

# **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

## **PENSION BOARD**

**21 JULY 2015**

### **Pension Section Supporting Information**

#### **1. West Midlands Fire Service Firefighters' Pension Schemes Membership as at 31<sup>st</sup> May 2015**

##### **1.1 Firefighters' Pension Scheme 1992**

Active members	593
Deferred members	209
Pensioners	2,429 (Including Dependants)

##### **1.2 Firefighters' Pension Scheme 2006**

Active members	21
Deferred members	80
Pensioners	2

##### **1.3 Firefighters' Pension Scheme 2015**

Active Members	886
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##### **1.4 Retained Firefighters' Modified Pension Scheme**

Active Members	3
Deferred Members	0
Pensioners	0

## 2. **Annual Activity Levels**

2.1 During the last twelve months (1/6/2014 to 31/5/2015) the following levels of activity have been experienced:-

Age Related Retirements	58
Ill Health Retirements	6
Opt outs	28
Other leavers	32
New Joiners	25
Requests for estimates received	136
Requests responded to	84
Applications to Transfer in/out	6
Transfer Requests processed	4
Members becoming Divorced	14
Information provided	12
General enquiries on other matters	25
Responses provided	17

## 3. **Pension Section Structure**

Pension Section is part of Resources Directorate.

1 X Payroll & Pensions Manager

2 X Pension Practitioner (WT) – Permanent

1 X Pension Practitioner (WT) – Temporary

The structure of the section is currently under review and full details will be provided once this is finalised.

4. **Risk Register**

A copy of the Pension Section risk register is attached as Appendix 1 to this report.

5. **Internal Audit Review**

Last Internal Audit review carried out November 2014 and provided 'Substantial Assurance' over the adequacy of controls in place.

6. **Annual Benefit Statements**

- 6.1 Annual Benefit Statements will be issued to all fully protected members of the 1992 and 2006 schemes during September 2015.
- 6.2 Annual Benefit Statements will be issued to all members during 2016.
- 6.3 In the interim, pension forecasts will be available to all members upon request.

7. **Internal Dispute Resolution Procedure (IDRP)**

- 2 stage one applications made in the last twelve months.
- 1 case still in progress.

8. **Abolition of Contracting Out for Defined Benefit Pension Schemes**

As members of an approved pension scheme were making arrangements for their own retirement, they have benefited from paying a lower rate of National Insurance. With the introduction of the new Single Tier State Pension contracting out will cease from 1<sup>st</sup> April 2016.

As a result of this accrual of Guaranteed Minimum Pension will also cease. To ensure that scheme members records held by both the Scheme Manager and Her Majesty's Revenue and Customs (HMRC) are identical a matching

exercise is being carried out.

9. **Current Position**

9.1 We have registered with HMRC and received our initial matching reports.

9.2 These indicate that we have 2,397 queries on the 1992 scheme and 22 on the 2006.

9.3 The target date to clear this work is 31<sup>st</sup> March 2016.

10. **Automatic Enrolment**

10.1 First effective from 1<sup>st</sup> August 2013 and as such re-enrolment is due 1<sup>st</sup> August 2016.

10.2 More details on this matter will be provided in January 2016.

Paul Gwynn  
Payroll and Pensions Manager

## **APPENDIX 1**

<b>identify the Risk</b>	<b>How To Respond? System in Place to Deal with the Consequence</b>	<b>Monitor Effective Measure</b>	<b>Assess the Likelihood</b>	<b>Risk Rating</b>
Computer system failure at payroll compliance date.	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.	BACS transmission reports	Low	High
Failure to process BACS	Internal process for ensuring that BACS has been sent.	Payroll Practitioner operates process	Low	High
Payment made to ineligible pensioner.	Annual Certificate of identity process in place.	Payroll & Pensions Manager	Low	Low
Fraud in Payroll office.	Reconciliation with report from payroll system and Excel spreadsheet balance each month	Reconciliation completed by Senior Payroll Officer. Balances done monthly. Payroll processes i.e. starters and leavers double checked monthly payroll signed off each month by Senior Payroll officer.	Low	High
Insufficient resource to enable function to meet requirements of Pension Regulator.	Structure and staffing of function under ongoing review	Reports to Pension Board indicate effectiveness of function	Med	Low