

Matthews – Overview





Aim of the remedy

Correct legislative implementation date

- Originally identified as 1 July 2000
- Should have been 7 April 2000

Removal of backstop date

- Allowing eligible individuals to buy back to the beginning of their continuous retained employment

Allowance for those who were not provided with a 'reasonable opportunity' to join under the first exercise

2023 options exercise – in scope



7 April 2000 – 30
June 2000 **only**



7 April 2000 – 30
June 2000
plus 1 July 2000 –
5 April 2006



1 July 2000 – 5
April 2006 **only and**
not given 2014
option



2023 options exercise

Same options to convert or transfer as given in 2014 options exercise:

- Right to request transfer value
- FPS 1992 accrued rights
- Standard to special
- Special to standard
- **2014 conversion options may be revisited**

Converting membership

The second options exercise allows some members to convert their membership from Standard to Special or from Special to Standard, it also allows them to undo a previous decision made during the first options exercise.

Conversion options are **not currently possible** for deferred members.

- To be considered for these conversions the member must meet the following conditions which are detailed in [The Firefighters' Pension Scheme \(England\) \(Amendment\) Order 2014 \(legislation.gov.uk\)](#)

2023 / 2024 – Looking back

The regulations came into force on 1 October 2023

- [Firefighters' Pension Schemes \(England\) \(Amendment\) Order 2023](#)

Guides and other communications were published and are available on the [FPS regs and guidance website](#) examples are listed below

- [Matthews guide to processing cases](#)
- [Second Options Exercise - Information and guidance](#)
- [Matthews pre-work for FRAs factsheet](#)
- [Employer Guide](#)
- [RDS employee informal guidance](#)
- [Template letters](#)
- [Matthews implementation and GAD calculator update](#)



Timetabling

1 October 2023



31 March 2025



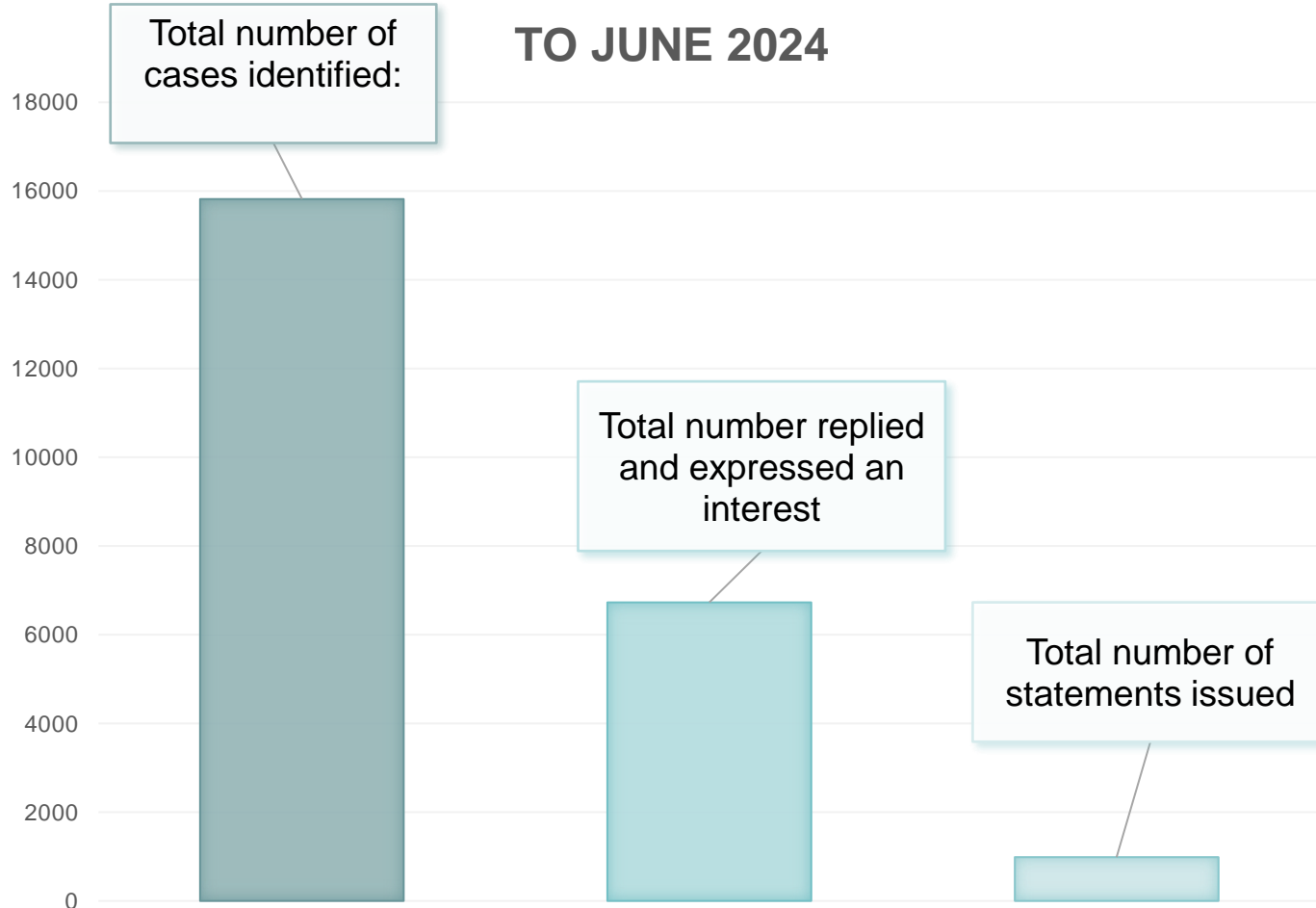
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22 October 2024

