LOCAL PENSION BOARD
FIREFIGHTER PENSION SCHEMES

DATE: 27 FEBRUARY 2019

TITLE: COMMUNICATIONS

REPORT OF: TECHNICAL PENSIONS ADVISOR

For Information

1. PURPOSE

1.1 To update the Board on recent pension communications.

2. RECOMMENDATION

2.1 That the Board note the report.

3. FIREFIGHTERS PENSIONS SCHEME BULLETINS

Bulletins 11 - 16 have been circulated to the Board since the previous Meeting amd Bulletin 16 is attached at Appendix 1 for your information. Items of relevance are as follows:

3.1 Annual Benefit Survey

The Scheme Advisory Board issued a survey about the effectiveness of the 2018 Annual Benefit Statement process which was completed and returned prior to the closing date of 31st October 2018.

Cleveland Fire Brigade were fully compliant in their duties.

3.2 Scheme Advisory Board Levy

The levy for 2018/19 was set at £7.69 per firefighter which amounts to a total of £3,894.22 for Cleveland Fire Brigade. The levy for 2017/18 was £6.12 per firefighter.

3.3 Ill Health and Injury Determinations and role of Independent Qualified Medical Practitioner (IQMP)

There was a recent Pensions Ombudsman adjudicator case where the adjudicator found the FRA to have 'acted blindly' on their acceptance of an IQMP report. The adjudicator has instructed the Authority to appoint a new IQMP and reconsider the case. While the rules determine that the opinion of the independent qualified medical practitioner is binding on the Fire Authority, they firstly determine that the Fire Authority is the ultimate decision maker. Therefore the Authority need to ensure processes are in place to question whether the decision has been made properly and the IQMP is in receipt of all the appropriate medical evidence. This is consistent with employment law, under which it would be unreasonable/unfair to act on a flawed medical report.

3.4 Pensionable Pay Update

The Pensions Ombudsman published a decision on pensionable pay in respect of the Welsh Firefighter Schemes. It advises Authorities to obtain legal advice before making any pensionable pay decisions.

3.5 The Pensions Regulator Scheme Return

These returns are mandatory, however some FRA's failed to complete theirs.
A £1,000 find was issued against the London Borough of Barnet Scheme Manager for failing to submit its 2016 return.

Cleveland completed and submitted its return before the 30th November 2018 closing date.

3.6 Court of Appeal transitional protections judgment

The Court of Appeal handed down the judgment in the transitional appeals case. The court found that the Government should have justified the discriminatory impact but that it had failed to do so. The judgment remits it to the employment tribunal to consider remedy but before that step Government can apply for permission to appeal to the Supreme Court. No action to be taken yet and a communication was sent out to all staff notifying them of the position. – see Appendix 2.

3.7 Amendments to Firefighter Pension Schemes (England) – Consultation

On 18th December 2018 the Home Office launched a consultation on changes to survivor benefits in the Firefighters' Pension Scheme. In the event of a members' death, the FPS schemes provide for the payment of certain benefits and awards to a members spouse or partner but there are different regulations as regards qualification for benefit according to which particular pension scheme the member belonged.

The consultation seeks the views of interested parties on draft legislation to enact these changes. The consultation closed on 29th January 2019 and a copy of the questions and responses are enclosed for the Boards information at Appendix 3.

3.8 FPS Benchmarking exercise

A benchmarking survey was issued with responses required by 31st December. Cleveland responded that they are compliant with no areas of concern. The survey was returned prior to the deadline.

3.9 Scheme Advisory Board (SAB) request for information

SAB members have been made award of concern at FRA's around opt out levels and difficulties surrounding recruitment and retention of personnel due to potential tax consequences of breaching the annual allowance. As the evidence to date has been anecdotal the SAB asked for information on quantitative data to be returned by 31st January 2019. A copy of the information sheet is enclosed at Appendix 4.

Cleveland has submitted its return.

3.10 FPS 2016 valuation

On 30th January 2019, HM Treasury issued a written ministerial statement about the effect of the recent judgments on the McCloud and Sargeant cases on the valuation. As a result of the announcement, the cost cap rectification process for the FPS will be suspended pending the outcome to the Government's appeal. HM Treasury has also advised that the employer rate that FRA's pay towards firefighter pensions should be increased as of 1st April 2019. Following this announcement GAD are able to calculate the individual employer contribution rate for the four firefighter schemes which will be confirmed as soon as possible

There will be no changes to firefighter pension schemes member's contribution rate or the accrual rate at this stage. In light of the above, the Board's proposal to the Home Office on rectification of the cost cap breach will be suspended. Any consultation and response documents will be published once they are available.

4. ONLINE FORUM FOR BOARD MEMBERS

The online Local Pension Board Members Forum is regularly updated with guidance to assist Local Pension Boards in gaining the knowledge and understanding required. Once you have signed in you will be able to view and contribute to the following forum

The log in can be found by accessing the following link:
https://khub.net/group/guest/search/-/results/firefighter%20pension%20scheme

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TECHNICAL PENSIONS ADVISOR