-style-type: none"><li>Final Salary Service Record will need re-creating<ul style="list-style-type: none"><li>Maternity Leave</li><li>Paternity Leave</li><li>Parental Leave</li><li>Authorised Absence</li></ul></li><li>Have contributions been repaid to establish service?</li><li>Changes to hours are recorded</li><li>For retained this will be actual pay and full time equivalent pay to establish service records</li><li>CETVs and Added Pension</li></ul>	<ul style="list-style-type: none"><li><b>Two pension Entitlement:</b> Would entitlement to two pensions have been established by a drop in pay?</li><li><b>Additional Pension Benefits (APBs):</b><ul style="list-style-type: none"><li>Temporary Promotion in FPS 2015 would be treated as APB in Final salary if appropriate discretion is in place</li></ul></li><li>CPD payments in FPS 2015 will need to be treated as APB in final salary scheme</li><li>Pension Debits due to divorce or scheme pays</li></ul>

<sup>1</sup> The interpretation of how protections should be applied was agreed with DCLG solicitors at outset of the reformed scheme in 2015. However, there is no legislative guidance to this effect within the scheme regulations. It has been agreed by the Home Office that despite this the original guidance should be adhered to.

## Pay

~~15-19.~~ The final salary pensionable pay for the remedy period will require final salary actual pensionable pay for the period 1 April 2015 to 31 March 2022 or date of leaving.

~~16-20.~~ The year-end final salary pay used for the final salary link should already be held on the member record.

~~17-21.~~ However, consideration will need to be given to the definition of [pensionable pay](#) under the final salary scheme and whether pay under the definition of the FPS 2015 would be pensionable under the FPS 1992 or FPS 2006.

~~18-22.~~ This will include any temporary promotion not pensionable in FPS 2015.

~~19-23.~~ As fully protected members will be offered a choice of legacy or reformed scheme benefits at retirement, equivalent CARE pay records will need to be created for these members for the remedy period.

## Final salary service record

~~20-24.~~ As the legacy schemes are based on salary and service, all changes in hours for regular firefighters need to be correct and up to date on pension records. This is full-time to part-time, part-time to full-time, and changes as a part-time member, but isn't required for retained firefighters.

~~21-25.~~ Additionally, any breaks in service due to periods of absence need to be recorded including:

~~21.1-25.1.~~ Maternity, paternity, and adoption leave.

~~21.2-25.2.~~ Authorised absence.

~~21.3-25.3.~~ Industrial action.

~~22.~~ Software suppliers have indicated that this element of work could be completed now, as facility is available within the legacy scheme records to update the hours and service break data.

~~23-26.~~ For retained firefighters, actual and full-time equivalent reference pay will be needed to establish service records.

~~24-27.~~ Any cash equivalent transfer values (CETVs) transferred into the FPS 2015 will need to be considered how this is converted to additional service in the legacy scheme. While this will require further policy decision, schemes should now actively analyse their data to understand how many CETVs were received during the remedy period that will need converting.

~~25.~~ Added pension bought during the remedy period may need to be converted to a final salary equivalent. Schemes should now actively analyse their data to understand how many members purchased added pension during the remedy period.