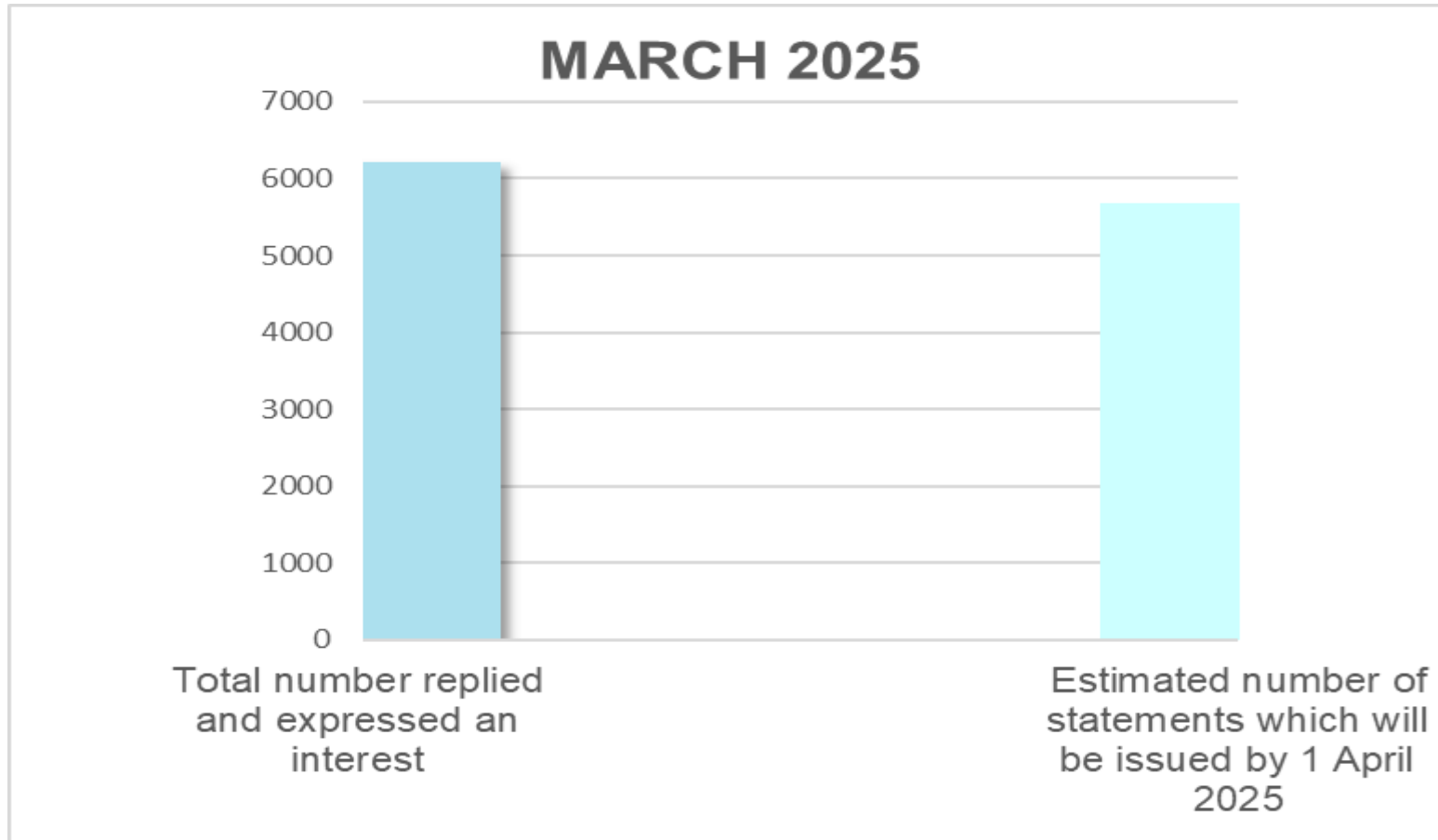
Priority order

- **Priority 1 – Immediate entitlement i.e. Special Pensioners or potential to be a Special Pensioner**
 - Individuals who currently have no benefits in payment but would be immediately entitled to a backdated award should they elect for Matthews.
 - Individuals who currently have a pension in payment and would be due a top-up if they elected for Matthews
 - Deferred Benefits (DB) into payment i.e. an individual who is over age 60 and has a DB entitlement under Matthews
 - Potential ill health cases
 - These could either be active Firefighters who are known to be suffering from ill health or individuals who have left the FRS and are either currently a deferred member or are entitled to be a deferred member under Matthews.
 - Deceased cases
- **Priority 2 – Imminent entitlement**
