



## FPS Bulletin 44 – April 2021

Welcome to issue 44 of the Firefighters' Pensions Schemes bulletin. We hope that readers remain safe and well.

Face-to-face meetings and training remain suspended for the time being. However, the Bluelight team are available at home by mobile, email or video.

If you are looking for information on a certain topic, issue and content indexes are held on the [main bulletin page](#) of the website and are updated following each new issue.

If you have any comments on this bulletin or suggested items for future issues, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk).

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## Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please email [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)

Table 1: Calendar of events

Event	Date
<a href="#">FPS coffee and catch up</a>	Every second Tuesday from 4 May 2021
South East regional group	14 May 2021
North East regional group	19 May 2021
<a href="#">Virtual SAB update event – Zoom</a>	20 May 2021
SAB	24 June 2021
SAB	9 September 2021
SAB	9 December 2021

## Actions arising

Readers are asked to note the following actions arising from the bulletin:

[Remedy data collection](#): FRAs and scheme administrators should familiarise themselves with the data collection tools and consider any processes or additional resources that need to be put in place.

[Annual Benefit Statements](#): FRAs should ensure that projections for protected members **do not include** final salary benefits projected past 31 March 2022.

[IDRP data collection](#): FRAs should return the completed IDRP data template by 31 May 2021.

## FPS

### Remedy data collection tools

We told readers in [FPS Bulletin 43 – March 2021](#) that we were working with software suppliers and the Fire Communications Working Group (FCWG) to develop a standard data collection template to sit alongside the draft data collection guidance.

With thanks to all involved, we are now pleased to provide the links to the template and notes for completion, and clean and tracked versions of the latest data collection guidance.

[FPS remedy data collection template](#)

[FPS remedy data collection notes for completion](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 clean](#)

[Age discrimination remedy data collection - Guidance for administrators and FRAs – version 2 tracked](#)

The data products have been provided to complement internal processes and workflow between FRAs and administrators; they are not provided as standalone tools.

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.

We will be holding a workshop session at the FPS coffee morning on 4 May to discuss how documents have been developed and give colleagues the chance to ask questions.

### **Annual Benefit Statements 2021**

The yearly process for producing Annual Benefit Statements (ABS) will have now started and readers will be familiar with the requirement for statements to be issued by 31 August 2021. The following comments have been made to recognise the position of HM Treasury (HMT) policy decisions on ABS for this year

### **Current Values**

The scheme regulations require benefit statements to produce a current value at 31 March of the relevant scheme year and, as per paragraph A.56 of the [HMT consultation response](#), future statements will need to provide both values of legacy and reformed benefits for the remedy period within that current value.

We understand that it will be disappointing to members that the current values on this year's ABS will not be able to reflect the remedy choice between legacy and reformed benefits at this stage. However, those calculations will require significant software amendment which are not expected until 2023, therefore current values for this year will reflect members' current scheme membership only.

## **Projections**

Traditionally it has been common for the Firefighters' Pension Scheme to include projections to normal pension age as part of the ABS. We understand these projections are valuable to members as it allows them to understand the likely value of their benefits at retirement age; however, projecting CARE benefits can be an imperfect science as the projections cannot cater for a future change in accrual rate due to a change in cost cap, nor can it cater for inflation on future pay and promotions.

Chapter 3 of the [consultation response](#) deals with the decision to close legacy schemes for future accrual on 31 March 2022, and the final paragraph of that section [3.56] confirms that primary legislation will be introduced to close the legacy schemes on 31 March 2022. Currently protected members of the scheme were protected based on achieving normal pension age by 31 March 2022, therefore most protected members are expected to retire before 31 March 2022. However, it is possible that a small cohort of members will continue past 31 March 2022 to reach their 30-year service date. After 1 April 2022 they will continue in the scheme as a member of FPS 2015.

### **Benefit statements for protected members should not reflect final salary benefits accrued past 31 March 2022.**

Therefore, any projections that would ordinarily have been projected past 31 March 2022 (such as to 30 years' service) should not be included in the ABS issued this year. Unfortunately, due to the significant software amendments that are required, it is not currently possible to accurately project future benefits in FPS 2015 for currently protected members. Administrators may take different approaches with regards to this depending on whether they issue paper statements or via self-service; however, members due to retire before 31 March 2022 should be able to request an estimate in their usual way.

