



West Midlands FPS Administration, Management, and Governance Strategy

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1 Introduction

West Midlands Fire and Rescue Authority is defined in law as the scheme manager¹ and is therefore responsible for the management and administration of the Firefighters' Pensions Schemes for scheme members employed by West Midlands Fire Service.

Although the scheme manager function can be delegated² within the authority, West Midlands Fire and Rescue Authority retains legal responsibility for the scheme. In the employer role, West Midlands Fire Service provide pension related functions such as administration, finance and payroll.

This document is the FPS Administration, Management, and Governance Strategy statement which outlines formal standards and expectations of the Fire and Rescue Authority (FRA) and the administrator, along with expectations of the Local Pension Board³ in their role of assisting the scheme manager.

The aim of the document is to ensure that a consistent, cost-effective, and high-quality pension service is provided to members, recognising that full and transparent collaboration between stakeholders is key to achieving this aim.

2 Compliance

The following stakeholders have been consulted in the development of this statement:

- Local Pension Board;
- the Chief Fire Officer as delegated Scheme Manager and
- the Pension Administration team.

The scheme manager is the owner of the document. A copy can be found at <https://www.wmfs.net/careers/pensions/>

This strategy does not override any provision contained with the scheme regulations or any administration guidance provided by the Local Government Association (LGA).

The document has been presented, considered, and ratified by the Local Pension Board on [INSERT DATE] and applies to all interested parties from this date.

¹ <http://www.legislation.gov.uk/ukxi/2014/2848/regulation/4/made>

² <https://www.legislation.gov.uk/ukxi/2014/2848/regulation/5/made>

³ <http://www.legislation.gov.uk/ukxi/2015/465/regulation/4/made>

3 Review

The strategy will be reviewed following any changes to scheme rules, processes, or procedures which affect this strategy, including a change of administrator, or every three years if this is sooner.

Changes will be made following consultation with the above-named bodies and a copy of the updated strategy will be made available online. Full consultation will not take place when there has been a change of contacts details only in 5.1 or 5.2 below.

Suggestions for improvement to this strategy are welcome from stakeholders at any time.

4 Liaison and communication

4.1 FRA contacts

The scheme manager will nominate contacts in the following areas to allow correspondence to be directed to the most relevant individual. These contacts will be provided to the administrator and the LGA.

<p>Scheme manager (strategic) contact for valuation, scheme consultations, surveys, discretions, and Internal Dispute Resolution Procedure (IDRP)</p> <p>Wayne Brown</p> <p>Pension Scheme Manager West Midlands Fire Service Headquarters 99 Vauxhall Road, Birmingham B7 4HW</p> <p>Email: Schememanager@wmfs.net</p>
<p>Pension liaison contact for day to day administrative duties such as completion of forms, responding to queries, and HR functions</p> <p>Pension Section</p> <p>West Midlands Fire Service Headquarters 99 Vauxhall Road Birmingham B7 4HW</p> <p>Email: pensions@wmfs.net</p> <p>Telephone No. 0121 380 6727 / 6932 / 6933</p>

<p>Payroll contact for queries relating to pay, year-end postings, or pensioner payroll</p> <p>Payroll Section</p> <p>West Midlands Fire Service Headquarters 99 Vauxhall Road Birmingham B7 4HW</p> <p>Email: payrolls@wmfs.net</p> <p>Telephone No. 0121 380 6972 / 6973 / 6155</p>
<p>Tax Queries for queries relating to taxation issues</p> <p>HM Revenue and Customs</p> <p>City Centre House 30 Union Street, Fire Pensions Tax Ref. No. 068/W103 Birmingham B2 4AD</p> <p>Tel. 0300 200 3300</p>

The scheme manager is responsible for keeping the nominated contacts up to date and providing prompt notification of changes.

5 Scheme manager duties and responsibilities

5.1 Discretions

As a matter of best practice, **the scheme manager shall prepare and publish a written statement on the exercise of discretions** which are available to them under each set of FPS regulations. The discretions policy will be kept under review and the revised version published within one month of the effective date.

