

West Midlands Fire and Rescue Authority

Pension Board

**You are summoned to attend the meeting of Pension Board to be held on
Tuesday, 10 September 2019 at 10:00**

at Fire Service HQ, 99 Vauxhall Road, Nechells, Birmingham B7 4HW

for the purpose of transacting the following business:

Agenda – Public Session

- | | | |
|----|--|-----------------|
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| 2 | Declarations of interests | |
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Distribution:

Neil Chamberlain - Independent Chair, Wendy Browning-Sampson - Employer Representative, Julie Felton - Employer Representative, Adam Harper -Scheme Member Representative, Emmett Robertson – Scheme Member Representative, Kal Shoker – Employer Representative, Alan Tranter – Scheme Member Representative

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This agenda and supporting documents are also available electronically on the West Midlands Fire Service website at www.wmfs.net

Minutes of the Pension Board

Item 3

4 June 2019 at 1400 hours held at
Fire Service Headquarters,
Vauxhall Road, Birmingham

Present:

Adam Harper - Employee Representative
Alan Tranter - Employee Representative (Chair for this meeting)
Emmett Robertson - Employee Representative
Wendy Browning Sampson - Employer Representative
Kal Shoker - Employer Representative
Ian Cross - (Representing Pensions Adviser)

Apologies:

Neil Chamberlain (Chair)
Paul Gwynn, Pension Adviser

Ian Cross Introduced himself as Paul Gwynn's representative

14/19 Appointment of the Chair of the Pensions Board

Alan Tranter, Employee Representative, chaired the meeting in the absence of Mr Chamberlain.

15/19 Minutes of Pensions Board held on 4 March 2019

Minute No 13/19 The letters IDPR should read IDRP and in Action 3 the word "obtain" should read "request".

The minutes were received as a correct record.

16/19 Actions from the Minutes

Wendy Browning Sampson had contacted Regional Brigades about their Risk Registers but had not received any feedback to date.

Paul Gwynn and Wendy Browning Sampson were working together on the Risk Register using the Template provided and Best Practice and would present a report to the September meeting of the Pension Board.

Alan Tranter suggested that the Pension Board Risk Register should complement the Brigade Risk Register rather than a stand-alone Risk Register.

Wendy Browning Sampson confirmed that the Pension Board would have an opportunity to discuss how the Risk Register would be controlled and audited and compliant at the September meeting of the Board.

Alan Tranter suggested that the Clerk to the Authority should be invited to attend the meeting as the link with the Authority and also stated that he would prefer the Scheme Manager to be a named person rather than the Audit and Risk Committee. He felt the Board needed a realistic Risk Register.

The Board discussed possibly inviting an Internal Auditor to provide an input annually at a meeting and strengthening the connection with the Audit and Risk Committee and inviting the Clerk to explain the governance arrangements to the Board.

Kal Shoker confirmed that the organisation is subjected to audits and if either the internal or external auditor became aware of any issues e.g. GDPR, they would make the Members and Officers aware.

Kal Shoker confirmed that the Auditors carried out sample testing, and produced the Annual Audit of Accounts to the Audit and Risk Committee and Grant Thornton present an Audit Findings Report that encompasses payroll and pensions.

Ian Cross also confirmed that the Pension Section is Audited by Sandwell MBC and Grant Thornton who look at both processes and calculations.

The Pension Board requested that the Risk Register and Controls were fit for purpose.

The Pension Board requested that the Combined Authority risk be removed from the Risk Register.

Action 6 Wendy Browning-Sampson had spoken to regional colleagues regarding Pensions training and they were happy with the shared approach to training. It was agreed that each Service would host a training session, but this would be open to Regional colleagues.

Wendy Browning-Sampson agreed to look at opportunities for specific training and would set up the first joint training day with Regional colleagues and would share the date with colleagues.

Adam Harper requested that some consideration be given to dates as he was watch based.

Engagement with the Audit and Risk Committee was discussed. The Board were concerned at the lack of continuity and it was agreed that a Joint Training Day would be arranged with the LGA for both the Audit and Risk Committee and Pensions Board. It was felt that this would provide more information and build relationships.

Wendy Browning-Sampson agreed to contact Claire Hey to arrange joint training.

Kal Shoker and Emmett Robertson confirmed their attendance at the forthcoming Pension Wrap Up Training in London on 18 June 2019.

Adam Harper confirmed that he had read all the information on the Pension Regulator site and would work through the modules on the LGA pension site.

17/19 Pension Section Supporting Information

Ian Cross presented the Pension Section Supporting Information

He stated that there are three Members in the Section with one new Member joining the team.

Over the last 4 or 5 years the number of queries and answers are becoming more individual and less generic.

The report set out the number of Opt Out's and the Board were informed that Paul Gwynn had sent out a questionnaire to those people who had Opted Out in order to establish the reasons. The general theme of the returns indicated the cost of the scheme and contributions, personal financial commitments and mortgages. Some employees indicated that they would join again in the future.

More recently some new recruits are opting out during their training period, with the intention of rejoining on the completion of training.

The Board were informed that an Auto enrolment process would be undertaken from the 1 June 2019. This process happens every three years.

Anyone who had opted out last year would be auto-enrolled this year and over 100 people who had opted out last year would be auto-enrolled.

In response to a question from Alan Tranter regarding those who do not wish to auto enrol, Ian Cross confirmed that it was a legal requirement to auto enrol non-members every three years, except for those who opted out within 12 months of the auto enrolment date (1 June 2019).

Wendy Browning Sampson confirmed that the timescale around this was a decision of the Scheme Manager.

The members can opt out following auto enrolment by emailing the Pensions Team and requesting an Opt Out form.

Employees would then receive a refund of their contributions if the form was returned in 3 months but not afterwards when it would be held in the scheme as a deferred benefit.

The 2015 deferred pension age is the state pension age. They can rejoin and benefits added together and pension claimed at 60.

Ian Cross confirmed that the 10 June was the payroll deadline. Contributions deducted in June would be refunded in July where appropriate.

Emmett Robertson felt that this was harsh and could leave members in hardship and suggested that employees could be informed in May.

Further to Wendy Browning Sampson's query, Ian Cross confirmed that Paul Gwynn would accept forms that are signed and scanned and emailed into the Pensions Section.

Kal Shoker stated he would like to think that as a good employer the Authority would refund if there was a good reason.

Alan Tranter stated it was good to see the number of new people joining, but was disappointed to see that the number of leavers had increased.

18/19 High Court Ruling on Pensionable Pay Booth and Jones v Mid and West Wales FRA.

Bulletin 20, included a link to a factsheet that provided further information and guidance to FRS on the elements of pay that were considered in the case and the rationale for the pension board pay judgement.

Members of the Board were recommended to read the Appendix attached to the latest Bulletin 20.

Kal Shoker enquired about the McCloud Sargeant Judgement and it was confirmed that the outcome was expected in July 2019.

Ian Cross stated that full details of all Schemes could be found on the FPS site under Regulations and Guidance

Emmett Robertson stated that he found the additional training he received when visiting the Section very useful.

19/19 Annual Report of the Pension Board 2018/19

The Board agreed the Annual Report with slight amendments. It was noted that the Employer Representative position was vacant and Wendy Browning-Sampson stated that she was awaiting a direction of travel in respect of his post.

Kal Shoker agreed to discuss the Employer Representative Post with Mike Griffiths as following the retirement of the Deputy Chief Fire Officer this was now his area of responsibility

Following the retirement of the DCFO Phil Hales, the responsibility for Pension Board now lays with the Treasurer, Mike Griffiths, and on this basis the Pension Board asked Mike Griffiths to appoint to the Employer Representative vacancy.

The Pension Board also requested that the Authority name a person i.e. (Chair of the Audit and Risk Committee) as the Scheme Manager rather than the Audit and Risk Committee.

In the Terms of Reference under Definitions "West Midlands Fire" would be amended to read West Midlands Fire means the West Midland Fire & Rescue Authority.

20/19 Risk Register

The Transfer of Governance to the Combined Authority would be deleted.

21/19 Bulletins 17/18 and 19/20 (circulated following release of the agenda)

The Board discussed unpaid leave, parental leave and contributions on unpaid leave but Ian Cross stated many of the issues were dependent on the scheme and individual.

Adam Harper enquired about the SERPS system and how it impacts on Members. Ian Cross confirmed that employees were contracted out up until 2016 and paid lower National Insurance Contributions as there was a two-tier state system for both Public and Private Sector Schemes.

After 2016 everyone paid the full National Insurance Contributions and there is a fact sheet referred to in the Bulletins about the ability to pay more to the Department of Work and Pensions in order to top up state pensions.

The Clerk to ensure the Chair of the Pension Board can attend or send a representative to the Annual Pension Conference in September 2019.

It was agreed that Julie Connor would circulate the Pension Regulator updates as and when they were received.

22/19 Training

Training had been discussed during the meeting.

23/19 Pension Board Activity Log 2016-19.

The Pension Board Activity Log was received.

24/19 Pension Board Work Programme 2018/19

The Pension Board Work Programme 2018/19 was received.

25/19 Updates on Topical, Legal and Regulatory Issues

Any issues had been discussed through the meeting.

26/19 Emmett Robertson provided an update from his attendance at the training

Emmett Robertson had attended a training session in London where the latest administration survey had been discussed.

The results showed there was room for improvement in the administration of Pension Boards. The West Midlands Pension Board conformed to the recommended 4 meetings a year and had 7 members.

Handover training had been a recommendation for replacements and cyber risk testing had also been discussed.

Emmett Robertson found the training very useful.

PENSIONS BOARD 4 JUNE 2019	
ACTIONS	
Action No.	Action
11	Wendy Browning Sampson and Paul Gwynn to present draft new Risk Register at the September Pension Board and were fit for purpose
12	The Clerk to the Authority to be invited to the next Pension Board to discuss the link with the Scheme Manager and governance arrangements
13	Pension Board to consider inviting Internal Auditor to one meeting per year
14	The Combined Authority reference to be removed from the Risk Register
15	Wendy Browning-Sampson to liaise with Regional Colleagues to arrange joint training in December 2019
16	Joint LGA Training to be arranged with the Audit and Risk Committee. Wendy Browning Sampson to liaise with LGA
17	Members to read Bulletin 20 Appendix re High Court Ruling
18	Pension Board Annual Report to be amended and presented to Audit and Risk Committee
19	Kal Shoker to discuss the Employer Representative Vacancy with the Treasurer
20	The Clerk to the Authority to be requested to consider that the Authority have a named person as the Scheme Manager
21	Representation at the Annual Pension Conference to be arranged
22	Julie Connor would circulate future Pension Regulator correspondence received by the Chair

WEST MIDLANDS FIRE AND RESCUE AUTHORITY ^{Item 4}

PENSION BOARD

10 SEPTEMBER 2019

PENSION SECTION SUPPORTING INFORMATION

1. **WEST MIDLANDS FIRE SERVICE FIREFIGHTERS' PENSION SCHEMES MEMBERSHIP AS AT 31 August 2019**

Active Firefighters	1,401	(+3)
1992 Scheme members	173	(-20)
2006 Scheme members	7	(-1)
2015 scheme members	1,088	(+45)
Non-members	154	(+11)
Pensioners	2,177	(+24)
Dependants	401	(+6)

The figures in brackets indicate movement since 30 April 2019.

2. **ANNUAL ACTIVITY LEVELS**

2.1 During the last twelve months (01/09/2018 to 31/08/2019) the following levels of activity have been experienced:-

Age Related Retirements	74	(+3)
Ill Health Retirements	6	(+1)
Opt outs	60	(+32)
Other leavers	43	(+3)
New joiners	88	(-19)
Applications to transfer in/out	29	(-6)

The figures in brackets indicate movement since 30 April 2019.

- 2.2 The section has also processed the requests shown in the table below and achieved the levels of performance shown.

Request type	Received	Average Response time in days
Benefit Estimate	91 (-18)	75 (+36)
CETV for Divorce	16 (-3)	48 (-18)
General Information	39 (-25)	17 (-18)

The timely issuing of Annual Benefit Statements last year along with an increased understanding of the scheme by members may be the reason for the reduction in activity levels. The queries being received are now more complex in nature and this is driving an increase in response times.

3. **INTERNAL DISPUTE RESOLUTION PROCEDURE (IDRP)**

Two further cases have progressed to IDRP since the last Board meeting. Both cases relate to the treatment of pay during temporary promotion. In both cases the members dispute has been rejected. One member has submitted an appeal. The other has not yet, but is still within time to do so.

4. **OPT OUT LEVELS AND REASONS**

During the 12 months ending 31 August 2019, 60 members opted out of the Firefighters' Pension schemes. These are primarily as a result of Auto-enrolment, which took place on 1 June 2019.

The primary reason for members leaving the scheme still appears to be cost. This is particularly noticeable amongst new recruits, who tend to have taken a drop in pay to become Firefighters. These staff are telling us that they will rejoin the scheme on becoming qualified.

Paul Gwynn
Payroll and Pensions Manager

Firefighter Pension Scheme Risk Register

Risk Area - OPERATIONS	Likelihood	Impact	Score	Control	Owner	Assigned to	Test / Review	Comments
1. Operational disaster (i.e. flood/fire)	1	8	8	All records are stored electronically. Data is backed up regularly and server providers also have business continuity procedures in place.	Pension Provider	Pensions Manager	Annual review	Business continuity and safety/security of records is part of day to day management.
				Pension files are predominately paper but we are moving to electronic records slowly.	Scheme Manager	Pensions manager		Business continuity and safety/security of records is part of data storage contract agreements
2. Member data incomplete or inaccurate	3	8	24	Annual reconciliation of member data to ensure accuracy and resolve any gaps	Scheme Manager	Pension Manager	Annual	Currently, checks are completed in preparation for annual returns.
				Address data cleanse completed annually and any addresses found to be incorrect are investigated using a tracing agency	Pension Provider	Pension Manager	Annual	
				Robust payroll processes in place to ensure accuracy of data sent to pension provider	Scheme Manager	Pension manager		
3. Administration Failure / Maladministration	2	9	18	Staff are employees and managed through normal operational processes	Scheme Manager	Pension Manager	Quarterly	

				Authority Levels and signatory lists clearly documented and up to date	Scheme Manager / Provider		When there is a change in staff or policy	
				Review Pension Providers audit reports	Scheme Manager	Pension Manager		
4. Computer system failure at pay date	2	2	4	Pay the previous month Pension from the file id with adjustments for death or part period payments. If notification that system will not be available or when upgrade is going through at compliance date. Trial pay run can be used as actual if testing fails	Scheme Manager	Pensions Manager		
5. Failure to process BACS	2	2	4	Internal process for ensuring that BACS has been sent.	Pension Provider	Pension Manager		
6. Payment made to ineligible pensioner.	2	2	4	Annual Certificate of identity process in place.	Pension Provider	Pension Manager		
7. Fraud in Payroll office.	1	6	6	Reconciliation with report from payroll system and Excel spreadsheet balance each month	SE Resources	Pension Manager		
8. Insufficient resource to enable function to meet requirements of Pension Regulator	2	8	16	Structure and staffing of function under	SE Resources	Pension Manager		

9. Failure to produce Annual Benefit Statement	2	8	16	Report to TPR. Keep scheme members and pension board informed of issue.	Scheme Manager	Pension Manager		
10. Impact of the successful legal challenge by FBU to Transitional Regulations								Should this now be removed.

Risk Area – FINANCIAL	Likelihood	Impact	Score	Control	Owner	Assigned to	Test / Review	Comments
11. Failure to complete reconciliation of GMP records to HMRC	2	2	4	Ensure appropriate level of resource deployed	SE Resources	Pensions Manager		
12. Fraud / Fraudulent behaviour	2	8	16		SE Resources	Pension Manager		
13. Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	2	9	18	<ul style="list-style-type: none"> - Keep up to date with changes - Attend regional meetings - Subscribe to knowledge hub - Subscribe to HMRC pension tax updates - Pension board involvement - Access professional advice before proceeding 	RE Resources (151 Officer)	Pension Manager		

Risk Area – FUNDING	Likelihood	Impact	Score	Control	Owner	Assigned to	Test / Review	Comments
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14. Failure to deduct correct contributions from pay	4	8	32		Pension Provider	Pension Manager		
15. Failure of employer to pay contributions to the scheme	1	4	4	Pension deductions are accounted for by the FRA and therefore contributions are deducted directly from employee pay and accounted for in the pension fund account.	SE Resources (151 Officer)	Finance	Monthly	Monthly checks are conducted on this by the Finance team.
16. Failure to manage FPS fund correctly i.e. injury pension accounting	2	8	16	Training – Guidance Fire Finance network links				

Risk Area – REGULATORY AND COMPLIANCE	Likelihood	Impact	Score	Control	Owner		Test / Review	Comments
17. Failure to interpret rules or legislation correctly	2	8	16	Central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion where this has been sought – with the caveat that each FRA should take own legal advice.	Scheme manager	Pensions Manager		
				Technical team of pension provider				
				Access to knowledge hub and HMRC pension tax updates				
				Training				
				Access professional legal / tax advice where necessary				
18. Failure to comply with disclosure				IDRP process Communications with staff ABS	Scheme Manager	Pensions Manager		

requirements or communicate with staff				HR processes in place for auto- enrolment and annual pension band changes mail merges				
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FPS Bulletin 20 – May 2019

Welcome to issue 20 of the Firefighters' Pensions Schemes bulletin.

If you are looking for information on a certain topic, don't forget to visit the issue and content indexes which are available 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](#).

Administration & benchmarking committee	6 June 2019
North East regional FPOG	12 June 2019
SAB	13 June 2019
Local Pension Board annual wrap-up session	18 June 2019
Ill health and medical appeals seminar	19 June 2019
Firefighter Pensions Technical Community	26 June 2019
CLASS annual conference: Manchester Holiday Inn	3-4 July 2019
Midlands regional FPOG	9 July 2019
Pensionable pay workshop	18 July 2019
South East regional group	26 July 2019
LPB effectiveness committee	7 August 2019
Firefighters' Pensions AGM	24-25 September 2019
SAB	3 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

FPS

Pension transitional arrangements: update on application to appeal

Following the Court of Appeal judgement in December 2018 in the McCloud and Sargeant transitional protections case, the Government made an application to the Supreme Court seeking permission to appeal the Court of Appeal's decision.

Initially the outcome of that application was expected in April, but indications now are that the outcome of that application will be known in July. As before though, the time estimate could change, depending on the Supreme Court's caseload and its management of the application.

We will keep you updated on any developments as they occur.

Pensionable pay guidance

In light of the recent High Court judgement in [Booth v Mid and West Wales](#), we have prepared a factsheet to give guidance to FRAs on the elements of pay that were considered in the case. The factsheet can be found at [Appendix 1](#).

It is important to note that the issues in any pensionable pay case are finely balanced and often depend on the exact detail and nature of the payments. As the guidance note illustrates, the reasons for pay being pensionable may depend on the nature of the contract or on the precise requirements of the role.

While the judgment considered pay for the Welsh Firefighters' Pension Schemes, the points of the judgment apply equally to pay in the English Firefighters' Pension Schemes.

SI 2019/378 member disclosure

Under regulation 8 part 1 of Schedule 2 of the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations 2013, schemes must inform members of any material change to basic scheme information within three months.

Authorities will be aware of the recent changes to the FPS following the introduction of The Police and Firefighters' (Pensions etc.) (Amendment) (England and Wales) Regulations 2019 which were made on 28 February 2019 and came into force on 1 April 2019 ([SI 2019/378](#)).

To assist FRAs in communicating these changes to scheme members, we have produced a [leaflet](#) in conjunction with the Fire Communications Working Group (FCWG) containing sample text which can be copied and used as required. **Please ensure that this information is provided to members by 1 July 2019.**

Technical note: Restricting exit payments in the public sector

Further to the article in [FPS Bulletin 19 – April 2019](#) regarding the Government [consultation](#) on restricting exit payments within the public sector to £95,000, we are pleased to publish a technical note to give guidance to FRAs on the implications with regards to payments in relation to the Firefighters' Pension Scheme only. The fifth in our series of technical notes is available at [Appendix 2](#).

Guidance for green book staff who are members of the Local Government Pension Scheme (LGPS) is available in the LGPS library¹.

FPS 1992 transitional calculations guide updated

The training guide on [FPS 1992 transitional calculations](#) has been updated to include the example on two pensions under Part B, Rule B5A². See pages 22 – 33. This, and other guidance, can be found under the [Administration Resources](#) menu of the FPS Regulations and Guidance website.

LTA factsheet updated

Following the release last month of the [Lifetime Allowance factsheet](#), an error within the example calculation [Example 2] was kindly brought to our attention.

We have been working with Mark Belchamber of Income for the Third Age Ltd to revise and simplify the calculation, and we are pleased to confirm that the revised factsheet is now available via the link above.

Our thanks go to Mark for his assistance in this matter.

SAB committee vacancies

We have a vacancy on the [cost-effectiveness committee](#) for an FRA HR representative. The main objectives of the cost-effectiveness committee are to determine how much it costs to run the Firefighters' Pension Schemes and to respond to Home Office consultations regarding the actuarial cost of the scheme. Most recently, the committee have considered options for the improvement of member benefits, prior to the pause of the cost-cap rectification process.

A further vacancy has arisen on the [LPB effectiveness committee](#) for an FRA Local Pension Board representative. The LPB effectiveness committee considers how local pension boards and scheme managers can be supported centrally, and has been particularly active in board surveys and developing draft guidance for joint LPB applications.

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 either committee, please email clair.alcock@local.gov.uk for further information.

May 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 April.

¹ http://lgpslibrary.org/assets/cons/nonscheme/20190410_95K_BR.pdf

² <http://www.legislation.gov.uk/ukxi/2008/214/schedule/paragraph/1/made>

Other News and Updates

GAD PSPS newsletter

The Government Actuary's Department has issued the [May edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

House of Commons briefing paper – pensions tax relief

The House of Commons Library updated a [briefing paper](#) which looks at the annual and lifetime allowances. The paper includes useful background information on the reduction in these allowances since 2010 and has been updated to reflect the limits which apply for the 2019/20 tax year. Recent calls for reform of pension taxation in response to concerns about filling senior posts in the public sector are also covered.

Updated list of public sector club transfer members

In April 2019 the Cabinet Office published an [updated list](#) of club transfer members. All of the recent changes have been highlighted in red.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 109 and 110 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 109 – 30 April 2019](#): Pension flexibility statistics |Registration statistics |Managing Pension Schemes service |Relief at source for Scottish taxpayers |Pension scheme returns |Overseas transfer charge – regulations |Master Trusts authorisation of existing schemes |Updates to the recognised overseas pension schemes notifications (ROPS) list
- [Pension schemes newsletter 110 – 29 May 2019](#): Relief at source |Consultation on the transposition of the Fifth Money Laundering Directive |Managing Pension Schemes service – user research

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, has been published by HMRC in May.

[Countdown bulletin 45](#)

Updates include:

- extension to Phase 7 Automation - Scheme Financial Reconciliation (SFR)
- what is happening in the extended period
- what this means for Pension Scheme Administrators (PSAs)
- what the extended Phase 7 dates that PSAs need to be aware of
- how this impacts the previous engagement in the SFR Process

Gov.uk are still working on including links from the bulletin to the Guidance on the Automated Solutions and the SFR Engagement Template. In the meantime, they have been included under 'Documents' on the 'Countdown Bulletin 45 – May 2019' [index page](#).

Training and Events

FPS training survey

We are continuously seeking to improve our training offer to FRAs to ensure that the statutory levy provides value for money, and the feedback provided following events is invaluable for this reason. However, we are aware that this only captures the opinions based on each particular session of those that were there.

We therefore kindly request less than ten minutes of your time to complete the following survey on our current and future training provision https://www.surveymonkey.co.uk/r/FPS_training_survey.

While the 2019 program of events has already been determined, we would welcome your views on what you would like to see more (or less) of in 2020!

The survey can also be accessed by scanning the QR code below.



Firefighters and Police Local Pension Boards governance conference – event summary

We were delighted to welcome over 60 delegates from the Firefighters' and Police Pensions sector to the LGA offices on 15 May 2019 for our second Local Pension Board governance conference. The event gave attendees the opportunity to network with fellow board chairs and representatives and participate in an interactive session on supporting the scheme manager, as well as hearing from industry experts on current issues of importance to boards.

After an inspiring opening address by the chairs of each Scheme Advisory Board, the audience heard a case law update from Eversheds Sutherland, focusing on current legal issues that may have direct or consequential impact on the schemes. This was followed by a much anticipated overview of the 2018 Governance and Administration survey outcomes presented by the Pensions Regulator.



The event then took a more participatory turn, with Tristan Ashby, chair of the SAB [Local Pension Board effectiveness committee](#), chairing an interactive session using the Sli.do app. Delegates were invited to select random hidden topics for discussion and submit questions and comments, in addition to voting in anonymous polls. A list of the most popular questions will be posted on the [Events](#) page in the coming weeks, however, one slide generating considerable interest was a depiction of the [scheme year cycle](#).



The afternoon session began with a look at how the boards of other public service pension schemes operate. Karen McWilliam took a break from her day job at Aon to share her experiences and best practice as independent chair of the Clwyd Pension Fund board with attendees. In the concluding presentation of the day, Clair Alcock of the LGA delivered some thought provoking insight into the behaviours of high performing boards, illustrating how LPBs can add value by assisting the scheme manager.



The complete presentation slide decks from the event are available [here](#).

To view the full conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

LPB annual wrap-up training 2019

We are pleased to confirm that our popular annual wrap-up training for Local Pension Boards is taking place at the LGA offices at 18 Smith Square, London on **Tuesday 18 June 2019** from 10:30 to 15:30. This session is aimed at new members to boards or those requiring a refresher session. Please see the attached [agenda](#). The Pensions Regulator has now confirmed attendance to provide an overview of the 2018 Governance and Administration survey results.

Refreshments will be available from 10am and a sandwich lunch will be provided. Please confirm any dietary requirements on the booking form.