### **Appropriate messaging**

It is recommended that this approach should be communicated to members in the ABS using the following caveat:

***"Important: Please note that this year's Annual Benefit Statement provides an estimate of your pension benefits built up in your current scheme membership to 31/03/2021.***

*On 20 December 2018, the Court of Appeal ruled in McCloud/Sargeant that the transitional arrangements introduced as part of the 2015 reforms to the Firefighters' and Judges' pension scheme were discriminatory and, therefore, unlawful. The Government subsequently accepted that this ruling applied to all the main public service pension schemes.*

*The Government has consulted on the changes needed to remove discrimination from the schemes and work is ongoing to make these changes. This work is complex and will take time. For further information please see the Written Ministerial Statement from 4 February 2021: <https://questions-statements.parliament.uk/written-statements/detail/2021-02-04/hcws757>*

*We understand that it will be disappointing to members that the current values of this year's statement will not be able to reflect the remedy choice between legacy and reformed benefits at this stage, however, the rules and systems are not yet in place to calculate benefits with discrimination removed. This means that it has not been possible to reflect the impact of the Court of Appeal ruling in this year's Annual Benefit Statements.*

*Any projections on your pension entitlement are based on the assumption that your current membership will continue until your normal pension age. All currently **protected members** will be placed in the FPS 2015 for service after 1 April 2022 (the end of the remedy period). Due to the software changes needed to illustrate this, it will not be possible to reflect this position in projected benefits this year. [Optional for those who wish to provide estimates - **Members due to retire before 31 March 2022 should be able to request an estimate in their usual way.**]*

*You can find more information about removing age discrimination on the FPS Regulations and Guidance website: <https://www.fpsregs.org/index.php/age-discrimination-remedy/implementation>"*

In advance of statements being issued, you may also wish to re-confirm the two-stage approach<sup>1</sup> taken by HMT to remove the discrimination and reassure members that although remedy may not be able to be reflected in the ABS, members will in due course be able to choose to receive legacy pension scheme benefits for the remedy period (1 April 2015 to 31 March 2022). Membership of the Firefighters' Pension Schemes after 1 April 2022 will continue for all members in FPS 2015.

Details of how the Government intend to remove the discrimination can be found on the [age discrimination remedy implementation](#) page of [www.fpsregs.org](http://www.fpsregs.org). We will provide an updated version of the standard ABS template in the next bulletin.

#### **Technical query log**

The current [log of queries and responses](#) is available on the FPS Regulations and Guidance website. The queries have been anonymised and divided into topics. The log will be updated monthly in line with the bulletin release dates.

No new queries have been added this month.

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<sup>1</sup> The discrimination will be removed in two parts; the first is prospectively for future benefits from 1 April 2022, the second is retrospectively for benefits built up during the period of discrimination 1 April 2015 to 31 March 2022 (the remedy period), eligible members will be able to choose to receive legacy pension scheme benefits or benefits equivalent to those available under the reformed pension scheme.

Please bear with us if you experience a delay in response to your technical query. As you can imagine, much of our resource is currently focused on remedy-related issues.

## FPS England SAB updates

### IDRP data collection: action needed

In [FPS Bulletin 30 – March 2020](#) we began the first round of data collection for Internal Dispute Resolution Procedures (IDRPs). We advised FRAs that this would be an annual process in line with the scheme year, to collect numbers of cases and any emerging themes.

As the next scheme year has recently ended, we ask that FRAs complete the spreadsheet at [Appendix 1](#) and return this to [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk) by 31 May 2021.

Notes for completion:

- FRAs should complete the number of Stage 1 and Stage 2 complaints received against the categories listed within the scheme year. Categories can be added to the list as required.
- The columns ask FRAs to differentiate between cases that are upheld and overturned. The complaint is always raised by the member, so if the complaint is upheld, it means that the decision maker agreed with the complainant. If it is overturned, it means that the decision maker did not agree.
- The final piece of information required is the decision maker(s) at each stage.

Figure 1: Example of completed spreadsheet

Scheme year 2020-21 Fire and Rescue Authority  (Select from the drop down list)	Type (Add any others to the list)	Stage 1		Total	Stage 2	
		Upheld (Give scheme year total)	Overturned (Give scheme year total)		Upheld scheme year (Give scheme year total)	Overturned scheme year (Give scheme year total)
FRA drop down	Pensionable Pay		1			1
	III-Health	1				
	Refund		1			
	Transfer		1			
	Special Member Contributions	1				
	Remedy related					
Total		5	2	3	1	1
(Please state decision maker for each stage)	Stage 1 decision maker:	Chief Fire Officer				
	Stage 2 decision maker:	Appeals panel				

The [findings of the first IDRP data request](#) were presented to the Scheme Advisory Board (SAB) in May 2020 and we published updated informal IDRP guidance at that time. We are still working on guidance for decision makers and guidance for members to complement the factsheet.

#### **FRA remedy self-assessment survey**

As detailed in [FPS Bulletin 43 – March 2021](#), we will be launching the age discrimination planning survey to FRAs in the coming month.

FRAs will be provided with the questionnaire in advance of completing the online survey and all authorities will be offered a telephone or Teams appointment to help them fill it in.

Look out for more information at the [SAB update event](#) on 20 May 2021.

## **Other News and Updates**

#### **Hampshire and Isle of Wight FRSs combine**

Forty-five became forty-four on 1 April 2021 when Hampshire and Isle of Wight Fire and Rescue Services combined into a brand-new organisation.

[Find out more about this momentous day](#) on the Hampshire and Isle of Wight Fire and Rescue Service (HIWFRS) website.