 - Special Firefighters or Special Deferred but entitled to become a Special Pensioner before **31 March 2025**
- **Priority 3 – Not immediate/imminent**
 - Special Firefighters or Special Deferred but **not** entitled to become a Special Pensioner before **31 March 2025**

Where are we ... halfway through

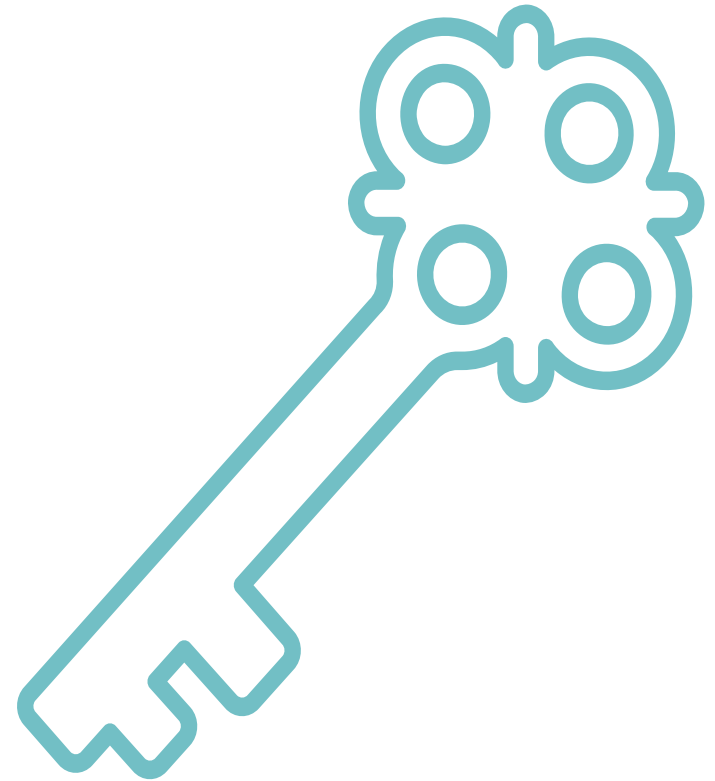


Looking forward



Data, data, data

- Date of birth
- Age at date of calculation
- Start date of employment as a retained firefighter
- Has the member died?
- Date of death (if applicable)
- Are they still an active serving firefighter?
- Do they have continuous service?
- Have they transferred into your FRA or out of your FRA?
- Have they left the FRA (no longer employed)?
- Age at date of leaving.
- Has the member retired?
- Is their pension in payment therefore, a pensioner member?
- Type of pension in payment (special or standard)
- Did the member retire under ill health or normal health?



