

# LOCAL PENSION BOARD

## FIREFIGHTER PENSION SCHEMES



**DATE: 22 MAY 2025**

**TITLE: SCHEME MANAGER UPDATE**

**REPORT OF: SCHEME MANAGER**

**For Approval  
and Noting**

### 1. PURPOSE

1.1 To inform and update the Board.

### 2. UPDATE TO THE BOARD

#### 2.1 Governance and Administration

For Noting

- **Discretions Applied** – discretion was applied to a member who, due to an admin error on our behalf, missed the twelve-month deadline for transferring previous pension benefits into the FPS 2015. The discretion, under regulation 141, has allowed for the transfer of benefits to take place outside of this timeframe.
- **Ill Health** – there are two members who are currently going through the IQMP process to obtain a medical opinion on whether they meet the criteria for early payment of pension benefits due to ill health.
- **Appeals** – none
- **IDRP** – a member submitted a stage one complaint in relation to the impact of a career break on their pension membership. Advice was sought from the LGA and XPS and relevant case law was considered. It was determined that the career break had been processed incorrectly; career breaks are not referenced in the pension regulations and therefore the absence should have been processed as an unpaid leave of absence. The provision within the regulations of a member being able to buy back lost pension service on their return would have then applied. The complaint was upheld and rectification of the break in membership was undertaken.

Another member was also identified as being in the same position and the issue was also rectified. The HR team have been updated on the current way to process career breaks moving forward.

**2.2 Scrutiny**

For Noting

- **Breaches of the Law** – the failure to produce Annual Benefit and Pension Saving Statements by the statutory deadlines of 31<sup>st</sup> August 2024 and 6<sup>th</sup> October 2024 respectively resulted in a breach. The breach has been reported to the Pensions Regulator (Appendix 1).

A further breach, due to a failure to issue all Remediable Service Statements (RSS) by 31<sup>st</sup> March 2025, has been assessed and the Board are asked to consider the assessment and agree whether it is to be recorded and/or reported to the Pensions Regulator (Appendix 2).

- **Cyber Security** – there have been no reported breaches
- **Compliance** - Cyber Essentials Plus (CE+) accredited
- **Audit** - internal audit has completed their annual pension audit which has resulted in satisfactory assurance being provided (Appendix 3).

**2.3 Risk**

For Noting

The Board has a responsibility to take an active role in monitoring the key risks on a regular basis and driving forward improvement. The full risk register and trend overview is attached at Appendix 4 for the Boards consideration.

Work is ongoing to update the current risk register using the new corporate format. This work will be completed ready for presentation at the next Local Pension Board.

**2.4 Age Discrimination Remedy (Sargeant/McCloud) – Update**

For Noting

**ABS Issuance**

The statutory deadline for the issuance of Annual Benefit's Statements (ABS) for all active and deferred members was 31<sup>st</sup> August 2024.

In the lead up to this deadline CFA worked closely with XPS to ensure that they had all the required data to be in a position to issue a combined ABS-RSS to all members by this date.

Of the 358 due to be issued, 277 (76.73%) were issued by 31<sup>st</sup> August 2024.

As we failed to meet the Statutory Deadline the breach was reported to the Pensions Regulator (Appendix 1).

**Deferred Choice (DC) – RSS Issuance**

In the lead up to the statutory deadline for issuance of all RSS, which was 31<sup>st</sup> March 2025, we continued to work closely with XPS to ensure that the remaining RSS were issued.

Unfortunately, we were unable to issue all DC-RSS by the deadline and as of 31<sup>st</sup> March 2025 there were 27 outstanding for active members and 12 outstanding for deferred members. Work has been continuing to identify the reason for non-issuance so that the issue can be resolved and RSS can be produced and issued as quickly as possible.

As we have not met this statutory deadline a breach assessment has been undertaken for consideration of the Board as to whether it needs recording and or reporting to the Pensions Regulator (Appendix 2).

On receipt of an DC-RSS members can choose whether to enact their contribution adjustment before retirement, this must be done within twelve weeks from being issued with their DC-RSS.

To date CFA have processed 2 members that have chosen to pay the contribution adjustment within the twelve-week window and have received a further 41 requests from members who are choosing to take the refunds owed to them. These will be processed at the end of May 2025.

XPS continue to process and issue the outstanding RSS on a weekly basis, this has involved requesting further data from CFA which has now all been provided.

### **Immediate Choice (IC)-RSS Issuance**

17 members were issued with an IC-RSS in July 2024 as they were not impacted by the unauthorised payment charges and a further 129 were issued following the receipt of HMRC guidance relating to this tax issue.

Unfortunately, we were unable to issue all IC-RSS by the statutory deadline of 31<sup>st</sup> March 2025, following which there were 4 outstanding cases, all of which have been identified as having a pension sharing order (PSO) debit, for which Home Office guidance is required, these members have been communicated with to explain the delay and their RSS will be issued once the guidance is released.

As we were aware that we would not be able to issue the 4 outstanding RSS by the statutory deadline due to the PSO issue the Scheme Manager exercised their discretion under Section 29(10B) to extend the deadline. This has been documented in the breach assessment for consideration by the Board.

### **Contingent Decisions**

Following the implementation of the McCloud Remedy, and changes to legislation, members of the Fire Pension schemes, dependent on their circumstances, may make a claim to their Scheme Manager to revisit various decisions that were made relating to their scheme membership during the period 1<sup>st</sup> April 2015 to 31<sup>st</sup> March 2022.

