

# FRS Local Pension Board Meeting



**Skype meeting at 11:30hrs on 22 June 2020**

Present: Adrian Murphy, Daniel Jadzevics, Andy Lowe, Tara Atkins, James Diston, Jon Simpson, Giles Sparkes, Jon Weir, Paul Mace, Sreya Gofford (Note taker)

## **1. Apologies**

Jon Lacey, who has recently become the ACFO, has resigned from the Pension Board and it has been accepted by the chair; his place will be filled by Garry Collins who will be starting from 1 July.

## **2. Declaration & Registration of Interests, Gifts & Hospitalities**

None reported.

## **3. Urgent Matters**

None reported.

## **4. Minutes and Actions from Previous Meeting**

Minutes and Actions from the previous meeting were agreed as an accurate record.

## **5. Administration Procedures and Performance**

### **Appendix A - Membership Numbers**

Tara put the last 6 months data to give the overview that the membership hasn't really changed that much since the last meeting. We are not seeing any trend with many people opting out of the scheme. We look like we are steady with the membership. The main part is the Compliance of the Scheme regulations, so because we are in that time of year, there have been a number of annual changes, they are as follows:

- Lifetime Allowance Limit
- Tapered annual allowance limit
- The Employee contributions banding

So there was the usual annual bulletin that covered all of the above pieces, and they have been update accordingly by the admin team and locally if any of these within our discretion policy , we have updated them and obviously the auto enrolment limits are taken into considerations by the payroll team when looking at those . That's not so much of an issue within the fire scheme , because we do not have such a variation in pay etc.

COVID 19 could potentially have had a massive impact but thanks to the business continuity plans that have been actioned by both Hampshire and West Sussex teams, we didn't have a great impact as the teams have been fully operational by working remotely. Monthly payroll that runs for pensioners, has been running as usual without any issues. We have seen minimal impact on those services being provided.

There have been a number of things that have been happening nationally that have an impact on pension arena. The main one being people are potentially being concerned if this would have any impact on actual pension benefits, because fire scheme is not a funded scheme there have been no impact. There would have been more questions on the LGPS scheme as that is a funded scheme. There is no impact on the fire scheme with those benefits.

One of the main things locally is with regards to any fire fighters who have been asked to re-engaged in their duties due to the COVID19 crisis, HMRC have confirmed there are two parts to this – one is anybody who have a protected pension age, people in the 92 scheme, when they moved the minimum pension age from 50 to 55, they had a protected pension age. One of the criteria for HMRC is to ensure you don't lose your protected pension age should you become re-engaged in your duties, is having an abatement policy in place which we do have as a fire authority.

HMRC have confirmed in consultation with the LGA and the Home Office that anybody who is being re-engaged in their duties due to COVID19 wouldn't lose their protected pension age. There was a question regarding abatement, whether it should still apply or that could be waived, however the response in regard to that is if you choose not to abate the persons pension, then fire authority would need to pay an equal amount into the pension account to cover that should we choose to do that. As far as Tara is aware, we don't have any active cases however we are sighted on this correspondence, therefore we will not be immediately impacted yet.

The LGA with the Scheme Advisory Board and the Home Office have been Liaising with the Pensions Regulator, this isn't just for the fire scheme, this is across Public Sector schemes with regards to how the Pensions Regulator might react with regards to any breaches of law that may come about. We haven't had any breaches or not at any risk of that.

The Pensions Regulator have also published additional guidance with regards to pension scams where there is a risk of a potential increase in regard to people benefits, Hampshire have been doing additional checks. This does minimise the risk. LGA have got a dedicated COVID19 page which has got a number of things on there.

## **Appendix B - ABS (Annual Benefit Statement) Wording**

**Annual Benefit Statement** has been covered in the part of the scheme cycle anyway, but we are now in the process of preparation the annual benefit statements, we are in the process of annual return being sent over to Hampshire, there have been a number of queries that they have come back with and that could have an impact, should those queries not be resolved, on the production of Annual Benefit Statements.

Tara mentioned she has two parts in the annual return process – one part is where she is representing the fire authority, the employer and also the fact that Tara's involvement in advising Sabrina the scheme manager's role. We are hopeful that we are in the position where all the responses to the queries will be going back to Hampshire by the deadline, as of now we are not at risk of not meeting the deadline of 31 August.

**Sargeant Ruling:** The important part with regards to ABS this year rolls into the next part, which is the Sargeant ruling, and there has been some drafted wording from the LGA to include within the Annual Benefit Statements. Whilst we are aware of that ruling, we don't know what remedy is and until that has been confirmed we obviously have to process all benefits as is and therefore the same applies for producing ABS. Nationally there has been a conversation across all public sector scheme in regard to whether or not an estimate should be provided, that's why it is still being included with that caveat.