A full list of [scheme manager discretions](#) is available.

5.2 Internal Dispute Resolution Procedure (IDRP)

If a scheme member, prospective member, dependant, or other person with an interest in the scheme, is dissatisfied with a decision made by the FRA (or the failure to make a decision) there are rights of appeal available. Each set of scheme rules contains arrangements for Internal Dispute Resolution Procedures (IDRP) based on the requirements of the Pensions Act 1995 and the Occupational Pension Schemes (Internal Dispute Resolution Procedures Consequential and Miscellaneous Amendments) Regulations 2008.

Firefighters' Pension Scheme 1992 (FPS 1992)	Rule H3 (as amended by SI 2013/1392)
Firefighters' Pension Scheme 2006 (FPS 2006)	Part 8, paragraph 5
Firefighters' Pension Scheme 2015 (FPS 2015)	Regulation 163
Firefighters' Compensation Scheme (FCS)	Part 6 rule 3

The scheme manager will nominate appropriate persons to hear each stage of the appeal and respond to the individual within the specified timescales.

The timescales for each stage are stipulated in the [IDRP factsheet](#) and must be adhered to in order to mitigate further complaint or distress to the member. Failure to comply with timescales could be construed as maladministration and attract a financial award⁴ from The Pensions Ombudsman (TPO).

The nominated decision makers for West Midlands Fire and Rescue Authority are;

Stage 1	Assistant Chief Fire Officer and Director for People
Stage 2	West Midlands Fire and Rescue Authority Appeals Committee

Guidance on IDRPs can be found here:

- [IDRP factsheet](#)
- Guidance for decision makers [pending review]
- Guidance for individuals [pending review]

5.3 The Pensions Regulator (TPR)

[TPR](#) is a public body established by the [Pensions Act 2004](#) to make sure that pension schemes within the UK are run properly and can provide secure benefits for their members upon retirement. TPR has powers to "educate, enable, and enforce", and is responsible for promoting good scheme administration. The Regulator is sponsored by the Department for Work and Pensions (DWP).

TPR's oversight of public service pension schemes, including the Firefighters' Pension Schemes, was introduced by schedule 4 of the [Public Service Pensions Act 2013](#).

⁴ [TPO – Redress for non-financial injustice factsheet](#)

The scheme manager will ensure that they are familiar with TPR's [Code of Practice 14: Governance and administration of public service pension schemes](#).⁵

Each year TPR issue two requests for information which the scheme manager and Local Pension Board (LPB) shall ensure are completed:

[Scheme return](#) – the scheme return is a statutory return which allows TPR to keep their register of workplace pension schemes up to date.

The return asks for information about what type of scheme the FPS is and how many members each employer has, as well as requesting up to date contact details.

The return also asks schemes to provide their common and scheme specific data scores, which enables TPR to monitor continuous data improvement. Information on data scoring for the FPS is available below

[Advice on TPR data scoring 2019](#)

[Data score weighting template 2019](#)

TPR can and will take enforcement action if the scheme return is not completed.

[Governance and Administration survey](#) – scheme managers are invited to complete the annual governance and administration survey in conjunction with their LPB. Although the survey is not mandatory, participation is strongly encouraged by both TPR and the Scheme Advisory Board, so that improvements in running the FPS can be monitored and evidenced.

TPR do not take any regulatory action based on survey responses, but overall trends may inform their engagement activity with schemes.

Familiarity with [TPR's six key processes](#) will assist schemes with understanding and compliance.

One of TPR's key areas of focus is record keeping and data quality. **Scheme managers shall ensure that [data is reviewed annually](#) and that a [data improvement plan](#) is in place.**

Non-completion of either of the above requests for information may indicate wider governance failings to TPR.

5.4 Contribution bands

Banded contribution rates apply to the FPS based on a member's pensionable pay.

