

# Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme

23 September 2024

## Governance and Policy Update

### Recommendation

That the Warwickshire Fire and Rescue Local Pension Board notes and comments on the governance and regulatory updates affecting Firefighter Pension Schemes set out in this report.

### 1. Executive Summary

1.1 This Report provides a summary of governance issues relating to the firefighter pension schemes and policy updates.

### 2. Policy Updates

2.1 A full Firefighters Pension Scheme discretions review has taken place and the updated Warwickshire Fire and Rescue Authority Employer Pensions Discretions Policy was approved by the Council's Staff and Pensions Committee on 9 September 2024. Discretions are powers that enable employers to choose how to apply regulations relating to relevant schemes in respect of certain provisions. In the majority of cases the option to exercise a discretion should be available to the Authority and this allows for the individual circumstances of each case to be taken into account when arriving at the decision.

2.2 Pensions discretions arrangements are detailed within the following scheme provisions:

- Firefighter Pension Scheme (1992)
- New Firefighter Pension Scheme (2006)
- Firefighter Compensation Scheme (2006)
- Firefighter Pension Scheme (2015)

2.3 All members are now enrolled into the Firefighter's Pension Scheme (2015) and it is therefore anticipated that the majority of any requests will relate to the discretions for that scheme. However, there remain members who may have service in the previous schemes, and it is therefore necessary to determine an approach to discretions from each of these.

- 2.4 The Scheme Manager is the Executive Director for Resources. It is agreed that unless already delegated elsewhere, initial decisions relating to discretions under fire pension schemes should be exercised at Assistant Chief Fire Officer level with support from Human Resources.
- 2.5 It should be noted that limited numbers of applications for the exercising of fire pensions discretions are received. Where a member has a complaint about a decision made in relation to the exercising of a discretion, they can do so through Warwickshire Fire & Rescue Authority's Internal Dispute Resolution Procedure.
- 2.6 The new Policy is attached at Appendix [5] with relevant discretion documents attached at Appendices [1] to [ 4 ].

### **3. Regulatory Updates**

#### **McCloud**

- 3.1 The Local Government Association (LGA) has been working on resources for members affected by the age discrimination remedy and have published two new member factsheets on the topic of Unauthorised Payments and Annual Allowance. Existing member resources (the Contributions Adjustment Factsheet and Frequently Asked Questions) have also been updated.
- 3.2 Updated guidance for scheme managers in relation to contingent decisions has also been issued. Contingent decisions fall into two categories: members that opted out of the scheme who argue that they would not have done so if the scheme had not changed and members who would have bought additional service had the scheme not been changed.
- 3.3 With regards to the processing of cases for Immediate Choice Remediable Service Statements (IC RSS), cases are being progressed within the green and amber categories below with outstanding tax issues for the red cases. Members who are affected within the red category should be contacted as deadlines for data to be shared are approached.

Green	Amber	Red
<p>Legacy FPS 2006 member with no eligibility for Matthews 2 or outstanding election</p> <p>Legacy RDS modified members with no eligibility for Matthews or outstanding election</p> <p>Legacy FPS 1992 members who retired with restricted commutation (ie. Age 50 with 25 years service)</p> <p>Legacy FPS 1992 members who remain within authorised limits (ie. No lump sum or lump sum within HMRC limits)</p>	<p>Higher tier ill health (single source ill health)</p> <p>Protected and *taper protected legacy FPS 1992 members who elected for maximum lump sum (ie. paid an unauthorised tax charge) *who at the point of retirement had not tapered into FPS 2015</p> <p>Legacy FPS 2006 members with an outstanding Matthews 2 election</p> <p>Legacy RDS modified members with an outstanding Matthews 2 election</p>	<p>Unprotected and *taper protected legacy FPS 1992 members who elected for maximum lump sum (ie. paid and unauthorised tax charge) *who at the point of retirement had tapered into FPS 2015</p>

## Second Retained Exercise

- 3.4 For the Matthews second retained exercise a new Government Actuary Department (GAD) calculator and guidance were issued on 12 July 2024. The calculator fixes issues that had been identified within the previous version. Cases that had been run through previous versions do not need to be updated unless they were affected by the issues identified.
- 3.5 Due to the large amount of expression of wish forms that some Authorities have been receiving, a processing priority order has been advised from the LGA after liaising with the Scheme Advisory Board, with cases for pensioners due immediate payment being processed first. A priority order letter template has been provided to assist in explaining to eligible individuals the reason for the delay in providing calculations and where their case falls in the priority list.

## Firefighters Pension Annual General Meeting

- 3.6 The Firefighters Pension AGM is being held in London on 18<sup>th</sup> and 19<sup>th</sup> September and will be attended by staff from Warwickshire Pension Fund. It will include important updates, from:
- The Home Office
  - The Pensions Regulator
  - First Actuarial
  - The SAB legal advisor
  - The Pension Dashboards Programme

## Pension Dashboards

- 3.7 On 25 March 2024 the Department for Work and Pensions issued a written

ministerial statement on pension dashboards connection guidance. The statement provides an update which includes the new staging timeline.

- 3.8 The connection guidance confirms that the public service pension schemes connection date is 31 October 2025. Whilst Warwickshire Fire Pension Scheme's connection to the pension dashboard is to be via the West Yorkshire Pension Fund administration system, it is the responsibility of Warwickshire as scheme manager to ensure that data is ready to connect to the dashboard by 31 October 2025. Warwickshire Pension Fund will work with West Yorkshire Pension Fund on any issues identified with data.
- 3.9 Information on when the pension dashboard will be made available for the public to use is not yet available. The date the dashboard will be available to the public will not affect the date for the Firefighter's Pension Scheme data to be connected to the dashboard of 31 October 2025. West Yorkshire Pension Fund have purchased an Integrated Service Provider (ISP) from Bravura which will connect them to the National Dashboard.

### **Governance review**

- 3.10 AON, a pension actuary firm, has been engaged to carry out a governance review and a compliance check in relation to the new code of practice issued for pension funds. This work started in Summer 2024 and the Fund will update on results when they are available.

### **Pension Board Training**

- 3.11 The Local Government Association has launched Local Pension Board Training. Available dates are an online meeting on 23 January 2025. If Board members are interested in attending, please contact the Fund who will arrange the booking.
- 3.12 The sessions are aimed at members of Fire Local Pension Boards with attendees hearing from a range of speakers including:
- Local Government Association;
  - Scheme Advisory Board;
  - Fire LPB Effectiveness Committee Chair;
  - The Pensions Regulator; and
  - The Pensions Dashboard Programme.

## **4. Financial Implications**

- 4.1 There are no financial implications arising directly from this report.

## **5. Environmental Implications**

- 5.1 There are no environmental implications arising directly from this report.

## 6. Timescales associated with the decision and next steps

6.1 None

### Appendices

- 1 Appendix 1 Discretions Firefighters Pension Scheme 1992
- 2 Appendix 2 Discretions Firefighters Pension Scheme 2006
- 3 Appendix 3 Discretions Firefighters Compensation Scheme
- 4 Appendix 4 Discretions Firefighters Pension Scheme 2015
- 5 Appendix 5 Firefighter Discretions Policy Document

### Background Papers

None

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

Local Member(s): n/a

Other members: Cllrs Dahmash and Gifford