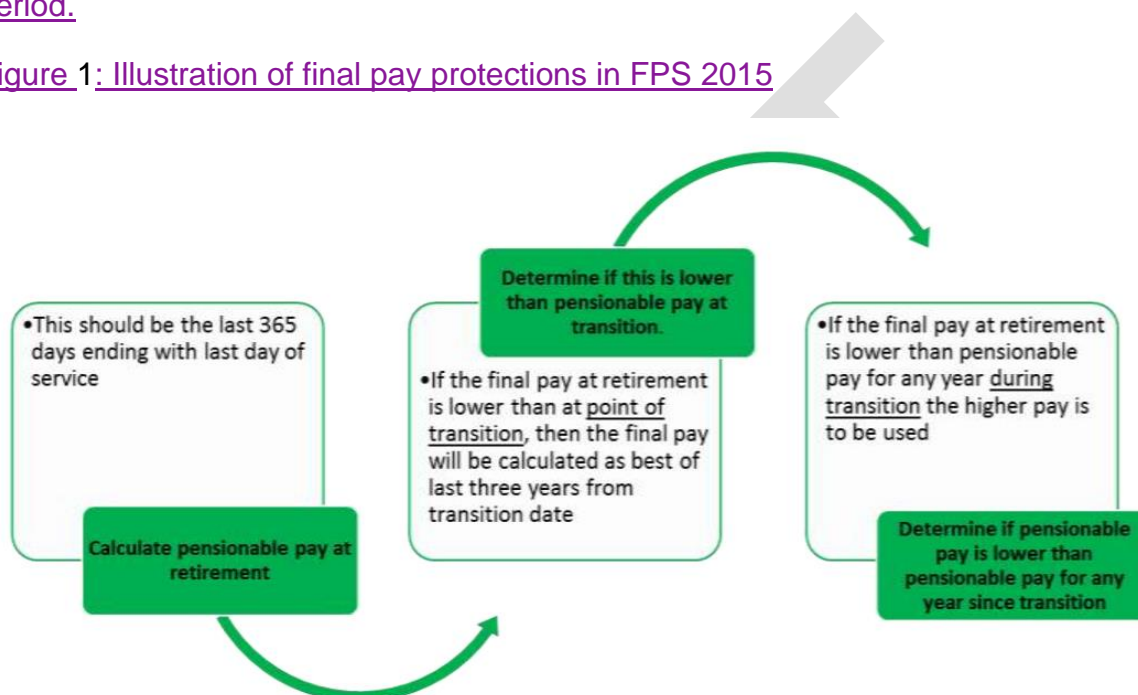
## Benefit entitlements

### Two-pension awards

28. If a member has had a drop in pay since transitioning to FPS 2015, FRAs will need to establish whether they will-may have an entitlement to a two-pension award under the legacy scheme.

29. For protected members being offered the choice of remedy scheme benefits at retirement, pay protection for their final salary link is also available for the remedy period.

Figure 1: Illustration of final pay protections in FPS 2015



30. As transitional pay protection is available-provided in FPS 2015, so the administrator may already have been informed depending on current processes in place. If not, then all affected members will need to be identified.

26-31.

### Additional Pension Benefits (APBs)

27-32. Any FRA who treats temporary promotion as pensionable in the final salary scheme will need to identify members with a temporary promotion since transition to FPS 2015.

28-33. They will need to assess the notional pension contributions which apply to this additional temporary pay so that the pensions administrator can calculate the APB to be awarded to these members.

29-34. Members of FPS 2015 who have been receiving Continual Professional Development (CPD) as part of their CARE pay will also need an assessment of

notional pension contributions so that the pensions administrator can calculate the CPD APB due.

## Pension Debits

~~30-35.~~ Any debits on the pension record for the remedy period, such as scheme pays or divorce, which will affect the value of the benefit at entitlement will need to be re-calculated as a debit to the final salary pension.

~~31-36.~~ While this will require further policy decision, schemes should now actively analyse their data to understand how many members have a pension debit for the remedy period on their record.

## Added Pension (AP) contracts

~~32-37.~~ In order to increase FPS 2015 pension on retirement, members may have elected to pay [Added Pension contributions](#) to buy added pension.

~~33-38.~~ FPS 1992 and FPS 2006 offered members the facility to buy additional years of service, providing they met the relevant criteria.

~~39.~~ The consultation response indicates that members with an [added pension AP](#) contract in the reformed scheme will have this converted to an equivalent additional benefit in the legacy scheme.

~~34-40.~~ [Conversely, legacy scheme members with an Added Years \(AY\) contract may have the right to have this converted to AP if they elect for reformed scheme benefits under DCU.](#)

~~35-41.~~ While this will require further policy decision, schemes should now actively analyse their data to understand how many members have an AP [or AY](#) contract for the remedy period on their record.

## Ill-health retirement

~~36-42.~~ Members who have retired on the grounds of ill-health during the remedy period will be given the same opportunity to choose either legacy or reformed benefits.

~~37-43.~~ Where the criteria are different between the schemes, a new IQMP assessment may be required. FRAs were advised in [FPS Bulletin 28 – January 2020](#) to obtain IQMP assessments under both schemes for current or new ill-health applications.

~~44.~~ While this will require further policy decision, schemes should now actively analyse their data to understand how many members have retired during the remedy period on the grounds of ill-health.

