

# **WEST MIDLANDS FIRE AND RESCUE AUTHORITY**

## **PENSION BOARD**

**16 DECEMBER 2019**

### **PENSION SECTION SUPPORTING INFORMATION**

#### **1. WEST MIDLANDS FIRE SERVICE FIREFIGHTERS' PENSION SCHEMES MEMBERSHIP AS AT 30 November 2019**

Active Firefighters	1,382	(-40)
1992 Scheme members	158	(-15)
2006 Scheme members	6	(-1)
2015 scheme members	1,082	(-6)
Non-members	136	(-18)
Pensioners	2,208	(+31)
Dependants	397	(-4)

The figures in brackets indicate movement since 31 August 2019.

#### **2. ANNUAL ACTIVITY LEVELS**

2.1 During the last twelve months (01/12/2018 to 30/11/2019) the following levels of activity have been experienced:-

Age Related Retirements	58	(-19)
Ill Health Retirements	0	(-6)
Opt outs	73	(+13)
Other leavers	24	(-19)
New joiners	99	(+11)
Applications to transfer in/out	33	(+4)

The figures in brackets indicate movement since 31<sup>st</sup> August 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	109 (+18)	67 (-8)
CETV for Divorce	16 (nc)	39 (-9)
General Information	65 (+26)	8 (-9)

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

In the last twelve months, five cases have entered the IDR Procedure. The service takes an approach regarding complaints or disputes as follows;

Where a member raises a query, regarding any aspect of the Pension scheme, these are initially received within the Pension section. In most cases the matter will be handled by the Pension Practitioner. If a matter has a wider impact or the member queries the initial response the Payroll and Pensions Manager will issue a formal response.

If the member continues to disagree or to query the issue they may be advised to make a formal complaint through the IDRP.

A stage one decision is given by the Strategic Enabler for Finance and Resources (formerly the Deputy Chief Fire Officer), who discusses the matter with the Payroll and Pensions Manager. Appeals are heard at Stage two by the Appointment, Standards, and Appeals committee. The Committee have the power to either uphold the original decision or replace it with a new decision. If a member is unhappy after Stage two they may ask the Pension Ombudsman for a determination.

The table below provides additional detail on the reasons, progress, and outcome of the 5 cases.

Case ref	Issue	Progress	Outcome
1AS	Poor communication of retained pension options	Resolved at Stage one	Additional Pension purchased for member at cost of £1,496.84
2GM	Member incorrectly completed Lump Sum option form	Resolved at Stage one	Member allowed to complete a second form. No cost.
3AA	Poor communication of retained pension options	Member asked to clarify complaint before Stage one decision made.	Pending response from member.
4SM	Dispute regarding treatment of successive temporary promotions	Complaint rejected at Stage One, member requested Stage Two application form 4 <sup>th</sup> December	
5AF	Dispute regarding calculation of Additional Pension Benefits	Complaint rejected at Stage One. Member appealed.	Legal advice being sought prior to appeal hearing being arranged.

The first and third complaints both came from the retained Firefighters Pension resolution. Whilst there will not be any further issues from the initial action under this change, we will be receiving guidance early in the new year regarding further work. It is essential that lessons are learned from these two complaints to avoid any issues when the next batch are processed.

The last two complaints are both linked to the application of the Additional Pension Benefit rules in the 1992 and 2006 Pension Schemes and the way it interacts with the temporary promotions arrangement which was in place prior to May 2019. It is expected that now the temporary promotion arrangement has been lifted the potential for queries will be reduced.

The remaining issue was caused by the member not understanding the option form they were sent and therefore completing the wrong box.

#### 4. **OPT OUT LEVELS AND REASONS**

During the 12 months ending 31 August 2019, 72 members opted out of the Firefighters' Pension schemes. Of these 68 were from the 2015 and 4 from the 2006 scheme. 44 of these were members who had been Auto-enrolled on 1 June 2019 and had deductions taken in that month.

The remaining 28 members had an average length of service of two years at the date of opt out, though this figure may be affected as the five longest serving members had an average length of service of almost 9 years.

