



OFFICIAL

# Local Pension Board - appointment of Chair and Vice chair 2021 - 22

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

1

Submitted By: Monitoring Officer

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<b>Purpose</b>	To appoint a Chair and Vice Chair of the Local Pension Board for 2021 – 22 in accordance with the Terms of Reference.
<b>Recommendations</b>	That appointments be made to the positions of Chair and Vice chair of the Board.
<b>Summary</b>	It is a requirement of the Terms of Reference that appointments to the positions of Chair and Vice chair of the Local Pension Board be made on an “annual rotational basis”. This report invites members to make the relevant appointments from the membership

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager  
T: 01274 655740  
E: [nicky.houseman@westyorksfire.gov.uk](mailto:nicky.houseman@westyorksfire.gov.uk)

Background papers open to inspection: None

Annexes: None

## 1 Introduction

- 1.1 It is a requirement of the Local Pension Board Terms of Reference that appointments to the positions of Chair and Vice chair be made on an “annual rotational basis”. This report invites members to make the relevant appointments

## 2 Information

- 2.1 Chair of the Board in 2020 – 21 was Chris Lawton as Scheme Member representative with Councillor Angela Wenham as Vice chair representing the Scheme Manager. The Board has carried a vacancy in the position of Vice chair since the resignation of Councillor Wenham from the Fire Authority in March 2021
- 2.2 In accordance with the requirement to rotate on an annual basis the posts will be as follows for 2021 – 22;
- Chair            Scheme Manager representative
- Vice chair     Scheme Member representative
- 2.3 Nominations are invited from the membership for appointment to the posts

## 3 Financial Implications

- 3.1 There are no direct financial implications arising out of this report.

## 4 Legal Implications

- 4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

## 5 Human Resource and Diversity Implications

- 5.1 There are no direct human resources and diversity implications arising from this report.

## 6 Equality impact assessment

- 6.1

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	No
Date EIA Completed	N/A

## 7 Health, Safety and wellbeing implications

- 7.1 There are no direct health, safety and wellbeing implications arising from this report.

## **8 Environmental implications**

8.1 None

## **9 Your Fire and Rescue Service priorities**

9.1 The subject of this report supports all the Fire and Rescue Service 2020 – 2023 priorities.



OFFICIAL

# Local Pension Board Membership 2021 - 22

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

**2**

Submitted By: Monitoring Officer

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**Purpose** To advise of membership of the Board in 2021 - 22.

**Recommendations** That the report be noted.

**Summary** Appointments to the Board are made on an annual basis. This report advises of the membership for 2021 – 22.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Services Manager  
E: [nicky.houseman@westyorksfire.gov.uk](mailto:nicky.houseman@westyorksfire.gov.uk)  
T: 01274 655740

Background papers open to inspection: None

Annexes: None

## 1 Introduction

- 1.1 Appointments to the Local Pension Board are made on an annual basis. This report advises of the appointments for 2021 – 22.

## 2 Information

- 2.1 The Local Pension Board has six members with equal representation (3) from both Scheme Members and the Scheme Manager.
- 2.2 Appointments as Scheme Member representatives are made on an annual basis following formal advertisement of the posts, written application and a selection process as appropriate.
- 2.3 At a meeting held on 14 June 2021, the West Yorkshire Fire and Rescue Authority's Executive Committee confirmed the following appointments as **Scheme Member representatives** on the Local Pension Board for 2021 -22;

Mr Chris Lawton

Mr Ryan Binks

The third Scheme member representative is from the FBU - Firefighter Jim Davies.

- 2.4 Appointments as Scheme Manager representatives are made at the Annual Meeting of the West Yorkshire Fire and Rescue Authority. At its meeting on 24 June the Fire Authority appointed the following elected members as Scheme Manager representatives on the Local Pension Board for 2021 – 22;

Councillor Peter Harrand

Councillor Fozia Shaheen

The third Scheme Manager representative (confirmed by Management Board on 30 June 2021) is the Chief Fire Officer John Roberts.