The scheme manager will ensure that there are processes in place to allocate members to the correct contribution band at the start of each scheme year.

⁵ TPR is currently consulting on a new modular code of practice which consolidates the existing codes.

Contributions are laid in legislation for each scheme and can be found on the [annual updates](#) page of the Regulations and Guidance website.

Until remedy in the transitional protections case is implemented, the scheme manager will have a process in place to manage members tapering from FPS 1992 or 2006 to FPS 2015. The process should confirm how the taper date is notified to payroll and what kind of monitoring is in place to ensure contributions are changed on the correct date.

5.5 Reporting breaches

Scheme managers and pension board members have a statutory obligation to record and report breaches of the law.

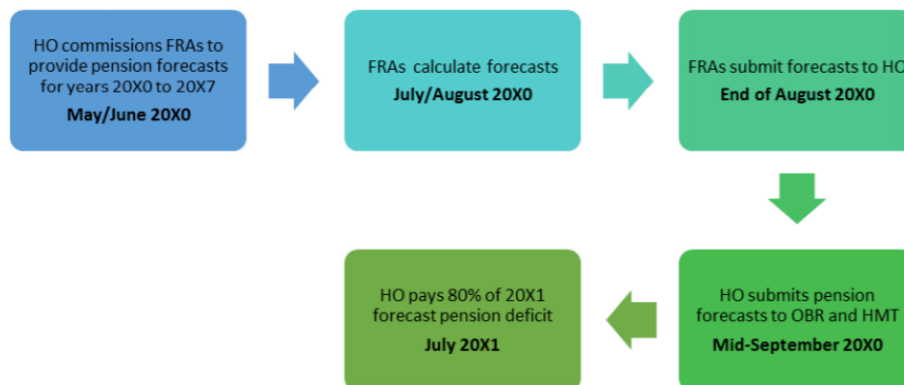
When a potential breach has been identified, the [breach assessment template](#) should be completed to assess the breach for materiality in order to determine whether it needs to be reported to TPR. This can also be stored as documentary evidence if the decision is later challenged.

Although a breach may not seem material in terms of numbers of members affected, if the same members are consistently affected, this should be considered, along with likely timescales for rectification and what action may be taken to ensure that the breach does not reoccur.

Further information about [breach recording and reporting](#) can be found in the [TPR six key processes](#) factsheet.

5.6 Top-up grant

Each year the Home Office commissions FRAs to submit pension forecasts for the following seven financial years in line with the following timescales.



The pension forecasts for the financial year following the collection are used to make an initial assessment on each fire authority's annual top up grant entitlement for that year.

The collection of accurate annual pension forecast data is critical for ensuring sufficient budget cover is secured to make pension top up grant payments to FRAs each year.

The scheme manager is responsible for ensuring this information is submitted accurately and on time.

Full details are available in the [guide for fire authorities \(in England\) when calculating pension forecasts for the Firefighters' Pension Top Up Grant](#).

5.7 HMRC reporting

Although the scheme manager retains legal responsibility, HMRC reporting may be delegated to the administrator under the terms of the service level agreement.

Event Reporting – the scheme administrator of a registered pension scheme must tell HMRC when certain reportable events occur no later than 31 January following the end of the tax year. This is done by submitting the Event Report for a tax year.

These reportable events are split into two categories:

- reportable changes, and
- reportable fund movements.

There are 23 reportable events. [HMRC guidance on sending pension scheme reports](#) provides more information on all events that you must report.

Full details on Event Reporting can be found in [HMRC Pensions Tax Manual 161100](#).

Accounting for tax (AFT) – the scheme administrator is liable for payment of certain tax charges in connection with the scheme. When a scheme administrator does have a tax liability, the return that the scheme administrator must complete to account for that liability is called the Accounting for Tax return.

The scheme administrator is responsible for making the AFT return and for ensuring it is correct and complete.