#### **Focus on... Pension scams**

The Pensions Scams Industry Group (PSIG) has published [version 2.2 of its ‘Code of Good Practice on Combating Pension Scams’](#).

The new version is effective from 1 April 2021 and is updated to improve usability and to reflect recent regulatory changes as well as the evolving nature of pension scams. The code includes a section outlining the key changes.

On 8 April 2021, the Pensions Regulator (TPR) published a recording of their [webinar on the pledge to combat pension scams](#).

The webinar included speakers from TPR, PSIG, the Money and Pension Service and the City of London Police. It also included recordings of calls from victims of scams.

On 20 April 2021, Action Fraud launched a new campaign on pension scams called [#ProtectYourPension](#), following figures from the national reporting centre for fraud and cyber crime that revealed £1.8 million has been lost to pension fraud already in 2021.

The campaign reminds scheme members of the importance of doing research before making changes to their pension arrangements.

## **TPO turns thirty**

This month sees the start of a campaign to mark [30 years of the Pensions Ombudsman \(TPO\)](#) resolving pension disputes.

The service was launched on 1 April 1991 and since that time has received 100,000 written enquiries and issued nearly 9,000 determinations.

As well as investigating and determining complaints and disputes about pension schemes, TPO issues leaflets and factsheets. TPO published the following factsheets for members in March 2020:

[The Early Resolution Service](#)

[How we investigate complaints](#)

[Complaining to the party/parties at fault](#)

## **Events**

### **Virtual SAB update event**

On 20 May 2021, Joanne Livingstone will be hosting a [virtual SAB update event](#) on Zoom.

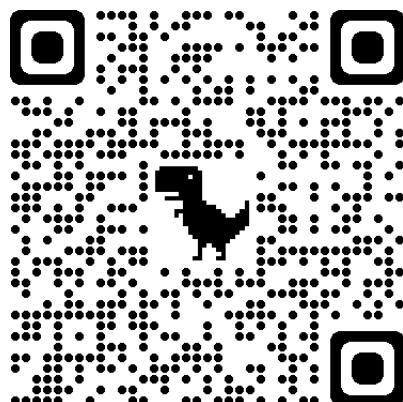
We would be delighted if readers can join us for this session. Joanne will be launching the brand-new FPS member website and discussing preparations for age discrimination remedy.

The event is open to all and joining details for the 90-minute session are shown below:

**When: May 20, 2021 01:00 PM**

Please click the link below to join the webinar or scan the QR code:

[Firefighters' England Scheme Advisory Board \(SAB\) Update](#)



Passcode: 576813

Dial-in details can be provided on request.

[Click here to return to Contents](#)

## **FPS coffee mornings**

Our MS Teams coffee mornings are continuing every second Tuesday. The informal sessions lasting up to an hour allow practitioners to catch up with colleagues and hear a brief update on FPS issues from the LGA Bluelight team.

The next event is scheduled to take place on 4 May 2021 and will focus on the data collection tools for gathering remedy data.

If you do not already receive the meeting invitations and would like to join us, please email [bluelight.pensions@local.gov.uk](mailto:bluelight.pensions@local.gov.uk).

## **HMRC**

### **The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021**

[The Pension \(Non-Taxable Payments Following Death\) \(Real Time Information\) Regulations 2021](#), which commence on 6 April 2022, will require pension schemes to report certain non-taxable payments made to beneficiaries following a member's death.

Schemes will report this information to HMRC using the Real Time Information (RTI) system. This will not apply to non-taxable defined benefits lump sum death benefits and non-taxable uncrystallised funds lump sum death benefits.

HMRC has prepared [a tax information note](#) giving more information about the changes for pension scheme administrators and employers who pay pensions.

### **Guidance on pension scheme rates and allowances**

HMRC has updated its [guidance on pension schemes rates and allowances](#) for 2021 to 2022. The guidance includes limits on the lifetime and annual allowances, as well as relevant tax charges on payments from registered pension schemes.

Guidance for members on [valuing pension for lifetime allowance protection](#) has also been updated with the standard lifetime allowance for 2021 to 2022.

## **Legislation**

SI	Reference title
2021/197	<a href="#"><u>Correction Slip 1 to the Restriction of Public Sector Exit Payments (Revocation) Regulations 2021</u></a>
2021/506	<a href="#"><u>The Pension (Non-Taxable Payments Following Death) (Real Time Information) Regulations 2021</u></a>

## Useful links

- [The Firefighters' Pensions \(England\) Scheme Advisory Board](#)
- [FPS Regulations and Guidance](#)
- [Khub Firefighters Pensions Discussion Forum](#)
- [FPS1992 guidance and commentary](#)
- [The Pensions Regulator Public Service Schemes](#)
- [The Pensions Ombudsman](#)
- [HMRC Pensions Tax Manual](#)
- [LGA pensions website](#)
- [LGPS Regulations and Guidance](#)
- [LGPC Bulletins](#)
- [LGPS member site](#)
- [Welsh Government Fire circulars](#)

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