Limited places are still available - [book your place here](#). Joining instructions for those registered will be sent week commencing 3 June 2018.

If you wish to enquire about full board training at your own venue, please contact the team at bluelight.pensions@local.gov.uk. Each board is entitled to a free training session under the Scheme Advisory Board levy. Examples of previous sessions are held [here](#).

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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FPS Bulletin 21 – June 2019

Welcome to issue 21 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](#).

CLASS annual conference : Manchester Holiday Inn	3-4 July 2019
Midlands regional FPOG	9 July 2019
Pensionable pay workshop	18 July 2019
South East regional group	26 July 2019
LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
North East regional group	2 October 2019
SAB	3 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

FPS

FPS 2015 transitional protections challenge update

As detailed in [FPS Bulletin 20 – May 2019](#), the outcome of the Government's application for permission to appeal to the Supreme Court was expected in July. This decision has been made earlier than expected and on 27 June 2019 the Supreme Court has denied the Government's request for an appeal in the transitional protections case in respect of age discrimination and pension protection.

We are aware that members may have a number of questions around the on-going legal challenge to the transitional provisions of FPS 2015. While we have covered this in-depth for FRAs in previous bulletins¹, we are preparing a briefing note covering the full background to the case and each stage of the challenge, which can be shared with members. The note will be published as soon as possible.

¹ <http://www.fpsboard.org/images/PDF/Bulletin15/Bulletin15.pdf>

Until the remedy has been determined by the employment tribunal and any regulations changed as a result, we cannot speculate how future benefits may change. Therefore any retirement projections, Annual Benefit Statements as at 31 March 2019, or pensions advice must be based on the regulations as they currently stand.

Scheme Advisory Board Levy

In 2014, LGA contacted FRAs about entering into a shared agreement to fund a technical adviser post in order to support FRAs with their understanding and management of the Firefighters' Pension Schemes. This post is currently held by Clair Alcock, and was funded by a voluntary subscription of £2 per firefighter, which each FRA signed up for.

Under the terms of the 2014 regulations 4H(1) the costs of the new governance arrangements are to be met by scheme employers under a levy set by the Scheme Advisory Board (SAB) and approved by the Secretary of State. This budget was first set in 2016 and included provision of a secondary post to provide secretarial support for the scheme advisory board. The then Fire minister agreed that the technical adviser subscription of £2 per firefighter should be brought within the levy.

I can advise that the SAB levy has now been approved by the Fire minister, and the total levy for the 2019/2020 year will be £6.67 per firefighter, which is calculated at £4.50 for the SAB and £2.17 for employers. A letter has been sent out to Chief Fire Officers advising them of this.

Annual Benefit Statements (ABS)

We are pleased to issue the final Annual Benefit Statement and explanatory notes template for 2019. Please note that there have been no amendments for this year. The statement and supporting documents are available as Appendices [1 \[Word version\]](#) and [2 \[PDF version\]](#). A tracked version of the statement is available on request.

These and other resources relating to [Annual Benefit Statements](#) are available in the member area of the FPS Regulations and Guidance site. Please email bluelight.pensions@local.gov.uk if you do not have a relevant log-in.

Using the statement

We appreciate that different administrators may wish to use different formats, so do not expect everyone to issue in this format, however, we hope that an approved version will help to achieve some consistency in the statements and the explanations of awards to Firefighters.

The text marked in red should be considered by each authority as to whether the statement applies, or whether they wish to add an instruction on how to contact them. It is particularly important to note how you have treated partnership status at the date of the statement and whether you have assumed married or civil partnered, or used the partnership status on the records as this may affect the death benefits quoted in the statement. Please also remember that how the survivor's pension is calculated will depend on which pension scheme the member is in at the date of death, and whether they die in service or after retirement, see annex F. **You may also wish to make reference to the 2019 amendments to same-sex partners' benefits under SI 2019/ 328².**

² <http://fpsregs.org/images/admin/SI2019-378disclosure.docx>

The document was edited by Plain English in 2018 and awarded a [crystal mark](#). The crystal mark can only be used by those wishing to use the document in its entirety with no additional text changes other than those marked in red; adapting the formatting to put on the internet or booklet form is fine. Please see the [crystal mark conditions of use](#). If you wish to consider a crystal mark for your own adapted document, please email bluelight.pensions@local.gov.uk - any costs associated with this would have to be borne by the individual authority.

2015 scheme transition members – Estimates to age 60

All members who qualify for taper-protection have a legal right to transfer to the 2015 scheme and will have benefits in section 5 estimated to Normal Pension Age (60), whether or not they have moved into the 2015 scheme at the statement date. Annex C clarifies the options for early withdrawal of the 2015 benefits for 1992 taper-protected or unprotected members

Important note regarding using the Crystal Mark

Please note the conditions of use mean that you can only use the Crystal Mark on the approved document. Anyone wishing to adapt the standard notes template is free to do so, but **must not** use the Crystal Mark.

Guidance on [issuing Annual Benefit Statements](#) and a [checklist](#) can be found on the Pension Regulator's [website](#).

Revised Fire (England) factors: Non-Club Transfer-In

Further to the letter issued by the Home Office on 31 October regarding the [review of scheme factors](#) due to the change to the SCAPE discount rate, GAD has provided the following replacement factor tables for FPS 2006 standard members [table reference x-216 to x-217].

[Appendix 3: Non-Club Transfer-In \("TV-in"\)](#)

The suspension of any outstanding cases can be lifted and these factors can be used with immediate effect.

We would be grateful if administrators could undertake some sample calculations using the new factors, which we can forward to GAD to ensure that they have been implemented in line with current guidance. Please send any examples to bluelight.pensions@local.gov.uk.

GAD has informed us that they will update the guidance and example calculations to reflect these revised factors at a later date. The updated tables and subsequent guidance will be made available at <http://fpsregs.org/index.php/gad-guidance> in due course.

ACTION: Pension Board Chairs and Scheme Managers, please ensure you liaise with your pension manager to ensure that the factors are applied with immediate effect.

Fire (England) conclusion of factor review

In order to assist FRAs and administrators, GAD has provided the table of consolidated factors at [Appendix 4](#), which includes implementation dates for all changes.

GAD is currently updating factor guidance notes to include these revised factors and updated examples. This work is expected to be completed by the end of September 2019.

Joint Local Pension Boards (LPBs)

Regular readers will be aware that discussions around joint LPBs have been ongoing for some time.

The scheme rules [4A, paragraphs 2 & 3] set out in what circumstances a joint LBP may be established if approval in writing is obtained from the Secretary of State:

(2) Where the administration and management of this scheme is wholly or mainly shared by two or more scheme managers, those scheme managers may establish a joint local pension board if approval in writing has been obtained from the Secretary of State.

(3) Approval under paragraph (2) may be given subject to such conditions as the Secretary of State thinks fit and may be withdrawn if any conditions are not met or if in the opinion of the Secretary of State it is no longer appropriate for the approval to continue.

Following an expression of interest from Leicestershire, Nottinghamshire, and Derbyshire boards, and in order to make a recommendation to the Scheme Advisory Board (SAB), the Local Pension Board Effectiveness Committee (the “Committee”) considered at their meeting of 19 April 2018 [Item 7] how these rules should be interpreted to gain approval from the Secretary of State.

It was determined that in order to assist LPBs in making an application, guidance would be developed which set out criteria that LPBs have to meet, to evidence shared administration and management of the Firefighters’ Pension Schemes. This guidance has been drafted by the Board secretariat in conjunction with the Committee, and incorporates feedback from a meeting with the three LPBs in June 2018 which was attended by the secretariat, the chair of the SAB, and the Home Office. We are pleased to share the guidance at [Appendix 5](#).

The Committee’s view in setting out the criteria is that there should be a high bar on the evidence used to demonstrate joint management of the scheme to avoid concerns that poorly performing scheme managers or LPBs could use a joint board as a way of bypassing legislative requirements.

At the 2018 FPS AGM, Ian Howe of Leicestershire County Council gave a presentation on the work of the East Midlands FRAs in looking to form the first joint FPS local pension board [slides 22-25]. We are now able to confirm that the application has been submitted, and we await the outcome with interest.

LPB draft terms of reference updated

Following recommendations in the Pensions Regulator Governance and Administration survey 2017 and our own SAB survey of local boards³, we have taken the opportunity to update the draft terms of reference for boards, particularly around frequency of meetings and length of term for members. Clean and tracked versions of the amended document are attached at [Appendix 6](#) [clean] and [Appendix 7](#) [tracked].

The documents can be downloaded and amended as required. Terms of reference for all FPS LPBs are available [here](#).

³ <http://www.fpsboard.org/images/PDF/Bulletin6/Appendix3.pdf>

June 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 May.

Other News and Updates

GAD PSPS newsletter

The Government Actuary's Department has issued the [June edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

The Pensions Ombudsman (TPO) newsletter 6

TPO have published the sixth edition of their stakeholder newsletter which is attached to this bulletin as [Appendix 8](#).

Earlier communications from TPO and a full history of determinations in relation to FPS can be found [here](#).

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletter 111 containing important updates and guidance on pension schemes. The following issues are covered:-

- [Pension schemes newsletter 111 – 26 June 2019](#): Relief at source | Master Trusts supervision | Managing Pension Schemes service | Guaranteed Minimum Pension (GMP) equalisation - HMRC working group | Telling HMRC about pension tax charges on the SA100 tax return | Appendix 1 - guidance on receiving your Notification of Residency Status Report

Training and Events

FPS training survey

We are still accepting responses to the following survey on our current and future training provision https://www.surveymonkey.co.uk/r/FPS_training_survey, particularly as we have held two national events in June.

The survey can also be accessed by scanning the QR code below.



The survey will close at the end of July, with an overview of the findings presented at this year's AGM in September.

[LPB annual wrap-up training 2019 – event summary](#)

Twenty delegates from across the FPS governance community attended the popular annual LPB wrap-up training event held at 18 Smith Square on 18 June 2019.

In the session led by Claire Hey, attendees received a whistle-stop tour of the background to the Firefighters' Pension Schemes and funding, followed by an overview of the roles and responsibilities of those involved in governance – the Scheme Advisory Board (SAB), scheme manager, and Local Pension Boards (LPBs). Malcolm Eastwood, chair of the SAB, was also on hand to provide input on the current work of the Board.

We were joined in the afternoon by The Pensions Regulator, to provide the headline results from the Governance and Administration survey 2018 in relation to FPS. This summary provided an ideal basis for the following session, which considered next steps LPBs could take to become more effective and signposted [resources](#) available to assist boards. The event concluded with a look at current and future issues affecting the schemes.



The full presentation slide deck from the event is available [here](#).

[Click here to return to Contents](#)

The content of the course will be reviewed on an annual basis and we plan to continue to offer wrap-up training yearly, for new members to boards or those requiring a refresher session.

If you wish to enquire about full board training at your own venue, please contact the team at bluelight.pensions@local.gov.uk. Each board is entitled to a free training session under the Scheme Advisory Board levy. Examples of previous sessions are held [here](#).

Ill-health and injury workshop – event summary

Over 90 delegates attended the Firefighters' and Police pensions ill-health and injury workshop at 18 Smith Square on 19 June 2019. We were delighted to welcome so many colleagues from the sector to the event, to examine the common issues found when running an ill-health process and discuss what can be improved to help best practice.

The morning session was opened by the LGA's Clair Alcock, who gave an overview of the structure and benefits of ill-health and injury awards in the Firefighters' and Police schemes. This was followed by an in-depth look at the legislation governing both schemes from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Jane also took the audience through the appeals process and relevant case law, highlighting common issues than can arise in the process and how to avoid them.



Continuing the theme of sharing best practice, Claire Johnson from West Yorkshire Fire & Rescue Service took to the stage to discuss the ill-health retirement process in place at WYFRS, from employee awareness to final outcome and potential appeal. The number of questions received demonstrated how invaluable it is to delegates to hear first-hand the experiences of other authorities.

Following the overview of an FRA's role and responsibilities, we were pleased to welcome Dr Ian Griffiths, Consultant Occupational Physician and experienced IQMP, who gave a fascinating and often humorous insight into the role of the IQMP and the decision making process. Dr Griffiths covered some further elements of case law, discussing how these may impact on the medical decision.



After lunch we were joined by our LGA colleague Phil Bundy, senior employment law adviser, to talk about mental health in the workplace, with particular reference to the emergency services. Phil outlined the legal framework in place to protect employees, and what employers can do to support staff with mental health conditions.

For the final session of the day, the audience were split into their respective areas of expertise, with a dedicated workshop for each scheme. Clair Alcock led an interactive session for FPS colleagues, using the Sli.do app. Delegates were invited to select randomly from 7 hidden discussion points relating to all aspects of ill-health and injury, and submit questions and comments, in addition to voting in anonymous polls. A list of FAQs based on issues raised will be posted on the [Events](#) page in the coming weeks.



The complete presentation slide decks from the event are available [here](#).

To view the full conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

Pensionable pay workshop

We are pleased to invite readers to a pensionable pay workshop being held at the LGA offices at 18 Smith Square, London on **Thursday 18 July 2019**, from 10:30 to 15:15.

This conference will look at recent case law relating to pensionable pay and how it applies to the Firefighters' Pension Schemes. The conference will examine the process of making pensionable pay decisions and what can be improved to help best practice.

Jane Marshall from Weightmans will be providing a detailed view of the legislation and legal background to pensionable pay considerations, as well as the implications of retrospective action. Delegates will have the opportunity to hear from experienced FRA practitioners and HR professionals on their experiences of decision making and managing disputes.

The event is aimed at HR practitioners and senior management responsible for implementing pay systems, along with supporting stakeholders such as pension practitioners, employee representatives and administrators.

A draft agenda is available via the booking link, however, please note that the programme is subject to change.

[Click here to book your place.](#)

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](#)
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FPS Bulletin 22 – July 2019

Welcome to this very special edition of the Firefighters' Pensions Schemes bulletin. To celebrate our second birthday, we've teamed up with organisations from across the sector to bring you a "take-over" issue of the bulletin with contributions on various topics affecting FPS and other public service schemes.

If you have any comments on the contents of this bulletin or wish to contact any of the contributors directly, please contact [Claire Hey](#) in the first instance. All of our usual features can be found towards the end.

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.

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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](#).

LPB effectiveness committee	7 August 2019
Administration & Benchmarking/ Cost-effectiveness committee	15 August 2019
South West and Wales regional group	28 August 2019
Eastern regional group	10 September 2019
Firefighter Pensions Technical Community	24 September 2019
Firefighters' Pensions AGM	24-25 September 2019
SAB	3 October 2019
Fire Finance Network conference : Arden - Warwick Conferences	9-10 October 2019
Pensions tax seminar	12 November 2019
SAB	12 December 2019

Take-over issue

Once upon a time...

...some firefighters were covered by their local police force pension arrangements. The Police Act 1890, Section 16 explains the funding requirements. Paragraph (1) begins with the statement –

“There shall be a pension fund of every police force, and there shall be carried to that fund . . .”

followed by a list of the required payments. While some will be familiar to readers of the current Firefighters' Pension Schemes, for example members' contributions, there are also a few more unusual items such as –

“The net sums received in the police area for pedlars and chimney sweepers certificates;”

“The fines, imposed by a court of summary jurisdiction, for assaults on constables in the force;”

and the returns from this nice little earner –

“The net sums arising from the sale of worn or cast clothing supplied for the use of constables of the force”.

With grateful thanks to Eunice Heaney for this contribution.



Pension tax giving you a headache?

The HMRC pension tax restrictions on pension saving (the Annual Allowance and the Lifetime Allowance) are affecting firefighters causing restrictions to tax efficient pension savings. This is usually those with incomes of £60 - £70,000 but can affect lower earners who get promoted or take on additional duties and we have seen cases from Watch Manager upwards where the Annual Allowance has been breached.

Anyone who has other pension savings or has income from outside the Fire and Rescue Service may also be affected. There is no easy way to confirm that someone is not affected and because the tax rules consider all income and all pension saving the employer and the scheme administrator will not know for sure as they will not know all the information about each member.

In defined benefit pension schemes like the FPS, (1992, 2006 or 2015) the calculations behind each allowance are not intuitive and the combination of further pension accrual combined with pay growth (particularly on promotion) can create growth in pension that is higher than HMRC allow. It's complicated and if members do have other income or other pension savings it gets more complex, particularly if they are “higher earners”, with taxable income over £110,000, when further restrictions to their pension savings may apply. Only the member will now this.

Scheme administrators are obliged by legislation to send a Pension Savings Statement to members whose Annual Allowance exceeds the £40,000 level currently available; and Lifetime Allowance breaches are considered at retirement. But there is a lot still for members to do before they can understand if they have a tax charge to settle, and further work to consider how to do so if they do.

There is a lot of information to help firefighters understand but this is still their responsibility to pull the information together and work out whether they owe tax, and if so, to declare that to HMRC and to settle it through the self-assessment process. They may need help and guidance to understand what they need to do and how to do it.

The article at [Appendix 1](#) has more information and you may wish to make this available to your members.

*Contributor **Mark Belchamber** has over 25 years' experience helping people understand their pensions and is Director and founder of “Income for the Third Age Ltd”, a company that specialises in guidance and education for employers and employees on pensions, pension tax issues and retirement options).*

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A fresh perspective on Perspective

Public Sector Pension Schemes Are Increasingly Relying on Perspective

According to TPR, in 2018 there were 16.5 million PSPS memberships across 24,000 employers. Arguably, pensions staff need the appropriate resources to carry out their roles as efficiently as possible. Perspective, the legal and regulatory information service for the UK pensions industry, is increasingly seen as a key tool for achieving exactly that.

What is Perspective all about?

Essentially, a public sector pension scheme is able to have its own scheme rules (the Regulations) in one place on Perspective (much to the envy of pension scheme managers working in the private sector!). Perspective has an ever growing public sector collection of these Regulations, for example: Local Government (1986), Firefighters (1992), Police (1987), NHS (1980), Civil Service (2002) and Teachers (1994). Those working in Fire pensions are responsible for 3 active schemes (the 1992, 2006 and 2015 Schemes) all of which are available in full text on Perspective. Additionally, Perspective covers some public sector documents in Northern Ireland as well as providing access to relevant GAD, LGA and many other materials.

So, Perspective is all about content?

Yes, but also no! There is impressive functionality as well – for example the ability to look at any document on Perspective and see how it stood at any date in the past is of enormous and proven value. The way that this feature (known on Perspective as “Time Travel”) has been implemented is widely recognised as being the most powerful and flexible way of showing how text has changed over time. It is the envy of other publishers. And, of course, all the content on Perspective is fully up-to-date. All documents on Perspective are updated, usually within a day or so of amendments being published, by a dedicated editorial team of 9 full-time legal editors with Law, English and other degrees. They perform a specialist role in identifying core documents to be added to the system and ensuring these documents have the levels of added value and functionality that users of Perspective have come to expect.

Public sector pensions, a narrow specialised field?

Over the last 20 years it has become increasingly important for those working in public sector pensions to have a good understanding of general pensions legislation (such as the Finance Act 2004) as well as public sector regulations. The volume of legislation they are expected to have mastered is huge! As Yunus Gajra of WYPF says, *“I have used Perspective for a number of years and I find it a fantastic tool which enables me to do my job quickly and efficiently. It has all the key reference materials that I need or may be interested in which means it’s a one stop shop and I don’t need to look elsewhere or subscribe to other publications!”*

Is there a brain drain?

Potentially yes, many of the most experienced public sector staff have retired in recent years. This means that the knowledge that has been built up within the industry over many years is being lost at an alarming rate.

How do some schemes mitigate this problem?

Perspective provides the regulations and explanatory documents which allow staff to learn how and why things happened in the past. If you provide the best resources to the brightest individuals they will, in time, be able to fill the vacuum that has been left by this loss.

Can technology help?

The younger workforce certainly does not expect to find dusty incomplete A4 ring binders filled with regulations that they don't know how to navigate and about which they have little knowledge. Perspective has a powerful, cutting edge search tool which allows them to search across thousands of documents and find accurate results in seconds. Documents on Perspective contain extensive hypertext linking, including links from defined words or phrases to the relevant definitions, all of which helps to further their understanding of the materials they need to consider and speed up their research significantly. Furthermore, Perspective works in all major browsers and is available on the move through most smartphones and tablets.

Are there alternatives?

Yes, there are several free websites available and even some subscription sites produced by the largest publishers in the UK, but none with the functionality and comprehensiveness of Perspective. Individuals don't just metaphorically scream when they need to find something on a government website. More often than not they won't find what they need or won't have the confidence that what they have found is accurate or up-to-date.

Future

It's a complex job administering public sector schemes and, in this day, and age there's no reason for those working in this sector to be grappling with inferior tools compared to their counterparts in the private sector.



What to expect when a complaint is referred to The Pensions Ombudsman

In this article, we briefly explain what to expect if a complaint about your scheme is referred to The Pensions Ombudsman.



An overview of our process

A complaint to us will follow one of two distinct workstreams.

‘Early resolutions’

For complaints which usually have not been through a scheme’s internal dispute resolution procedure (IDRP) but are otherwise thought to be within our jurisdiction.

We look to bring the matter to a close as early as possible to shorten the complaint journey for everyone. Early resolution will never result in a final decision being made by an Ombudsman since that can only happen if all the requirements have been met in relation to our jurisdiction, including IDRP being completed, or attempted.

Early resolutions break down into two categories that we have called:

- ‘Quick responses’ where a problem can be solved with minimum intervention. We might contact the pension scheme, but these are generally problems that can be sorted out through a conversation with the complainant.
- ‘Cases’ where some intervention is required including contact with all the parties to the complaint. These are handled by our in-house specialist team, assisted by our 240 highly experienced volunteers drawn from the pensions industry. We are likely to contact the pension scheme to, for example, provide further information or a view on how the matter might be resolved.

‘Investigations’

For complaints which have been through the IDRP, or other internal complaints process, and are deemed to be within our jurisdiction, for example, within our time limits.

These are investigated by our team of adjudicators. Usually, the pension scheme will be invited to provide a formal response to the complaint. The adjudicator will gather additional evidence they consider is necessary to reach a view on the matter. An investigation will usually result in an adjudicator issuing their opinion on the matter to all the parties to the complaint. Many complaints are resolved this way. But all parties have a right to ask for the matter to be determined by an Ombudsman. In some cases, the Ombudsman will issue a preliminary decision, followed by a determination. The Ombudsman’s determinations are binding on all the parties and can be challenged, on a point of law, through the courts.

How you can help us

It can speed up the investigation process if we get some key information early on. If your scheme is asked to provide a formal response to a complaint, it helps if that includes:

- evidence relied on when making decisions under the IDRP
- details, and sight, of any Regulations or Guidance that are relevant to the complaint
- for complaints involving pensionable pay:
 - the member's contract and any contract specific to the allowance
 - any changes to the member's role over the relevant period
 - confirmation of which scheme(s) apply
 - details of how the allowance was paid.

Want to find out more?

Visit our website: www.pensions-ombudsman.org.uk

Our Annual Report 2018/19 is also a good source of information about what we do, and the volumes of complaints we process. Summaries of interesting cases are included.

Interested in volunteering?

We are always on the lookout for experienced pensions professionals who have the time and dedication to help. If you are interested, please contact paul.day@pensions-ombudsman.org.uk

Cyber resilience – are you ready

Cyber resilience – are you ready?

Cybercrime remains one of the most rapidly evolving, yet poorly understood risk topics. Whilst the consequences of a cyber-attack on a company are well known, for pension schemes cyber risks are a relatively new threat.

In this emerging area, there are many potential actions that scheme managers, administrators and their suppliers can take to ensure that they are prepared for the possibility of a cyber-attack.

Why is this important?

Pension schemes hold an abundance of member data and assets making them very attractive targets for hackers. An attack could lead to identify theft of its members, financial losses, disruption of services and reputational damage to both the scheme and FRA/administrator.



[Click here to return to Contents](#)

What does this mean for scheme managers?

The initial starting point is asking a lot of questions and establishing an action plan. Scheme managers, with the support of their administrators and advisers, should attempt to understand what risks they could face and consider potential vulnerabilities within their set up before embarking on a plan to minimise those risks, where possible.

In particular, questions should be posed to:

- Data handlers/processors (such as administrators or payroll providers)
- Software suppliers
- The Fire and Rescue Authority (FRA) and any in-house teams.

What should scheme managers do?

Scheme managers should carry out a robust assessment of their FRA in order to take a holistic and structured view of the issue.

Aon's Cyber Solutions combine three critical areas to help our clients to understand and manage the minefield of cyber security.



Seek

- **Assess** – Identifying critical assets that could be at risk – what could go wrong?
- **Quantify** – Understanding the potential impacts of cyber threats were they to materialise is important.
- **Test** – A clear understanding of what controls are in place by all third parties and internal functions to prevent cyber-attacks.

Shield

- **Improve** – Improvements may need to be made to security systems.
- **Transfer** – Considering whether the exposed risk can be transferred to someone else.

Solve

- **Respond** – Ensuring that a plan is in place to tackle any incident should the worst happen.

Actions

As cybercrime is an evolving risk, it's critical that the risk is managed and as a minimum, we recommend the following:

- Obtain some training and discuss the issue with relevant parties.
- Undertake a robust assessment to identify specific risks and actions and document these on your risk register.
- Take forward any practical actions.

Risk. Reinsurance. Human Resources.

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The complexities of ill-health pensions

Jane Marshall, partner at Weightmans LLP and legal adviser to the SAB, writes about the complexity of ill-health pensions...

When asked to write a legal piece for the ‘take-over issue’ there was so much to choose from!

We have had a raft of recent Court and Pensions Ombudsman decisions affecting not just the Firefighters’ Pension Scheme, but public service pension schemes as a whole. Following the recent decision of the Supreme Court in which the Government was refused permission to appeal the age discrimination decisions in McCloud and Sargeant¹, to the intense media interest in our current pensions tax relief system and the effect this is purportedly having on NHS waiting lists, one wonders what the future holds in respect of public service pensions?

