

## Local Pension Board

Virtual meeting held on 13 December 2021

Present: Mark Andrews (Chair), Tara Atkins (TA), Jon Weir (JW), Garry Collins (GC), Sreya Gofford (SD) (Note Taker), James Diston (JD), Andrew Lowe (AL) John Lainsbury (JL)

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### 1. Apologies

Jon Simpson and Giles Sparkes.

### 2. Declaration of Interests & Gifts and Hospitality

N/A

### 3. Urgent Matters

N/A

### 4. Minutes from the meeting held on 27 September 2021 and Action report

Approved by members.

**Action to be brought forward to the Dec meeting** – To add 'Communications Review' on to the agenda as a separate item and may need to write an additional report – closed.

### 5. Administration Procedures and Performance

TA picked up the only key points within the Pension Administration report.

#### Pension Saving Statements

TA confirmed as at the statutory deadline of 6 October 2021, 100% of Pension Saving Statements were produced. The statement is sent to members who are close to or have exceeded the annual allowance and shows the growth in a member's pension benefits in the Scheme and tests this against the annual allowance.

There were 13 Pension Saving statements requested and all of 13 statements were produced ahead of time.

#### The pension Regulator Scheme Return

It is a statutory requirement that a return is provided for each of the Firefighters' Pension Schemes. The return provides details of the Scheme, Pension Board members, membership numbers and common and conditional (scheme specific) data scoring. The deadline for submission is 15 December 2020. This was submitted ahead of the deadline on 27 November 2020.

TA mentioned that there has been a clear improvement in data since last year which shows that the work, we are carrying out with Hampshire is improving the data which is great.

TA also said that we are now showing compliments and complaints within the report for the fire scheme as a whole.

TA also mentioned that although we reported in the last board that 100% of Annual Benefit Statements were produced on time, however she has been notified that there appears to have been an error that relates to 9 active fire fighters where there was incorrect information within the Annual Benefit Statements and it states that the issue was caused because their care earnings were overstated when they come over from the payroll provider, which in turn meant that the care calculations within the Annual Benefit Statements had been overstated

However, this is currently being reviewed and revised statements are being sent out to those firefighters.

Chair asked Tara whether these affected firefighters have been made aware of this mistake – and TA said that they have been written to by both payroll and then the firefighters will also receive the updated statements internally.

Chair asked SG to make a note of this error in the minutes from 27 September.

JW wanted to know whether this error occurred on Hampshire Admins side and if yes, what measures are being taken to ensure they would not happen again.

As an update to the above, TA said that this is with regards to how something was paid through the payroll system and it overstated it. The way SAP is configured, it had deducted employer contributions from it, therefore it included it as a care pay element, which therefore in turn overstated it. This has now been resolved.

## **6. Communication Strategy**

Previously communications were included as part of the Pension Administration side of the report however as part of a discussion at the last board meeting, we decided to do a separate paper on this.

This report sets out on what basis we are interested in communications and as part of the regulator's Code of Practice they recommend that A) communicate with members and B) we review those to ensure that they are fit for purpose.

TA said that we will need to produce our own communication strategy. Appendix A describes how the communications referred to within the Communications Policy Statement have been delivered in practice. The relevant communication for the period has been included in Appendix B.

The report has as an addition those key areas of communication and then it sets out what our role is, what role the admin team have in that and then what future activities are and how often Pension Boards will be reviewing that.

Please refer to the Communication Strategy report to see how this has been done.

JW wanted to know if there was a chance that the REP bodies could get 24 hours heads up before the comms go out so that they could prepare for any questions coming their way.

TA agreed with this approach as most of the comms that we are sending out are planned comms, however there are occasions where there is quick turnaround time, therefore on those occasions it may not be possible to send the comms to the

REP bodies first, however she reassured that she could still send a copy of what we are putting in the comms so that the REP bodies are aware before they are gone out to people.

Therefore, it has been agreed that planned comms where there is planet of time in preparation that can be shared in a way that both JD and JW can see the correspondence and give their view. However, in cases where we have a quick turnaround, then at least a copy of what is going in the newsletter, will be really help the REP bodies to prepare their lines.

## **7. Immediate Detriment – Verbal update at the meeting**

TA updated everyone that on 29 Nov the Home Office made an announcement that they were withdrawing their Immediate Detriment Guidance. Whilst it is acknowledged that this is not the same guidance as the MOU and the framework, it did identify that there were potential tax liabilities that were unknown and that identified a risk. We have discussed this risk internally with legal, the Chief and our Finance Executive Director that the concern is if we continue to offer the framework to people, then they would be walking into an unknown tax liability that we do not have the information for.

TA said that it was not an easy decision that was made, particularly we had three cases where we agreed to apply the framework to, but it was felt that whilst we appreciated that would upset those individuals, but it would be better than letting them walk into an unknown tax liability situation.

TA continued that in terms of timescales, we have one individual who is retiring imminently, who is impacted by this and then we have two other cases where their retirement dates is not due until February. Therefore, the intention is that GC and TA would be going to discuss on a face-to-face basis to see what the issue is, why this has been turned around and then manage the situation accordingly with them.

TA further said that with regards to the individuals who are retiring in February, although she is hoping that we will still be staying in the same situation, but we will obviously be stating the fact that that is in two months' time, so the position may change again.

TA emphasised that this is not a position that we have taken lightly, however we are guided by the announcement from the Home Office and when you are receiving an instruction from the Home Office to say that they recommend that no fire authorities goes through until the legislation is in place, and that is a very strong piece of guidance to ignore.

TA said that we have been trying to gauge regionally with regards to what other fire authorities are doing in this position and she knows that Hampshire is still trying to process the cases they have already got but they also have identified the fact that there is potentially a tax liability and they will be seeking for tax advice before they do that.

TA pointed out that one of things that the Chief wanted to stress that it is not that we do not want to do this, but we are very much trying to establish a way that we can implement this. But as it currently stands that the Executive Leadership Team felt that it is a risk to individuals that we do not know and it is a greater risk for someone to walk into without actually knowing that information.

TA tried to explain the 'unknown tax liability' given the most recent advice from Home Office – TA said that from the letter that the Home Office sent out, whilst they have reflected on gaps within their guidance, which we were aware about. The key thing that this guidance flagged was to do with for anyone that has paid into the reformed scheme through the remedy period and that they choose to be within the 92 schemes that there would potentially be a tax implication on the contribution because they paid into the wrong scheme. - this is the tax liability that TA does not think that the framework covers and what the Home Office have stated in line with HM treasury Advice is that if we process anything in line with Immediate Detriment, then there is no guarantee that those individuals will be able to claim that tax back. Which means that individual will run a risk of paying a tax bill that they are not aware of because no one would be able to give them any information on this.

TA mentioned that we have a letter which we will be sending to these individuals who have been impacted by this decision – The letter would state that one of the options will be for them to rescind their retirement and change their retirement date, if that is what they wish to do.

**8. Confidential Items for discussion – already covered in item 7**

**9. Training Schedule Review**

Chair has acknowledged the Training Schedule to be correct.

**10. Future Pension Board Chair**

New ACFO Peter Rickard will pick up the Chair position at the next Local Pension Board meeting and David Bray will be our new employer representative.

**11. Date of Next Meeting**

The next meeting of the Board will be held on Monday, 28 March 2022 at 11.30 am.