And more data

(Pension information will be required to process members who fall into Cohort 2 & 3)

- Did the member join the FPS 2006?
- Date they joined the FPS 2006
- Was the member contacted in the first options exercise?
- Did the member choose to buy back service in the first options exercise?
- Date of the calculation of pension for the first options exercise
- Did the member choose to convert any of their service in the first options exercise?
- Did they convert any standard to special service pension membership in the first options exercise?
- Did they convert any special to standard service pension membership in the first options exercise?
- Has the member in this second options exercise expressed an interest converting their pensions membership from standard to special?
- Date when their pension became payable.
- Date of last pension payment.
- Annual pension payments paid to the member for each financial year for the remedy period.
- Amount of pension pre commutation (pre lump sum) taken at retirement.
- Amount of pension post commutation (post lump sum) taken at retirement
- Amount of pension commutation (lump sum) taken at retirement.

Managing expectations of the member

Understanding

Signposting

Effective communication

Engagement sessions

One to one appointments

Who else do you need to work with?

Administrators

- Agreed process
- What information they need from you (FRA)
- New member pension records
- Amended/update existing member pension records

Finance

- To set up a process for collection of pension contributions
- To set up finance codes - re payments for accounting/valuation purposes
- To provide regular debt reports

Audit

- Check with your auditors - what do they expect and need

Possible future amendments?

Deceased individuals – pension payments;

- *Individuals who would have received special pension/additional special pension payments but died before making an election under the 2014 or 2023 Options exercises;*

Deceased individuals – survivor benefits

- *Individuals who didn't join during 2014 Options exercise and have pre-July 2000 service but have died before making an election under the 2023 Options exercise – there is no provision for the additional death grant;*
- *Individuals who didn't join during the 2014 Options exercise (as didn't get an opportunity to) and would have been eligible to elect under the 2023 Options exercise, however, are now deceased – there is no provision for the additional death grant.*

Conversion options for Special Deferred members

Individuals who joined the standard 2006 Scheme and opted out prior to 1 April 2015 – unable to purchase special service during the opted-out period

Survivor's death grant in respect of new cases on or after 31 March 2025

Extending closure deadline of options exercise [by 12 months]

Other things to think about

- **Death grants**
 - Eligibility
- **Tax**
 - Relief on contributions
- **Abatement**
 - Case by case test
- **CPD – APB**
 - Not applicable (in most cases)
- **Split pensions**
 - Reduction in pensionable pay

Cases for deceased firefighters

No requirement to stockpile

- Cases can and should be dealt with asap.

Manual calculation

- GAD calculator will **not** support these case types.
- Methodology set out in regulations
 - [The Firefighters' Pension Schemes \(England\) \(Amendment\) Order 2023](#)
 - Death grant for extended limited period – [Part 5, 1B](#)
 - Additional death grant – [Part 5, 1C](#)

Updated guidance from LGA

- Amendments made to Employer Guide
 - Inclusion of examples

[Member communications](#)

- Initial letter to beneficiary
- Acknowledgement that a claim has been accepted (including bank details form)
- Confirmation letter that case has been settled.

Legislation

Awards on death: Schedule one, Part 5



Death grant



Death grant for limited period



Death grant for extended limited period



Additional death grant



Post-retirement death grant

Death grant for limited period

The Firefighters' Pension Scheme (England) (Amendment) Order 2014

- 1 April 2014

Eligibility criteria

- Employed as a retained firefighter on or after 1st July 2000; and
- Continued in such employment until they died before 6th April 2006

Who qualifies?

1. Spouse or civil partner (not cohabitating partners)
2. A child of the deceased

What did the process look like?

- FRAs to identify eligible cases using reasonable endeavours
- Application to be submitted by beneficiary to FRA before 31 March 2015

What was payable?

- An amount equal to 2.5 x pensionable pay which the deceased received in their last year of service.

Death grant for extended limited period

The Firefighters' Pension Scheme (England) (Amendment) Order 2023

- 1 October 2023
- Extension of what was included in 2014 to included individuals with service for revised in-scope dates

Eligibility criteria

- Employed as a retained firefighter on or after **7th April 2000**; and
- Continued in such employment until they died before 6th April 2006

Who qualifies?

1. Spouse or civil partner (not cohabitating partners)
2. A child of the deceased

What did the process look like?

- FRAs to identify eligible cases using reasonable endeavours
- Application to be submitted by eligible beneficiary to FRA before 31 March 2025

What was payable?

- An amount equal to 2.5 x pensionable pay which the deceased received in their last year of service.
- **An 'additional death grant' of 0.1 of pensionable pay for every complete year the deceased was employed before 7 April 2000.**

Additional death grant

The Firefighters' Pension Scheme (England) (Amendment) Order 2023

- 1 October 2023
- New consideration for second options exercise

Eligibility criteria

- First took up employment as a retained firefighter before 1 July 2000;
- Elected to join the scheme as a Special 'Member' under the first options exercise, and
- Dies before 31 March 2025 without making an election under the second options exercise

Who qualifies?