Unfortunately, as my skills do not extend to predicting the long term future of public service pensions, I thought I would be on safer ground writing about ill-health retirement following the successful ‘[Ill-health and injury workshop](#)’ run by the SAB² in June. **You can read the article at [Appendix 2](#).**

Weightmans legal update

In addition to Jane’s piece, the legal update from Weightmans at [Appendix 3](#) provides a summary of two key developments affecting public service pensions, including the recent landmark judgement in Langford v Secretary of State for Defence³ which ruled that survivor benefits could be paid to a long-term partner although they remained legally married to a third party.

TPR Governance and Administration survey 2018 – a view from the Regulator

Nick Gannon, policy lead at TPR, has the following message for Fire schemes...

We believe that all savers should be in well run schemes. The 2018 governance and administration survey shows that significant improvements have been made in several areas but that Fire schemes still have some way to go to meet the standards that we expect them to meet. We are encouraged by the improvements that have been made and expect that they will continue through 2019 to be demonstrated in this year’s survey results.

We note that Fire scheme local pension boards meet less frequently than those in other surveyed cohorts, and much less than we believe they should. This infrequent meeting schedule may be one reason that the schemes continue to lag in key governance measures. With little regular oversight it is difficult for pension boards to put the right controls in place and to drive the improvements that are need in both governance and administration. Similarly, regular turn-over of pension board members means that knowledge and experience risk being lost and becomes difficult to replace. This survey also highlighted the prevalence, and risks, of cyber attacks. This is one area in particular that requires strong governance and should be given serious attention.

¹ The Lord Chancellor & Secretary of State for Justice v McCloud & others; and The Secretary of State for the Home Department v R Sargeant & others

² The Firefighters’ Pensions (England) Scheme Advisory Board

³ <https://www.matrixlaw.co.uk/wp-content/uploads/2019/07/Approved-Judgment-Langford-C3.2018.0111-and-C3.2018.0111A.pdf>

Scheme data continues to be a concern for all public service schemes, and Fire is no exception. Progress has clearly been made with data cleansing exercises, which should continue. Attention must also be paid to the data coming in. Far too many schemes are still relying on data that is provided annually, and in paper returns. To ease administration, data should be provided wherever possible monthly and in electronic format. This links data provision to payroll and simplifies processing for all involved.

Pension boards and scheme managers should consider the results of this survey, and how they apply to their own scheme. Amidst a number of simple improvements that can be made rapidly are several more issues that will require greater attention and more time. With the consequences of the McCloud and Sargeant cases as yet unknown, now is the time to make urgent improvements to scheme governance and administration. Where these improvements are not, or cannot, be made we may look to use our enforcement powers.

A commentary on the results can be viewed at [Appendix 4](#) and the full version of the [research report](#) is available on the TPR website.



FPS

July 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 June.

Written Ministerial Statement: Public Service Pensions

The Government made a written statement⁴ on 15 July 2019 accepting the court's decision in the Firefighters Transitional Protection Challenge, also known as 'McCloud and Sargeant'. The Government will now engage with the employment tribunal to agree remedy. The written statement goes further to confirm that government believe that remedy will apply across all the public sector schemes, these include schemes for NHS, Civil Service, Local Government, Teachers, Police, Armed Forces, Judiciary and Fire and Rescue workers.

Effect on scheme member benefits

While we appreciate that members may have questions about how their benefits may change in the future, until the remedy has been determined by the employment tribunal, the scheme re-valued and any regulations changed as a result we cannot speculate on this.

Until the regulations are amended, all scheme transactions will be based on the regulations as they currently stand, this includes retirements, applications for ill-health retirements, benefit projections and Annual Benefit Statements as at 31 March 2019.

⁴ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-15/HCW51725/>

Other News and Updates

GAD newsletters

The Government Actuary's Department has issued the [July edition](#) of its Public Service Pension Schemes newsletter. This is intended to be an informal note to provide regular updates on what is happening within the PSPS area of GAD and to highlight some current hot topics that schemes and other department contacts might be interested in.

Readers with a more macabre outlook may be interested in the [second edition of GAD'S Mortality Insights](#), also issued in July.

The Pensions Ombudsman (TPO) Annual Report and Accounts 2018/19

The TPO Annual Report and Accounts 2018/19 were laid in Parliament on 18 July. A message from Anthony Arter, Pensions Ombudsman, with a link to the report on the TPO website is attached to this bulletin as [Appendix 5](#).

Earlier communications from TPO and a full history of determinations in relation to FPS can be found [here](#).

Written Ministerial Statement: Walker v Innospec Supreme Court Judgment and Response to the Survivor Benefits Review

The Minister for Pensions and Financial Inclusion Guy Opperman has confirmed in a written statement⁵ that the Government does not intend to make any further retrospective changes to equalise survivor benefit provision in respect of occupational pension schemes, following the changes implemented in light of the [Walker v Innospec](#) Supreme Court judgement.

See our [technical note](#) on SI [2019/378](#) for how those changes affected the FPS.

While the Minister acknowledged that differences in benefits in respect of past service would remain for some members, he added that these will gradually work their way out of the system.

House of Commons briefing paper – GMP-related overpayments

The House of Commons Library has updated a briefing paper⁶ concerning GMP-related overpayments in public service pension schemes. The paper looks at overpayments which occurred due to the incorrect calculation of GMPs in 2008 and again following the end of contracting-out and subsequent reconciliation exercise in 2018.

⁵ <https://www.parliament.uk/business/publications/written-questions-answers-statements/written-statement/Commons/2019-07-04/HCWS1690/>

⁶ <https://researchbriefings.files.parliament.uk/documents/SN04919/SN04919.pdf>

TPR secondment opportunity

Please see details below from TPR concerning a secondment opportunity in the role of Specialist - Pension Administration:

TPR has recently opened up an administration [secondment opportunity](#) in our Policy team.

The pensions landscape is undergoing a step change. The rise in the number of people saving into pension schemes and initiatives like the Pensions Dashboards, mean that good standards of administration are more important than ever to ensure that savers can have confidence in the pensions industry. We need to have a clear view of the risks in this sector, and a robust strategy for dealing with them, so that savers' benefits are protected and confidence in pensions is maintained. The secondee will help to ensure we fully understand the functioning of pensions administration sector and design an appropriate response to the risks.

A secondment to the specialist role in this team would suit the skill set of someone with at least five years' experience in the pensions administration market, particularly with experience of client management or a role involving engagement with trustee boards, pension boards or scheme managers.

TPR runs a very successful industry secondment programme, which has been operating for over 10 years. We recruit people who bring essential and relevant commercial skills and the latest insight on pensions issues. You can see our [secondees testimonials](#) for some recent examples.

Key benefits to your organisation

- An excellent opportunity for staff development
- An opportunity to work in the frontline of a fast-paced and exciting area of regulation
- An opportunity to create a network of lasting relationships
- An opportunity for your staff to apply their skills and knowledge in a related environment
- Expanded outlook and a better understanding of regulation

Terms and conditions are subject to negotiation and agreement between parties, but we will always aim to cover employment costs and reasonable expenses.

Ideally we'd look for this secondment to run for twelve months, from October.

For more information or to discuss this opportunity further, please contact Lucy Stone, Lucy.Stone@thepensionsregulator.gov.uk or Zoe Kyle, HR on 01273 627213 or zoe.kyle@thepensionsregulator.gov.uk. For general enquiries, please contact secondments@tpr.gov.uk

HMRC

Contracting-out reconciliation update

The following bulletin, containing important guidance and information about the end of contracting out and the scheme reconciliation process, has been published by HMRC in July.

[Countdown bulletin 46](#)

Updates include:

- Scheme Financial Reconciliation
- Scheme Financial Allocations
- problems accessing Shared Workspace

Training and Events

Pensionable pay workshop – event summary

We were pleased to welcome over 70 delegates to our sold out event on 18 July 2019, in order to discuss the challenge of interpreting pensionable pay within the legislation and case-law.

The morning session was opened by Clair Alcock who outlined how 45 different decision makers, case-law, and legislation combine to provide complexity in determining pensionable pay. This was followed by an in-depth look at the most recent case Booth vs Mid and West Wales from Jane Marshall, partner at Weightmans LLP and legal adviser to the Fire Scheme Advisory Board. Steven Pope, Head of Human Resources at Devon and Somerset Fire then took to the stage to deliver a practitioner's insight into pensionable pay decision making. Before lunch we welcomed back Jane Marshall to give a case-law round up and a discussion on what steps Fire Authorities now need to take to remedy pensionable pay. The number of questions received during Jane and Steven's sessions demonstrated how valuable it is to hear first-hand issues on pensionable pay.



Following lunch, Clair Alcock shared some thoughts on decision making to ensure that pensionable pay is considered at the heart of any pay structure, we then welcomed James Durrant, Pensions Manager at Essex Fire Authority who shared some thought provoking insight into tax consequences of retrospective action to ensure that where action is taken, tax law is complied with.

The final session of the day was a panel discussion session, which allowed the audience to ask questions of all the speakers of the day.

The complete presentation slide deck from the event is available [here](#). To view the conference in pictures, visit our [@LGAWorkforce](#) twitter feed, #LGAfirepensions

We would encourage all delegates to give feedback using the electronic forms provided after the event so we can continue to improve our training events.

FPS AGM – London – 24-25 September 2019 SAVE THE DATE

Our popular Fire Pensions Annual Conference is back! 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, including:

- Abatement
- Transitional Pension Calculations
- Forecasting and Top-Up Grant, GAD

Day 1 – Tuesday 24 September 2019 4:30pm - 6:30pm

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.

The full programme and booking link will be available shortly.

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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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

[Click here to return to Contents](#)

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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Public service governance and administration survey 2018

Research report

Prepared for The Pensions Regulator

By OMB Research

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1. Executive summary

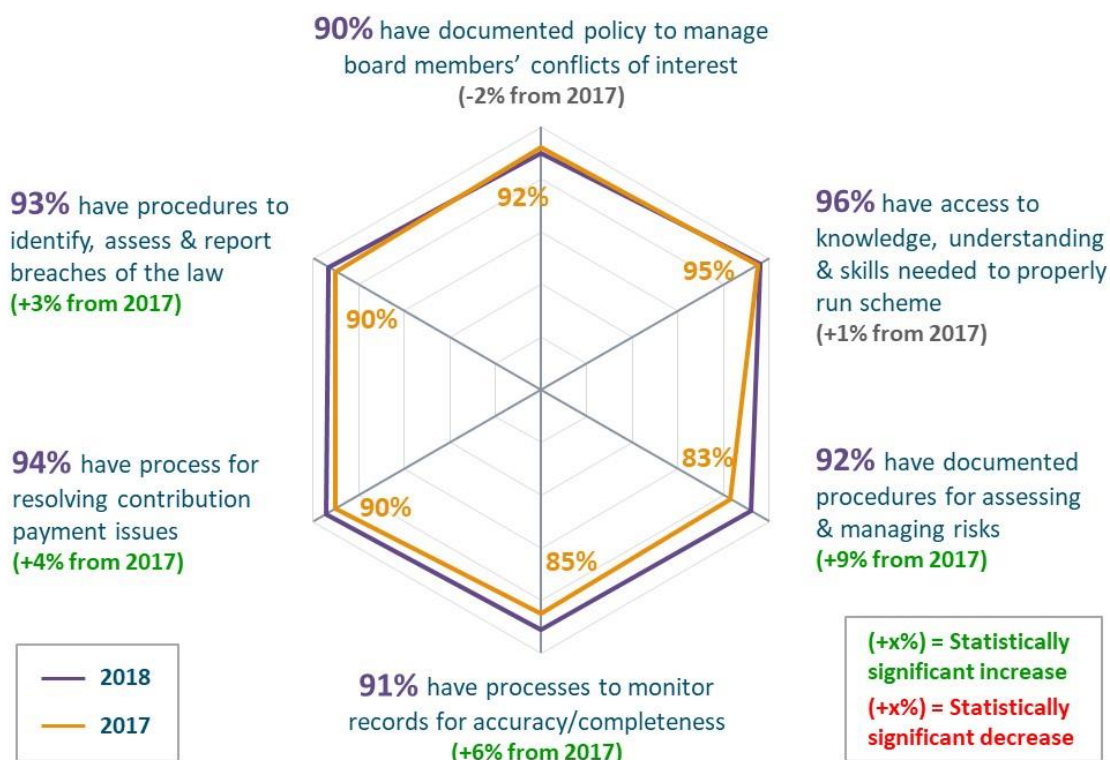
1.1 Key processes

Four of the six key processes that The Pensions Regulator (TPR) monitors as indicators of public service scheme performance have improved since 2017. Three-quarters (74%) of schemes had all six processes in place.

The greatest improvements were seen in the proportion of schemes with documented procedures for assessing and managing risks (92%, compared with 83% in 2017) and processes to monitor records for accuracy and completeness (91%, compared with 85% in 2017).

There was also an increase in the proportion of schemes with procedures to identify, assess and report breaches of the law (93%, compared with 90% in 2017) and the proportion with a process for resolving contribution payment issues 94%, compared with 90% in 2017). However, the latter measure was not directly comparable with the surveys in previous years¹.

Figure 1.1.1 Schemes' performance on key processes



¹ In 2015-2017 the question wording for having a process for resolving contribution payment issues included "and assessing whether to report payment failures to TPR". The overall sense of the question remained the same so the change over time has been shown, but the different wording should be considered when interpreting these results.

Overall, 74% of public service schemes had all six of these key processes in place (compared with 58% who had all six in 2017), representing 75% of all memberships.

The majority (80%) of Local Government schemes and approaching three-quarters (73%) of both the 'Other' and Police schemes had all six processes in place. While this proportion was lower for Firefighters' schemes (63%), this was an increase on the 41% in 2017.

1.2 The pension board²

Half of all schemes held four or more pension board meetings in the previous 12 months³, and the mean number of current board members at the time they completed the survey was 6.8.

Schemes held an average of 3.4 board meetings in the previous 12 months, with half (50%) reporting that they held four or more and a quarter (26%) that they met twice or less. 'Other' schemes were most likely to have held at least four board meetings in the previous 12 months (73% had) and Firefighters' schemes least likely (20% had).

On average, 93% of board meetings were attended by the scheme manager or their representative.

Two-thirds (64%) of schemes had more than five current board members at the time they completed the survey. The mean number of current board members was 6.8. Approaching a third (30%) of schemes had at least one vacant position on the board at the time they completed the survey. On average, 5% of the total positions on the board were vacant. Eleven schemes (6%) reported that they had fewer current board members at the time they completed the survey than specified by their respective regulations⁴.

Overall, 96% of schemes believed that the scheme manager and pension board had access to all the knowledge and skills necessary to properly run the scheme. A slightly lower proportion (91%) felt that the scheme manager and pension board had sufficient time and resources to run the scheme properly.

In the majority of schemes (82%) the scheme manager or pension board evaluated the board's knowledge, understanding and skills at least annually. This proportion was lower among 'Other' schemes, where a third (36%) did not evaluate their board at least annually.

² Some new questions were added to the 2018 survey about the frequency of pension board meetings, the number of board members and their turnover that were not included in the previous surveys.

³ TPR sets an expectation that the governing boards of pension schemes should meet often enough to maintain effective oversight and control, which in most cases will be at least quarterly.

⁴ Nine of these 11 schemes reported that they had vacant positions on their board at the time they completed the survey. If these vacant positions were filled, each of these nine schemes would have met the minimum requirement for the number of pension board members for their type of scheme. Of the remaining two schemes that had fewer current board members at the time they completed the survey than required by their regulations, one was a Police scheme that had no vacant positions and the other was a Local Government scheme that answered "don't know" to the question on number of vacant positions.

1.3 Managing risk

Risk management procedures and registers were more consistently used than in 2017, but the proportion of schemes that regularly reviewed their risk exposure remained around half.

Most schemes had documented procedures for assessing and managing risks (92%, up from 83% in 2017) and had a risk register (94%, up from 88%). Around half (52%) had reviewed their exposure to new and existing risks on at least a quarterly basis (unchanged from 2017).

The most significant improvements since 2017 were seen in relation to Firefighters' and 'Other' schemes. However, Firefighters' schemes were still less likely to have risk management processes than the other types of public service scheme, and the proportion that had reviewed their risk exposure at least quarterly fell in 2018 (24%, down from 35% in 2017).

1.4 Administration and record-keeping

Administrator attendance at meetings and provision of reports by administrators was widespread but penalties were used less, the same as in 2017.

Most schemes (87%) indicated that administrators regularly delivered reports to the scheme manager and/or pension board. A similar proportion (85%) said the administrators regularly attended meetings with the scheme manager and/or pension board.

A range of other processes were used to manage and monitor administrators, including the use of performance metrics in contracts or service level agreements (73%), reviews by independent auditors (58%) and the provision of independent assurance reports (33%). The use of service level agreements was less prevalent where schemes were administered in-house (48%, compared with 90% of those administered by another public body and 96% of those administered by a commercial third party).

Penalties were less frequently used as a means of managing administrators than other methods, with 18% of schemes imposing these if contractual terms or service standards were not met.

A significant minority of schemes (14%) had never reviewed who should provide their administration services, rising to 29% of those administered in-house.

Four in ten (42%) schemes said their employers always provided timely data and a similar proportion (39%) said they always provided accurate and complete data.

These proportions were lower for multi-employer schemes than single employer schemes. One in ten (12%) multi-employer schemes said their employers always provided timely data compared with nine in ten (90%) single employer schemes. A similar proportion (11%) of multi-employer

schemes said their employers always provided accurate and complete data compared with 85% of single employer schemes.

Almost nine in ten (88%) multi-employer schemes had a defined escalation process for dealing with employers who do not provide timely or accurate data. The most common actions included in the process were chasing in writing (97%), chasing by telephone (93%) and escalating the matter to senior staff (92%). 'Other' schemes were less likely to assess for breaches of the law and impose penalties as part of this escalation process.

Six in ten (56%) schemes reported that all their employers submitted data monthly and seven in ten (66%) that all their employers submitted it electronically.

As with timeliness of data and its accuracy and completeness, these proportions were lower for multi-employer schemes than single employer schemes. Four in ten (44%) multi-employer schemes said all their employers submitted data monthly compared with eight in ten (78%) single employer schemes. Half (51%) of multi-employer schemes said all their employers submitted data electronically compared with nine in ten (92%) single employer schemes.

1.5 Cyber security⁵

Schemes were asked about 14 specific cyber controls, and three-quarters had at least half of these in place (i.e. seven or more of the controls).

The most common types of protection were controls restricting access to systems and data (83%), system controls such as firewalls and anti-virus software (82%), policies on data access, protection, use and transmission in line with data protection legislation and guidance (81%), policies on the acceptable use of devices, passwords and other authentication, and on home and mobile working (80%), and regular back-ups of critical systems and data (80%).

Comparatively few schemes indicated that the scheme manager or pension board received regular updates on cyber risks, incidents and controls (39% and 26% respectively).

Half of schemes reported that they had experienced some kind of cyber breach or attack in the previous 12 months.

These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (42%). In most cases (85%) these incidents had not had any impact. Where negative impacts were reported, this tended to be either the scheme's website or online services being taken down or made slower (9%) or temporary loss of access to files or networks (7%).

⁵ A new section on cyber security was included in the 2018 survey.

1.6 Data reviews

The majority of schemes had completed a data review in the previous 12 months, had identified issues and were taking action to address them.

Over three-quarters (83%) of schemes had completed a data review in the previous 12 months (up from 75% in 2017), and a further 8% reported that one was currently underway. The proportion of Local Government schemes that had completed a data review in the previous 12 months increased from 74% in 2017 to 93% in 2018, but the proportion of 'Other' schemes that had done so fell from 100% in 2017 to 82% in 2018.

Overall, 97% of the most recently completed data reviews had looked at common data, 80% scheme-specific data and 60% had included member existence checks. While the proportion looking at common data was similar across all scheme types, Police schemes were less likely to have covered scheme-specific data in their most recent review (41%).

Approaching three-quarters (72%) of schemes that had reviewed their common data, and 80% of those that had reviewed their scheme-specific data, had identified issues. Most had either put a data improvement plan in place but not yet completed rectification work or were in the process of developing an improvement plan.

1.7 Annual benefit statements

The majority of active members had received their annual benefit statement by the statutory deadline.

Overall, 66% of schemes reported that they had met the statutory deadline for all their active members (compared with 60% in 2017). This proportion was higher for Firefighters' and Police schemes (78% and 75% respectively) but lower for 'Other' (55%) and Local Government (56%) schemes (both of which are multi-employer schemes and typically have a greater number of members).

Most schemes that missed the deadline for any active members did not report this to TPR (62%). A quarter (26%) made a breach of law report. Those schemes who did not report the missed deadline typically said this was because it was not seen as material, either because few members were affected, or the delay was very short.

The vast majority of schemes (90%) reported that all of the statements they sent out contained all the data required by regulations.

1.8 Resolving issues and reporting breaches

Around 11,000 complaints were estimated to have been made to public service schemes in the last year, equating to 7 per 100 members.

The types of complaints made varied by scheme type, but at an overall level the top types related to eligibility for ill health benefit (39%), disputes or

queries about the amount of benefit paid (31%), slow or ineffective communication (29%) and delays to benefit payments (28%).

Nine in ten schemes had procedures to identify breaches of the law and to assess the breaches and report them to TPR if required.

Three in ten schemes (30%) had identified breaches (excluding those relating to annual benefit statements) in the previous 12 months. Around a third of these schemes (11% of all schemes) had reported these to TPR. 'Other' and Local Government schemes (which are typically larger) were most likely to have both identified breaches (45% and 43% respectively) and reported them (each 18%).

1.9 Addressing governance and administration issues

Scheme complexity, lack of resources or time and the volume of changes required to comply with legislation were seen as the top three barriers to improving scheme governance and administration in the next 12 months.

The complexity of the scheme was identified as a main barrier to improving scheme governance and administration by 70% of schemes and was the most widely mentioned barrier among all scheme types. Approaching half of schemes also identified lack of resources or time (47%) and the volume of changes required to comply with legislation (45%) as main barriers.

Improved governance and administration was attributed to a better understanding of expected standards and the risks facing the scheme, as well as improved engagement by TPR.

Around two-thirds of schemes felt that the improvements they had made to scheme governance and administration over the previous 12 months were down to better understanding of the underlying legislation and the standards expected by TPR (67%) and of the risks facing their scheme (63%); 45% also attributed this to improved engagement by TPR.

1.10 Perceptions of TPR

More schemes agreed that TPR was 'tough', 'evidence-based' and 'visible' than in 2017.

Schemes were most likely to agree that TPR was 'visible' and 'respected' (89% and 78% respectively). While schemes were least likely to agree that TPR was 'decisive' and 'tough' (53% and 55% respectively), the proportion agreeing with the latter had increased from 47% in 2017.

TPR was generally felt to be effective at improving standards of governance and administration in public service pension schemes.

Overall 88% of schemes judged TPR to be very or fairly effective at improving standards of governance and administration in public service schemes. The 'Other' schemes were most positive in this respect, with 45% rating TPR as very effective.

2. Introduction

2.1 Background

The Public Service Pensions Act 2013 and the Public Service Pensions Act (Northern Ireland) 2014 (together, the 2013-2014 Acts) introduced new requirements for the governance and administration of public service pension schemes. Scheme managers must run their schemes according to these legal requirements, which generally came into force on 1 April 2015.

The 2013-2014 Acts also gave TPR an expanded role to regulate the governance and administration of these schemes from 1 April 2015. In January 2015, TPR published its draft code of practice for the governance and administration of public service pension schemes (the PSPS code), which sets out the standards of conduct and practice it expects of those responsible, as well as practical guidance about how to comply with the legal requirements. The code came into force by 1 April 2015.

As part of its expanded role, TPR is responsible for 207 public service schemes in respect of eight public service workforces, covering around 16.9 million memberships.

A survey was undertaken in 2015 to assess how schemes were meeting the new requirements, and the standards to which they were being run. Further surveys were run in 2016, 2017 and 2018 to provide a further assessment of performance, understand barriers to improvement, and delve deeper into the top risks of governance, record-keeping and communications.

2.2 Communications activities

TPR continues to engage with those acting in the public service pension scheme landscape. In 2018-19 this activity included:

- direct engagement through pension board meetings,
- presenting and holding workshops at cohort-wide training events and conferences,
- engagement with associated employers at training events and conferences,
- communications setting out TPR's expectations for pension boards and scheme managers and;
- regular pro-active engagement with scheme managers and scheme advisory boards.

The focus of this engagement is tailored to the audience and situation and ranges from overviews and summaries of scheme manager and pension board responsibilities and duties, to focused training on topics such as data improvement and governance.

In addition to direct engagement, TPR produced guidance products and conducted a range of associated communications campaigns following the lessons learned from previous PSPS governance and administration surveys.

3. Methodology

As with the previous surveys, an online self-completion approach was adopted for the following reasons:

- The large amount of data to collect would have made a telephone interview very long and burdensome for respondents.
- It was anticipated that many schemes would need to do some checking/verification in order to answer the questions accurately.
- The range of information requested meant that it was important to allow more than one person at the scheme to contribute.

Owing to the nature and the amount of information required, a carefully structured research approach was necessary, giving respondents early warning of the kinds of information that we were seeking to collect and allowing them to devote an appropriate amount of time and effort to providing accurate and reliable information, liaising with colleagues if needed. Therefore, a multi-stage approach was adopted:

- **Stage 1:** Pre-notification emails were sent by TPR to the pension board chairs and scheme managers to explain the nature of the research, introduce OMB Research (OMB), warn schemes that their participation would be requested and ask them to let OMB know whether the scheme manager or their representative would be completing the survey and, if necessary, provide their contact details.
- **Stage 2:** OMB sent a tailored invitation email to each scheme manager or their chosen representative. This contained a unique survey URL and a link to a 'hard copy' of the questionnaire (for reference when compiling information prior to completion).
 - In the case of referrals, sample details were updated so that the most appropriate person was contacted going forward.
- **Stage 3:** OMB sent a further two tailored reminder emails to schemes that had either not started the survey or had only partially completed it.
- **Stage 4:** OMB executives undertook a phase of telephone chasing with non-responders. These calls ensured that the invitation email had been received, confirmed the identity of the most appropriate individual to complete the survey and encouraged schemes to take part.