Please note this is not a reference to the pension administration provider. Scheme administrator in this context refers to the duties of the FRA as stated in paragraph 3, sub paragraph 2 of [2006/569](#) which confirms that references to 'scheme administrator' as set out in schedule 3 should be read as a reference to the sub-scheme administrator as per schedule 2, in which the FRAs are listed.

A third-party administration provider can file the AFT on behalf of the scheme administrator, but the scheme administrator remains responsible for ensuring that it is submitted on time and the contents are correct. Where a provider submits the AFT the scheme administrator should have seen and approved its content before it is submitted to HMRC. The provider must make a declaration that the scheme administrator has approved the contents before they can submit it to HMRC

Full details on AFT can be found in [HMRC Pensions Tax Manual 162100](#).

5.8 General Data Protection Regulation (GDPR)

Each FRA is a Data Controller for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

Resources to assist authorities in complying with their duties under the regulations are available have been made available on the following [dedicated GDPR webpage](#).

West Midlands Fire Service is a Data Controller as part of the Data Protection Act 2018 which incorporates the General Data Protection Regulation (GDPR). This means we store, hold and manage personal data in line with statutory requirements to enable us to provide pension administration services. To enable us to carry out our statutory duties, we are required to share information with certain bodies, but will only do so in limited circumstances. More information about how we hold data and who we share it can be found in the Authority's Privacy Notice on <https://www.wmfs.net/legal-terms-policy/organisational-privacy-policy/>.

5.9 Disclosure

Under the Occupational and Personal Pension Schemes (Disclosure of Information) Regulations, **the scheme manager must provide certain information to scheme members within certain timescales.**

Please refer to the [guide to disclosure of information requirements](#) for more information.

5.10 Overriding legislation

In addition to the scheme regulations, **the scheme manager will ensure compliance with any overriding legislation in force.**

5.11 Audit

The FRA may commission internal and external audits in maintaining the FPS pension fund account and other pension related matters.

FRAs are expected to fully comply with any requests for information from both internal and approved external auditors, including from the administrator's auditors.

6 Administrator duties and responsibilities

6.1 The Pensions Regulator (TPR)

The administrator should ensure that they are familiar with TPR's [Code of Practice 14: Governance and administration of public service pension schemes](#)⁶.

6.2 Data standards

The administrator will ensure that suitable and secure methods of data transfer are available for the FRA to use.

Personal data will only be transferred from one party to the other via an acceptable method specified by the administrator which may include any of the following:

- a. Data transfer service (Internet based application)
- b. Secure email
- c. Paper forms signed by an authorised officer from the employer
- d. Password protected excel spreadsheet

Data validation and cleansing processes should be in place in accordance with TPR requirements.

6.3 Reporting breaches

Administrators also have a statutory obligation to record and report any identified breaches of the law.

Refer to [section 6.6](#) for further details.

6.4 HMRC reporting

Although the scheme manager retains legal responsibility, **HMRC reporting may be delegated to the administrator.**

See [section 6.8](#) for more information.

6.5 GDPR

The administrator holds personal data on behalf of the FRA, including all membership records and bank details of FPS pensioner members.

⁶ As noted above, TPR is consulting on a new consolidated code of practice to replace the existing codes.

Each administrator is therefore a Data Processor for pension scheme data under GDPR and must determine how, and for what purposes, data is to be processed.

6.6 Overriding legislation

In addition to the scheme regulations, **the administrator will comply with any overriding legislation in force.**

6.7 Audit

The Pension Team, as administrator, is subject to annual audit of its processes and internal controls as part of the wider WMFS external audit. **This audit will provide assurance to the Local Pension Board** and that a copy of the audit should be provided to the FRA.

Any subsequent recommendations will be considered and where appropriate implemented following any necessary discussions with the FRA/scheme manager.

The FRA may commission internal and external audits and the FRA's internal and/or external auditors may require access to the data held by the administrator and explanations of the administrator's internal controls upon which the FRA/scheme manager relies. Therefore, **the administrator also has an obligation to comply with any requests from the FRA/scheme manager's auditors.**

7 Performance reporting

Ensuring compliance is the responsibility of both the administrator and the Scheme Manager. Parties should work closely together to ensure compliance with all statutory requirements, whether they are specifically referenced in the regulations, in overriding legislation, or in this administration strategy.

