

AGENDA ITEM 7

Pensions Management Team

FPS Bulletin Update

FPS Bulletin 66

New webpage on the FPS Member website

A new page relating to the 2015 Remedy is now available for members on the FPS Member website. The new page provides information on who may be affected and what members can expect, it also provides a useful timeline for those affected, with the aim of helping to manage their expectations and provide useful information for them.

Complete – Communicated to members through Firewire and Retired FF's Association

Data collection for the 2015 Remedy

Remedy data collection tools had been created with the assistance of software suppliers and the Fire Communications Working Group to help FRAs compile the relevant data needed to prepare for the 2015 Remedy. FRAs to ensure that the data collection template is completed and sent to administrators so that administrators and FRAs are prepared for the implementation of remedy from 1 October 2023.

In Progress

FPS Contribution Bandings for 2023-24

Contribution rates that apply for 2023-24 as set out in the scheme regulations are now available and confirm that there are no changes to the relevant rates for 2023-24.

For information

Matthews pre-work factsheet for FRAs

A Matthews pre-work for FRAs factsheet is now available which is designed to help FRAs to identify the work which should be done before the Matthews legislation comes into force.

Complete – HR have reviewed the factsheet and implemented the recommendations into their pre-work

The Bereavement Benefits (Remedial) Order 2022

On 15 December 2022, the Department for Work and Pensions re-laid the above order and published their response to last year's consultation. The Order extends eligibility for Widowed Parent's Allowance (WPA) and the higher rate of Bereavement Support Payment (BSP). Eligible beneficiaries can claim back to 30 August 2018. The monetary value is clearly significant to those eligible

Complete – Communicated this information through Retired FFs Association

Tax rules for 2015 remedy laid

On 6 February 2023, the Public Service Pension Schemes (Rectification of Unlawful Discrimination) (Tax) Regulations 2023 were laid. They apply to relevant public service pension schemes in England, Wales and Scotland and come into force on 6 April 2023, but some provisions will have retrospective effect. The regulations set out changes to how the pensions tax rules will apply to pension scheme administrators and members of public service pension schemes because of the 2015 remedy.

For information

FPS Bulletin 67

Top up grant 2023 – Collection of pensions accounting data

The Home Office advised that FRAs should now be working towards submitting audited 2021/22 and unaudited 2022/23 pensions income/expenditure data as part of this year's top up grant claim. The Home Office will be writing to FRAs to formally commission this data in April. However, it is essential that FRAs start making preparations now in order to be able to extract the correct data from their accounts and collate the supporting evidence for their claims.

Complete

Spring budget 2023

The Finance (No.2) Bill 2022/23 was published on 23 March 2023. With effect from 6 April 2023, the Bill proposes to enact some of the changes announced at the Spring budget. This includes:

- increasing the annual allowance from £40,000 to £60,000
- increasing the money purchase annual allowance from £4,000 to £10,000
- increasing the adjusted income level for the tapered annual allowance from £240,000 to £260,000
- increasing the minimum tapered annual allowance from £4,000 to £10,000
- abolishing lifetime allowance (LTA) charges arising in relation to benefit crystallisation events occurring on or after 6 April 2023
- allowing members to accrue new pension benefits, join new arrangements or transfer, without losing enhanced protection or fixed protection where the protection was applied for before 15 March 2023

- changing the taxation of the LTA excess lump sum, so that it is taxed as pension income (taxable at marginal rate rather than 55 per cent)
- notwithstanding the LTA charge being abolished, ensuring that payments of (or any part of) serious ill-health lump sums, defined benefit lump sum death benefits or an uncrystallised funds lump sum death benefits that would have incurred an LTA charge remain taxable payments, with the excess taxed as pension income (taxable at marginal rate rather than 55 per cent).

Legislation will be introduced in a future Finance Bill to remove the lifetime allowance from pensions tax legislation.

For information

SCAPE Discount Rate methodology consultation response

On 30 March 2023, the UK Government announced the publication of its response to the June 2021 consultation on the methodology used to set the SCAPE discount rate and has concluded that the existing methodology best meets the balance of the Government's objectives for the SCAPE discount rate, and therefore does not intend to modify the methodology.

The SCAPE discount rate to be used as part of the ongoing 2020 valuations will therefore be based on the expected long-term Gross Domestic Product growth figures, published by the Office for Budget Responsibility in July 2022. Based on these figures, the new SCAPE discount rate is CPI+1.7% p.a.

The LGA understand that HMT will shortly suspend the technical note used for the SCAPE rate in calculating CETVs

For information

FPS Bulletin 68

Consultation on the Firefighters' Pension Schemes (Remediable Service) Regulations 2023

The LGA will respond to the consultation and share their response before the consultation closes on 23 May 2023.

Complete – XPS have provided a response

Consultation on the retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) 2006

The LGA will respond to the consultation and share our response before the consultation closes on 9 June 2023

Action – XPS to provide response, CFB to consider whether can also provide response

Fire England – Commutation on retirement factors and guidance update

On 3 April 2023, following the announcement of the revised SCAPE rate, the Government Actuary's Department (GAD) published revised commutation on retirement from FPS 1992 factors and guidance. The factors are effective from 3 April 2023.

Complete – XPS are using the amended factors for retirements

Matthews Poster

At the Matthews Technical Working Group and Firefighters Communications Working Group the LGA discussed the request for a poster to assist FRAs with engaging with retained/on call firefighters ahead of the Matthews second options exercise. A poster has been published under the Second options exercise – Resources on the special members of FPS 2006 page.

Complete – poster has been provided to all on-call stations

Annual Benefit Statements 2023

As annual benefit statements (ABS) in 2023 will be based on current scheme regulations up to 31 March 2023, it is recommended that the same approach is adopted as in 2022. The standard ABS template, annexes, notes and factsheet have been updated with the new scheme year and published on the FPS Regulations and Guidance website.

For information

Generic text for estimate/retirement letters

The Fire Communications Working Group has agreed template wording below for FRAs to include within their estimate/retirement letters to cover re-employment:

Complete – HR have included text into retirement template letter

SCAPE Discount Rate Methodology Consultation Response

On 11 April 2023 it was confirmed that the CETV technical note had been suspended. Therefore, all CETV's, Pensioner cash equivalents and non-club transfers-in should be suspended until the revised technical note is published.

For information