The approach was supported by other TPR communications and engagement (including promotion by key stakeholders such as scheme advisory boards).

3.1 Sampling

The sample for this research was extracted from TPR's scheme registry database. The target audience was scheme managers of open public service schemes or their representatives. For the purpose of the survey, each locally-administered section of relevant Firefighters', Police and Local Government schemes was treated as a separate scheme, forming a total universe of 207 schemes.

Scheme managers or their representatives were asked to work with the pension board chair to complete the survey and, where necessary, seek input from others with specialist knowledge (e.g. the scheme administrator).

3.2 Fieldwork

All surveys were completed between 5 November and 21 December 2018. In total, 195 of the 207 public service pension schemes completed the survey. This equates to a 94% response rate, covering 99% of all memberships.

Table 3.2.1 Interview numbers and universe

Scheme type	Interviews	Schemes		Memberships	
		Universe	Survey coverage	Universe	Survey coverage
Other	11	11	100%	10,011,614	100%
Firefighters	46	51	90%	115,841	93%
Local Government	94	99	95%	6,385,338	98%
Police	44	46	96%	369,704	97%
Total	195	207	94%	16,882,497	99%

Three-quarters (76%) of the completed surveys were submitted in response to the initial email and reminders, with the remainder submitted during the telephone chasing phase.

3.3 Respondent profile

Scheme managers or their representatives contributed to 90% of submitted surveys, and directly completed it in 73% of cases. Over half (55%) of the surveys were completed with input from the pension board chair, with other board members involved in 23%. Over half (58%) involved consultation with the scheme administrator.

Table 3.3.1 Respondent role

Respondent role	Completed	Consulted	Total
Scheme manager	30%	23%	52%
Representative of the scheme manager ⁶	43%	29%	59%
Pension board chair	6%	49%	55%
Pension board member ³	3%	21%	23%
Administrator	14%	45%	58%
Other	5%	12%	16%
Net: Scheme manager/representative	73%	44%	90%
Net: Pension board chair/ member	8%	55%	59%

⁶ For 'representative of the scheme manager' and 'pension board member', the *total* percentage is lower than the sum of the *completed by* and *consulted with* percentages. This is because there can be more than one person at the scheme in these roles, and in some cases, one completed the survey, and another consulted on it, so they appear in both these columns (but only count once in the total column).

3.4 Analysis and reporting conventions

Throughout this report, results are reported at an aggregate level for all respondents and by cohort: Local Government, Firefighters', Police and 'Other'⁷ schemes. The cohorts are grouped in this way to reflect the different governance structures, funding methods and employer profiles.

To ensure that results are representative of all public service pension schemes, the data throughout this report is shown weighted. **Scheme** data has been weighted based on the number of public service schemes of each type. **Membership** data has been weighted based on the total number of memberships in each scheme type. It should be noted that the membership-weighted results are heavily influenced by the 'Other' schemes, which account for 59% of all memberships. The narrative commentary in this report therefore typically focuses on the scheme-weighted findings.

Where available and comparable, the results from the 2015, 2016 and 2017 PSPS governance and administration surveys have been included⁸.

When interpreting the data presented in this report, please note that results may not sum to 100% due to rounding and/or due to respondents being able to select more than one answer to a question.

Data presented in this report are from a sample of public service schemes rather than the total population. This means the results are subject to sampling error. Differences between cohorts and different years of the research have been tested for statistical significance, using finite population correction (i.e. reflecting that 94% of the total public service scheme universe completed the survey). Differences are commented on in the text only if they are statistically significant at the 95% confidence level. This means there is no more than a 5% chance that any reported differences are not real but a consequence of sampling error.

⁷ Centrally administered unfunded schemes excluding relevant Local Government, Firefighters' and Police schemes.

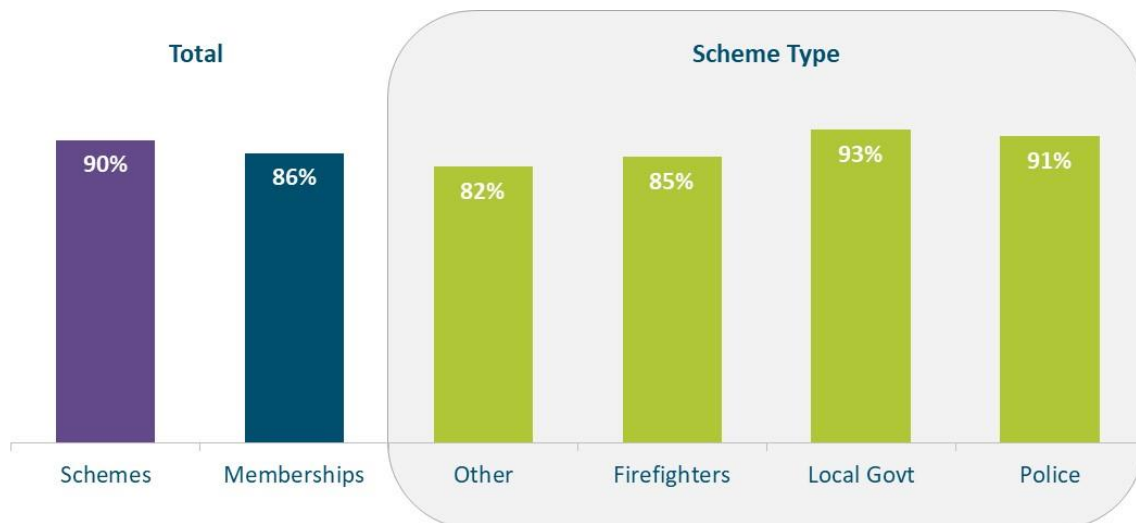
⁸ Although data was reported unweighted in the published 2015 report, weights have been retrospectively applied to this data to ensure direct comparability with the results from subsequent surveys. For this reason, the 2015 figures do not always exactly match those in the published 2015 report.

4. Research findings

4.1 Scheme governance

Overall, 90% of schemes had a documented policy to manage board members' conflicts of interest, representing 86% of memberships.

Figure 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 2%, 0%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 0%, 0%), Local Government (94, 1%, 0%), Police (44, 5%, 0%)

Local Government (93%) and Police (91%) schemes were most likely to have a documented policy to manage conflicts of interest. Firefighters' and 'Other' scheme were least likely to have this in place (85% and 82% respectively). Incidence increased with scheme size; 96% of schemes with over 100,000 memberships had a policy compared with 91% of those with 5,001-100,000 memberships and 85% of those with 5000 or fewer memberships.

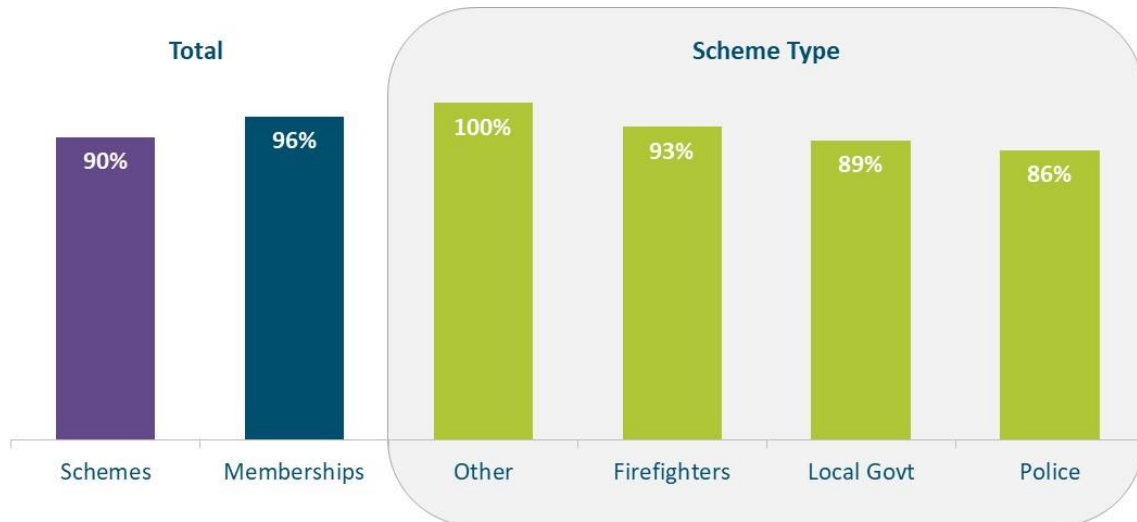
While overall the proportion of schemes with a documented policy to manage conflicts of interest had not changed compared with 2017 (90% in 2018 and 92% in 2017), the proportion of 'Other' and Firefighters' schemes with a policy each fell by 9 percentage points.

Table 4.1.1 Proportion of schemes with a documented policy to manage pension board members' conflicts of interest – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	90%	82%	85%	93%	91%
PSPS Survey 2017	92%	91%	94%	92%	91%
PSPS Survey 2016	81%	100%	80%	85%	71%
PSPS Survey 2015	85%	100%	79%	87%	86%

Overall, 90% of schemes maintained a register of pension board members' interests, with every 'Other' scheme (100%) doing so.

Figure 4.1.2 Proportion of schemes that maintained a register of pension board members' interests



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 4%, 0%), Memberships (195, 2%, 0%), Other (11, 0%, 0%), Firefighters (46, 0%, 0%), Local Government (94, 4%, 0%), Police (44, 7%, 0%)

The proportion of schemes with a register of interests increased since the 2017 survey, from 84% to 90%. This increase was evident for Police and 'Other' schemes (+16 and +9 percentage points respectively).

Table 4.1.2 Proportion of schemes that maintained a register of pension board members' interests – Time series

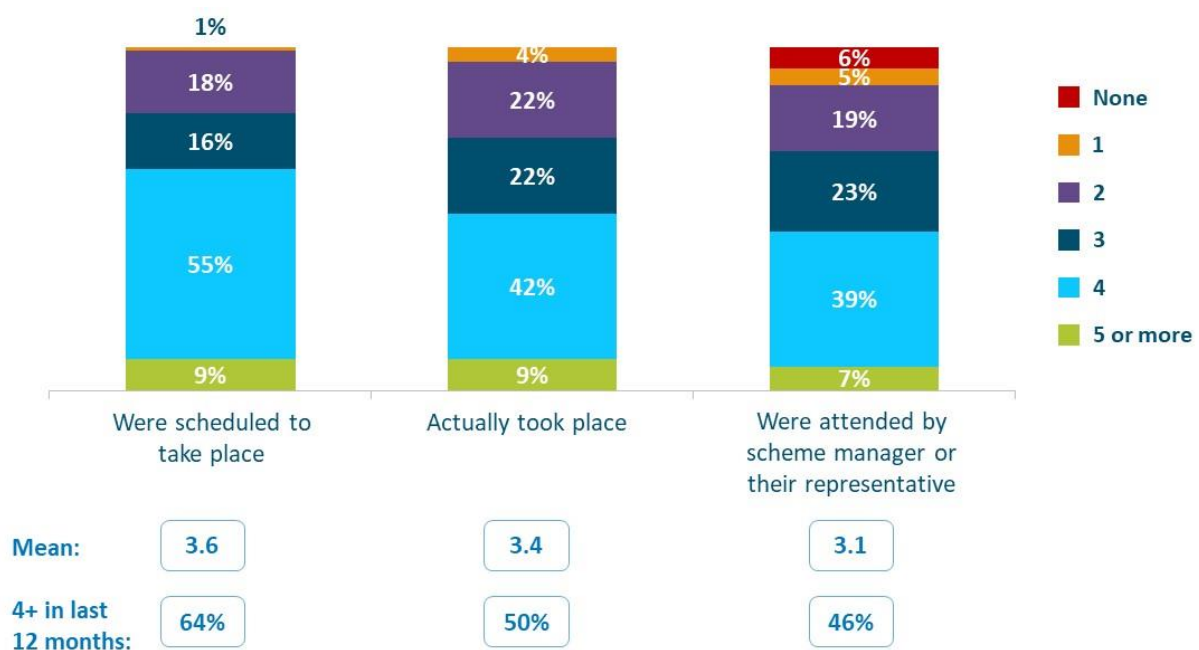
	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	90%	100%	93%	89%	86%
PSPS Survey 2017	84%	91%	92%	86%	70%
PSPS Survey 2016	85%	100%	86%	87%	74%
PSPS Survey 2015	75%	92%	57%	77%	86%

On average, schemes had scheduled 3.6 pension board meetings in the previous 12 months, with two-thirds (64%) of schemes scheduling four or more board meetings.

However, not all the scheduled meetings went ahead; schemes reported that they had actually had an average of 3.4 board meetings in the previous 12 months, with half (50%) holding four or more. A quarter (26%) of schemes reported that their pension boards had met twice or less in the previous 12 months.

Most pension board meetings were attended by the scheme manager or their representative. On average they had attended 3.1 meetings in the previous 12 months. Approaching half (46%) of schemes indicated that the scheme manager or their representative had attended four or more board meetings.

Figure 4.1.3 Number of pension board meetings in the last 12 months



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 1%, 1%)

Across all schemes, the mean proportion of scheduled pension board meetings that actually took place was 93%. On average, 93% of the meetings that took place were attended by the scheme manager or their representative.

Table 4.1.3 Proportion of pension board meetings that went ahead and were attended by the scheme manager/representative

	Total schemes
Base: All respondents	195
% of scheduled meetings that took place (mean)	93%
% of meetings taking place attended by scheme manager/representative (mean)	93%

'Other' schemes were most likely to have scheduled and held at least four board meetings in the previous 12 months (91% and 73% respectively). Firefighters' schemes were least likely to have done so, with one in five (20%) holding four or more board meetings in the previous 12 months (and a mean of 2.5 meetings).

Table 4.1.4 Number of pension board meetings in the last 12 months - by scheme type

		Scheme Type			
		Other	Firefighters	Local Govt	Police
<i>Base: All respondents</i>		11	46	94	44
Scheduled to take place	Mean	3.9	3.0	3.8	3.7
	4+ in last year	91%	41%	68%	73%
Actually took place	Mean	3.7	2.5	3.7	3.5
	4+ in last year	73%	20%	59%	61%
Attended by scheme manager/representative	Mean	3.7	2.3	3.5	3.2
	4+ in last year	73%	17%	54%	52%
% of scheduled meetings that took place (mean)		95%	85%	96%	96%
% of meetings taking place attended by scheme manager/representative (mean)		100%	89%	94%	91%

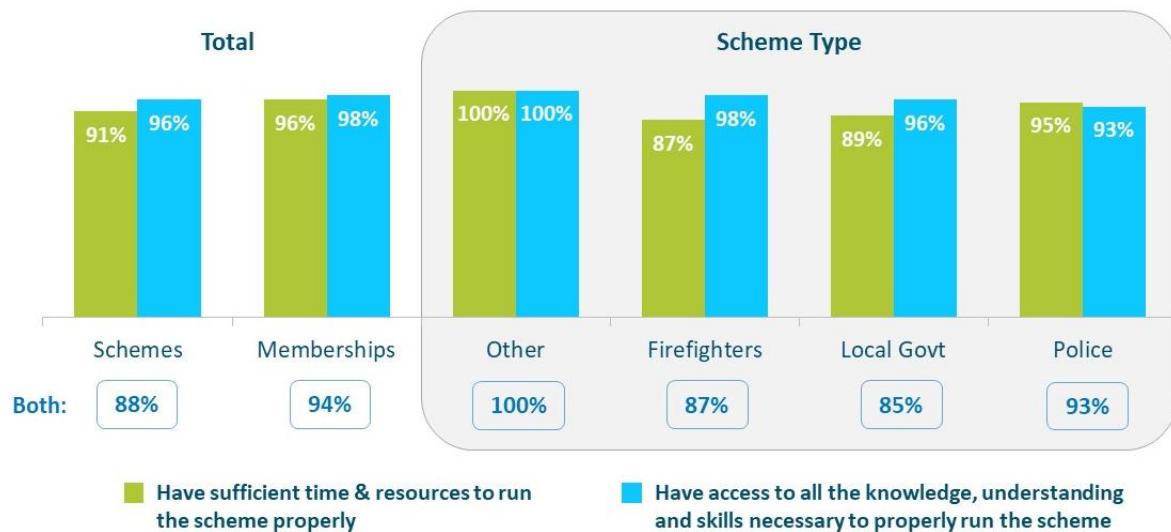
Larger schemes typically held a greater number of board meetings; 66% of schemes with over 30,000 memberships had at least 4 meetings in the previous 12 months, compared with 51% of those with 2,001-30,000 memberships and 18% of those with 2,000 or fewer memberships.

The smallest single employer schemes (with 2,000 or fewer memberships) held board meetings least frequently, with 7% having at least four in the previous 12 months.

Schemes were asked whether the scheme manager and pension board had sufficient time and resources to run the scheme properly, and whether they had access to all the necessary knowledge, understanding and skills.

Figure 4.1.4 shows that almost all schemes (96%) believed the scheme manager and pension board had access to all the knowledge and skills necessary to properly run the scheme. Schemes were slightly less likely to report that they had sufficient time and resources, but 91% still agreed this was the case.

Every 'Other' scheme felt they had sufficient knowledge, understanding and skills, and sufficient time and resources.

Figure 4.1.4 Scheme manager and pension board resources and knowledge

All respondents (Base, Don't know, Did not answer question) - Schemes (195, 2-3%, 0-1%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 0-2%, 0%), Local Government (94, 1-3%, 0%), Police (44, 5%, 0-2%)

There was an increase since 2017 in the proportion of schemes that reported that the scheme manager and pension board had sufficient time and resources (up from 81% to 91%), particularly for Police and 'Other' schemes (+21 and +18 percentage points respectively). While there was no overall change since 2017 in the proportion reporting that the scheme manager and pension board had access to all the necessary knowledge, understanding and skills, this had increased for 'Other' and Firefighters' schemes (+9 and +6 percentage points). However, fewer Police schemes believed this was the case than in 2017 (-5 percentage points).

Table 4.1.5 Scheme manager and pension board resources and knowledge – Time series

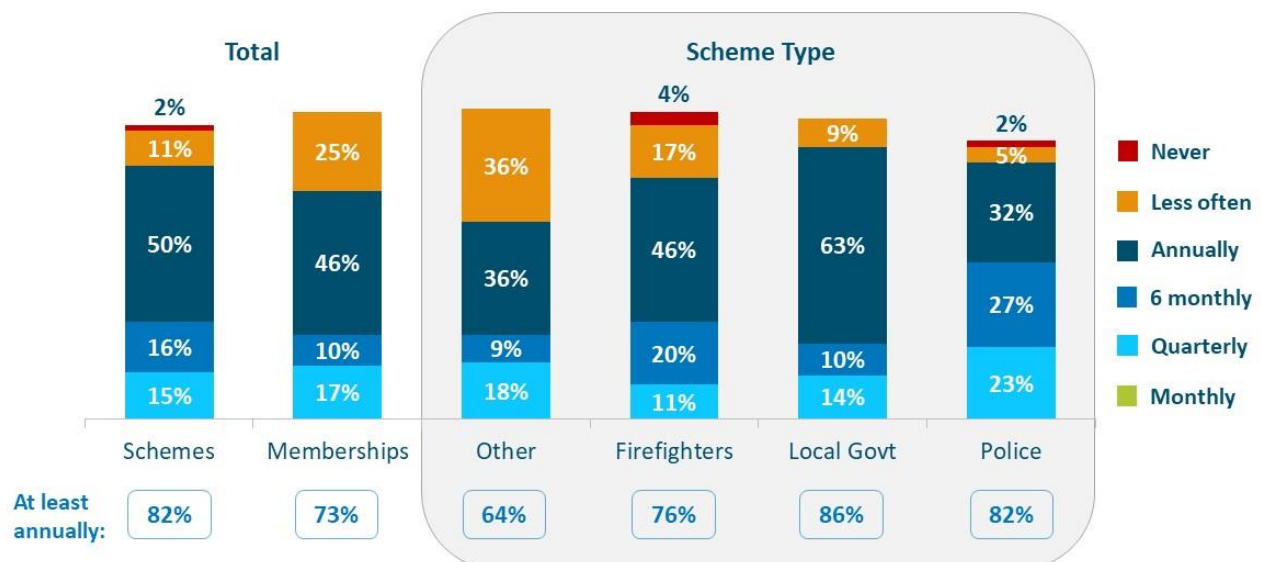
	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Sufficient time and resources to run the scheme properly⁹					
PSPS Survey 2018	91%	100%	87%	89%	95%
PSPS Survey 2017	81%	82%	82%	84%	74%
Access to all the knowledge, understanding and skills necessary to properly run the scheme¹⁰					
PSPS Survey 2018	96%	100%	98%	96%	93%
PSPS Survey 2017	95%	91%	92%	97%	98%
PSPS Survey 2016	93%	100%	94%	93%	89%
PSPS Survey 2015	73%	92%	36%	85%	82%

⁹ This question was not asked in 2015 or 2016 so no comparable data is available.

¹⁰ In the 2015 and 2016 surveys the question wording was slightly different with schemes asked if they had developed policies and arrangements to help pension board members acquire and retain the knowledge and understanding they require. The overall sense of the question remained the same so the change over time has been shown, but the different wording should be considered when interpreting these results.

In the majority of cases (82%) the scheme manager or pension board carried out an evaluation of the board's knowledge, understanding and skills at least annually. This proportion was lower among 'Other' schemes, where a third (36%) did not evaluate their board at least annually.

Figure 4.1.5 Frequency of scheme manager or pension board carrying out an evaluation of the knowledge, understanding and skills of the board as a whole in relation to running the scheme



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 6%, 0%), Memberships (195, 2%, 0%), Other (11, 0%, 0%), Firefighters (46, 2%, 0%), Local Government (94, 5%, 0%), Police (44, 11%, 0%)

As shown in Table 4.1.6, two-thirds (64%) of schemes had more than five current members on their pension board at the time they completed the survey. The mean number of current board members was 6.8.

Table 4.1.6 Number of current pension board members

	Total schemes
<i>Base: All respondents</i>	195
2-3 current board members	5%
4-5 current board members	29%
6-7 current board members	32%
8-9 current board members	16%
10+ current board members	16%
Mean number of current board members	6.8
Don't know	2%
Did not answer question	1%

Eleven schemes (6%) reported that they had fewer current board members at the time they completed the survey than specified by their respective

regulations. Of these, six were Local Government schemes, three were Firefighters' and two were Police.

Schemes were also asked to provide details of the number of vacant positions on their board, the number of board members that had left in the previous 12 months and the number of members appointed in this period.

While the majority of schemes (71%) reported that one or more board member had left in the previous 12 months, 64% indicated that at least some of these had been replaced with new appointments. Approaching a third (30%) of schemes had at least one vacant position on the board at the time they completed the survey.

Figure 4.1.7 Turnover of pension board members

	Vacant positions	Members that left in last 12 months	Members appointed in last 12 months
<i>Base: All respondents</i>	195	195	195
0	67%	27%	32%
1	25%	34%	27%
2	3%	16%	17%
3	2%	14%	14%
4+	0%	7%	7%
Net: 1+	30%	71%	64%
Mean	0.4	1.4	1.4
Don't know	3%	2%	3%
Did not answer question	1%	1%	1%

Further analysis was conducted to assess the total number of board positions in each scheme. The number of 'total positions' on the board was calculated by combining the number of current board members and number of vacant positions.

As shown in Table 4.1.8, the mean number of total positions was 7.2. On average, schemes reported that 20% of the total positions on their board had left in the previous 12 months but 19% had been filled by new appointments. The mean proportion of total board positions that were vacant at the time the schemes completed the survey was 5%.

Table 4.1.8 Number of total pension board positions (current members plus vacant positions)

	Total schemes
<i>Base: All respondents</i>	195
Mean number of total positions on board (current + vacant)	7.2
Mean % of total positions that are vacant	5%
Mean % of total positions that left in last 12 months	20%
Mean % of total positions appointed in last 12 months	19%

‘Other’ schemes tended to have the greatest number of current board members (a mean of 10.4) and Firefighters’ schemes had the fewest (a mean of 5.1).

Table 4.1.9 Number and turnover of pension board members – by scheme type

	Scheme Type			
	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	11	46	94	44
Mean no. of current board members	10.4	5.1	6.6	8.2
Mean no. of vacant positions	1.0	0.3	0.3	0.4
Mean no. of board members that left in last 12 months	1.5	1.2	1.2	2.1
Mean no. of board members appointed in last 12 months	1.5	1.1	1.2	2.1
Mean no. of total positions (current + vacant)	11.4	5.4	7.0	8.6
Mean % of total positions that are vacant	8%	6%	5%	5%
Mean % of total positions that left in last 12 months	11%	21%	18%	24%
Mean % of total positions appointed in last 12 months	12%	18%	18%	24%

As mentioned previously, 11 schemes had fewer current board members at the time they completed the survey than specified by their respective regulations. Nine of these schemes had vacant positions on their board. If these vacant positions were filled, each of these nine schemes would have met the minimum requirement for the number of pension board members for their type of scheme.

Of the remaining two schemes that had fewer current board members than required by their regulations, one was a Police scheme that had no vacant positions and the other was a Local Government scheme that answered “don’t know” to the question on number of vacant positions.

4.2 Managing risk

Around nine in ten schemes (92%) had documented procedures for assessing and managing risk. Every 'Other' scheme had these in place (100%), but Firefighters' schemes were least likely to do so (80%).

Figure 4.2.1 Proportion of schemes with documented procedures for assessing and managing risk



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 2%, 1%), Memberships (195, 0%, 0%), Other (11, 0%, 0%), Firefighters (46, 4%, 0%), Local Government (94, 1%, 1%), Police (44, 0%, 0%)

The presence of documented risk procedures was correlated with scheme size; 100% of those with over 100,000 memberships had these in place compared with 82% of schemes with 2,000 or fewer members.

