



Government
Actuary's
Department

Fire Coffee Morning

GAD Matthews Calculator Launch

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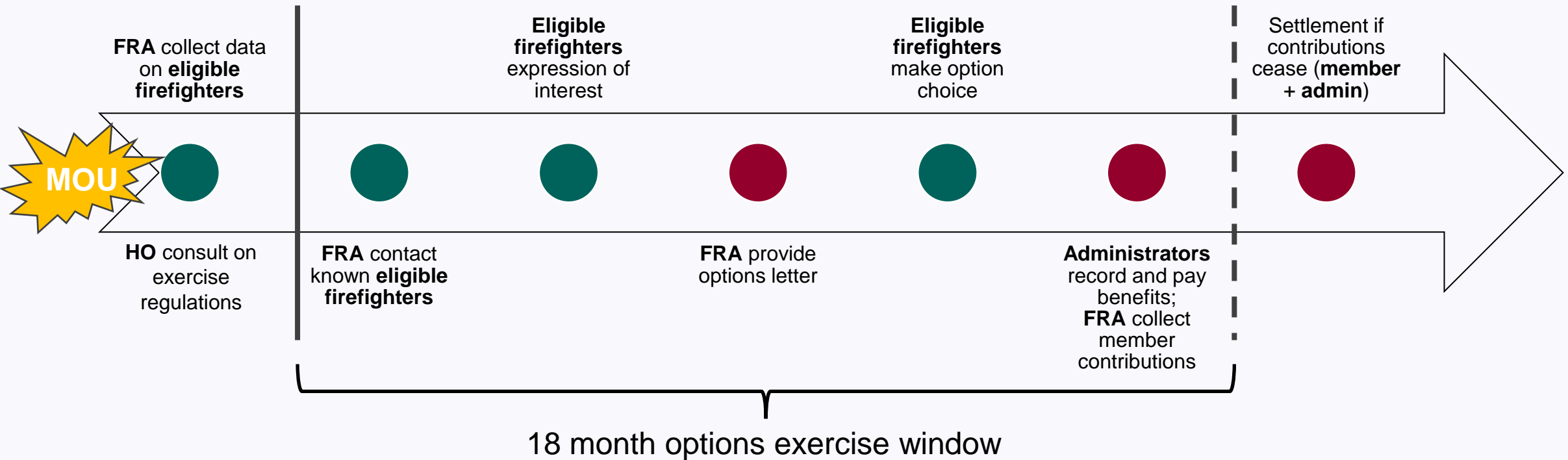
Agenda

1. Exercise workflow
2. Launch plan
3. Live demonstration
4. Q&A



Matthews 2nd exercise: Work stream overview

● Step at which (GAD) FRA calculator intended to be used



FRA calculator functions

Member contributions calculations

- Essential core updates
- Bulk calculation option
- User (FRA) to populate interest rate parameters (avoiding monthly version updates)
- Refreshed outputs to help answer queries

Address 2014/15 lessons learned

Benefit calculations

- service from salary history data provided by FRA
- pension and lump sum from service, pay data from FRA
- Limited other calcs

Fire England SAB/sector request

Second options exercise tool delivery plan



Roll out timings

| | |
|---|--|
| Trial version of calculator (Extension of M1, Bulk input, data verification) | Complete Demo for 1 August Matthews TWG |
| External volunteer group testing (User testing of the standard and bulk interface) | External testing launch 23 August Kent, Bedfordshire, Cumbria, Lancashire |
| First live version (Straightforward cases, fully tested, user guide) | 19 October – live sample test case review commencing |
| | 31 October – webinar launch (full roll-out for November use) |
| Second live version (Final policy decisions, fully tested, user guide) | Late 2023 |
| Case by case (Scenarios lower frequency high complexity) | GAD will prioritise the calculator roll-out in Q4, but develop framework for processing manual cases |



Calculator scenarios: First live version

| Supported scenarios | Key checks |
|---|---|
| Cohort 1 (can buy mandatory period benefits only) | Must be eligible for exercise under one of the three MoU criteria |
| Cohort 3 (existing M1 functionality, but not special to standard conversions) | Must not have participated in the (1 st) 2014 exercise |
| Cohort 2 who did not purchase at M1 and are not eligible to convert 2006 service | Has not asked to convert any (2 nd) 2023 exercise special service to standard 2006 service |
| Cohort 2 who did not purchase at M1 and are eligible to convert 2006 service (standard to special conversions only) | Must be a basic rate taxpayer (and not a higher rate tax payer) if currently employed as a firefighter. |
| BUT excluding any scenarios included at second version or case by case only | Is not covered under any of the case by case scenarios |

Calculator scenarios: Second live version

Second live version

Cohort 2 who did not purchase at M1 and are eligible to convert 2006 service (special to standard conversions)

Cohort 2 who did purchase at M1

Cohort 3 (special to standard conversions)

Current firefighters earning outside of basic rate tax bands at election.

(excluding any case by case scenarios)



Case by case scenarios (current expectations)

Cases which we do not expect to automate via the FRA calculator

Firefighters medically retired between 7 Apr 2000 – 5 April 2006 inclusive

Revising retrospective ill-health retirement awards

Earnings outside of basic rate tax bands during the extended limited period

HMRC tax relief moratorium cases

Members who ceased periodic contributions early (but excluding those who paid a settlement lump sum)

Conversion reversions that may lead to member contribution refunds

Conversion reversions that may lead to reductions in total pension in payment

Purchased modified scheme AP and who might now exceed the 30-year service cap

Deceased firefighters

Calculator Demo



Summary and questions

Version 1

- LGA member area
- Check egress access
- Interest file next week
- Check cases supported
- Sources of help

Future steps

- Version 2 by end 2023
- Manual cases early 2024
- Data collection
- Keeping in touch



Questions





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