## 3 Financial Implications

- 3.1 Local Pension Board members can submit claims in respect of out of pocket expenses. Provision has been made in the revenue budget for members' allowances claims.

## 4 Legal implications

- 4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

## 5 Human Resources and Diversity Implications

- 5.1 There are no direct human resources and diversity implications arising from this report.

## 6 Equality impact assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	No
Date EIA Completed	N/A

## 7 Health, Safety and wellbeing implications

7.1 There are no direct health, safety and wellbeing implications arising from this report.

## 8 Environmental implications

8.1 None

## 9 Your Fire and Rescue Service priorities

9.1 The subject of this report supports all the Fire and Rescue Service 2020 – 2023 priorities.



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# Local Pension Board Terms of Reference - annual review

## Local Pension Board

Date: 22 July 2021

Agenda Item:

7

Submitted By: Monitoring Officer

**Purpose** To review the Terms of Reference for the Local Pension Board.

**Recommendations** That the report be noted and proposals for amendment made as required.

**Summary** In preparation for the establishment of the Local Pension Board on 1 April 2015, the Authority's Human Resources Committee approved the draft Terms of Reference at its meeting held on 23 January 2015 which were subsequently reviewed and amended in July 2016. Further reviews were undertaken in July 2017 and January 2018 but no amendments were made. A recent review in January 2020 has led to a change in the Terms of Reference relating to the membership of the Board (as approved by the Full Authority on 25 June 2020)

It is a requirement that the Terms of Reference be reviewed on an annual basis.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicola Houseman, Committee Services Manager  
E: [nicky.houseman@westyorksfire.gov.uk](mailto:nicky.houseman@westyorksfire.gov.uk)  
T: 01274 655740

Background papers open to inspection: None

Annexes: Terms of Reference – Local Pension Board

## 1 Introduction

1.1 This report invites Members to review of the Local Pension Board Terms of Reference.

## 2 Information

2.1 The Local Pension Board Terms of Reference have been kept under review since its establishment in April 2015. A copy of the current Terms of Reference is attached at Annex A.

2.3 It is a requirement of the Board that the Terms of Reference be reviewed on an annual basis. Members are now invited, therefore, to consider the Terms of Reference for the 2021 – 22 year and note that any amendment will be included in the Local Pension Board's Constitution document and will require formal approval from the Fire Authority.

## 3 Financial Implications

3.1 There are no direct financial implications arising from this report.

## 4 Legal implications

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

## 5 Human Resources and Diversity Implications

5.1 There are no direct equality and diversity implications arising from this report.

## 6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorkfire.gov.uk)</a> )	No
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## 7 Health, Safety and wellbeing implications

7.1 There are no direct health, safety or wellbeing implications arising from this report.

## 8 Your Fire and Rescue Service priorities

8.1 The report supports all the Your Fire and Rescue 2020 - 23 priorities.

# **West Yorkshire Fire and Rescue Authority**

## **Local Pension Board**

### **Terms of Reference**

#### **Function and Responsibilities**

The function of the Local Pension Board is to assist the Scheme Manager (West Yorkshire Fire and Rescue Authority) in administering the various firefighter pension schemes. This will be achieved by providing governance and by scrutiny of policies, pension documentation, decisions and outcomes.

The Local Pension Board will also assist the Scheme Manager to:

- secure compliance with the Regulations, any other legislation relating to the governance and administration of the Schemes, and requirements imposed by the Pensions Regulator in relation to the Schemes and;
- ensure the effective and efficient governance and administration of the Schemes

#### **Duties of the Board**

The Board should at all times act in a reasonable manner in the conduct of its purpose. In support of these duties Board members:

- should act always in the interests of the Scheme and not seek to promote the interests of any stakeholder group above another
- should be subject to and abide by the Local Pension Board approved code of conduct

#### **Frequency of meetings**

The WYFRA Local Pension Board will meet six monthly (July and January in each municipal year), to review / report on previous actions and determine work streams and priorities for the future.

The Chair of the Board, with the consent of the Board membership, may call additional meetings. Urgent business of the Board between meetings may, in exceptional circumstances, be conducted via communications between members of the Board including telephone conferencing and e-mails.