When comparing findings from 2018 and 2017, there was an increase in the overall proportion of schemes that had documented procedures for assessing and managing risk (from 83% to 92%). The proportion for 'Other', Firefighters' and Police schemes had also increased.

Table 4.2.1 Proportion of schemes with documented procedures for assessing and managing risk – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	92%	100%	80%	96%	93%
PSPS Survey 2017	83%	82%	63%	93%	84%
PSPS Survey 2016	72%	91%	44%	92%	51%
PSPS Survey 2015	70%	100%	36%	79%	82%

The vast majority (94%) of schemes had a risk register, with this rising to 100% of 'Other' and 98% of Local Government schemes.

Figure 4.2.2 Proportion of schemes that had a risk register



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 1%, 1%), Memberships (195, 0%, 0%), Other (11, 0%, 0%), Firefighters (46, 2%, 0%), Local Government (94, 0%, 1%), Police (44, 2%, 0%)

Schemes were more likely to have a risk register than in 2017 (94% vs. 88%). This increase was greatest for Firefighters' scheme (+18 percentage points).

Table 4.2.2 Proportion of schemes that had a risk register – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	94%	100%	87%	98%	93%
PSPS Survey 2017	88%	91%	69%	97%	88%
PSPS Survey 2016	70%	91%	38%	91%	51%
PSPS Survey 2015	76%	100%	36%	91%	82%

All schemes were asked to identify the top three governance and administration risks on their register (or facing the scheme if they did not have a risk register). As detailed in Table 4.2.3, a wide range of risks were reported. The most prevalent were record-keeping (49%), regulatory compliance (38%), funding or investment (35%) and the recruitment and retention of staff or knowledge (27%).

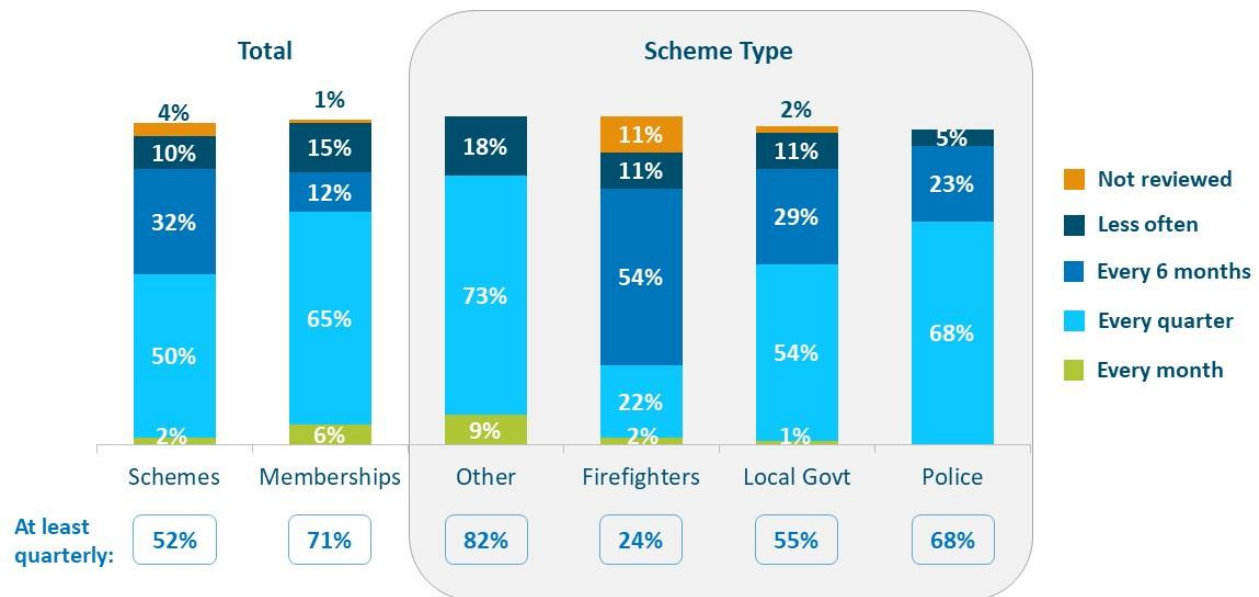
The key risks differed by scheme type. Record-keeping was identified as the top risk by 'Other' (36%) and Police (73%) schemes, regulatory compliance by Firefighters' schemes (61%, closely followed by record-keeping at 57%) and funding or investment by Local Government schemes (68%).

Table 4.2.3 Top governance and administration risks

Top Mentions (5%+)	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	195	11	46	94	44
Record-keeping (i.e. receipt and management of correct data)	49%	37%	36%	57%	36%	73%
Securing compliance with changes in scheme regulations	38%	22%	18%	61%	26%	43%
Funding or investment	35%	26%	0%	7%	68%	5%
Recruitment and retention of staff or knowledge	27%	22%	18%	26%	28%	27%
Systems failures (IT, payroll, administration systems, etc)	20%	26%	27%	15%	26%	11%
Lack of resources/time	16%	17%	18%	20%	15%	14%
Guaranteed Minimum Pension (GMP) reconciliation	15%	21%	27%	13%	11%	23%
Administrator issues (expense, performance, etc)	14%	16%	18%	20%	12%	14%
Production of annual benefit statements	14%	20%	27%	13%	10%	20%
Cyber risk	9%	9%	9%	11%	9%	9%
Receiving contributions from the employer(s)	8%	6%	0%	0%	15%	2%
Failure of internal controls	8%	1%	0%	22%	2%	7%
Lack of knowledge, effectiveness or leadership among key personnel	7%	2%	0%	9%	5%	11%
Don't know	1%	0%	0%	0%	0%	5%
Did not answer question	0%	0%	0%	0%	0%	0%

There were some differences by scheme size, with smaller schemes of 5,000 or fewer members more likely than larger ones to identify record-keeping (62% vs. 42%) and regulatory compliance (55% vs. 28%) as top risks.

As detailed in Figure 4.2.3, half of schemes (52%) had reviewed their exposure to new and existing risks at least every quarter over the previous 12 months, with these schemes accounting for 71% of all public service memberships. Most of the remainder had reviewed their risk exposure every 6 months (32% of all schemes), but 4% had not reviewed their risk exposure in the previous 12 months.

Figure 4.2.3 Frequency of reviewing risk exposure in last 12 months

All respondents (Base, Don't know, Did not answer question) - Schemes (195, 2%, 1%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 0%, 0%), Local Government (94, 2%, 1%), Police (44, 5%, 0%)

Firefighters' schemes were least likely to have reviewed their risk exposure on a regular basis; 24% had done so at least every quarter.

The frequency of reviewing risk exposure was correlated with scheme size; 77% of those with over 100,000 memberships had done so at least quarterly, compared with 56% of those with 5,001-100,000 memberships and 36% of those with 5,000 or fewer memberships.

Schemes that had held four or more board meetings in the previous 12 months were also more likely to have reviewed their risk exposure at least every quarter (70% compared with 34% of those who had met less than four times).

There was no change in the overall proportion of schemes that had reviewed their risk exposure at least quarterly (49% in 2017 vs. 52% in 2018), but it had increased for Police schemes (+24 percentage points) and declined for 'Other' and Firefighters' schemes (-18 and -11 percentage points respectively).

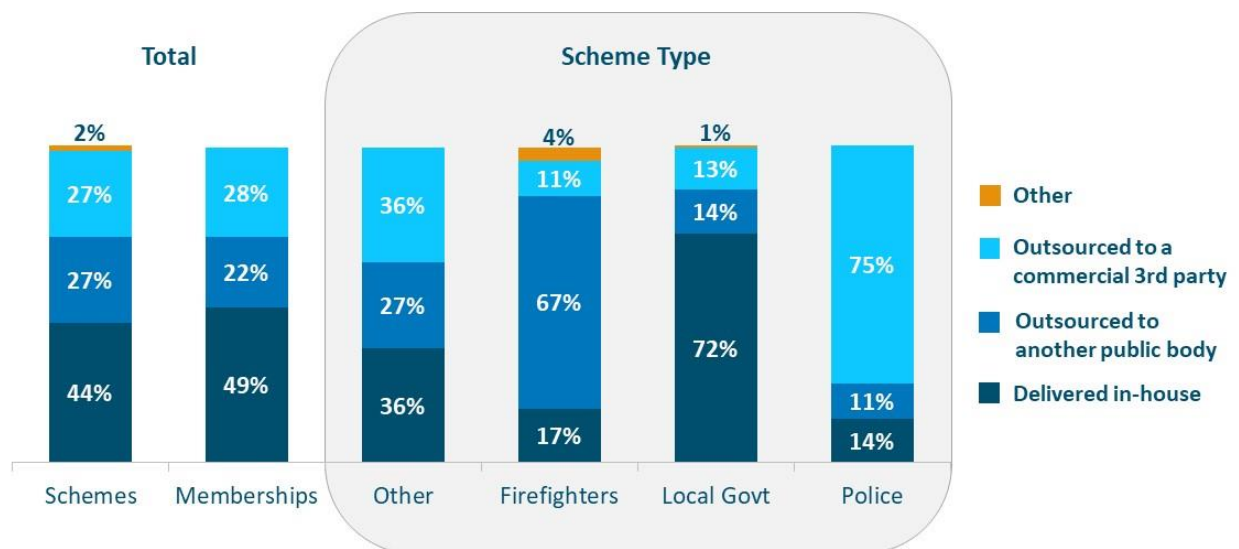
Table 4.2.4 Proportion of schemes reviewing exposure to new and existing risks at least every quarter – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	52%	82%	24%	55%	68%
PSPS Survey 2017	49%	100%	35%	53%	44%

4.3 Administration and record-keeping

There was a broadly equal split between schemes that were administered in-house (44%) and those where the administration was outsourced (55%). Among those that were administered externally, similar proportions used other public bodies (27%) and commercial third parties (27%).

Figure 4.3.1 Scheme administration arrangements

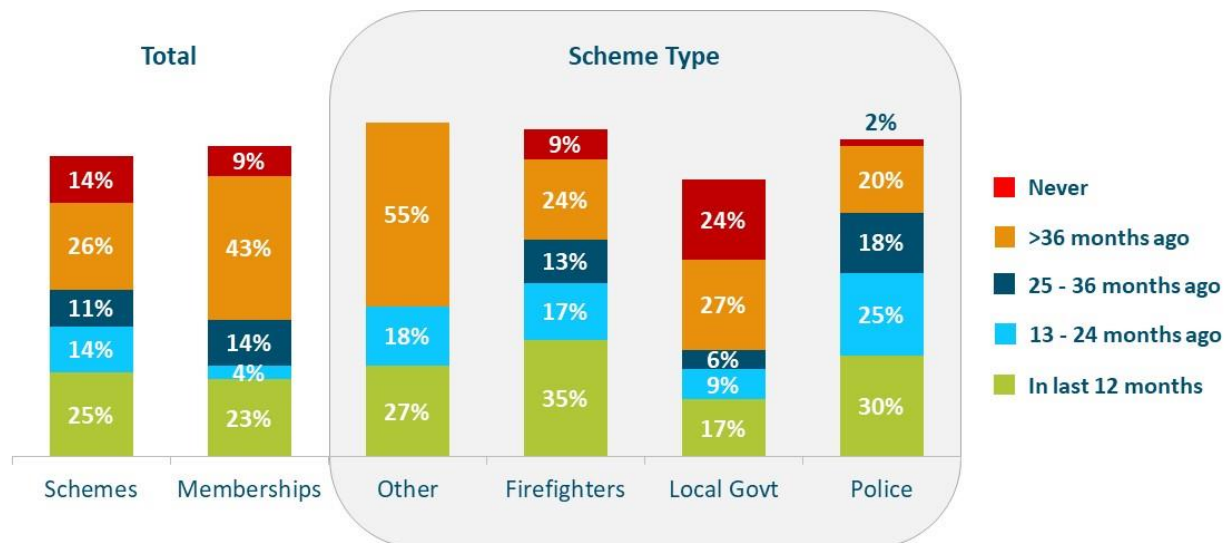


All respondents (Base, Don't know, Did not answer question) - Schemes (195, 0%, 0%), Memberships (195, 0%, 0%), Other (11, 0%, 0%), Firefighters (46, 0%, 0%), Local Government (94, 0%, 0%), Police (44, 0%, 0%)

There was some variation by scheme type in terms of the administration arrangements. Just under three-quarters (72%) of Local Government schemes undertook scheme administration in-house, whereas 'Other', Firefighters' and Police schemes were more likely to outsource it (64%, 78% and 86% respectively). Of the latter groups, Firefighters' schemes tended to outsource administration to another public body whereas Police schemes were most likely to use a commercial third party, and there was a more even split for 'Other' schemes (27% and 36% respectively).

Larger schemes were more likely to have in-house administration arrangements; 78% of schemes with over 30,000 memberships were administered in-house, compared with 40% of those with 5,001-30,000 memberships and 13% of those with 5,000 or fewer memberships.

As detailed in Figure 4.3.2, the frequency with which schemes reviewed who should provide their administration services varied widely. A quarter (25%) had done so in the previous 12 months, with similar proportions doing so 13-36 months ago (25%) and over 36 months ago (26%). A further 14% of schemes had never reviewed who should provide their administration.

Figure 4.3.2 Frequency of reviewing scheme administration providers

All respondents (Base, Don't know, Did not answer question) - Schemes (195, 10%, 0%), Memberships (195, 7%, 0%), Other (11, 0%, 0%), Firefighters (46, 2%, 0%), Local Government (94, 17%, 0%), Police (44, 5%, 0%)

Police and Firefighters' schemes were most likely to have reviewed their administration provider in the previous 36 months (73% and 65% respectively). However, over half of 'Other' (55%) and Local Government (51%) had not done so in the previous 36 months, with approaching a quarter (24%) of the latter reporting that they had never reviewed their provider.

Those schemes that used external administration providers were more likely to have reviewed who should provide these services. Around three-quarters of those outsourcing administration to a commercial 3rd party or another public body had reviewed their provider in the previous 36 months (78% and 71% respectively), compared with 18% of schemes with in-house administration arrangements. Over a quarter (29%) of the latter group had never done so.

As set out in Table 4.3.1, schemes used a range of methods to monitor the performance of their administrators. Administrators typically provided regular reports (87%) and attended regular meetings with the scheme manager/board (85%), and three-quarters (73%) of schemes specified performance metrics in contracts or service level agreements (SLAs).

Provision of independent assurance reports and the application of penalties were less common (33% and 18% respectively). However, all schemes reported that they employed at least one of these approaches to monitor and manage administrator performance.

Table 4.3.1 Monitoring and managing administrator performance

	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	195	11	46	94	44
Administrators deliver regular reports to scheme manager and/or board on the service provided	87%	95%	100%	87%	88%	82%
Administrators attend regular meetings with scheme manager and/or board	85%	84%	82%	83%	88%	82%
Performance metrics are set out in contracts or SLAs	73%	78%	91%	85%	57%	89%
Independent auditors review performance of administrators	58%	85%	100%	57%	66%	34%
Administrators provide independent assurance reports	33%	49%	64%	41%	29%	27%
Penalties are applied where contractual terms or service standards are not met	18%	28%	36%	7%	14%	36%
None of these	0%	0%	0%	0%	0%	0%
Don't know	0%	0%	0%	0%	0%	0%
Did not answer question	0%	0%	0%	0%	0%	0%

The proportion of schemes adopting each approach to monitor and manage their administrators differed by scheme type. In particular, 'Other' and Police schemes were more likely to apply penalties if contractual terms or service standards were not met (each 36%). 'Other' schemes were also more likely to use independent auditors to review administrator performance (100%) and to receive independent assurance reports from the administrator (64%).

In comparison to the other scheme types, a lower proportion of Local Government schemes set out performance metrics in contracts or SLAs (57%).

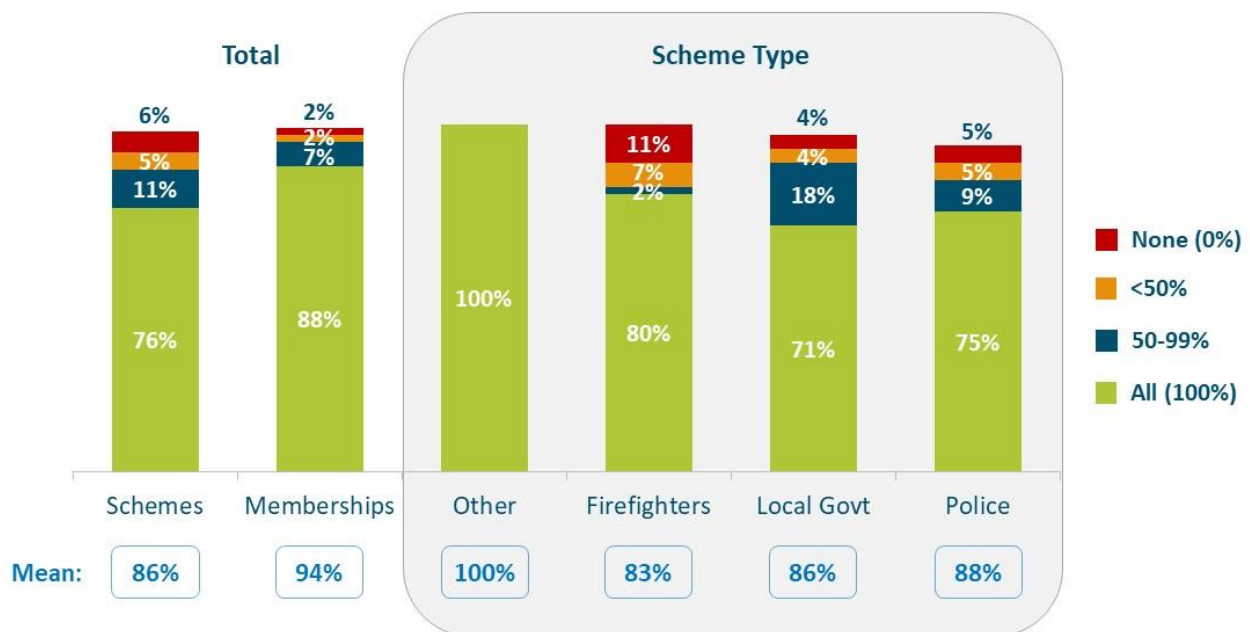
The use of service level agreements was less prevalent where schemes were administered in-house (48%, compared with 90% of those administered by another public body and 96% of those administered by a commercial third party).

While half (50%) of schemes administered by a commercial 3rd party reported that they applied penalties where contractual terms or service standards were

not met, this proportion fell to 4% of those administered by another public body and 8% of those administered in-house.

As shown in Figure 4.3.3, three-quarters of schemes (76%) included administration as a dedicated item on the agenda at every pension board meeting. A further 11% covered it at least half of their board meetings, but 5% did so at fewer than half of their meetings and 6% never included it on the agenda.

Figure 4.3.3 Proportion of pension board meetings held in the last 12 months that had administration as a dedicated item on the agenda



Base: All respondents (Base, Don't know number of board meetings and/or number covering administration, Did not answer question) - Schemes (195, 2%, 1%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 0%, 0%), Local Govt (94, 1%, 1%), Police (44, 7%, 0%)

All the 'Other' schemes formally covered administration every time the board met. Firefighters' schemes were most likely to report that administration was never included on the agenda at board meetings (11%).

As set out in Table 4.3.2, the vast majority of schemes had processes in place to monitor administration and record-keeping. Overall, 98% had a process for monitoring the payment of contributions, 94% had a process for resolving contribution payment issues, 92% had a process with the scheme's employer(s) to receive, check and review data, and 91% had a process to monitor records on an ongoing basis to ensure they are accurate and complete.

The proportion of schemes with these in place was generally higher than that seen in 2017. The proportion with processes to monitor the accuracy and completeness of records and to receive, check and review data both increased by 6 percentage points, and the proportion with a process for

resolving contribution payment issues increased by 4 percentage points¹¹. There was no change in the proportion of schemes with a process to monitor the payment of contributions.

Table 4.3.2 Administration and record-keeping processes - Time series

Proportion with a process...		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
To monitor records for all membership types on an ongoing basis to ensure they are accurate and complete	2018	91%	92%	91%	85%	95%	89%
	2017	85%	95%	100%	80%	88%	81%
	2016	89%	91%	91%	88%	90%	86%
With employer(s) to receive, check and review data	2018	92%	93%	91%	87%	98%	86%
	2017	86%	96%	100%	78%	92%	77%
	2016	90%	98%	100%	76%	96%	89%
For monitoring the payment of contributions	2018	98%	100%	100%	96%	100%	95%
	2017	97%	94%	91%	94%	100%	95%
	2016	95%	94%	91%	88%	100%	94%
For resolving contribution payment issues	2018	94%	99%	100%	85%	98%	95%
	2017	90%	92%	91%	84%	94%	86%
	2016	88%	93%	91%	68%	97%	91%

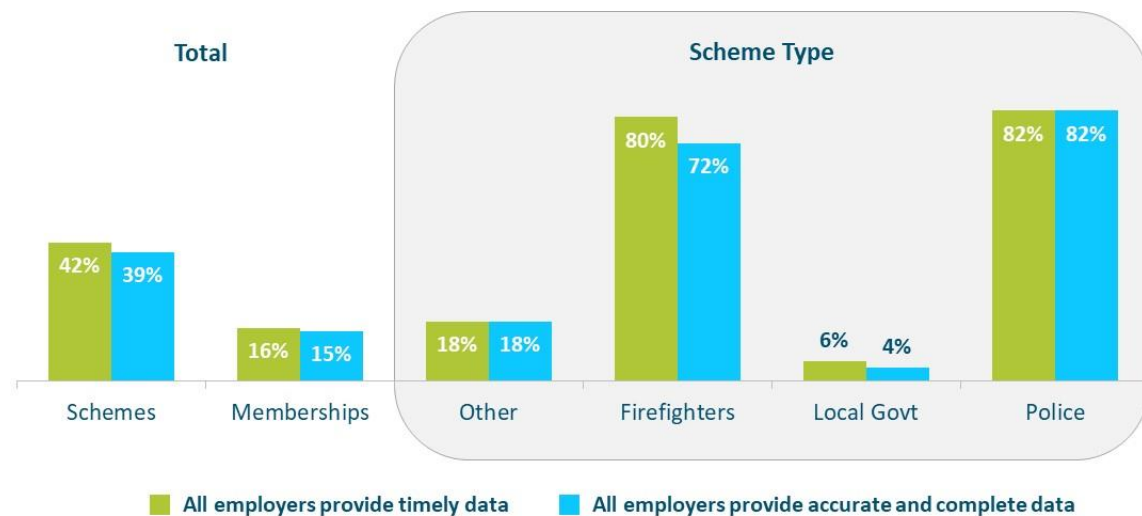
There was relatively little variation in the prevalence of these administration and record-keeping processes by scheme type in the 2018 survey.

Schemes were asked the extent to which the employer(s) provided timely, accurate and complete data. Single employer schemes were asked whether their participating employer always provided timely, accurate and complete data, whereas multi-employer schemes were asked to give the proportion of their employers that always did this. The analysis in Figure 4.3.4 combines the results from both questions.

Four in ten (42%) schemes reported that their employers always provided timely data. A similar proportion (39%) reported that their employers always provided accurate and complete data. However, this was lower among 'Other' (18% for each) and Local Government (6% and 4%) schemes, which are typically multi-employer.

¹¹ Previously this question asked whether the scheme had "a process in place for resolving contribution payment issues and assessing whether to report payment failures to TPR". The second clause was removed in 2018, which means results are not directly comparable. This may have contributed to the improved performance on this measure.

Figure 4.3.4 Proportion of schemes where all employers always provided timely, accurate and complete data



All respondents (Base, Don't know timely, Did not answer timely, Don't know accurate/complete, Did not answer accurate/complete) - Schemes (195, 5%, 2%, 7%, 2%), Memberships (195, 2%, 0%, 3%, 0%), Other (11, 0%, 0%, 0%, 0%), Firefighters (46, 9%, 4%, 11%, 4%), Local Government (94, 4%, 1%, 7%, 1%), Police (44, 5%, 0%, 5%, 0%)

As shown in Table 4.3.3, on average 87% of scheme employers always provided timely data, and 84% always provided accurate and complete data. The mean proportions of employers that always provided timely and accurate/complete data were highest for Firefighters' schemes (95% and 89%) and Police schemes (92% and 90%). In both these scheme types the schemes tend to be single employer.

Table 4.3.3 Mean proportion of employers that always provided timely, accurate and complete data

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	195	11	46	94	44
Mean % of employers that always provide timely data	87%	85%	86%	95%	81%	92%
Mean % of employers that always provide accurate and complete data	84%	82%	84%	89%	79%	90%

Table 4.3.4 shows that a higher proportion of schemes reported that all their employers always provided timely, accurate and complete data than in 2017 (+5 percentage points for timely data and +9 percentage points for accurate and complete data). It also shows that a higher proportion of Firefighters' and Police schemes said all their employers always provided timely, accurate and complete than in 2017 and a lower proportion of 'Other' and Local Government schemes said all their employers always provided timely data.

There was no change since the 2017 survey in the mean proportion of employers that always provided timely or accurate and complete data, either at the total level or for individual scheme types.

Table 4.3.4 Provision of timely, accurate and complete data by employers – Time series

		Total		Scheme Type			
		Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
All employers (100%) always provide timely data	2018	42%	16%	18%	80%	6%	82%
	2017	37%	23%	27%	57%	11%	72%
Mean % of employers that always provide timely data	2018	87%	85%	86%	95%	81%	92%
	2017	89%	87%	88%	94%	84%	96%
All employers (100%) always provide accurate and complete data	2018	39%	15%	18%	72%	4%	82%
	2017	30%	15%	18%	49%	7%	60%
Mean % of employers that always provide accurate and complete data	2018	84%	82%	84%	89%	79%	90%
	2017	86%	81%	80%	93%	80%	95%

As detailed in Table 4.3.5, the proportions of employers that always provided timely, accurate and complete data were lower for multi-employer schemes than single employer ones. One in ten (12%) multi-employer schemes said their employers always provided timely data compared with nine in ten (90%) single employer schemes. A similar proportion (11%) of multi-employer schemes said their employers always provided accurate and complete data compared with 85% of single employer schemes.

