

Matthews

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GAD Note

Bulletin 83 – July 2024



Cases for deceased firefighters



Higher tier ill health cases



Cases for Home Office consideration



Cases to be forwarded to GAD

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.

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 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.

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](#).

LGAs continued work with GAD

Monitoring of the testing phase

- Taking a keen interest in the feedback that GAD are receiving.

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.

FOI Request

Number of completed Expression of Interest forms received for each month from December 2023 to date.

- Current Firefighters
- Firefighters who have left the service
- Firefighters who have left the service and are in receipt of a pension
- Firefighters who have left the service and in receipt of ill health benefits
- Others

Historic pay scales for rank/role of Firefighter

- LFF - Crew Manager, SubO - Watch Manager.
- for each year from 1975 to 2008

Numbers and categories of completed calculations sent to applicants to date, broken down by applicant category and month.

Cost of purchasing historic service per £1000 of salary earned for each year from 1975 to 2008 inclusive of tax relief adjustment.

Interest rate to be applied for each year of payable pension arrears from 2006 to 2024

- [The Firefighters' Pension Scheme \(England\) \(Amendment\) Order 2014](#)
- “future interest rate” is a rate equivalent to 1.5% plus the FTSE Actuaries UK Gilt 10 years yield index less the average of the FTSE Actuaries UK Index-linked Gilt 5 to 15 years index with assumed inflation rates of 0% and 5%
- “past interest rate” is a rate equivalent to the interest available on the most recent issue of five-year fixed interest savings certificates from National Savings and Investments available on the 15th day of each month which would have been applicable to the period in question

Number of Expressions of Interest received requesting costs of converting FPS2006 membership to the Modified Pension Arrangements and how many have been completed and sent out.

Steps for FRA to take

Identify whether a request has been received

Take advice from internal monitoring/governance offer

- Following the code set out by the [ICO](#).

Respond where appropriate

- Within designated timeframes
 - [ICO](#) suggests within 20 working days

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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

IN OTHER NEWS





Red cases

Direction from HMT
HMRC expectations on methodology



Outstanding tax issues

Administrators provided with HMRC
comms in respect of Sargeant
Conversations still ongoing with
HMRC in respect of Matthews



Next coffee morning

Tuesday 20 August @ 10am
Ill health

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Thank you for listening!

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