Currently all entitlement including the immediate ones should still be paid under the existing rules, on the 25 of March, a ministerial statement was made to confirm that remedy would apply to all Public Sector Schemes for those who are in the same position as claimants, therefore this would be applied to all the people who are in the same situations. Tara attended one of the coffee mornings arranged by LGA last week, they discussed that it is understood that consultation on remedy should happen at the end of June/beginning of July.

Further information regarding that update in bulletin 33 for people to read.

**Appendix C - Caseload Performance** – As mentioned earlier we are at 100 %, with regards to what we are experiencing from Hampshire, for fire there is not massive volumes of cases that come through, but even one case being delayed can have a big impact on the percentage.

Breach reporting – For the last quarter, there haven't been any breaches, which is really good.

**Government Actuary Department valuation** to be submitted mid-August, however due to COVID19, GAD has now extended the deadline to 31 December. When Tara spoke to Hampshire last, they were still planning to submit this by August allowing some flexibility should this be needed.

**Communications** – With regards to member's portal access, there has been an increase in registration of the portal, which is promising, we are still only at 28% which could be better, but it is encouraging that to see a rise in the number. A natural promotion of the portal will be when the Annual Benefit Statements are produced. We will be sending out a communication internally to encourage people to sign up the portal ahead of the production of ABS.

New starters will also be captured as they will need to sign up the portal going forward, to allow us to communicate with them (unless they choose to opt out of electronic communications). Tara would send out the link to Joe, following his request so that he can share with FBU members and get more people to sign up to the portal.

**Appendix D - LGA Fire Scheme Bulletins** – A lot of the correspondence within the bulletins are in regard to COVID19, followed by annual update information, number of data collection. In April we had the confirmation of the ABS wording, accounting data which has been passed to finance.

LGA have been updating the website, there have a few new things like- pay increases back to the 70's etc. The internal dispute resolution guidance has been updated, and there was another COVID19 survey which has been completed.

The Local Pension Board Knowledge hub has been closed and moved to either the Scheme Advisory Board pages, or the FPS Regulations website. It is there for other should they need them.

The information regards to annual local pensions board training has been sent around, the first one was on 10 June and then next was on 8 July which is like a wrap up training.

We will need to get Garry Collins for the wrap up training in July, but we wouldn't like to overwhelm him with a lot of information.

Update with regards to the scheme advisory Board – draft minutes aren't available yet as the meeting took place at the beginning of June, but the agenda is available.

Scheme year Cycle – not much to report on this. The Pension Regulator Survey result are still being pulled together and have not been published yet. Once we have those and see what the recommendation for actions are, we can work together with Hampshire.

Pension Increase and CARE revaluation – the last partnership reports had 2020 pension increased applied, and then the same applies for the care revaluation. We haven't identified any issues following the annual return last year.

Jo Weir asked if there has been any update in relation to potential legal cases important to FRS – Tara mentioned there hasn't been anything significant on O'Brien's case that has been released in the LGA bulletins which is why she didn't include within her report. Informally there have been a couple of discussions with regards to this, we don't know the details, we have started to look at who would be impacted.

Going forward it was suggested we may want to include an agenda item on the legal cases which are relevant to the fire service.

Adrian mentioned that a risk register is maintained for items like these and that the O'Brien and Sargeant rulings are already registered in the risk register, therefore we wouldn't need a separate agenda item.

**Action:** Sreya to add Risk Register to the standing agenda

## **6. Confidential Items for Discussion**

Nothing in specific however Tara has done some work on the sergeant ruling with regards to costings. Tara took the report to the Service Executive Board meeting where it was set out to the service, this covered the risk associated with it and potential financial implication and that the financial implication has been raised as a County Council central cost to ensure that the potential financial implications are budgeted for.

**Actions** – Andrew will come back to Tara to update her what Hampshire are doing in regard to this.

## **7. Training Schedule Review**

This is to be reviewed in the next meeting.

### **7a AOB**

None reported

**Action for Dan** – Adrian asked Dan to book a meeting with Adrian to look at the content and the accessibility of certain Pension Board documents on the website.

## **8. Date of Next Meeting**

Monday, 28 September at 11:30 am, format to be confirmed nearer the time.

## **9. Appendix**

**Appendix B – ABS Wording**

**Appendix C – Caseload Performance**

**Appendix D – LGA Fire Scheme Bulletins**

**Fire pensions Board Report June -**