~~38-45.~~ [Date and reason for leaving has been added to the template to assist in identifying these cases.](#)

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## Optant outs

[40.47.](#) The HMT consultation response indicates that members who can evidence that they opted out as a direct consequence of scheme reform may be able to repay contributions in order to qualify for remedy.

[41.48.](#) The SAB recommended in their response that any option to re-join is time-limited and is based on the effective date of the opt-out, rather than a member needing to provide evidence. The [election to opt-out form](#) has a section to complete on reason for opting out with transfer to FPS 2015 as an option, but this is not believed to be widely completed.

[42.49.](#) The government has committed to undertaking further work with schemes to agree central guidance on handling cases, however, we believe that this will be relatively high level and decision making is likely to be remain with individual schemes. We cannot therefore comment on a prospective date range with any degree of certainty and the suggestions given below are purely indicative.

[43.50.](#) As a starting point, we suggest that initially FRAs collate opt-out data between 1 April 2015 to date and disregard any who have opted out as part of auto-enrolment or re-enrolment exercises. This will capture any members who were due to taper into FPS 2015 after 1 April 2015 but opted out instead.

[44.51.](#) While tapering continues in the absence of amending legislation, opt outs should continue to be monitored and recorded.

[45.52.](#) There is an argument to suggest that the starting point should be retrospective to 1 April 2012, as this is the qualifying date for eligibility to remedy. We recommend that FRAs agree a date based on their resource and capacity for risk and communicate this date to their administrator.

[53.](#) It is important to note that whatever date is agreed, whether that is centrally or locally, individuals may be asked to provide some form of evidence or confirmation that they opted out as a direct consequence of scheme reform, and in all cases payment of backdated contributions (with interest) will be due.

[54. Date and reason for leaving has been added to the template to assist in identifying these cases.](#)

## Contributions schedule

[46.55.](#) The contributions schedule will include arrears for FPS 1992 or FPS 2006 special members as the contributions due for these members are higher than those paid while a member of FPS 2015:

[46.1.55.1.](#) Difference between main scheme contributions.

[46.2.55.2.](#) Additional contributions to treat service breaks as pensionable.  
(Difference between reformed and legacy scheme).

[46.3.55.3.](#) Additional payments for temporary promotion to be treated as an APB.



46.4.55.4. Additional payments for CPD APBs (difference between reformed and legacy scheme).

46.5.55.5. Adjustments if member is eligible for a [contributions holiday](#).

46.6.55.6. Members reverting from FPS 2015 to FPS 2006 as a standard member will be owed a contribution refund.

47.56. It is not yet known how HMT plan to manage these contribution adjustments.

48.57. It is recommended that the data required to correct the contribution position is requested now from payroll departments so that FRAs and administrators are in a strong position to implement remedy from 2022 and beyond.

### Contributions holiday

49.58. There may be members who will become eligible for a contributions holiday under legacy scheme rules upon reverting back to FPS 1992 for the remedy period. This affects members of FPS 1992 who attain 30 years' pensionable service before age 50. For the period between 30 years and age 50 their service counts in full but they don't pay employee pension contributions. The employer contributions will be paid as normal.

50.59. FRAs will need to calculate the amount of the contribution refund.

51.60. Further information and resources can be found on the password-protected [contributions holiday webpage](#). Please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) for log-in details.

52.61. Schemes should now actively analyse their data, in order to establish a list of members who will potentially be affected.

## FAQs for employers

### Why is the data collection exercise necessary?

~~53-62.~~ The government has confirmed that changes will be made to all public service pension schemes to remove the unlawful age discrimination identified by the Courts.

~~54-63.~~ The government has confirmed that under the DCU, effective by October 2023, all eligible members must be retrospectively returned to legacy schemes for the period from 1 April 2015 to 31 March 2022, or the date they left the scheme.

~~55-64.~~ To maintain those final salary records for the remedy period, the administrator will need additional data.

### Do I have to provide the data?

~~56-65.~~ The data will be needed to comply with legislative changes that will be made to the FPS. You are required to provide your administrator with the information they need to calculate member's benefits.

