

FPS Bulletin Update

Pensions Management Team 26th January 2022

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Immediate Detriment Framework

On 8 October 2021 the FBU and LGA published a joint statement to announce the agreement of a MOU and framework for managing immediate detriment cases.

Complete – framework has been adopted and will be incorporated into our Immediate Detriment Policy & Procedure

HMT Consultation Response: Cost Control Mechanism

On 4 October 2021 HMT published its response to the CCM consultation, in summary the government is proceeding with its three proposed options for reform; Reformed scheme only design so the mechanism considers only past and future service in the reformed schemes, Widen cost corridor from two per cent to three per cent of pensionable pay and Economic check. The government is aiming to implement all 3 reforms for the 2020 scheme valuations.

For information

The Public Service Pensions (Valuations and Employer Cost Cap) (Amendment) Directions 2021

On 7 October 2021 HMT published the PSP Directions 2021. Now that there is sufficient certainty regarding the costs attached to the McCloud and Sargeant litigation the direction allows schemes to conclude their 2016 valuations. The government said in February 2021 that early estimates indicated that some schemes could breach the cost ceiling when the valuations were finalised. However, the government decided that any impact on member benefits would be waived, as the mechanism may not have been working as intended.

The government confirmed that any changes to employer contribution rates resulting from the 2020 valuations will be delayed to April 2024.

For information

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Immediate Detriment Framework Updates

On 29th November 2021 the Home Office withdrew its informal guidance on processing immediate detriment cases ahead of legislation and confirmed that they would not be in a position to provide additional funding for costs incurred in processing outside of legislation.

Action – The Scheme Manager to consider cost versus risk of not processing and determine whether to process ID cases ahead of legislation coming into force

Age Discrimination Remedy – Member Letters

A suite of letters has been developed by the LGA to provide communication to members on what will happen from 1st April 2022.

Action – HR to send out letters to all members by mid March 2022

2020/21 Event Reporting – Annual Allowance Statements and Lifetime Allowance

HMRC is prepared to accept scheme data regarding pension savings statements for 2020/21 on an excel spreadsheet rather than through the scheme's Event Report. All other scheme events for 2020/21, with the exception of the lifetime allowance protection regimes, must be submitted via Pensions Online.

This concession is on the clear understanding that the pension savings statement data represents part of the scheme's formal reporting obligations for the 2020/21 Event Report. The data must be submitted by 31 January 2022 and HMRC reserves the right to open enquiries based on any of the pension savings statement information provided.

Action – LY to liaise with XPS and feedback

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FRA Remedy Self-Assessment Survey Research Report

A number of recommendations have been made in key areas, FRAs will be receiving their individual response and are encouraged to benchmark against the overall average to help identify any areas for further focus.

Action – ED and MR to cross reference the documents to identify any areas and feedback at next PMT

FPS SAB and LGA Levy 2021/22

Approval of the SAB levy was received from the Fire minister on 10th January 2022 and a total of £9.16 per firefighter will be levied on English FRAs to pay for both the work of the SAB and the LGA. This includes the SAB levy of £6.88 and the FRA LGA levy of £2.28.

CFB had 391 eligible employees on 1st April 2021, therefore the cost will be £3,581.56

Action – MR has raised purchase order and forwarded to Claire Hey for processing