1. Spouse or civil partner (not cohabitating partners)
2. A child of the deceased

What did the process look like?

- FRAs to identify eligible cases using reasonable endeavours
- Application to be submitted by eligible beneficiary to FRA before 31 March 2025

What was payable?

- An amount equal to 0.1 of pensionable pay for every complete year the deceased was employed before 7 April 2000.

Summary

Death grant for extended limited period

- Served as a retained FF on or after 7 April 2000 and at date of death
- Died before 6 April 2006
- Therefore, never had opportunity to join as a Special member

Additional death grant

- Joined as a Special member under first options exercise
- Has service before 7 April 2000
- Dies before making a choice under second options exercise (*31 March 2025)

Possible future amendments?

Survivor benefits

- Individuals who didn't join during 2014 Options exercise and have pre-July 2000 service but have died before making an election under the 2023 Options exercise
- Individuals who didn't join during the 2014 Options exercise (as didn't get an opportunity to) and would have been eligible to elect under the 2023 Options exercise, however, are now deceased
- [FPS Bulletin 75 – November 2023](#)

Pension payments

- Individuals who would have received special pension/additional special pension payments but died before making an election under the 2014 or 2023 Options exercises.

Scenario one

Facts of the case

- Wrote to eligible beneficiary (spouse) in first options exercise (eligible individual already deceased and died pre-April 2006).
- Widow did not elect for death grant.
- Eligible individual has pre-July 2000 service.

Entitlement

- Eligible for death grant
 - An amount equal to 2.5 x pensionable pay which the deceased received in their last year of service. Plus,
 - An 'additional death grant' of 0.1 of pensionable pay for every complete year the deceased was employed before 7 April 2000.

Scenario two

Facts of the case

- Eligible individual left service between 7 April 2000 and 30 June 2000
- Died after leaving employment, but *before* April 2006

Entitlement

- Nothing
 - To be eligible for a death grant the eligible individual must have died in service

Scenario three

Facts of the case

- Eligible individual died before 6 April 2006 whilst serving as a retained firefighter
- At date of death, they were divorced and had no eligible children

Entitlement

- Nothing
 - Although they meet the criteria for a death grant as they do not have an eligible beneficiary nothing is payable.

Scenario four

Facts of the case

- Joined in first options exercise (when alive)
- Has subsequently died before election under second options exercise
- Member had pre-July 2000 service.
- Member was not married or in a civil partnership at time of death, but does have a child

Entitlement

- Eligible beneficiary entitled to additional death grant
 - An amount equal to 0.1 of pensionable pay for every complete year the deceased was employed before 7 April 2000

Scenario five

Facts of the case

- Wrote to individuals in first options exercise, at which point they were alive – No responses received.
- They subsequently died (one in 2018 and one in 2021).
- They have pre-July 2000 service.

Entitlement

- Nothing currently under the regulations
 - To be eligible for a death grant the individual had to die in service before 6 April 2006
 - To be eligible for an additional death grant the individual had to join under the first options exercise

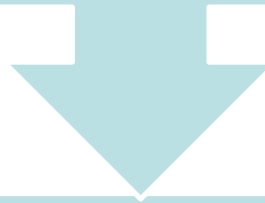
Tax

Adjustments for
loss of tax relief
on employee
contributions



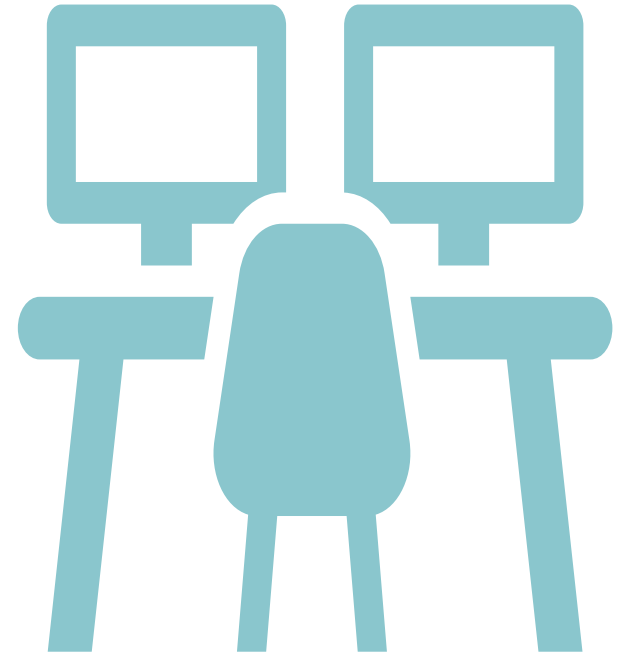
Abatement

Abatement is the ability of the Authority to reduce or stop a member's pension if that member is **re-employed** by any Fire and Rescue Authority in any capacity after retiring.