### How do I submit the data?

~~57-66.~~ You should use the data collection template to help you collate the required data. Please check with your administrator whether data such as CARE pay needs to be in a certain format. Once you have collected all the required information, submit the completed return to your administrator via your usual means.

### Do I have to submit data for employees who have left?

~~58-67.~~ If the individual has membership from 1 April 2015, data will need to be submitted for them to make a choice, even if they are no longer employed.

### Is there a deadline for submitting the data?

~~59-68.~~ As remedy period data will be needed up to 31 March 2022, we propose that data is collated up to 31 March 2021 by each FRA and submitted after this date. A reasonable deadline for submission would be 30 September 2021.

~~60-69.~~ FRAs could then submit data for the remaining 12 months at the end of that scheme year (31 March 2022) in line with annual postings, or each month where monthly postings are in operation.

~~61.~~ ~~These timescales are however dependent on timely provision of the standard data collection template.~~

## What happens if I cannot supply the data?

[62-70](#). Please contact your administrator if you are having difficulties obtaining the required data.

## Challenges and recommendations

[63-71](#). Additional resourcing may be required to implement remedy. Some FRAs have a project team in place already including finance, HR, payroll and pension colleagues, and are holding working group meetings.

[64-72](#). It is suggested that each FRA nominate a remedy lead as the main point of contact for their administrator and the LGA during this time.

[65-73](#). Some data elements will inevitably be more challenging to collect than others and may be held in varying ways and by different parties, requiring additional collaboration. Some items, such as pensionable pay, may require analysis and judgement-based decision making. FRAs are therefore likely to be heavily reliant on internal processes in collating the required data, and responsibility for data collection and submission should be clearly defined in advance.

[66-74](#). It is possible that there will be an order of priority for retrospective cases to be addressed. Membership could be further split into cohorts for collating data if this would be helpful e.g. active, deferred, pensioner.

[67-75](#). The requirement to keep payroll records is six years plus current. If an FRA has changed payroll provider since 1 April 2015 it will need to be established if data has been retained or can be recovered. Data retention may have been agreed as part of the transfer.

[68-76](#). If a member has transferred from another service, the current FRA will need to contact the previous FRA to request the relevant data. FRAs should check that data can be shared inter-brigade under data protection rules.

[69-77](#). Central assumptions may need to be agreed for where data cannot be obtained. However, an FRA will need to robustly evidence where they are unable to obtain data required.

[78](#). While it would be helpful to prepare data in a format that can be validated for upload, current validations in place may reject data for members who are no longer active. Administrators will need to be mindful of this and make any adjustments necessary.

## Disclaimer

The information contained in this guidance and accompanying data collection template and notes has been prepared by the Local Government Association (LGA) in conjunction with the Fire Communications Working Group (FCWG). It represents the views of the LGA and the FCWG and should not be treated as a complete and authoritative statement of the law. Readers may wish, or will need, to take their own legal advice on the interpretation of any piece of legislation. No responsibility

whatsoever will be assumed by the LGA or the FCWG 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 this guidance or associated documents.

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## Appendix 1

<u>Type</u>	<u>Data field</u>	<u>Template</u>	<u>Administrator</u>	<u>FRA</u>	<u>Software</u>
<b><u>Service</u></b>	<u>Part-time hours</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>Service breaks</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>CETV transfer-in</u>		<u>X</u>		<u>X</u>
	<u>Added Pension</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
	<u>Added Years</u>	<u>X</u>	<u>X</u>	<u>X</u>	<u>X</u>
<b><u>Contributions</u></b>	<u>Legacy scheme contributions</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>CPD/ APB contributions</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>Reformed scheme contributions</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>18-20 contribution holiday</u>			<u>X</u>	
<b><u>Pay</u></b>	<u>Final salary pensionable pay</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>CARE pay</u>	<u>X</u>		<u>X</u>	<u>X</u>
	<u>Two-pension award/ Reduction</u>	<u>X</u>		<u>X</u>	

	<u>in pay after transition to FPS 2015</u>				
<b><u>Entitlements</u></b>	<u>Ill-health retirement</u>			<u>X</u>	
	<u>Optant outs</u>			<u>X</u>	
	<u>Divorce pension debit</u>		<u>X</u>		<u>X</u>
	<u>Scheme pays pension debit</u>		<u>X</u>		<u>X</u>

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