



Information

“Matthews” second options exercise pre-work for FRAs

Purpose

This factsheet has been prepared to help FRAs who are collating data on the Matthews second options exercise.

Before the Matthews remedy legislation is in force and the implementation period begins, there are several things that FRAs can do now and are encouraged to do between now and October 2023. This is because there are some interactions between the McCloud remedy and the Matthews remedy. It is vital to identify the different cohorts for Matthews so that you can liaise with your pension scheme administrators.

You may also wish to discuss the project with your administrator if you have not already to make sure that expectations are clear on both sides, for example, which party will be responsible for which elements of the project.

Identification of cohorts that are in scope

If you have not yet identified your list of “in scope” records for the Matthews remedy, then this should be a priority.

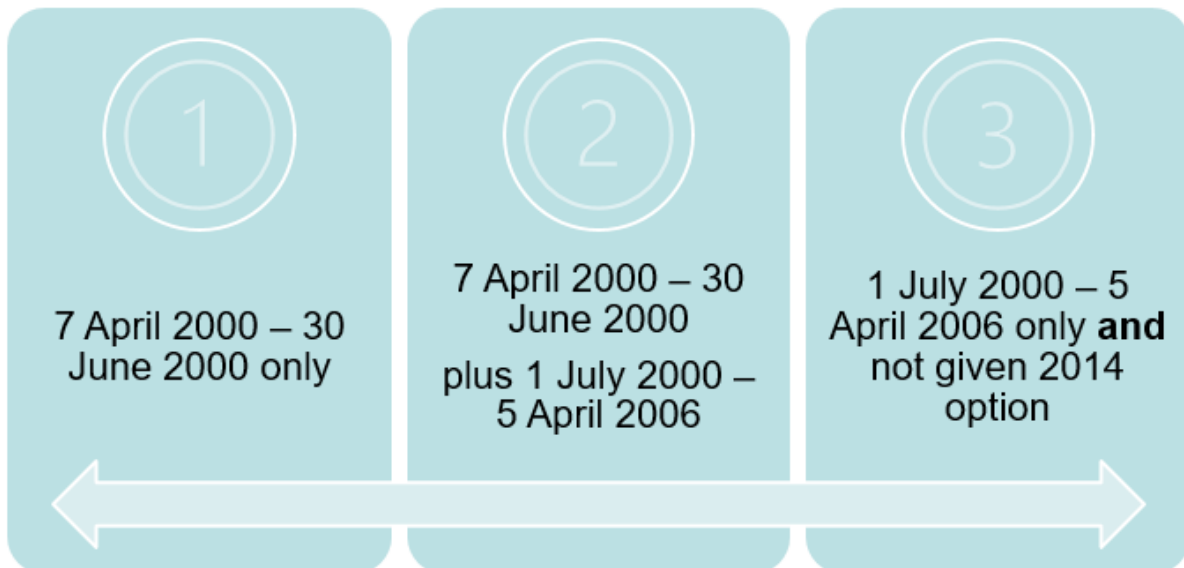
The list of records should contain the latest known address or email address for the retained firefighters as communications will need to be sent to these individuals. [Warm up communications](#) can be sent in advance of October 2023, which will not only identify where you no longer hold a current address but also help to start the engagement with this group of individuals.

A spreadsheet containing a list of individuals, their contact details, the date that any letter was sent and how this was sent, i.e., 2nd class post, recorded delivery, email, should be created.

- You should maintain this list to take account of any returned mail and any changes in contact details.

- You should also keep a master copy of the letter so that the documents can be used to prove that contact was made, the type of contact, and where and how the letter was sent.
- This list and master letters should be maintained/ retained by the FRA indefinitely.

Cohorts



- Cohort 1: Retained firefighters who left employment between 7 April 2000 and 30 June 2000 (inclusive).
- Cohort 2a: Retained firefighters who elected to purchase service from 1 July 2000 under the first options exercise, but employment commenced prior to 1 July 2000
- Cohort 2b: Retained firefighters who did not elect to purchase service from 1 July 2000 under the first options exercise, but employment commenced prior to 1 July 2000. The service purchase end date will be the earliest of:
 - a) date joined FPS 2006 as a standard member or FPS 2015 in this employment,
 - b) the date of leaving employment, or
 - c) 31 March 2022.
- Cohort 3: Retained firefighters who were first employed on or after 1 July 2000 and did not have the opportunity to elect to purchase service under the first options exercise. The service purchase end date will be the earliest of:

- a) the date they joined FPS 2006 as a standard member or FPS 2015 in this employment,
- b) the date of leaving employment, or
- c) 31 March 2022.

For retained firefighters in cohorts 2a, 2b, and 3 further analysis work will then be required to see if they may also be subject to the McCloud remedy.

Cohort 2a

These members have already purchased/ are purchasing their backdated membership. For this group you will need to identify:

- The options that they chose and were applied during the first options exercise:
 - Whether or not they joined FPS 2006 scheme as a standard member in this employment and the dates applicable.
 - For those that did join FPS 2006 scheme as a standard member, if they elected to convert standard to special service, special to standard service, or if they did not elect for any conversion.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.
 - If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

In addition, you will also need to identify any special members who initially elected to purchase their service under the first options exercise, but who ceased their payments prior to the completion of the 10-year periodical payments, for example, they changed their mind or they left prior to retirement and were not given the opportunity to continue with their payments. For any of these members, you will need to identify details of what they purchased as they will need to be given the option to purchase all of their service again, less what has been paid so far.

Cohort 2b

These members did not purchase anything previously so now they need to be given the option for all of their service. For this group you will need to identify:

- Whether or not they joined FPS 2006 scheme as a standard member or FPS 2015 in this employment and the dates applicable.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.

- If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

Cohort 3

These individuals did not purchase anything previously so now they need to be given the option for all of their service. For this group you will need to identify:

- Whether or not they joined FPS 2006 scheme as a standard member or FPS 2015 in this employment and the dates applicable.
- Whether there will be any potential impact from the McCloud remedy:
 - If membership ceased on or before 31 March 2015 then there is no impact.
 - If there is membership between 1 April 2015 and 31 March 2022 then there will be an impact.

For cohorts 2a, 2b and 3 you need to identify if there is an interaction with the McCloud remedy as the pension administration teams will need to know to pause these cases until the Matthews remedy options have been provided.

As there are only 18 months to implement both remedies, it will be vitally important that these cases are identified and dealt with as soon as possible after 1 October 2023 so that the McCloud remedy options can still be provided in good time.

Pay data

You will need to identify how far back your pay records go and if you have any gaps, and whether you have no pay history, partial pay history or full pay history for each period of employment. Where you do have partial or full pay history, you will need specific pay data for each scheme year (1 April to 31 March):

- Actual pay for each scheme year of employment
- Whole Time Equivalent average reference pay for each scheme year of employment

Where you have pay data that was collected for the first options exercise this should be retained and **must** be used for the relevant periods from 1 July 2000.

FRAs may not have pay data going back to the start date of employment. Where pay data is held (in whatever format) this **must** be used, so you should use best endeavours to find all relevant pay data.

Where FRAs have gaps in pay data it may be possible to use some standard assumptions and more details of this will be communicated in due course. These assumptions must only be used for periods of service before 1 July 2000.

To assist FRAs with establishing reference pay for each year, [Firefighters annual rates of pay](#) back to 1977 can be found on the FPS regulations website in the member restricted area.

If you do not have access to the restricted area, please email bluelight.pensions@local.gov.uk.

Please note that access is only provided to FRA practitioners and pension scheme administrators.