Table 4.3.5 Provision of timely, accurate and complete data by employers – analysis by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	73	121
All employers (100%) always provide timely data	90%	12%
All employers (100%) always provide accurate and complete data	85%	11%

Figure 4.3.5 shows that 88% of multi-employer schemes had a defined escalation process for dealing with employers who did not provide timely or accurate data.

Figure 4.3.5 Proportion of multi-employer schemes with a defined escalation process for dealing with employers who do not provide timely or accurate data¹²



All multi-employer schemes (Base, Don't know, Did not answer) - Schemes (121, 6%, 0%), Memberships (121, 1%, 0%), Other (10, 0%, 0%), Local Government (94, 2%, 0%)

Most multi-employer schemes included a range of actions in this escalation process, with the vast majority chasing in writing (97%), chasing by telephone (93%) and escalating the matter to senior staff (92%).

Two-thirds (67%) assessed whether a breach of the law had occurred, with this more likely among Local Government than 'Other' schemes (78% and 30% respectively). Local Government schemes were also more likely to impose penalties if required (66% compared with 30% of 'Other' schemes).

Table 4.3.6 Actions included in multi-employer schemes' escalation processes

Top Mentions (5%+)	Total		Scheme Type	
	Schemes	Memberships	Other	Local Govt
<i>Base: All multi-employer schemes with a defined escalation process</i>	107	107	10	85
Chase in writing	97%	99%	100%	99%
Chase by telephone	93%	98%	100%	95%
Escalate to senior staff	92%	97%	100%	93%
Assess for breach of law	67%	48%	30%	78%
Impose penalty	56%	44%	30%	66%
Manual correction	27%	23%	20%	28%
Remove from scheme	14%	24%	30%	14%

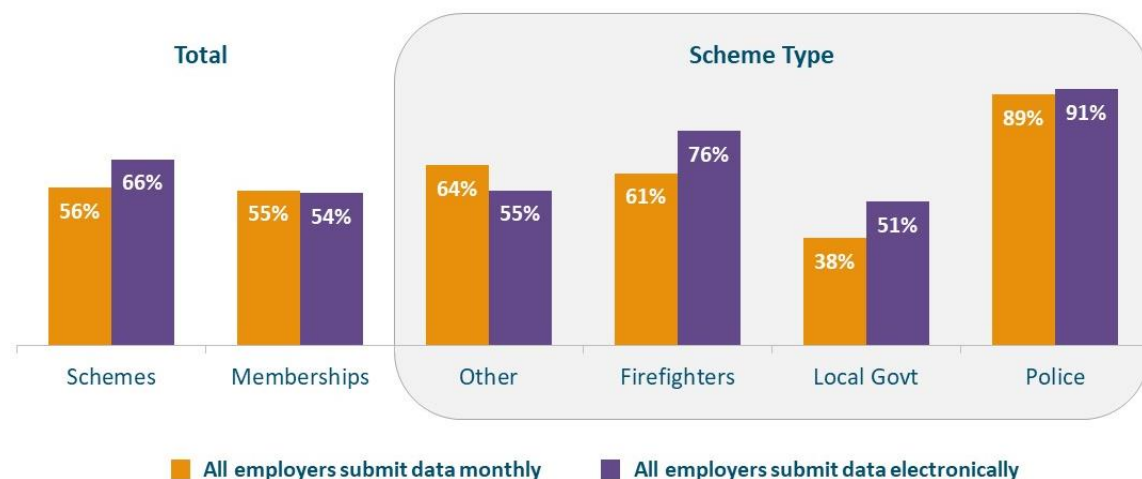
¹² Results for Firefighters' and Police schemes are not shown due to the very low number of multi-employer schemes in these cohorts.

Although a third (33%) of schemes with a defined escalation process did not include assessing for a possible breach of the law in this, the majority of this group (88%) indicated elsewhere in the survey that they had procedures in place to assess and report breaches of the law (see Chapter 4.8).

Schemes were also asked the extent to which the employer(s) submitted data monthly and electronically. Single employer schemes were asked whether their participating employer submitted data monthly and electronically, and multi-employer schemes were asked to give the proportion of their employers that did this. The analysis in Figure 4.3.6 combines the results from both questions.

Over half (56%) of schemes reported that all their employers submitted data monthly and two-thirds (66%) reported that all their employers submitted data electronically. This was most likely to be the case for Police schemes (89% and 91% respectively).

Figure 4.3.6 Proportion of schemes where all employers submitted data monthly and electronically



All respondents (Base, Don't know monthly, Did not answer monthly, Don't know electronically, Did not answer electronically) - Schemes (195, 4%, 2%, 4%, 2%), Memberships (195, 1%, 0%, 1%, 0%), Other (11, 0%, 0%, 0%, 0%), Firefighters (46, 9%, 4%, 9%, 4%), Local Government (94, 3%, 1%, 3%, 1%), Police (44, 2%, 0%, 2%, 0%)

Table 4.3.7 shows that, on average, 77% of scheme employers submitted monthly data and 88% submitted data electronically. For both monthly and electronic data, the mean was lower for Firefighters' (70% and 88%) and Local Government (72% and 83%) schemes.

Table 4.3.7 Mean proportion of employers that submitted data monthly and electronically

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	195	11	46	94	44
Mean % of employers that submit data monthly	77%	81%	86%	70%	72%	93%
Mean % of employers that submit data electronically	88%	91%	95%	88%	83%	99%

As with timeliness of data and its accuracy and completeness, these proportions were lower for multi-employer schemes than single employer schemes. Four in ten (44%) multi-employer schemes said all their employers submitted data monthly compared with eight in ten (78%) single employer schemes. Half (51%) of multi-employer schemes said all their employers submitted data electronically compared with nine in ten (92%) single employer schemes.

Table 4.3.8 Submission of monthly and electronic data by employers – analysis by single and multi-employer schemes

	Single employer schemes	Multi-employer schemes
<i>Base: All respondents</i>	73	121
All employers (100%) submit data monthly	78%	44%
All employers (100%) submit data electronically	92%	51%

4.4 Cyber security

The 2018 survey included a number of new questions about schemes' cyber security controls, any cyber breaches or attacks experienced in the previous 12 months and the impact of any such incidents.

Schemes were asked about 14 specific cyber controls and three-quarters (74%) had at least half of these in place, with these schemes together covering 92% of all public service memberships.

No schemes stated that they had none of these controls in place, although 7% either answered "don't know" or did not provide a response.

Table 4.4.1 Proportion of schemes with controls to protect their data and assets from 'cyber risk'

	Total	
	Schemes	Memberships
<i>Base: All respondents</i>	195	195
Controls restricting access to systems and data	83%	96%
System controls (e.g. firewalls, anti-virus/malware, software updates)	82%	95%
Policies on data access, protection, use and transmission in line with Data Protection legislation and guidance	81%	85%
Policies on the acceptable use of devices, passwords/other authentication and on home/mobile working	80%	96%
Critical systems and data regularly backed up	80%	95%
Cyber risk is on risk register and regularly reviewed	67%	78%
Incident response plan to deal with any incidents which occur	67%	79%
Access to specialist skills and expertise to understand and manage risk	66%	89%
Scheme manager assured themselves of 3 rd party providers' controls	66%	61%
Roles and responsibilities on cyber resilience clearly defined and documented	62%	68%
Assessment of vulnerability to a cyber incident of key functions, systems, assets and parties involved in running the scheme	57%	73%
Assessment of likelihood of different types of breaches occurring	49%	66%
Scheme manager receives regular updates on cyber risks, incidents and controls	39%	50%
Pension board receives regular updates on cyber risks, incidents and controls	26%	32%
None of these	0%	0%
Net: At least half of these cyber controls in place (7+)	74%	92%
Mean number of cyber controls in place	9.0	10.6
Don't know	6%	1%
Did not answer question	1%	0%

The most common types of cyber protection were controls restricting access to systems and data (83%), system controls such as firewalls, anti-virus products and regular updates of software (82%), policies on data access, protection, use and transmission in line with data protection legislation and guidance (81%), policies on acceptable use of devices, passwords and other authentication, and on home and mobile working (80%), and regular back-ups of critical systems and data (80%).

Comparatively few schemes indicated that the scheme manager or the pension board received regular updates on cyber risks, incidents and controls (39% and 26% respectively).

Table 4.4.2 shows that half (49%) of schemes had experienced some kind of cyber breach or attack in the previous 12 months (covering 42% of memberships). These incidents typically involved staff receiving fraudulent emails or being directed to fraudulent websites (42%). This was the most reported type of cyber breach or attack for all scheme types.

Table 4.4.2 Proportion of schemes experiencing any cyber security breaches or attacks in the last 12 months (including at any outsourced administration provider)

	Total	
	Schemes	Memberships
<i>Base: All respondents</i>	<i>195</i>	<i>195</i>
Staff receiving fraudulent emails or being directed to fraudulent websites	42%	34%
Attacks that try to take down website or online services	10%	8%
People impersonating scheme in emails or online	9%	11%
Computers becoming infected with other viruses, spyware or malware	5%	2%
Computers becoming infected with ransomware	2%	1%
Unauthorised use of computers, networks or servers by staff, even if accidental	1%	1%
Hacking or attempted hacking of online bank accounts	1%	0%
Unauthorised use or hacking of computers, networks or servers by people outside scheme	0%	0%
Any other types of cyber security breaches or attacks	2%	1%
None of these	41%	55%
Net: Any cyber incidents reported in last 12 months	49%	42%
Don't know	9%	3%
Did not answer question	1%	0%

Those schemes that had experienced any cyber breaches or attacks in the previous 12 months were asked what, if anything, had happened as a result. Most (85%) reported that there had been no impact but 14% reported a negative impact.

The negative impacts reported tended to be either the scheme's website or online services being taken down or made slower (9%) or temporary loss of access to files or networks (7%).

Table 4.4.3 Impact of cyber security breaches or attacks experienced in the last 12 months

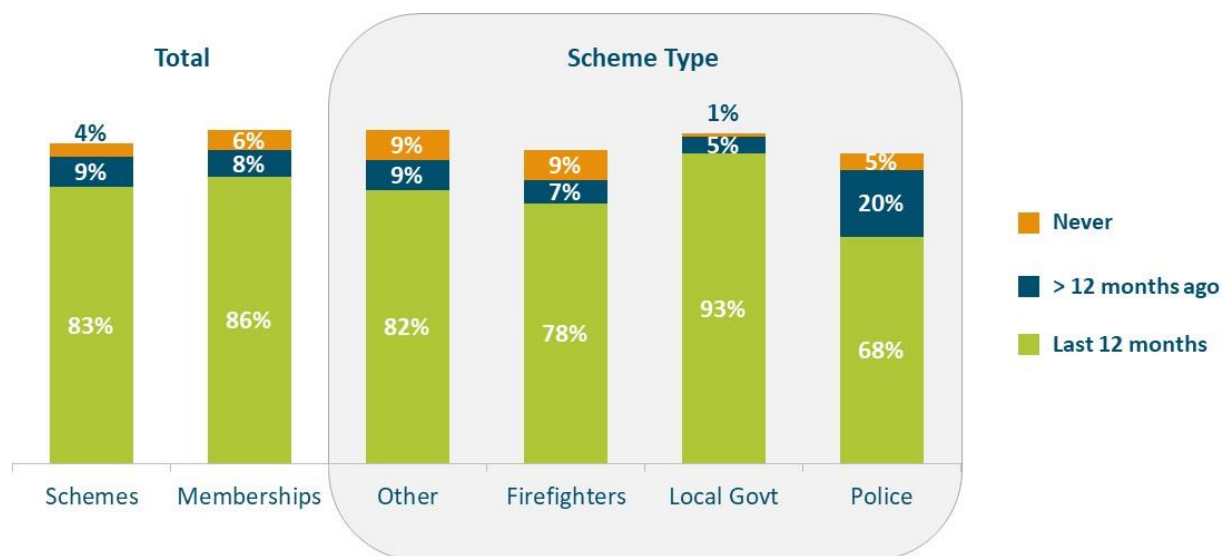
	Total	
	Schemes	Memberships
<i>Base: All experiencing cyber security breaches or attacks</i>	95	95
Website or online services taken down or made slower	9%	2%
Temporary loss of access to files or networks	7%	4%
Personal data altered, destroyed or taken	1%	1%
Lost access to any third-party services relied on	1%	1%
Software or systems corrupted or damaged	0%	0%
Permanent loss of files (other than personal data)	0%	0%
Lost or stolen assets, trade secrets or intellectual property	0%	0%
Money stolen	0%	0%
None of these	85%	95%
Net: Any impact reported in last 12 months	14%	5%
Don't know	0%	0%
Did not answer question	1%	0%

4.5 Data reviews

Most schemes had last completed a data review within the previous 12 months (83%), a further 9% had done so more than 12 months previously and 4% reported that they had never completed a data review.

Local Government schemes were most likely to have completed a data review in the previous 12 months (93%) and Police schemes were least likely to have done so (68%). Approaching one in ten 'Other' and Firefighters' schemes (9%) had never completed a data review.

Figure 4.5.1 When last completed a data review



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 4%, 0%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 7%, 0%), Local Government (94, 1%, 0%), Police (44, 7%, 0%)

The proportion of schemes that had completed a data review in the previous 12 months was higher than in 2017, most notably for Local Government schemes (+19 percentage points). However, the proportion of 'Other' schemes that had done so fell (-18 percentage points).

Table 4.5.1 Proportion of schemes that had completed a data review in last 12 months – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	83%	82%	78%	93%	68%
PSPS Survey 2017	75%	100%	71%	74%	74%
PSPS Survey 2016	79%	100%	68%	83%	77%
PSPS Survey 2015	70%	58%	50%	77%	77%

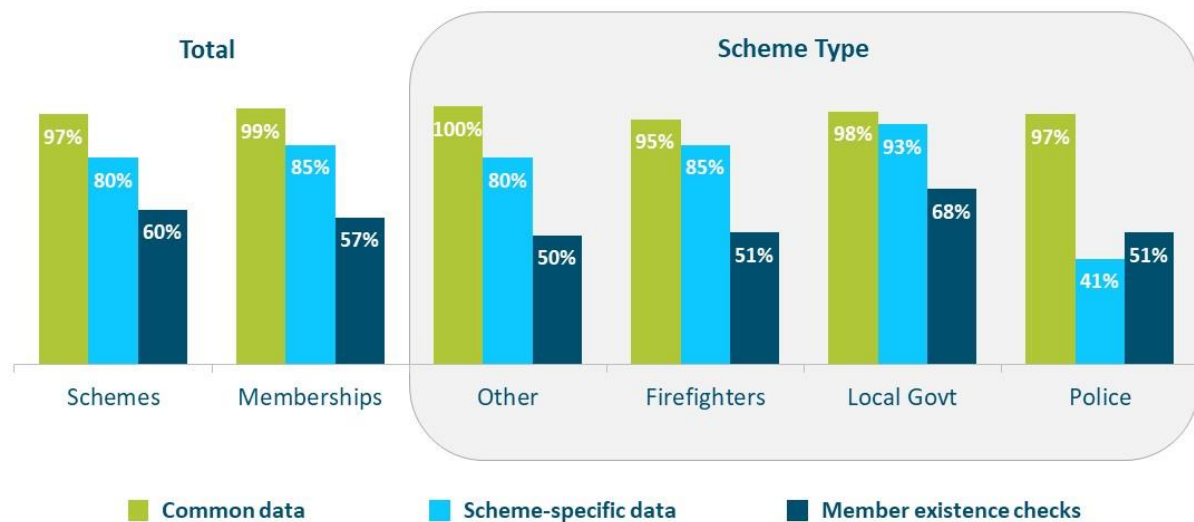
As detailed in Table 4.5.2, 58% of the schemes that had not completed a data review in the previous 12 months indicated that a review was currently underway at the time they completed the survey. Overall, this means that 91% of schemes had either completed a review in the previous 12 months or were in the process of doing one.

Table 4.5.2 Proportion of schemes where a data review was currently underway

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All not completing review in last 12 months</i>	26	2	7	6	11
Data review currently underway	58%	50%	57%	83%	45%
<i>Base: All respondents</i>	195	11	46	94	44
Net: Completed data review in last 12 months or review currently underway	91%	91%	87%	98%	80%

All schemes that had ever completed a data review were asked to specify the types of data looked at in their most recently completed review. Overall, 97% of reviews had looked at common data, with 80% covering scheme-specific data and 60% involving member existence checks.

Figure 4.5.2 Coverage of most recently completed data review



All that have completed a data review (Base, None of these, Don't know, Did not answer question) - Schemes (180, 1%, 1%, 1%), Memberships (180, 0%, 0%, 0%), Other (10, 0%, 0%, 0%), Firefighters (39, 3%, 3%, 0%), Local Government (92, 0%, 1%, 0%), Police (39, 0%, 0%, 3%)

The proportion that had looked at common data was similar across all scheme types (ranging from 95% to 100%), but Police schemes were less likely than other scheme types to have covered scheme-specific data in their most recently completed review (41%).

Schemes that had looked at common data in their most recently completed review were asked whether they had identified any issues or problems and, if so, what action had been taken to address these issues.

Approaching three-quarters (72%) of these schemes identified issues with their common data. However, Police schemes were least likely to have done so (47%).

Most schemes had either put a data improvement plan in place but not yet completed rectification work (40%) or were in the process of developing an improvement plan (23%).

Table 4.5.3 Identifying and addressing issues with common data

	Total		Scheme Type			
	Schemes	Memberships	Other	Fire-fighters	Local Govt	Police
<i>Base: All looking at common data in most recently completed review</i>	175	175	10	37	90	38
Identified issues with common data	72%	69%	60%	73%	82%	47%
An improvement plan has been put in place and rectification work has been completed	2%	6%	10%	0%	1%	3%
An improvement plan is in place but rectification work is not yet complete	40%	44%	40%	30%	50%	26%
An improvement plan is in development	23%	9%	0%	35%	22%	16%
Rectification work has been undertaken without an improvement plan	6%	3%	0%	5%	8%	3%
No improvement plan has been developed and no work has been undertaken	1%	0%	0%	0%	1%	0%
Did not identify issues with common data	27%	31%	40%	27%	17%	50%
Don't know if identified issues	1%	0%	0%	0%	1%	3%
Did not answer if identified issues	0%	0%	0%	0%	0%	0%
Don't know action taken	1%	0%	0%	3%	0%	0%
Did not answer action taken	1%	6%	10%	0%	0%	0%

Similarly, those schemes that had looked at scheme-specific data in their most recently completed review were asked whether they had identified any issues or problems and, if so, what action had been taken to address these issues.

80% of schemes reported that they had identified issues with their scheme-specific data. As with common data, Police schemes were least likely to have found issues with their scheme-specific data (56%), although 19% of these schemes answered “don’t know” to this question.

Again, rectification work was typically planned or underway, but not yet completed; 42% had put a data improvement plan in place but not yet completed rectification work and 30% were in the process of developing an improvement plan.

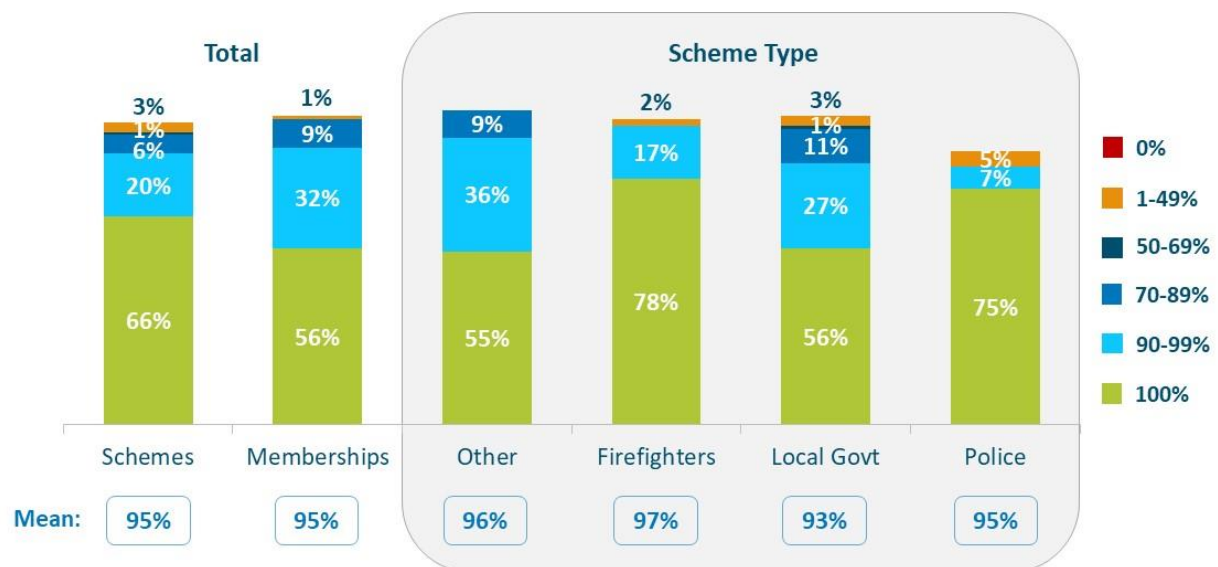
Table 4.5.4 Identifying and addressing issues with scheme-specific data

	Total		Scheme Type			
	Schemes	Member-ships	Other	Fire-fighters	Local Govt	Police
<i>Base: All looking at scheme-specific data in most recently completed review</i>	143	143	8	33	86	16
Identified issues with scheme-specific data	80%	79%	75%	79%	85%	56%
An improvement plan has been put in place and rectification work has been completed	2%	1%	0%	3%	2%	0%
An improvement plan is in place but rectification work is not yet complete	42%	55%	63%	30%	48%	31%
An improvement plan is in development	30%	20%	13%	39%	29%	25%
Rectification work has been undertaken without an improvement plan	4%	3%	0%	3%	6%	0%
No improvement plan has been developed and no work has been undertaken	1%	0%	0%	3%	0%	0%
Did not identify issues with scheme-specific data	15%	20%	25%	15%	13%	25%
Don’t know if identified issues	5%	1%	0%	6%	2%	19%
Did not answer if identified issues	0%	0%	0%	0%	0%	0%
Don’t know action taken	0%	0%	0%	0%	0%	0%
Did not answer action taken	0%	0%	0%	0%	0%	0%

4.6 Annual benefit statements

On average, 95% of active members had received their annual benefit statement (ABS) by the statutory deadline in 2018. Two-thirds (66%) of schemes reported that they had met this deadline for all their active members.

Figure 4.6.1 Proportion of active members receiving annual benefit statement by statutory deadline in 2018



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 4%, 1%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 2%, 0%), Local Government (94, 2%, 0%), Police (44, 9%, 5%)

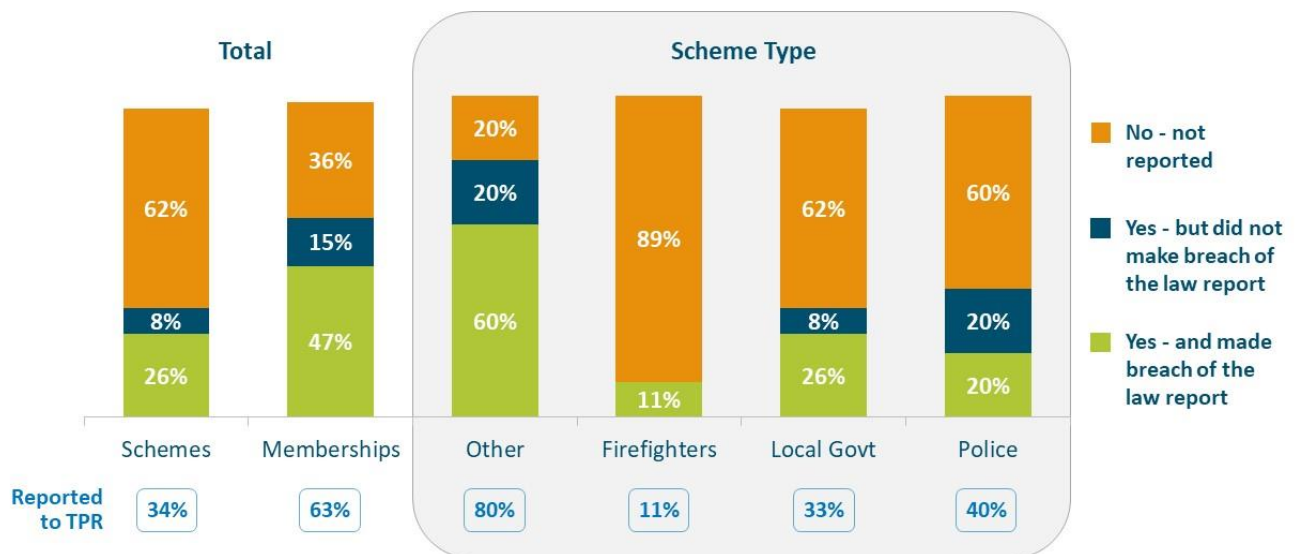
Around three-quarters of Firefighters' and Police schemes had met the ABS deadline for all their active members in 2018 (78% and 75% respectively). This proportion was lower for 'Other' (55%) and Local Government (56%) schemes, both of which are primarily multi-employer schemes and typically have a greater number of memberships.

As shown in Table 4.6.1, there was no change since 2017 in the mean percentage of members receiving their ABS by the deadline. However, there was an increase in the proportion of schemes stating that all their active members had received their ABS on time (from 60% in 2017 to 66% in 2018). This improvement was evident for 'Other' and Local Government schemes (+10 and +11 percentage points respectively).

