

FPS Bulletin 23 – August 2019

Welcome to issue 23 of the Firefighters' Pensions Schemes bulletin.

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 the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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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 contact [Claire Hey](#).

Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM Day 1 Day 2	24-25 September 2019
SAB	3 October 2019
North East regional group	4 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Fire Communications Working Group	16 October 2019
SAB Administration & Benchmarking/ Cost-effectiveness committee	24 October 2019
South East regional group	28 October 2019
Pensions tax seminar	12 November 2019
SAB LPB effectiveness committee	14 November 2019
SAB	12 December 2019

FPS

Aon administration and benchmarking review – final report

In 2018, the Scheme Advisory Board (SAB) commissioned an administration and benchmarking review¹ with the aim of establishing how much the scheme costs to run and how effective administration is.

After a procurement process Aon were appointed to undertake the project, and the exercise saw all FRAs and administrators answering a number of questions about costs, resources and service, while members also had the opportunity to complete a short questionnaire on their experiences.

The results are now in and following detailed analysis, we are pleased to publish the final report². The SAB, supported by its three committees, is now considering the recommendations made and will issue a report focusing on the actions needed to progress this work.

¹ <http://www.fpsboard.org/index.php/board-publications/administration-and-benchmarking-review>

² <http://www.fpsboard.org/images/PDF/Surveys/Aonreportfinal.pdf>

With regard to the cost of the scheme, readers should note that this is a first attempt to analyse how much the scheme costs to run; some FRAs were not able to provide any cost information and others only some. Therefore, the costs indicated in the report cannot be taken at this stage to be a completely accurate reflection. Nevertheless, the Board feel that this was a worthwhile first step and will be looking to collate costs on an annual basis going forward in order to establish a more accurate reflection.

Needless to say, there are challenging, but exciting, times ahead.

The report can be found at [Appendix 1](#) and we would encourage all FRAs to read this and discuss with their Local Pension Board (LPB) how their individual results compare against the national picture.

GAD data improvement reports for FRAs

As we reported in [FPS Bulletin 8 – May 2018](#), some FRAs had data excluded for the purposes of setting assumptions for the 2016 FPS valuation. Each FRA affected was contacted individually to advise where the data discrepancies lay.

Further to this, GAD have prepared individual data improvement reports for every FRA to help them understand why data provided may not have been considered usable. The purpose of the note is to inform where improvements to the member data held/provided for valuations could be focussed to enable more data to be included for the 2020 valuation. We will be circulating the relevant note to each FRA over the coming weeks.

FPS contacts for HMRC

Back in 2015 when the Pension Scheme Tax Reference (PSTR) numbers were being set up for the new scheme, we provided HMRC with a list of contact names, addresses, and email addresses for each FRA.

HMRC are now looking to get their records as up to date as possible and have asked if we can supply them with current contacts. Ideally they require details of the Pensions Manager or senior person responsible for pensions administration within each FRA.

ACTION: FRAs to provide the name, address, telephone number, and email address for the pensions manager or senior responsible person.

Please email bluelight.pensions@local.gov.uk by 30 September 2019 using the subject line “FPS contacts for HMRC”.

A word about breaches

At Annual Benefit Statement (ABS) time we get a lot of queries about breaches of law if statements have failed to be issued by 31 August even if this is just for a limited number of members.

We would like to take this opportunity to remind readers that ALL breaches of law must be recorded and assessed for materiality. If the breach is considered to be material then it should be reported to TPR.

To assist scheme managers and pension boards with this we have provided a breach assessment template³ that allows you to assess the breach and also acts as a recording document of the breach.

TPR have issued guidance on reporting breaches in paragraphs 247 -271 of the Code of Practice 14⁴ and issued example breaches using the traffic light framework⁵. Materiality to TPR needs to be assessed across the four areas of Cause; Effect; Reaction and Wider Implications.

TPR have previously stated that numbers alone doesn't necessarily make the breach immaterial; they would also want to know frequency and history, i.e. is a certain category of member receiving statements late each year, if so what is the reason and what is being done to ensure that future statements are on time for these members.