Both employer and administrator targets will be measured on a quarterly basis and these will be reported to the Scheme Manager. They will also be provided to the Local Pension Board.

Minimum standards for completing tasks in line with industry good practice and regulations, and the services Key Performance Indicators, are included at [Appendix 1](#).

A key factor in calculating the time taken to complete a process is the point at which the 'time clock' is started. This may be from the date of the relevant event or when the administrator is informed or receives all necessary information. The clock may also need to be 'paused' during the process, for example to await instruction or documentation from the member or employer, and these waiting days can reasonably be excluded from the total time taken.

8 Local Pension Board responsibilities

Local Pension Boards were required to be established by the 1 April 2015 under the provisions of [Section 5 of the Public Service Pensions Act 2013](#) and regulation 4A of [The Firefighters' Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#).

The regulations state that each FRA must have an equal number of employer and member representatives, with a minimum of four members in total. Members are expected to have a sufficient degree of knowledge and understanding of the pension scheme to allow them to fulfil their role, which is to assist the scheme manager in complying with the pension scheme rules.

The LGA Bluelight pensions team provide annual [training](#) for boards at a local or regional level. TPR also offers a series of courses on the [Public Service toolkit](#), to help those involved in scheme governance to improve their knowledge.

The Firefighter's Pensions (England) Scheme Advisory Board (SAB) website holds a range of [resources](#) that have been developed to facilitate the effective running of Local Pension Boards.

Appendix A – Key Performance Indicators

Indicator	Description	Statutory Time Limit/KPI	Target
New starters	Basic scheme information provided to new starters	1 month for Automatic Enrolment Job Holder	100%
Basic information	Basic scheme information for relevant person other than a new starter	2 months unless provided in previous 12	100%
Constitution of scheme	Request for information about constitution of the scheme from relevant person	2 months unless provided in previous 12	100%
Transfer Credits	Information about transfer credits to member or prospective member	2 months unless provided in previous 12 or included in ABS.	100%
Active ABS issued	Provision of Annual Benefit Statement for Active Scheme Member	31 August (where year-end on time)	100%
Deferred ABS issued	Provision of Annual Benefit Statement for Deferred Scheme Member	31 May (or in line with active ABS)	100%
Pension saving statements	A statement of the amount of pension saving in the pension scheme for a tax year	6 October	100%
Benefit request pre-retirement	Request for information from member (active, deferred, pension credit) regarding amount of benefit where retirement not imminent	2 months unless provided in previous 12 or included in ABS.	100%
Retirement information – Pension Age	Information to person retiring at pension age regarding amount of benefit about to become payable to them	Before the date on which the benefit becomes payable and no later than 1 month after.	100%
Retirement information – before Pension Age	Information to person retiring before pension age regarding amount of benefit about to become payable to them	Within 2 months of benefit becoming payable	100%
Divorce estimates	Estimate of pension benefits and costs associated with a divorce	3 months	100%
Transfers in	Processing transfers into the FPS	2 months	100%
Transfer out estimates	Calculating total cash equivalent value of scheme benefits.	3 months	100%
Transfers out	Processing transfers out of the FPS	6 months	100%
Refunds paid	Payment of any required refund	2 months	100%
Deferred benefits calculated	Calculation of deferred benefit at pension age	2 months	100%
Death notification processed	Processing changes following receipt of information on death of member (or beneficiary)	Within 2 months of the date scheme become aware of death	100%
Acknowledgment and initial response to inquiries	Acknowledgement of email, postal or phone inquiries Initial response (may not be to provide final answer)	Three working days	95%

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		Ten working days	
Payment advice	Provision of payment advice when payments are likely to change by +/- £10 per month	Three days before payment date	95%