Table 4.6.1 Proportion of active members receiving annual benefit statement by statutory deadline – Time series

		Total schemes	Scheme Type			
			Other	Firefighters	Local Govt	Police
Mean	2018	95%	96%	97%	93%	95%
	2017	93%	91%	93%	92%	97%
	2016	75%	75%	46%	87%	82%
100% received by deadline	2018	66%	55%	78%	56%	75%
	2017	60%	45%	73%	45%	79%
	2016	43%	36%	32%	45%	54%

The schemes that missed the ABS deadline for any of their active members were asked whether they reported this to TPR. A third (34%) had done so, with most of these making a breach of the law report (26%).

Figure 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements

All where deadline was missed for any active members (Base, Don't know, Did not answer question) - Schemes (58, 2%, 2%), Memberships (58, 1%, 1%), Other (5, 0%, 0%), Firefighters (9, 0%, 0%), Local Government (39, 3%, 3%), Police (5, 0%, 0%) – **Caution: Low base sizes for individual scheme types**

Most 'Other' schemes (80%) reported the missed deadline, with 60% making a breach of the law report. However, the majority of Firefighters' (89%), Local Government (62%) and Police (60%) schemes that missed the deadline did not report it to TPR.

As detailed in Table 4.6.2, there was no change from 2017 in the overall proportion of schemes that reported the missed ABS deadline to TPR. However, there was an increase among 'Other schemes' (+13 percentage points) and a decrease among Firefighters' schemes (-56 percentage points). It should be noted that the 2018 figure for Firefighters' is based on just 9 schemes that had missed the deadline for any of their active members.

Table 4.6.2 Proportion of schemes reporting to TPR that they missed the deadline for issuing active member statements – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	34%	80%	11%	33%	40%
PSPS Survey 2017	41%	67%	67%	29%	57%

Half (50%) of the schemes that did not report the missed ABS deadline to TPR indicated that this was because it was not material as few statements were affected. A further 22% stated that it was not material as there was a very short delay.

As detailed in Figure 4.6.2, 90% of schemes reported that all the annual benefit statements they sent out to members in 2018 contained all the data required by regulations.

All schemes indicated that at least 70% of the statements they sent out contained all the required data, and the mean was 100%¹³.

Figure 4.6.2 Proportion of annual benefit statements sent out in 2018 that contained all the data required by regulations

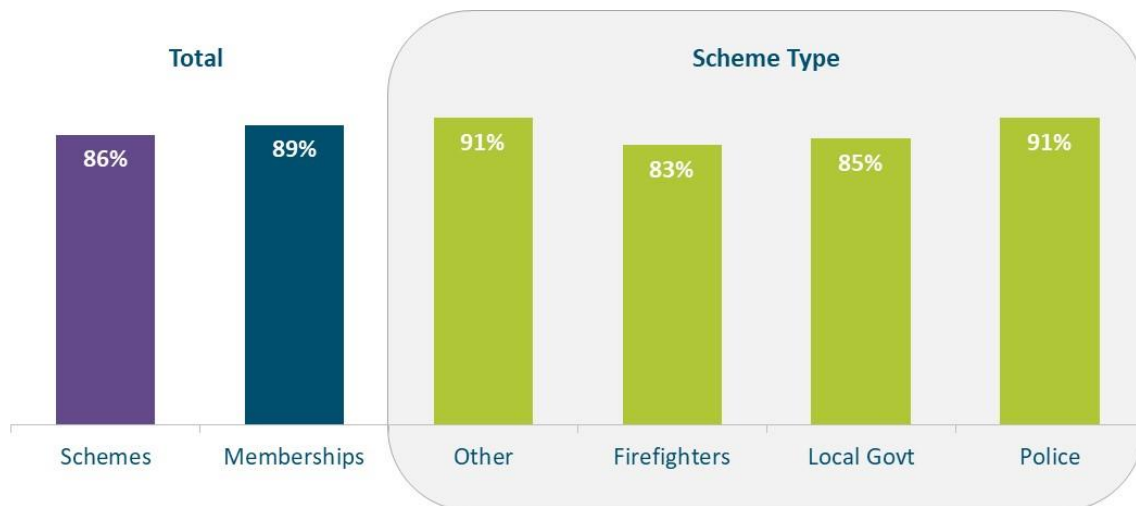
All respondents (Base, Don't know, Did not answer question) - Schemes (195, 4%, 0%), Memberships (195, 2%, 0%), Other (11, 0%, 0%), Firefighters (46, 7%, 0%), Local Government (94, 4%, 0%), Police (44, 2%, 0%)

¹³ 99.7% when shown to 1 decimal place.

4.7 Resolving issues

The majority (86%) of schemes had a working definition of what constitutes a complaint. There was little variation by scheme type, although 'Other' and Police schemes were slightly more likely to have a definition (91%) than Firefighters' (83%) or Local Government schemes (85%).

Figure 4.7.1 Proportion of schemes with a working definition of what constitutes a complaint



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 3%, 0%), Memberships (195, 6%, 0%), Other (11, 9%, 0%), Firefighters (46, 4%, 0%), Local Government (94, 2%, 0%), Police (44, 2%, 0%)

Schemes were asked to provide details of the number of complaints they had received in the previous 12 months. This data has been used to estimate the total number of complaints received by public service schemes and show the number of complaints per 100 members, as set out in Table 4.7.1 below.

Table 4.7.1 Estimated total complaints received in last 12 months

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
Total memberships	16,882,497	10,011,614	115,841	6,385,338	369,704
Mean number of complaints	61	790	2	20	5
Total complaints (grossed up)	11,052	8,687	116	2,025	224
Share of all memberships	100%	59%	1%	38%	2%
Share of all complaints	100%	79%	1%	18%	2%
Complaints per 100 members	7	9	10	3	6

Overall, an estimated 11,052 complaints were made to public service schemes in the previous 12 months, equating to 7 complaints per 100 members.

Local government schemes were proportionally least likely to generate complaints, with this group accounting for 38% of all public service memberships but 18% of all complaints. There were an estimated 3 complaints per 100 members for this scheme type. In comparison Police schemes received 6 complaints per 100 members, 'Other' schemes received 9 per 100 members, and Firefighters' schemes received 10 per 100 members.

On average, 43% of complaints had entered the internal dispute resolution (IDR) process. The mean was 60% for Firefighters', 50% for 'Other', 42% for Police and 36% for Local Government schemes. The proportions had not changed since 2017, when the mean for all schemes was 44%.

As detailed in Table 4.7.2, the most common types of complaints received by public service schemes related to eligibility for ill health benefit (39%), disputes or queries about the amount of benefit paid (31%), slow or ineffective communication (29%) and delays to benefit payments (28%).

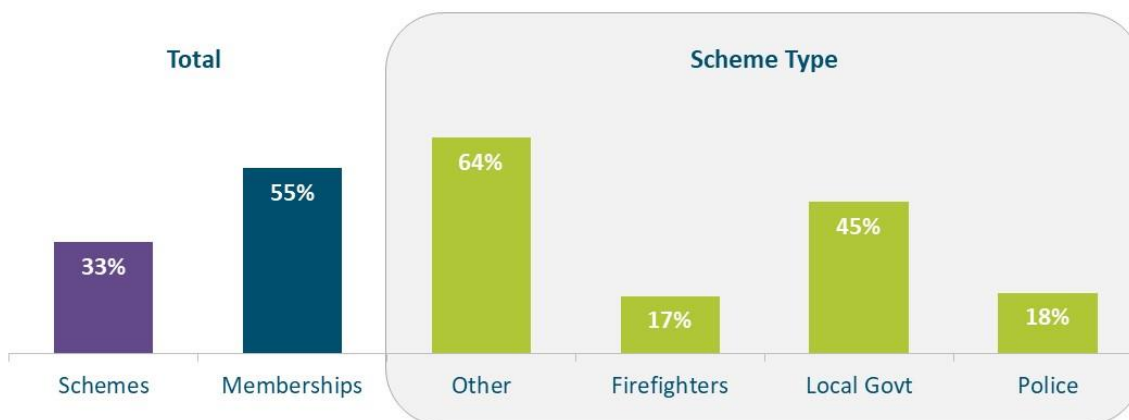
Table 4.7.2 Top types of complaints received

Top Mentions (5%+)	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All that received complaints</i>	166	10	29	89	38
Eligibility for ill health benefit	39%	30%	28%	58%	5%
Disputes or queries about the amount of benefit paid	31%	40%	28%	29%	34%
Slow or ineffective communication	29%	40%	34%	33%	13%
Delays to benefit payments	28%	30%	14%	40%	11%
Inaccuracies or disputes around pension value or definitions	21%	30%	28%	15%	26%
Delay or refusal of pension transfer	18%	0%	7%	29%	5%
Inaccurate data held and/or statement issued	12%	20%	14%	9%	16%
Pension overpayment and recovery	12%	20%	3%	8%	26%
Don't know	6%	0%	0%	4%	16%
Did not answer question	1%	0%	0%	0%	3%

There was some variation by scheme type in the nature of the complaints received. Police schemes were more likely than other types of scheme to receive complaints related to pension overpayment and recovery (26%). Complaints related to eligibility for ill health benefit were most prevalent among Local Government schemes (58%).

A third (33%) of schemes had carried out satisfaction surveys among their members and beneficiaries. 'Other' and Local Government schemes were most likely to have done so (64% and 45% respectively).

Figure 4.7.2 Proportion of schemes that carry out a satisfaction survey among their members and beneficiaries



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 5%, 1%), Memberships (195, 1%, 0%), Other (11, 0%, 0%), Firefighters (46, 13%, 0%), Local Government (94, 1%, 0%), Police (44, 7%, 2%)

4.8 Reporting breaches

The vast majority of schemes had procedures in place to identify breaches of the law (94%) and to assess these and report them to TPR if required (95%). All of the 'Other' schemes had both procedures in place, but Firefighters' schemes were least likely to have them (89% for both).

Figure 4.8.1 Proportion of schemes with procedures to identify breaches of the law and assess breaches of the law and report these to TPR if required



All respondents (Base, Don't know if procedures to identify, Did not answer if procedures to identify, Don't know if procedures to report, Did not answer if procedures to report) - Schemes (195, 3%, 0%, 2%, 0%), Memberships (195, 1%, 0%, 1%, 0%), Other (11, 0%, 0%, 0%, 0%), Firefighters (46, 4%, 0%, 2%, 0%), Local Government (94, 1%, 0%, 2%, 0%), Police (44, 5%, 0%, 2%, 0%)

The proportion of schemes with procedures to both identify and assess and report breaches of the law has increased over time (53% in 2015, 84% in 2016, 90% in 2017 and 93% in 2018). All scheme types have seen an increase over this period.

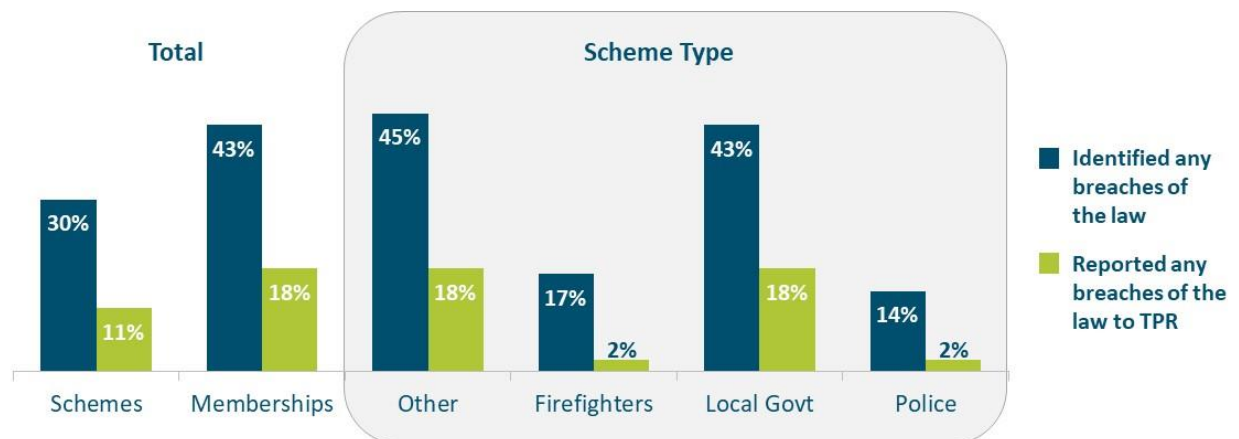
Table 4.8.1 Proportion of schemes with procedures to both identify and assess and report breaches of the law – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	93%	100%	89%	94%	93%
PSPS Survey 2017	90%	100%	84%	95%	84%
PSPS Survey 2016	84%	100%	78%	91%	69%
PSPS Survey 2015	53%	67%	36%	51%	73%

In addition to asking whether schemes had procedures to identify, assess and report breaches of the law, the survey also captured data on the proportion that had done so in the previous 12 months. For these questions, schemes were asked to exclude any breaches relating to their annual benefit statements.

Almost a third (30%) of schemes had identified non-annual benefit statement breaches of the law in the previous 12 months, and 11% had reported breaches to TPR in this period as they thought they were materially significant (i.e. around a third of those identifying breaches reported a breach to TPR).

Figure 4.8.2 Proportion of schemes that had identified any breaches of the law and reported any breaches to TPR in the last 12 months (excluding those relating to annual benefit statements)



All respondents (Base, Don't know if identified any breaches, Did not answer if identified, Don't know if reported, Did not answer if reported) - Schemes (195, 4%, 1%, 0%, 1%), Memberships (195, 1%, 0%, 0%, 0%), Other (11, 0%, 0%, 0%, 0%), Firefighters (46, 0%, 0%, 0%, 0%), Local Government (94, 1%, 0%, 0%, 0%), Police (44, 16%, 2%, 0%, 2%)

The proportion identifying breaches in the previous 12 months was highest for 'Other' and Local Government schemes (45% and 43% respectively), and these scheme types were also most likely to have reported breaches to TPR (18% in each case). Not only were Firefighters' and Police schemes less likely to have identified breaches, but they were also proportionally less likely to have reported these (2% in each case).

Larger schemes were more likely to have identified non-ABS breaches than smaller schemes; 49% of those with over 30,000 memberships had done so in the previous 12 months, compared with 25% of those with 5,001-30,000 memberships and 15% of those with 5,000 or fewer memberships. The proportion reporting breaches to TPR followed a similar pattern with 21% of those with over 30,000 memberships reporting a breach, compared with 7% of those with 5,001 to 30,000 memberships and 3% of those with 5,000 or fewer memberships.

As shown in Table 4.8.2, where breaches were identified they were most commonly attributed to the scheme's employers. Half (52%) of those identifying breaches stated that these were caused by late or non-payment of contributions by the employer(s), and a third (34%) cited failure of the employer(s) to provide timely, accurate or complete data.

Table 4.8.2 Causes of breaches identified (excluding those relating to annual benefit statements)

	Total	
	Schemes	Memberships
<i>Base: All identifying breaches of the law (not related to ABS)</i>	59	59
Late or non-payment of contributions by the employer(s)	52%	50%
Failure of the employer(s) to provide timely, accurate or complete data	34%	29%
Management of transactions (e.g. errors or delays in payments of benefits)	25%	35%
Failure to maintain records or rectify errors	24%	19%
Systems or process failure	19%	7%
Other employer-related issues	12%	4%
Lack of knowledge and understanding	2%	1%
Other	18%	31%
Don't know	0%	0%
Did not answer question	0%	0%

4.9 Addressing governance and administration issues

All schemes were asked to identify the top three barriers to improving their scheme governance and administration over the next 12 months. The most widely mentioned were the complexity of the scheme (70%), lack of resources or time (47%), the volume of changes required to comply with legislation (45%) and the recruitment, training and retention of staff and knowledge (39%).

Table 4.9.1 Barriers to improving governance and administration over the next 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	11	46	94	44
Complexity of the scheme	70%	82%	83%	60%	75%
Lack of resources or time	47%	45%	54%	47%	41%
The volume of changes that are required to comply with legislation	45%	27%	46%	43%	55%
Recruitment, training and retention of staff and knowledge	39%	9%	37%	49%	25%
Employer compliance	28%	18%	0%	56%	2%
Issues with systems (IT, payroll, administration systems, etc.)	21%	45%	26%	19%	14%
Lack of knowledge, effectiveness or leadership among key personnel	4%	0%	4%	2%	9%
Poor communications between key personnel	2%	0%	0%	2%	2%
Other barriers	6%	27%	2%	6%	5%
There are no barriers	3%	9%	2%	1%	5%
Don't know	1%	0%	0%	0%	2%
Did not answer question	0%	0%	0%	0%	0%

Complexity of the scheme was the most commonly identified barrier for all scheme types. Local Government schemes were more likely than other scheme types to highlight employer compliance (56%).

Overall, 3% of schemes indicated there were no barriers to improving their governance and administration (a drop of 7 percentage points from 2017), with this rising to 9% for 'Other' schemes.

All schemes were asked to what they would attribute any improvements made to their governance and administration in the last 12 months.

A variety of improvement drivers were identified, but the major ones were better understanding of the underlying legislation and standards expected by TPR (67%) and better understanding of the risks facing the scheme (63%). A further 45% attributed this to improved engagement by TPR.

This pattern was similar for each scheme type, although improved engagement by TPR was more likely to be mentioned by Police and 'Other' schemes (59% and 55% respectively).

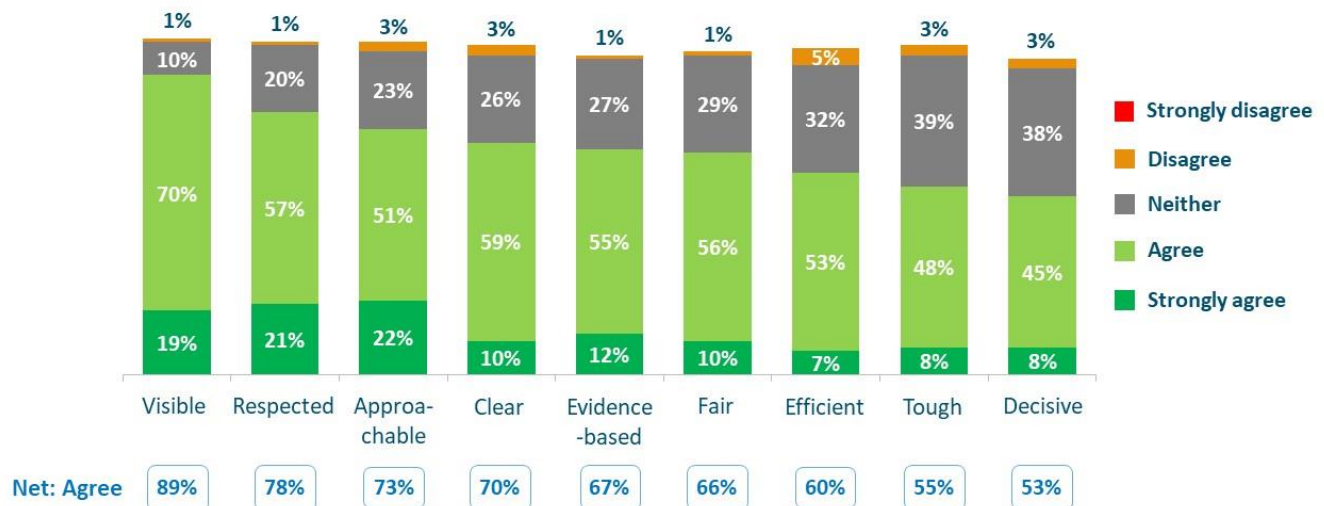
Table 4.9.2 Drivers of improvements to governance and administration in the last 12 months

	Total schemes	Scheme Type			
		Other	Fire-fighters	Local Govt	Police
<i>Base: All respondents</i>	195	11	46	94	44
Improved understanding of underlying legislation and standards expected by TPR	67%	55%	67%	67%	68%
Improved understanding of the risks facing the scheme	63%	36%	67%	67%	55%
Improved engagement by TPR	45%	55%	39%	40%	59%
Pension board action	39%	27%	39%	45%	30%
Resources increased or redeployed to address risks	37%	36%	24%	48%	27%
Administrator action	32%	36%	26%	39%	20%
Scheme manager action	30%	45%	33%	35%	11%
Other	9%	0%	11%	10%	9%
No improvements in the last 12 months	3%	0%	7%	2%	2%
Don't know	4%	0%	7%	2%	11%
Did not answer question	0%	0%	0%	0%	0%

4.10 Perceptions of TPR

When asked for their perceptions of TPR, schemes were most likely to agree that the organisation is visible and respected (89% and 78% respectively) and least likely to agree that it is tough and decisive (55% and 53% respectively).

Figure 4.10.1 Perceptions of TPR



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 0-6%, 0-1%)

Few schemes actively disagreed with each of the descriptors of TPR, with those that did not agree typically indicating that they neither agreed nor disagreed with each one. 'Other' schemes generally had the most positive perception of TPR although they were comparatively less likely to view TPR as tough (36%, compared with over 50% for all other scheme types).

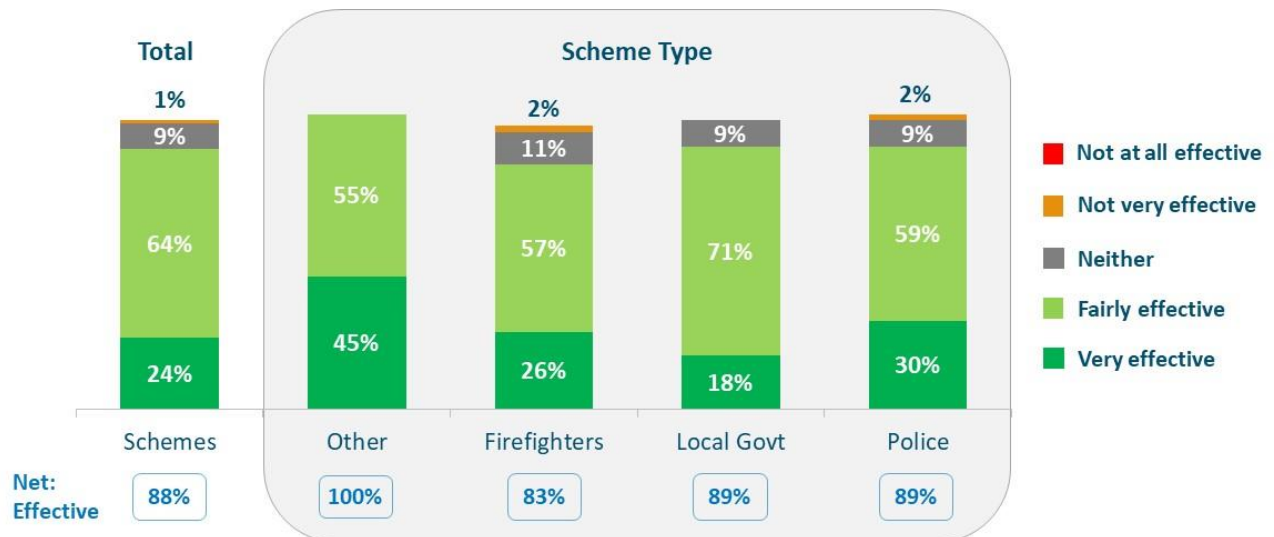
There were increases since 2017 in the proportion seeing TPR as tough (+8 percentage points), evidence-based (+7 percentage points) and visible (+5 percentage points). However, there were decreases in the proportion seeing TPR as respected (-6 percentage points) and fair (-5 percentage points).

Table 4.10.1 Proportion of schemes agreeing with descriptors of TPR – Time series

	Visible	Respected	Approachable	Clear	Evidence-based
PSPS Survey 2018	89%	78%	73%	70%	67%
PSPS Survey 2017	84%	84%	73%	73%	60%
	Fair	Efficient	Tough	Decisive	
PSPS Survey 2018	66%	60%	55%	53%	
PSPS Survey 2017	71%	64%	47%	50%	

Schemes were also asked how effective they believed TPR to be at improving standards of governance and administration in public service pension schemes. Overall, 88% judged TPR to be effective, with a quarter (24%) describing it as very effective.

Figure 4.10.2 Overall perception of TPR's effectiveness



All respondents (Base, Don't know, Did not answer question) - Schemes (195, 2%, 0%), Other (11, 0%, 0%), Firefighters (46, 4%, 0%), Local Government (94, 2%, 0%), Police (44, 0%, 0%)

'Other' schemes were most positive, with 45% rating TPR as very effective (and all believing it to be at least fairly effective).

There was little change in perceptions of TPR's effectiveness since 2017, although the proportion of Firefighters' schemes describing TPR as effective fell (from 92% to 83%).

Table 4.10.2 Proportion of schemes rating TPR as very or fairly effective – Time series

	Total schemes	Scheme Type			
		Other	Firefighters	Local Govt	Police
PSPS Survey 2018	88%	100%	83%	89%	89%
PSPS Survey 2017	91%	100%	92%	90%	91%
PSPS Survey 2016	82%	82%	82%	85%	74%

From: The Pensions Regulator <enews@thepensionsregulator.gov.uk> Item 12
Date: 20 August 2019 at 11:15:57 BST
To: <Karen.Gowreesunker@wmfs.net>
Subject: Time's up for pension scammers
Reply-To: The Pensions Regulator <enews@thepensionsregulator.gov.uk>

Email not displaying correctly? [View online](#)



The
Pensions
Regulator

Making workplace pensions work

Hot news to match the weather

Welcome to the summer 2019 edition of our Regulatory Round-up for scheme managers, focussing on news and recent developments in the pensions industry over the last few months.

If you're a member of LinkedIn, join our [Trustee showcase page](#) and keep up-to-date with the latest news for trustees and scheme managers. Our Trustee toolkit is another excellent resource that can help you stay up to date – [log in and start learning](#).

News

Don't let scammers enjoy your members' retirement

Scammers are targeting your members and [new figures show](#) 5 million members could be tempted by common scam tactics. That's why we've joined forces with the Financial Conduct Authority to run a campaign which helps savers spot the warning signs and avoid falling victim to scams. Charles Counsell writes about how we continue to tackle pension scams in his [new blog](#). Share our scams prevention booklets, post on social media and make sure your members are protected now. [Find out more](#).