## **Local Pension Board membership**

To comply with the regulations the Board must have a minimum of four members (two Scheme Member representatives and two Scheme Manager representatives). A Local Pension Board membership of four is the most straight forward and cost effective way of providing the Local Pension Board and complying with the Regulations.

Membership of the West Yorkshire Fire and Rescue Authority Local Pension Board will be:

3 X Scheme Member representatives (including 1 x FBU representative)

3 X Scheme Manager representatives (2 x elected Members, 1 x Officer representative)

Non-voting Officer Advisor(s) as appropriate

Scheme Manager (elected Member) representation on the Board will be determined by the Fire Authority at its Annual Meeting (or as otherwise required). The Officer representative will be nominated by the Authority's Management Board.

The Officer Advisor will be a specific officer who is to assist the Board in gathering/analysing information and writing reports. The Board will also be able to request assistance from any officer who has specific knowledge of a subject matter they are investigating.

### ***Scheme Member representatives***

Scheme Member representatives shall be appointed to the Board on an annual basis (or as otherwise required) by the Executive Committee of the West Yorkshire Fire and Rescue Authority following a formal application process.

2 x Scheme Member representatives will be active, deferred or retired members of one of the firefighter pension schemes administered by WYFRA.

1 x Scheme Member representative will be nominated by the Fire Brigades' Union.

Scheme Member representatives should be able to demonstrate

- their capacity to represent pension scheme members
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

### ***Scheme Manager representatives***

2 x elected Member Scheme Manager representatives shall be appointed on an annual basis to the Board at the Annual Meeting of the Authority (or as otherwise required)

1 x Officer Scheme Manager representative shall be appointed/confirmed on an annual basis by the Authority's Management Board.

Scheme Manager representatives with delegated responsibility for discharging the Scheme Manager function of WYFRA may not serve as Scheme Manager representatives on the Board.

Scheme Manager representatives should be able to demonstrate

- their capacity to represent the Scheme Manager
- capacity to attend and complete the necessary preparation for meetings, and
- capacity to participate in training as required

### **Appointment of Chair and Vice chair**

Local Pension Board Members will act as the Chair and Vice- chair on an annual, rotational basis ie. when a Scheme Manager representative is appointed Chair of the Board, the position of Vice chair will be filled by a Scheme Member representative and vice versa on an annual basis.

### **Notification of appointments**

On appointment to the Board, WYFRA shall publish the name of the appointees, the process followed in the appointment together with the way in which the appointments support the effective delivery of the purpose of the Board.

### **Objectives**

WYFRA Local Pension Board should consider the following:

- Are pension statements timely and accurate?
- How long does it take between retirement and receipt of pension?
- The number of errors made by the pension administrator.
- Are relevant policies in place and of a sufficient standard?
- Are pension estimates accurate and timely?
- Is the West Yorkshire Pension Fund (WYPF) website accurate and user friendly?
- Ensure that annual CARE scheme calculations are being carried out.
- Scrutinise data quality.

- Ensuring pension rules and regulations are being complied with, when officers are making decisions on pension matters.
- If complaints/appeals are being dealt with correctly and the correct procedures being followed.
- Review internal audit reports

This list is not exhaustive. The Local Pension Board will have the power to investigate anything it wishes in relation to the firefighters' pension schemes within WYFRS.

### **Conduct and Conflict of interest**

Members of the Board are responsible for ensuring that their board membership does not result in any conflict of interest with any other posts they hold.

All members of the Board must declare to WYFRA on appointment and at any such time as their circumstances change any potential conflict of interest arising as a result of their position on the Board. On appointment to the Board and following any subsequent declaration of potential conflict WYFRA shall ensure that any potential conflict is effectively managed in line with both the internal procedures of WYFRA and the requirements of the Pensions Regulator's codes of practice on conflict of interest for Board members.

Members of the Board must not use their membership for personal gain.

Gifts and hospitality should only be accepted with the permission of the Authority - any gifts accepted should be reported on in the Local Pension Board's annual report.