This is known as 'in-service abatement'

- In the case where a person has two roles before retirement and therefore two streams of income, but only retires from one and continues in the other, the income from the public purse has not been increased, merely one stream of income has been replaced from salary to pension.



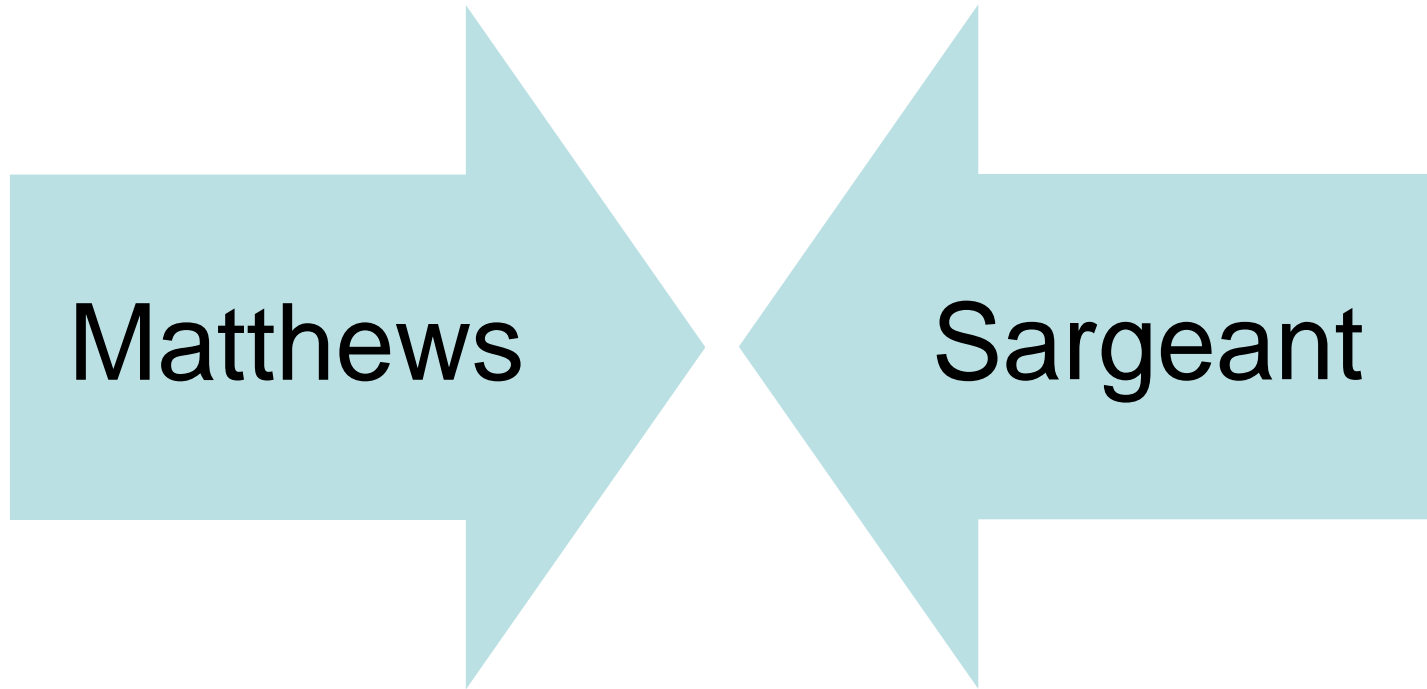
Two pension award



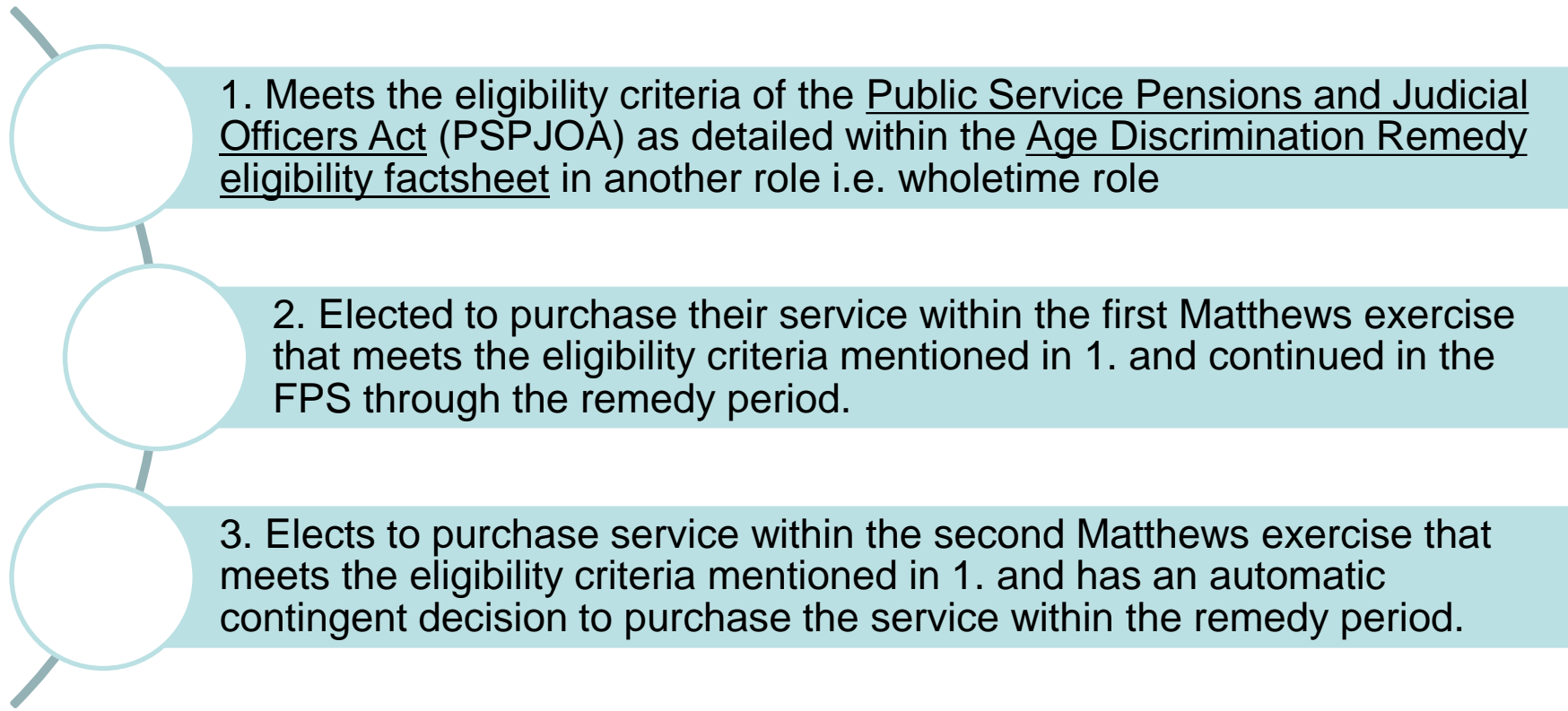
The entitlement to two pensions occurs when a person suffers a reduction to the amount of pensionable pay on

- a) taking up a different role, or
- b) becoming entitled to a different rate of pay in the existing role.

[Two pensions factsheet](#)



Eligibility



1. Meets the eligibility criteria of the Public Service Pensions and Judicial Officers Act (PSPJOA) as detailed within the Age Discrimination Remedy eligibility factsheet in another role i.e. wholetime role

2. Elected to purchase their service within the first Matthews exercise that meets the eligibility criteria mentioned in 1. and continued in the FPS through the remedy period.

3. Elects to purchase service within the second Matthews exercise that meets the eligibility criteria mentioned in 1. and has an automatic contingent decision to purchase the service within the remedy period.

Complexities

Questions and answers

- [Special members of FPS 2006 – Technical query log](#)

- [Query form](#)

Send to

- bluelightpensions@local.gov.uk



LGAs continued work with GAD

Monitoring of the testing phase

- GAD are working on a number of cases with a few FRA's

Wider rollout

- Once the phase of testing is over the LGA will discuss with GAD and agree a date which the process can be rolled out sector wide.

