

Appendix 1:

<https://www.fpsregs.org/images/Bulletins/Bulletin-42-February-2021/Bulletin-42.pdf>

6.7 When the Home Office guidance was issued, it was reviewed by WCC Legal and Pension Teams:

Question 1: The guidance does not provide enough information in order to deal with cases that have issues regarding taxation of benefits because of annual allowance, divorce pension sharing orders, pension contribution holidays.

Question 2: Within the cohort at WFRS, we have no members purchasing additional service. We have a small number of members with CETVs received after 1 April 2015. We also have a handful of members who have tax charges, relating to annual allowance and lifetime allowance.

Question 3: The risk for members accepting payments without key policy decisions in place, is that the benefits would need to be revisited when these were in place to ensure they were correct. If they needed to be adjusted the member may be liable for repayment of any overpayment, tax charges or difference in pension contributions. All this would need to be explained to member at the point the benefits are brought into payment and a declaration would need to be signed by the member, to confirm their understanding of this.

Question 4. What governance might FRAs put in place to assure themselves that:

a. The correct benefits will be paid to members

b. Members have been satisfactorily made aware of expectations such as future payments owed due to interest being applied to contributions arrears.

c. Necessary processes will be in place to calculate and record the payments due bearing in mind that no automated processes or systems are available for the calculations until the significant software development needed has been completed.

The calculation of benefits in these circumstances will heavily rely on manual calculations as the software system will not have been updated to account for immediate detriment cases. This will lead to a higher risk of error, particularly due to the complexities of the Firefighter pension schemes and the limited knowledge and expertise we have within the pension team.

To ensure the member is fully informed of these risks the information sent out to confirm how their benefits have been calculated will include a full breakdown and include a caveat to say that once the new regulations are in place we will have to revisit the calculation of the benefits and they could be adjusted accordingly. It will also state that the member may be liable for any

difference in the value of contributions or interest on contributions owed, and will need to pay back any over payment of benefits.

Any immediate detriment cases that have been manually calculated will have documentation added to the member record including the LGA matrix, An indicator will be added to the record to show it has been treated as an immediate detriment case and will need to be reassessed following implementation of new regulations and software up-dates.



Immediate-detriment
-matrix.xlsx

Question 5. How might they record their decision making so it is clear and transparent? To assist with the decision-making process we will use the immediate detriment matrix devised by the LGA, which will help identify complexities with each case and these will be documented in any correspondence with the member.