TPR issues climate change joint statement

The financial risks of climate change are far-reaching, and companies should consider the likely consequences on their business decisions. For scheme managers, it must be considered when setting investment strategies. That's why we have joined with the FCA, the Financial

Reporting Council, and the Prudential Regulation Authority, to [make a combined statement](#) on the financial risks of climate change.

The 2019 scheme return is nearly here

This year's scheme return for public service schemes is coming soon, so you should start gathering the information you'll need to complete it. We'll be sending scheme managers a notice between July and October, which will be your prompt to complete and submit your scheme return to us using our [Exchange website](#). Public service schemes are legally required to supply us with certain information in a scheme return – if you don't include it, you could be fined. [Our guide to the public service scheme return](#) will help you get started.

Guaranteed Minimum Pensions equalisation call to action published

The High Court ruled in October last year that schemes must equalise benefits for the effects of GMP. Now a cross industry working group chaired by PASA has published [a call to action](#) which trustees and their advisers might find useful. Discover the actions that can be carried out now in preparation for equalisation.

Public service schemes - complete your annual benefit statements by 31 August

The deadline to send your [annual benefit statements](#) to all relevant parties is fast approaching. You need to send these out no later than 31 August, or this will be a breach of your legal duties, which you should consider reporting to us.

Consultations

Take part in our consultation on reducing the number of badly-run schemes

We're looking for ways to deal with badly-run schemes and unengaged scheme managers and have outlined new proposals in a [consultation](#). With [half-day consultation events](#) coming up in Manchester (5 September) and London (12 September) now is the time to have your say on the future of trusteeship. The consultation closes on 24 September. Don't miss out.

Have your say on new fiduciary management services guidance

From 10 December, new rules will affect how scheme managers of LGPS can work with those offering investment consultancy services. To help scheme managers understand these new duties we've drafted guidance. But we want your views to make sure it's fit for purpose. [Have your say](#) by 11 September.

Guidance

New DB transfers guidance from PASA

The Pensions Administration Standards Association (PASA) has released guidance on DB transfers to DC schemes, which we would encourage trustees and their administrators to read and engage with where relevant. It aims to support members in making better choices. The guide aims to strike a balance between members' protection and their legal right to take their pension in a different shape or form. PASA wants the guide to improve the overall member experience through faster, safer, and more transparent transfers. [The guidance tools](#) are available to use now.

New investment guidance and new requirements coming soon

Scheme Managers have new reporting and disclosure obligations from 1 October 2019. The scheme's statement of investment principles (SIP) must be publicly available on a website, and must include the trustees' policy on environmental, social, and governance factors. We've revised our [DC investment guidance](#), providing practical information and examples to help trustees prepare. From 1 October 2020, trustees will be required to publish a report on how they've followed the investment policies in the SIP. An update for DB schemes will be coming later this year.

Regards,

The Pensions Regulator

Useful Links

The Trustee Toolkit
21st Century Trusteeship



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The Pensions Regulator, Napier House, Trafalgar Place, Brighton, BN1 4DW

eNews from GAD

Welcome to eNews



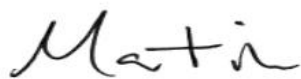
Welcome to eNews! Over the last 100 years areas in which GAD actuaries contribute expertise has expanded significantly, moving away from our technical and compliance-based roots. In this edition of eNews, John Bayliss discusses such an example: his involvement supporting the government's defence of a recent discrimination claim.

Also in this edition is the second in our series of centenary 'deep dives', which look at the contributions GAD has made and continues to make in different areas of public life. We consider GAD's history in supporting public service pensions and its future evolving role. Finally, we report from our centenary lecture which set out challenges facing the UK's pension and social care systems, as well as identifying areas where future

contributions by actuaries are likely to be required.

Separately, I am pleased to confirm my reappointment to the role of Government Actuary for an additional 5-year term. As the department marks its centenary this year, I believe this sense of continuity is just as important as we continue to work on complex and long-term issues for our clients. You can read more about the work and role of the people in GAD in the latest edition of [Civil Service Quarterly](#).

I hope that you enjoy this issue. Previous issues of eNews are available on our [website](#).



Martin Clarke, Government Actuary

News from GAD

Focus on climate change

Climate change risk management was the central theme of a seminar which included speakers from GAD, the Prudential Regulation Authority and the Pensions Regulator. The event, in June 2019, was part of the relaunch of the Forum for Public Actuaries (F4PA). The F4PA is a GAD-led initiative that brings together student and qualified actuaries working across the public sector, providing opportunities to discuss and debate key issues that affect actuaries working in or alongside government.

GAD's annual report

The [Annual Report and Accounts 2018-19](#) is now available online. New commissions, modernised systems and flexible working methods are just some of the successes highlighted.

Help for stranded air passengers

Experts from GAD played a key role in the Airline Insolvency Review, which provided recommendations to protect consumers in the event of an airline or travel company failure. Analysis undertaken by our actuaries included estimating repatriation costs and examining cost implications of different financial options.



An actuary in court: reflections on the role of expert analysis

Equality is essential for people to fulfil their potential and for the creation of a cohesive society. Individuals may challenge policies through the courts if they feel that it discriminates against them. In his role as adviser to the Ministry of Housing, Communities and Local Government (MHCLG), GAD actuary John Bayliss helped support the government's defence of one such case. It related to the payment of pensions to unmarried partners. John shares reflections from his experience of providing expert analysis and advice to assist the court process.

Background to the case: pensions for unmarried partners

Historically public service pension schemes provided that, following the death of a member, the pension would be payable to the member's legal spouse (or civil partner). However, recently schemes have been reformed to extend these benefits to unmarried partners. As an example, the Local Government Pension Scheme (LGPS) provides pension to unmarried cohabiting partners from April 2008, but this does not apply to members who left employment before that date.

The claimant, Ms Harvey, was the partner of an LGPS member who left employment in 2003 and died in 2016. So, under the rules of the scheme, she was not entitled to an unmarried partner's pension upon the death of her partner. Ms Harvey contended that the refusal to pay her a pension amounted to unlawful discrimination and a breach of her human rights, as she was treated differently to a legal spouse.

Case for the defence

A multi-disciplinary team was assembled to defend this challenge, consisting of policy officials and lawyers at MHCLG, litigation experts at the Government Legal Department and external Counsel.



The case was heard over 2 days in the imposing surroundings of the Royal Courts of Justice. We had to go through strict airport style security to get in, the building has a sense of history as you walk through the corridors and climb the staircases. Observers were able to come and go into the court room as they pleased, which surprised me; there was a strictly no mobile phone policy, which did not.

The team identified a clear trail of documentation that set out the development of the policy over the years, which is critical in justifying any difference in treatment.





Expert witness

The claimant asserted that the costs of extending pensions to unmarried partners would be tiny, compared to the size of the overall scheme. MHCLG asked GAD to prepare a witness statement estimating the potential costs.

Successive generations tend to be more likely to be in an unmarried relationship than their predecessor generations (e.g. for people born between 1944 and 1948 about 5% are co-habiting but for those born between 1954 and 1958 that has increased to about 10%) and that proportion appears to stabilise after people reach their mid-forties (see chart).

Proportion of UK couples neither married nor in a civil partnership at ages 55-60, by year of birth



Source: Office for National Statistics

Based on this, I estimated the potential cost (in terms of a present value) for the LGPS would be in the range of £600 million to £1,100 million on the basis described in my witness statement. This cost would rise to somewhere in the range of £2.5 billion to £4.5 billion if all public service pension schemes were affected.

Judgment

The High Court ultimately dismissed the challenge. The judge, Mr Justice Knowles, took issue with the assertion that the costs were 'tiny', stating in the judgment 'the broader impact on the public purse, and on other LGPS members, if the claimant were to receive the benefit she contends for, would be very significant'.



Reflections

Being involved in a court case is very interesting. But it has the potential to be stressful, and of course the outcomes are uncertain. I have taken the following thoughts away from this experience:

- 'an ounce of prevention is worth a pound of cure' - the audit trail found by MHCLG was crucial and shows the importance of careful consideration of equalities issues as policy is developed
- lawyers love documents - any email you have ever written is potentially disclosable and could be used in evidence against you - it is well worth thinking twice before you hit send!
- times change - when pensions for widows and later widowers were first introduced, the possibility of legal challenge from an unmarried partner probably seemed remote so policies need to be defensible both now and, in the future

To discuss any aspect of this article further please contact enquiries@gad.gov.uk



Centenary deep dive: GAD's role in advising on public service pension schemes

To celebrate GAD's centenary, eNews is running a series of 'deep dives' into key areas in which our actuaries contribute. A core source of GAD's work is providing advice in relation to public service pensions. With government expenditure on unfunded public pension schemes in excess of £40 billion each year this is both high-profile and of high national importance. This article looks at how the role of GAD pensions actuaries has evolved to remain relevant in the changing pensions landscape.

Public pensions

The origins of public service pensions can be traced back more than 2,000 years to Ancient Rome, where the first pensions were paid, out of taxation, to military personnel. Closer to home, the first UK public service scheme is thought to have been introduced in the late 17th century, to provide benefits to retired Naval officers.

Now, in 2019, more than 5 million UK workers (around 20% of the active workforce) are employed by the public sector, with the majority of these members of the public service pension schemes. Their sheer scale means the schemes have great financial significance and therefore require high quality actuarial advice to ensure they are well managed. The timeline below sets out many of the key dates for public pensions over the last century.

Rapid growth

GAD's role in the pensions sphere was initially mainly providing actuarial advice to meet requirements set out in legislation. The 1925

Pensions Act which signalled the start of the Government Actuary's official role stipulated the need to oversee regular actuarial valuations of public schemes, alongside other statutory responsibilities.

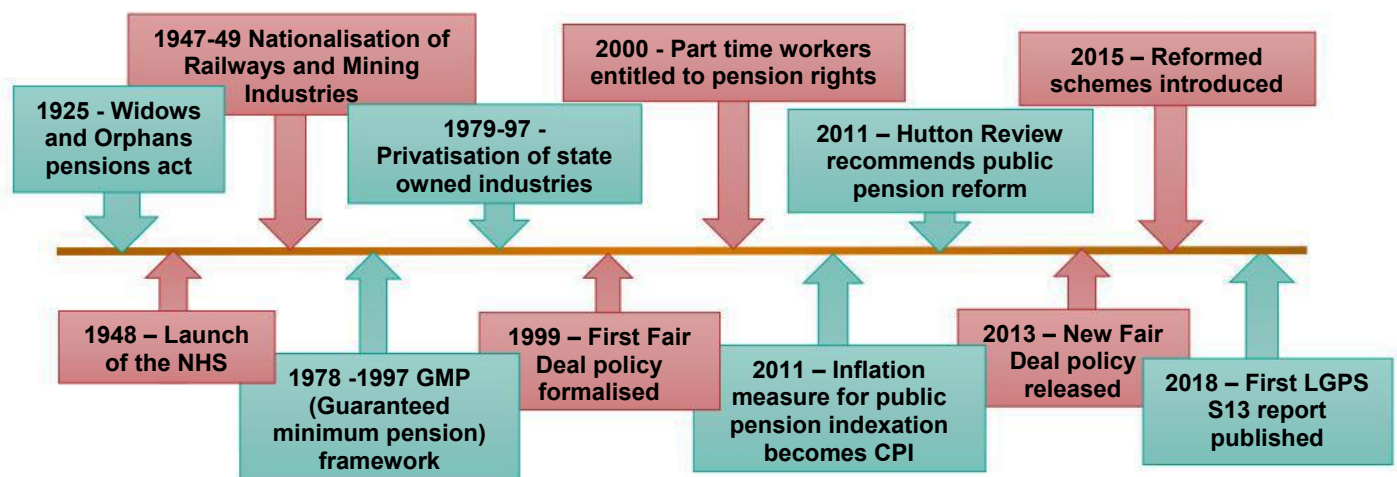
Since then, a rapid growth in the size and fiscal significance of public service pension schemes, alongside increased regulatory and disclosure requirements, has led to a significant expansion of GAD's role.

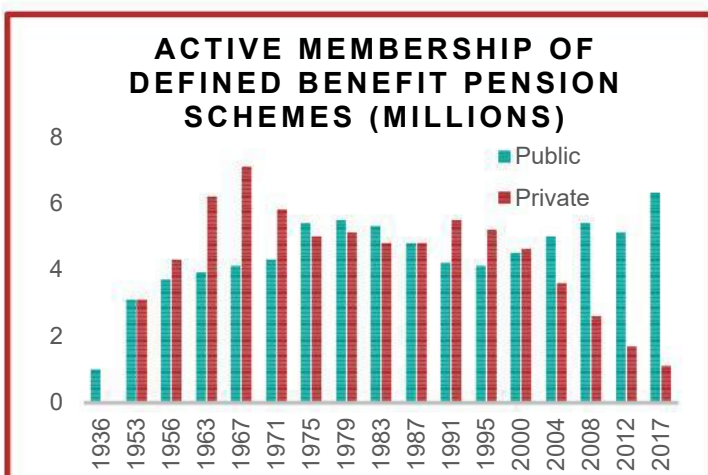
In turn the greater variety in our work has helped accelerate a move away from our highly technical and compliance-based roots, with modern GAD actuaries now requiring a far broader business skillset including advanced consultancy and communication skills.

The changing pension landscape

Up until the turn of the 21st century active membership of defined benefit (DB) schemes in the private service broadly reflected that in the public service. However, this landscape has been changing (see graph overleaf).

TIMELINE OF KEY EVENTS FOR PUBLIC SERVICE PENSIONS





Source: Office for National Statistics

In June 2010, the government established an Independent Public Service Pensions Commission, chaired by Lord Hutton of Furness, to consider *“the long-term affordability of public sector pensions, while protecting accrued rights.”* This led to the [Hutton Report](#), published in 2011, which recommended that public sector employees retained the right to accrue defined benefit pensions, albeit with scheme revisions designed to improve affordability and better manage the financial risks to the generations of taxpayer to come.

Future proofing public pensions

GAD played a key role in advising on the implementation of the Hutton reforms through the setting up of new “2015 schemes”. This involved:

- transitioning away from final salary benefits to alternative career average arrangements
- aligning the age at which benefits are payable to match state pension age

The government also introduced a new framework to monitor the costs of the new benefits on an ongoing basis. Built in mechanisms allow changes to future benefits to be made if necessary to ensure the overall taxpayer cost remains affordable.

Wider contribution

In addition to supporting the management and reform of public service schemes, GAD’s pension actuaries play a key role assisting policy makers across a diverse range of pensions’ challenges.

Some examples of wider areas our actuaries have contributed to are:

- **Protecting pension rights for outsourced employees** – GAD have been advising government departments on the requirements of [Fair Deal](#) since the late 1990s, ensuring that the pension rights for public sector employees involved in a compulsory transfer of staff are protected
- **Advice on pension privatisation** - GAD provided extensive advice to Government on the pensions solution which formed part of the privatisation of Royal Mail. This included advice in relation to the benefits to be provided by a new statutory pension scheme, as well as administration requirements, financing, and the transfer of assets to Government
- **Aiding transparency** – Since 2013 GAD have had a key role analysing funding valuations and employer contribution rates for each of the 91 separate Local Government Pension Scheme (LGPS) funds in England and Wales. Our resulting [Section 13 report](#) allows simple comparisons between funds to be made. See our previous eNews article for more information



Future of public service pensions

Public service pensions will no doubt remain a substantial part of public expenditure and an important benefit for millions of public servants for many years to come. Through bolstering our existing offerings to incorporate latest data visualisation and interactive decision-making techniques, and reacting swiftly to new developments such as the recent transitional protection judgment, GAD will continue to provide high quality advice which aids government in meeting the challenges ahead.



Centenary lecture

Virtually 100 years to the day GAD was formed, the department hosted its centenary lecture. This article reports from the event, a lecture on the UK's pension and social care systems delivered by the Director of the [Institute for Fiscal Studies \(IFS\)](#) - Paul Johnson CBE.

An actuarial centenary

The centenary lecture on 6 June 2019, marked 100 years of actuarial advice in government. Fittingly, it was held at [Staple Inn](#), the historic home of the actuarial profession. An audience of GAD clients, stakeholders and senior civil servants from across the government's analytical professions were treated to an engaging and insightful presentation by [Paul Johnson](#) our keynote speaker.



Figure 1 - Government Actuary Martin Clarke is pictured above with 2 of his predecessors, Chris Daykin (left) and Trevor Llanwarne (right)

Sharing a wider perspective

Social security and pensions policy are key areas in which GAD actuaries advise. Paul brought insights from IFS research on public policy to illustrate the progress to date and challenges ahead in dealing with pensions, health and social care provision. In doing so his talk incorporated many risk areas with direct relevance for both GAD and our clients.

Challenges of an ageing society

In celebration of society's achievements during the last century Paul said:

"Increased longevity has been one of the great triumphs of the past century. Getting and keeping pensioner poverty down from the levels seen prior to the mid-1990s is another..."



Figure 2 - Keynote speaker Paul Johnson addresses the audience

He cautioned that our 'ageing society' creates new challenges for the future, which will require decisive action to overcome:

"But [there will need to be] brave decisions in the near future, to ensure that our health, pensions and social care systems are not just financially sustainable, but also share risks and costs appropriately across and between generations."



Figure 3 - Clients, stakeholders, and senior civil servants were in attendance at the Centenary Lecture

A new century of learning

To ensure the continued relevance of its advice GAD prides itself on being a learning organisation where stimulating discussion and debate are commonplace. The success of our centenary lecture illustrates this ethos in practice and sets a firm foundation for a century of learning to come.

Paul Johnson's [comments](#) were widely reported in a range of media outlets.



Recent developments

New Actuaries' Code now in force

An updated version of the [Actuaries' Code](#) came into force recently, with 'speaking up' now included as a stand-alone principle, alongside the existing principles of integrity, competence and care, impartiality, compliance and communication. As members of the Institute and Faculty of Actuaries (IFoA), GAD's actuarial staff comply with a range of professional standards, with the Actuaries' Code a key pillar of this regime. The Code, which sets out an ethical code of conduct that all members of the IFoA must adhere to, is designed to support members in adhering to high standards of professional and personal conduct, while also protecting the public interest and assuring trust in the actuarial profession.

Pension Dashboards

The Department for Work and Pensions has [published details](#) of how the government will support the pensions industry to deliver online pensions dashboards. Pension dashboards will allow people to see information from multiple pension arrangements, all in one place. Driven by future legislation it is expected that the majority of schemes will be ready to 'go live' with data within a 3 to 4-year window, with State Pension information incorporated as soon as possible. Alongside this, the newly established [Money and Pensions Service](#) will also be delivering a non-commercial dashboard.

Whole of Government Accounts

HM Treasury has published the [Whole of Government Accounts](#) for the year ended 31 March 2018. Consolidating the audited accounts of over 7,000 organisations, these accounts have a wider scope than other National Accounts measures and provide a mechanism for holding government to account for its long-term financial performance. The Whole of Government Accounts include contingent liabilities – liabilities that are unlikely and will not crystallise unless a specific event occurs. For some of these liabilities, the chance of them becoming due is considered remote, so the accounting standards do not require their disclosure. However, they are included in the accounts of government departments to provide better transparency of fiscal risks.

2018 Occupational Pension Schemes Survey

Results from the Office for National Statistics [2018 Occupational Pension Schemes Survey](#) (OPSS) provide information about private and public sector occupational pension schemes registered in the UK. This includes data on the membership of schemes and contributions paid. Total estimated membership of occupational pension schemes was the highest level recorded by the OPSS - an estimated 45.6 million in 2018, compared with 41.1 million in 2017. Of 17.3 million active members, 6.3 million were members of public service pension schemes.

Contact GAD: enquiries@gad.gov.uk 020 7211 2601

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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Pension Board Activity Log 2016/19

Date	Activity	Undertaken by	Action Completed
2016			
August 2016	Breach of Pension Regulations	Paul Gwynn	Urgent Pension Board
September 2016	Regional Pension Board Training (H&W)	Kal Shoker Andy Dennis	
October 2016	Attendance at Annual Pension Conference, London	Paul Gwynn Kal Shoker	Report to Pension Board 6 Feb 2017
25 October 2016	Extraordinary Meeting of the Pension Board re failure to issue Annual Benefit Statement in time	Pension Board	See Minutes of Audit Committee 14/11/16
14 November 2016	Report to Audit Committee on Breach of Regulations	Pension Board	See Minutes of Audit Committee 14/11/16
December 2016	The Pension Regulator – Publishing Scheme Information	Pension Board February 2017	
21 December 2016	Firefighters (England) Scheme Advisory Board Chairs Update The Pension Regulator - Public Service Governance Survey 2016	Circulated to all Members Completed by Adviser	

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2017

6 February 2017	Pension Board Meeting	Pension Board	
9 May 2017	Pension Board Meeting Review of progress towards production of Annual Benefit Statement to meet the deadline	Pension Board	
20 July 2017	Pension Board Meeting	Pension Board	
July/August 2017	Receipt of FPS Bulletin 1	Pension Board	
September 2017	Completion of The Pension Regulator Public Service Governance Survey	Kal Shoker/Paul Gwynn	
September/ October 2017	Receipt of FPS Bulletin 2	Pension Board	
9 October 2017	Attendance at Pensions Conference	Paul Gwynn	
November/ December 2017	Receipt of FPS Bulletin 3	Pension Board	

2018

January	Receipt of FPS Bulletin 4	Pension Board	
8 January	Attendance at Pension Tax Awareness Training	Cllr T Singh	Cllr Singh attended
January	Skills Audit	Pension Board	Forms completed
February	Publication of Survey of FRA Local Pension Boards 2017		
February	Receipt of FPS Bulletin 5	Pension Board	
March	Receipt of FPS Bulletin 6		

March	FP half-day seminar Meeting GDPR and TPR		
April	Receipt of FPS Bulletin 7		
May	Fire and Police Local Pension Board Governance with NPCC event – London review pre publication of the outputs from the TPR Governance and Administration Survey		
May	Receipt of FPS Bulletin 8		
May/June	Recruitment of Members of Pensions Board	PSS	Completed
June	FPS Annual Local Pension Board wrap-up Training Event	Wendy Browning Sampson	Completed
June 2018	Issue of FPS Bulletin 9		
April/May	Preparation of Annual Report		Not Prepared
16 July	Pension Board	Pension Board	Postponed
July	Issue of FPS Bulletin 10		
17/18 September	Annual Pensions Conference		
August	Issue of FPS Bulletin 11	Pensions Board	
September	HMT Announcement – FPS Valuation 2016		
27 September	Pension Board	Pension Board	
September	Issue of FPS Bulletin 12	Pensions Board	
October	Issue of FPS Bulletin 13	Pensions Board	
November	ABS Survey ?	Pensions Board	
November	TPR Governance and Administration Survey		
12 December	Pension Board Meeting		
	Completion of Skills Audit	Pensions Board	
	Training from LGA Pension Advisers	Pensions Board	
December	Issue of FPS Bulletin 14		
December	Issue of FPS Bulletin 15		

2019

31 January	Receipt of FPS Bulletin 16		
28 February	Receipt of FPS Bulletin 17		
28 March	Receipt of FPS Bulletin 18		
3 April	Data Conference	Member of Pensions Team attended	
30 April	Receipt of FPA Bulletin 19		
15 May	Firefighters and Police Local Pensions Boards Governance Conference	Emmett Robertson attended	
May	Receipt of FPS Bulletin 20		
4 June	Pensions Board		
18 June	LPB annual wrap up training – London	Emmett Robertson and Kal Shoker attended	
June	Receipt of FPS Bulletin 21		
July	Receipt of FPS Bulletin 22		
25 July 2019	Receipt of enews from Gad	Pension Board	
29 July	Audit and Risk Committee	Kal Shoker attended	
20 August	The Pension Regulator Summer Round Up	Pension Board	
17 September	LGA Pension Board Training – Shropshire FRS	Wendy Browning Sampson Julie Felton Adam Harper	

24/25 September	LGA Annual Pension Conference	Cllr Miks Alan Tranter Adam Harper	
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WEST MIDLANDS FIRE AND RESCUE AUTHORITY

Pension Board WORK PROGRAMME 2019/20

Date of Meeting	Item	Responsible Officer	Completed
	2019		
1 July 2019	Deadline for Audit and Risk Committee		
29 July 2019	Audit and Risk Committee Presentation of Pension Board Annual Report Minutes of the Pension Board held on 4 June 2019 Annual Report of Pension Board	Chair to Present Minutes and	
10 September	Pensions Board Minutes of the Pension Board held on 4 June 2019 Pension Board Supporting Information New Pension Board Risk Register for consideration Scheme Advisory Board Bulletins 20, 21, 22 Pension Regulator Public Service Governance and Administration Survey Pension Regulator Summer Roundup eGAD Newsletter Ill Health Retirement Pension Board Activity Log Pension Board Work Programme Training Update on Topical, Legal and Regulatory Issues		

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17 September	Pension Training – Shropshire Fire and Rescue Service	Wendy Browning Sampson Julie Felton Adam Harper	
24/25 September	Firefighters' Pension AGM	All to Note	
21 October	Deadline for Audit and Risk Committee		
11 November	Audit and Risk Committee Pension Board Minutes of 10 September to be presented	Chair to attend Pension Board to present Minutes	
2 or 5 December	LGA Training with Scheme Manager		
9 December	Deadline for Audit and Risk Committee		
	2020		
13 January	Audit and Risk Committee		
2 March	Deadline for Audit and Risk Committee		
23 March	Audit and Risk Committee		
March	Pension Board to be held		
11 May	Deadline for Audit and Risk Committee		
1 June	Audit and Risk Committee Minutes of March Pension Board to be presented		
June	Pension Board to be held Annual Report to be produced		
29 June	Deadline for Audit and Risk		
20/27 July	Audit and Risk Committee Minutes of the June Pension Board to be presented		