Managing FRA and member expectations

- SLAs are under consideration.

GAD update

Bulletin 83 – July 2024



Cases for deceased firefighters



Higher tier ill health cases



Cases for Home Office consideration



Cases to be forwarded to GAD

[GAD calculator manual cases update](#)

GAD Referral cases

- Individuals where there is direct evidence that they did not pay income tax or paid higher rate tax in their extended limited period, or are subject to tapering of their Personal Allowance at date of calculation (i.e. annual income over £100,000)

Members who -

- opted to cease periodic contributions early (but excluding those who paid a settlement lump sum)
- took part in the first exercise and are converting special service to standard service in the second exercise
- converted special service to standard service in the first exercise
- purchased added years and who might exceed the 30-year service cap
- have an existing split pension award

And

- pensioner members in payment who converted standard service to special service in the first exercise and want to undo that decision
- conversion reversions that lead to contribution refunds or reductions in pension in payment

[GAD calculator manual cases update](#)

Higher tier ill health

GAD guidance 'in train'

- These cases will **not** be dealt with by GAD.
- Expectation is that the FRA will do the calculation using the GAD guidance note.

Guidance will cover specific case types

- Firefighters medically retired between 7 April 2000 and 5 April 2006 inclusive (i.e. New retrospective ill-health awards),
- Eligible pensioner members already in receipt of a retrospective ill-health retirement award, and
- Firefighters medically retired on or after 6 April 2006 who meet the criteria for receiving a higher tier ill-health pension (and who do not also fall into any of the other manual calculation case categories (see slide 6))

Plan for rollout

- Ongoing testing with stakeholders.
- Feedback needed on ease of guidance and whether anything has been overlooked.

Cases to be forwarded to GAD

1. Individuals where there is direct evidence that they did not pay income tax or paid higher rate tax in their extended limited period, or are subject to tapering of their Personal Allowance at date of calculation (i.e. annual income over £100,000)
2. Members who opted to cease periodic contributions early (but excluding those who paid a settlement lump sum)
3. Members who took part in the first exercise and are converting special service to standard service in the second exercise
4. Members who converted special service to standard service in the first exercise
5. Pensioner members in payment who converted standard service to special service in the first exercise and want to undo that decision
6. Conversion reversions that lead to contribution refunds or reductions in pension in payment
7. Members who purchased added years and who might exceed the 30-year service cap
8. Members with an existing split pension award.

Process for referring cases

Currently being tested by limited number of FRAs

- GAD are looking for further volunteers
- Want to 'nail down' the process in the first instance

Proactive actions in the interim

- Identify cases
- Divide into cohorts (1 to 8)
- Prepare the case for submission to GAD....

Case preparation

Full Matthews 2 calculator input data

- Use the individual or bulk the calculator
- Resolved any errors and relevant warnings – there is no requirement to resolve errors directly related to the reason the case is being referred to GAD

Full details of the reason you are referring the case to GAD

- What criteria to it meet for referral?
- To also supply all relevant dates, periods and pay information not already included in the calculator.

A calculation of the service and benefits the member has an option to purchase and convert under the second options exercise.

- To include pension increases to the calculation date and, for pensioners, initial amounts pre- and post-commutation.
- Information must be presented in a way that is as easy for GAD to follow.

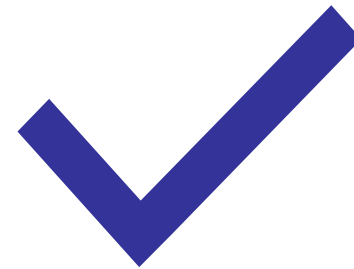
Any other information that you think is relevant to the case

- This will include which category the individual falls in the priority order agreed by the SAB and published on the [FPS regs website](#).

Outstanding issues



Compensation



Aggregation
Under consideration

Cases for Home Office consideration

Cases alluded to in Home Office [consultation](#)

- Commonly referred to as ‘financial detriment’ cases
 - Annual allowance
 - GMPs

Process as normal

- Home Office considering how to address such cases
- Likely to be through compensation
 - Framework on such matters is still under discussion
 - Difficulty not having a primary vehicle i.e. PSPJOA 2022.

Matthews podcast

Background

Member
communications

Responsibility

Possible policy
amends

Ongoing legal
issues i.e.
Aggregation

Outstanding tax
issues

Prioritisation

Interest

When to use an
IFA

Importance of
completing
accurate options
on paperwork

Timeframes

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Thank you for listening!

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