During the year in question we had 83 new recruits who were enrolled in the scheme contractually. Of these 10 opted out within 6 months of joining. The remainder of these continue to be members of the scheme.

#### 5. **PREDICTED STARTERS AND LEAVERS**

	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Starters	83	77	62	67	62	57
retirements	71	65	50	55	50	45

#### 6. **III HEALTH AND INJURY PENSIONERS**

We have 724 Pensioners who retired due to incapacity and are in receipt of an Ill Health Pension under the rules of the scheme. Of these 198 also have an injury pension. We have 6 pensioners who receive injury pension but not an Ill Health Pension. 5 of these cases relate to deferred pensioners whose pensions came into payment early due to ill health.

The remaining case is of an individual who retired following an on duty injury under the 1966 scheme. A full list of those individuals in receipt of Ill Health and or Injury Pensions has been provided to HR managers for review.

7. **ACTION FROM FPS BULLETINS 25 AND 26**

Bulletin 25 asked LPB Chairs and Scheme Managers to check with administrators that the new factors for 2006 Special Members Non Club transfers in have been applied. These factors affect 2 of our employees. As both of these are over the schemes normal retirement age a non-club transfer in could not be accepted. As such the factors will not be used. If in future we have affected members we will apply the factors that are current at the date the question arises.

Bulletin 26 required no action.

Board members are advised to ensure that they are familiar with the issues raised in FPS Bulletins and contact the Payroll and Pensions Manager for further information should they require it.

8. **SCHEME MANAGER DECISIONS**

The Scheme Manager was requested to make two decisions at the Audit and Risk Committee meeting of 2 September.

The first decision was in the case of a member of the 2006 scheme who wished to discontinue the purchase of additional service by periodical payments. The Scheme Manager decided to allow this request.

The Scheme Manager was also asked to determine whether an allowance paid to a member of the Technical Rescue Unit for having responsibility for the unit's dog should be classed as Pensionable Pay. The decision was that the payment was pensionable.

Background papers for these two decisions can be found at the link below;

<https://wmfs.cmis.uk.com/cmis5/Meetings/tabid/73/ctl/ViewMeetingPublic/mid/410/Meeting/2981/Committee/577/Default.aspx>.

9. **OTHER ISSUES RAISED**

In his email of 19 September, Adam Harper, raised a number of issues. Three of these issues are dealt with separately in this report. Three items will be combined into a review to be undertaken by the Employee Representatives on behalf of the Board. The final item is for the Board to consider a definition of what constitutes reasonable endeavours.

10. **DATA REVIEW AND SCORING**

The Payroll and Pensions Manager reported a score of 98% in respect of the latest measurement of Common data. This score is based on our local view of the issue and has not been calculated using the SAB guidance. It was reported that Scheme Specific data has not been measured. A data review is currently ongoing though no timescales for completion or improvement plan has been set.

11. **SALARY TO BE USED FOR BENEFIT PURPOSES**

Adam Harper raised this issue in his email of 19<sup>th</sup> September. The Payroll and Pensions Manager and Adam will meet to review the current process.

12. **FEEDBACK FROM FIREFIGHTER PENSIONS AGM**

The Payroll and Pensions Manager attended both days of the AGM. The first day focused on the role of the Scheme Manager and was also attended by the Chair of the Audit and Risk Committee. The second day was a more technical event and was also attended by Adam Harper. Several relevant issues were discussed including the outcome of the Benchmarking review and possible national Key Performance Indicators.

13. **McCLOUD JUDGEMENT – ADMINISTRATION MEETING  
18 DECEMBER 2019**

The initial meeting to set the timeframes and scope for remedy in the McCloud case will take place on the 18 December. It is expected that an initial announcement will be made regarding the treatment of members transferred from the 1992 to the 2015 scheme.

The impact of that announcement cannot at this point be estimated but will probably result in additional work for the Payroll team in January and increased costs to the service. The Board are asked to consider additional board meetings or to monitor the progress of any work that results.

Paul Gwynn  
Payroll and Pensions Manager