In the recently published TPR governance and admin survey⁶, TPR expressed concern that of 17% recognised breaches only 2% had been recorded as material. This might prompt them to look further at Fire breaches over the next year, therefore if late issue of ABS is not reported to be material, there would be an expectation that they would request to see documentation of the recording of the breach and an assessment of materiality.

SAB Administration & Benchmarking committee vacancy

A vacancy has arisen on the [Administration & Benchmarking committee](#) for an FRA Local Pension Board representative. The main objectives of the committee are to provide guidance to the SAB to understand the value and cost of administration, and consider how administrators can best be supported by identifying best practice. The committee are currently involved in considering the recommendations made by Aon in the [administration and benchmarking review](#) and how these can be progressed.

The required commitment is attendance at three to four meetings per year, generally held in London. Attendance can be made by conference call if necessary. If you are interested in sitting on the committee, please email clair.alcock@local.gov.uk for further information.

New factsheet – Compensatory ill-health pensions

Following recent discussions at the Firefighter Pensions Technical Community, we have produced a factsheet on compensatory ill-health pensions paid to retained firefighters.

This factsheet has been prepared to give guidance to FRAs on when entitlement to a compensatory 'ill-health' pension payable under The Firefighters' Compensation Scheme (England) Order 2006 ("compensation scheme") arises for a retained firefighter who was employed prior to 6 April 2006 and where the injury occurred before 1 April 2014.

³ <http://www.fpsboard.org/images/LPB/Resources/Breachassessment210119.docx>

⁴ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/code-14-public-service.ashx>

⁵ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/ps-reporting-breaches-examples-traffic-light-framework.ashx>

⁶ <https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/public-service-research-2019.ashx>

These firefighters were given compensatory provisions under the compensation scheme rules because they could not join the Firefighters' Pension Scheme 1992 (FPS 1992).

The factsheet has been published on the [factsheets](#) tab of the FPS Regulations and Guidance website and is also attached as [Appendix 2](#).

August 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 on a monthly basis in line with the bulletin release dates.

Queries from earlier months have been grey-shaded to differentiate from new items added in July.

Other News and Updates

The Pensions Ombudsman (TPO) dispute resolution – consultation response

The Government have published their consultation response⁷ into TPO's dispute resolution provisions. The consultation, which ran from 19 December 2019 to 18 January 2020, sought views on: making new provision for dispute resolution, to include a function for early resolution; allowing an employer to raise a complaint or dispute to TPO on its own behalf; and new signposting provisions.

The Pensions Regulator (TPR) scheme return

Schemes are advised that TPR's Public Service Pension Scheme return (2019) is currently scheduled for late September.

"Wake-up" communications will be sent to FRA's named scheme managers to alert them to this forthcoming event.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 112 and 113 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 112 – 31 July 2019](#): Relief at source | Pension flexibility statistics | Annual allowance | The Pensions Regulator (TPR)'s consultation on the future of pension trusteeship and governance | Qualifying Recognised Overseas Pension Schemes (QROPS) transfer statistics |
- [Pension schemes newsletter 113 – 29 August 2019](#): Relief at source - annual returns of information for 2018 to 2019 | Relief at source - APSS106 annual claims for 2018 to 2019 | Annual allowance - pension savings statements for 2018 to 2019 |

⁷ <https://www.gov.uk/government/consultations/the-pensions-ombudsman-dispute-resolution-and-jurisdiction/outcome/government-response-the-pensions-ombudsman-dispute-resolution-provisions-and-widening-of-jurisdiction>

Administrators are reminded that annual allowance pension savings statements for the 2018-19 tax year must be issued to members who exceeded the annual allowance, by 6 October 2019. More information can be found in the Pensions Tax Manual at [PTM167100](#).

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, was published by HMRC on 30 July 2019.

