

Staff and Pensions Committee

9 September 2024

Review of the Minutes of the Fire Local Pension Board Meeting, 17 June 2024

Recommendation

That the Staff and Pensions Committee receive, consider and comment on the minutes of the meeting of the Warwickshire Fire Local Pension Board on 17 June 2024.

1. Executive Summary

- 1.1 The minutes of the meeting of the Warwickshire Fire and Rescue Local Pension Board on 17 June 2024 are attached as an appendix. Notable points are outlined below.

2. Age Discrimination Remedy (“McCloud”)

- 2.1 On 1 October 2023 the legislation for the age discrimination remedy came into force. The regulations mean that all members in scope will be rolled back into their legacy pension scheme for the remedy period, which was from 1 April 2015 to 31 March 2022.
- 2.2 West Yorkshire Pension Fund are processing retirement cases after 1 October as per the new regulations.
- 2.3 All members that are in scope for remedy must now be given the option to choose between their legacy scheme and the 2015 scheme for the remedy period. Cases are being categorised into Green, Amber and Red cases. Amber and red cases are currently on hold while outstanding tax issues are reviewed by HMRC. Issues include no ability to offset tax amounts already paid against new tax bills due because of benefit recalculation.
- 2.4 Warwickshire Payroll Team are continuing to work on providing the extensive data needed by West Yorkshire Pension Fund for members in scope for McCloud. The team are prioritising working on data for cases that are either approaching or have reached their information issue deadline.

3. Second Modified Retained Exercise (“Matthews”)

- 3.1 Following the legal case of Matthews, this project allows firefighters who worked as retained officers between 1 April 2000 and 30 June 2000 to purchase pension service from their start date up to 31 March 2015.
- 3.2 The Pension Administration team have worked further to identify members that could be in scope for this project. Number of in scope members has increased from 118 to 142. So far 57 members have returned forms expressing interest in the project.
- 3.3 Strong project controls require a response from all members that have been identified as in scope. A tracing company has been hired by the fund to ensure that all members, who have not responded did receive the initial communications.
- 3.4 Some issues had been identified relating to tax payments due from members. Pension payments could be up to 20 years in arrears and would be made in a single payment instead of over 20 years. HMRC are looking to use discretion and allow the tax rates to be adjusted to avoid members overpaying tax.
- 3.5 Retained firefighters who have returned a form expressing an interest will be written to with options and those who choose to purchase service will have a pension record set up for them with West Yorkshire Pension Fund, our scheme administrator. The project has a deadline of 31 March 2025, there has been discussion from LGA around this being extended due to the complex work currently continuing with this project and the age discrimination remedy.

4. Financial Implications

- 4.1 Any additional lump sums or pensions payable as a result of the Second Modified Retained Exercise or the Age Discrimination Remedy will be funded by the government via the Fire Pensions Top-Up Grant. Associated internal project costs are funded from the Warwickshire Fire and Rescue Service revenue budget.

5. Environmental Implications

- 5.1 None.

6. Supporting Information

- 6.1 None.

7. Timescales associated with the decision and next steps

7.1 None.

Appendices

1. Minutes of the meeting of the Local Fire Pension Board held on 17 June 2024

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The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: Cllrs Butlin, Dahmash, and Gifford