This is referred to as applying for a Contingent Decision, where members claim that they would have made different decisions had it not been for pension reform in 2015

(and remained in their legacy scheme) and the discrimination identified by the courts in the McCloud case.

There are two main types of Contingent Decisions.

### **Opt out cases**

Members claim that they would not have opted out of their legacy scheme had they been able to remain in the scheme after their taper date. Or, alternatively, members who opted out of their legacy scheme as they would have wanted to join the CARE scheme in April 2015.

### **Purchasing additional service/added years**

Members claim that they could have elected to purchase additional service/more service had they remained in their legacy scheme.

Members can request to make a Contingent Decision claim to their Scheme Manager within 12 months of receipt of their Immediate or Deferred Choice Remedial Service Statement (RSS).

To date CFA has received 9 applications for Contingent Decision, all relate to opt outs. These now need to be considered by the Scheme Manager.

CFA have agreed to the proposal submitted by XPS for carrying out this piece of work, which includes a task list and action form.

LGA guidance on processing these cases was withdrawn pending receipt of clarification from the Home Office on what constitutes a legacy scheme for the purposes of contingent decisions, therefore cases are currently on hold pending receipt of this clarification. These will be assessed and processed as soon as further guidance is received. In the meantime we will be assessing all cases against the LGAs current understanding and will notify them if we have any cases where a member would end up with two legacy schemes in the remedy scheme.

## **2.5 Part Time Worker Discrimination Remedy (Matthews) - Update**

For Noting

CFA identified 88 members as being in scope for the second options exercise, all were written to and advised of their eligibility and requirement for them to express their interest.

The deadline for receiving expressions of interest was 31<sup>st</sup> March 2024, 59 responses were received and acknowledged.

As there were still 29 nil respondents, and to satisfy ourselves that 'best endeavours' had been made to make contact with them, we engaged a tracing company who undertook a mortality and address check. The results provided us with information that confirmed 5 had passed away, 7 were living at the address we already held on file, 16 had changed address and 1 was untraceable.

In response we sent letters to the 5 beneficiaries and 16 whose address had changed, and they were given until 31 July 2024 to express their interest.

A further 14 expressions of interest were received taking our total number to 73, which is 83% of the individuals identified as being in scope for the remedy.

CFA has adopted the LGA's guidance on the priority order of which cases should be processed:

- Priority 1 – Immediate entitlement to benefits and deceased cases
- Priority 2 – Imminent entitlement to benefits; those who are entitled to become a pensioner before 31<sup>st</sup> March 2025
- Priority 3 – No immediate or imminent to benefits; those who are not entitled to become a pensioner before 31<sup>st</sup> March 2025

The breakdown of CFA's member categories and priority order is shown below:

| Category                               | No. Cases | No. Complete | Priority Order  |
|--|-----------|--------------|---|
| <b>Deceased</b>                        | 5         | 0            | Priority 1<br>Waiting for further info from Home Office |
| <b>Pensioner</b>                       | 38        | 28           | Priority 1  |
| <b>Deferred Imminent entitlement</b>   | 1         | 0            | Priority 2  |
| <b>Deferred Not immediate/imminent</b> | 26        | 0            | Priority 3  |
| <b>Active</b>                          | 3         | 0            | Priority 3  |

To date CFA have processed the benefits for 28 Pensioner members who have/will receive payment between February and April 2025. We continue to work our way through the remaining Priority 1 and 2 cases whilst we await further LGA guidance on the outcome of the Home Office Consultation.

It is acknowledged that Deceased members should be treated as Priority 1 cases however, we are waiting for additional guidance from the Home Office on eligibility for this, as current guidance only covers those that were deceased prior to 6<sup>th</sup> April 2006 or those that elected to join the modified scheme and died before 31<sup>st</sup> March 2025. Unfortunately, CFA's cases relate to those that have died before being able to make an election so as soon as the guidance is received and if the outcome is positive for their situation, then the 5 cases will be prioritised for processing.

An indication of costs associated with the remedy of these cases will be presented at the next Board meeting.

The Home Office have consulted on further changes to the exercise which includes death cases, extending eligibility to convert 2006 service, opted out service and an extension to the exercise deadline March 2026, which has now been confirmed so we continue to process cases based on the extended date.

As the exercise deadline has been extended by 12 months we are not in breach of the regulations for not processing all cases by 31<sup>st</sup> March 2025, and therefore no breach assessment or reporting to the Pensions Regulator is required.

## **2.6 Pensions Dashboards**

For Noting

XPS have provided a Dashboards Connection Readiness Report (Appendix 5) which outlines how the Pensions Dashboards requirements impact the scheme and the key actions that need to be taken to achieve compliance by our connection date of 31<sup>st</sup> October 2025.

The report covers how XPS propose to find and match the required member data, the scheme connection journey and estimated costs for them to carry out this work for us.

There is an action on the Scheme Manager on page 6; consideration to be given to the recommendations made and a decision made on their Matching Policy. XPS strongly encourage Scheme Managers to accept their recommendations on matching criteria as detailed in the document.

Due to the significant costs associated with this project the proposal has been considered by ELT and is to be taken to the Fire Authority.

## **2.7 Training**

For Noting

The Board has an obligation to ensure Members receive adequate training and knowledge to support them in their role. A number of Board Members attended the LGA Firefighter Pension Scheme training session on 25 March 2025 via Microsoft Teams. Further training sessions are available for members should they wish to attend.

**PETER RICKARD  
SCHEME MANAGER**