[Countdown bulletin 47](#)

Updates include:

- Scheme financial billing exercise
- Scheme financial refund exercise
- Returned cheques

2018/19 Event Reporting - Annual Allowance Statements & Lifetime allowance

As last year, HMRC is prepared to accept from PCM customers, scheme data regarding pension savings statements for 2018-19 on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2018-19, with the exception of the lifetime allowance protection regimes (see below), must be submitted via Pensions Online.

This concession is on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2018-19 Event Report. The data must be submitted by 31 January 2020 and HMRC reserves the right to open enquiries based on any of the pension savings statement information provided.

The data required for each member is as follows:

- Name of Member (Title, First Name, Surname)
- National Insurance Number of Member
- Aggregate Pension Input Amounts for the scheme (x)
- Tax Year Ending (that the information relates to)
- Have you provided this member with a pension savings statement under regulation 14A(1)(b)(ii) SI 2006/567? (Y/N) (Money Purchase Pension Savings Statement)
- If Yes, provide the Aggregate Pension Input Amounts for Money Purchase Arrangements (y)

All fields must be completed. For members who have both (x) & (y) above, it would be helpful if you could list the data in the same line on the spreadsheet.

Guidance is included at:

<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm161600> and
<https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual/ptm167000>

For the data to be compatible with HMRC's IT systems it must be submitted in the following format:

Excel 2003

Encryption via Winzip (up to and including version 17.5)

256 bit AES

File to be password protected

Passwords to be provided by separate cover

All files should be sent via e-mail to pensions.businessdelivery@hmrc.gov.uk and your PCM copied in. Files will need to be below 5MG, however HMRC will accept multiple submissions if the original file size exceeds this. HMRC will notify the scheme of receipt to enable the passwords to be provided under separate cover.

We would like to remind FRAs that where members have breached the £40k limit across two schemes or are subject to a tapered Annual Allowance, the [Voluntary Scheme Pays guidance](#) applies.

Lifetime Allowance

You may recall from last year that, in accordance with article 6.2 of the [Pension schemes newsletter 85 - March 2017 - GOV.UK](#), the Event Report hasn't been amended to include lifetime allowance protections that members applied for online. If you need to submit these details to HMRC, you can also submit them on a password protected spreadsheet and send the password in a separate email.

You should put 'Lifetime allowance – Event Reporting' in the subject line of your email and send this to pensions.businessdelivery@hmrc.gov.uk and, again, copy in your PCM. This data must also be provided by 31st January 2020.

If the scheme chooses to use this facility to provide this information, it is entirely at the scheme's own risk. HMRC accept no responsibility of loss, interception or corruption until data is delivered safely to them.

Training and Events

FPS AGM – London – 24-25 September 2019

We are pleased to announce that booking for the ever popular Fire Pensions Annual Conference is now live. The event was advertised by email on 9 August 2019 and a number of places are still available to book.

The two day programme allows delegates to network with fellow colleagues and hear the latest news on the Firefighters' Pension Scheme (FPS) from the scheme's key stakeholders.

You will hear important updates, including:

- Chairman of the Scheme Advisory Board
- The Home Office
- Legal updates

As well as providing the opportunity to network with other FPS stakeholders, there will be interactive and thought provoking workshops to take part in during the day, on topics such as

- Abatement
- Transitional pension calculations
- National performance monitoring

Timings are provided below and the full programme will be available shortly. Use the links to book your place now. **Please note that each day must be booked separately.**

[Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm](#) followed by drinks reception

Primarily for Scheme Managers and Local Pension Board chairs, day 1 of the conference will provide practical guidance on the role of the [scheme manager](#) and will offer the opportunity to network with counterparts in other Fire Authorities.

Following this session there will be a drinks reception on the terrace from 6:45pm

Day 2 – Wednesday 25 September 2019 9:30am - 3:30pm

Day 2 of the conference provides delegates with an annual update on the Firefighters' Pension Scheme from key stakeholders.

We look forward to welcoming you to the event!

Legislation

There have been no new items of legislation laid since our April bulletin.

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](#)

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