

## 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
<a href="#">Local Pension Board annual wrap-up session</a>	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 library<sup>1</sup>.

### 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 B5A<sup>2</sup>. 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](mailto: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.

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<sup>1</sup> [http://lgpslibrary.org/assets/cons/nonscheme/20190410\\_95K\\_BR.pdf](http://lgpslibrary.org/assets/cons/nonscheme/20190410_95K_BR.pdf)

<sup>2</sup> <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](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](mailto: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](#)

## Contact details

### **Clair Alcock (Firefighters' Pension Adviser)**

Telephone: 020 7664 3189

Email: [clair.alcock@local.gov.uk](mailto:clair.alcock@local.gov.uk)

### **Kevin Courtney (NPCC Pensions Adviser)**

Telephone: 020 7664 3202

Email: [kevin.courtney@local.gov.uk](mailto:kevin.courtney@local.gov.uk)

### **Claire Hey (Assistant Firefighters' Pension Adviser)**

Telephone: 020 7664 3205

Email: [claire.hey@local.gov.uk](mailto:claire.hey@local.gov.uk)