Members of the WYFRA Local Pension Board should maintain confidentiality when discharging their duties.

The WYFRA Local Pension Board has the right to use WYFRA facilities and resources in the course of discharging its duties.

### **Knowledge and understanding (including Training)**

Knowledge and understanding must be considered in light of the role of the Board to assist WYFRA as detailed above. The Board should establish and maintain a policy and framework to address the knowledge and understanding requirements that apply to Board members. That policy and framework shall set out the degree of knowledge and understanding required as well as how knowledge and understanding is acquired, reviewed and updated.

Board members shall attend and participate in training arranged in order to meet and maintain the requirements set out in the Board's knowledge and understanding

policy and framework. Board members shall participate in such personal training needs analysis or other processes that are put in place in order to ensure that they maintain the required level of knowledge and understanding to carry out their role on the Board.

### **Term of office**

Term of Office should be in accordance with the committee cycle in WYFRA

Board membership may be terminated prior to the end of the term of office due to:

- A Scheme Member representative no longer holding the office or employment or being a member of the body on which their appointment relied
- A Scheme Manager representative no longer holding the office or employment or being a Member on which their appointment relied
- The representative no longer being able to demonstrate their capacity to attend and prepare for meetings or to participate in required training

Board Members may be re-appointed for more than one term of office following an approved appointment / nomination process.

### **Reporting**

The West Yorkshire Local Pension Board will produce an Annual Report which will highlight areas of concern and identify good practice.

The report will also contain information on the number of retirements (natural and ill health), new starters, membership and opt-out numbers.

The Board will report to the Human Resources Committee.

### **Resourcing and funding**

Members of the WYFRA Local Pension Board will be entitled to claim any reasonable out of pocket expense incurred through discharging their Local Pension Board responsibilities.

The Board will not have a dedicated budget. Requests for finance to purchase technical assistance, Board member training and anything else the Board may require to effectively discharge its duties will be made through the WYFRA Finance and Resources Committee.

## **Quorum**

A meeting is only quorate when three Board members are present (including either the Chair or Vice chair).

## **Voting**

The Chair shall determine when consensus has been reached. There will be no casting vote.

Where consensus is not achieved this should be recorded by the Chair.

## **Relationship with West Yorkshire Fire and Rescue Authority**

In support of its core functions the Board may make a request for information to WYFRA with regard to any aspect of the Scheme Manager function. Any such a request should be reasonably complied with in both scope and timing.

In support of its core functions the Board may make recommendations to WYFRA which should be considered and a response made to the Board on the outcome within a reasonable period of time.



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# Local Pension Board - Annual report 2020 - 21

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

8

Submitted By: Monitoring Officer

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**Purpose** To receive the Annual Report for the Local Pension Board 2020 - 21.

**Recommendations** That the Annual Report for the Local Pension Board 2020 - 21 be noted.

**Summary** It is a requirement that the Local Pension Board produces an Annual report each year setting out activity during the course of the previous year.

The report was formally approved by the Human Resources Committee on 9 July 2021.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Nicky Houseman, Committee Services Manager  
T: 01274 655740  
E: [nicky.houseman@westyorksfire.gov.uk](mailto:nicky.houseman@westyorksfire.gov.uk)

Background papers open to inspection: None

Annexes: Annual Report 2020 - 21

## 1 Introduction

- 1.1 The Local Pension Board is required to submit an Annual Report for formal ratification by West Yorkshire Fire and Rescue Authority's Human Resources Committee as set out in its Terms of Reference.

## 2 Information

- 2.1 The draft Annual Report was submitted to the Board for comment at its meeting held on 24 April 2021.
- 2.2 The report was subsequently formally ratified by the Human Resources Committee at its meeting on 9 July 202.

## 3 Financial Implications

- 3.1 There are no direct financial implications arising from this report.

## 4 Legal implications

- 4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and / or respond to any request by Members for legal advice made at the meeting.

## 5 Human Resources and Diversity Implications

- 5.1 There are no direct equality and diversity implications arising from this report.

## 6 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )
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<b>No</b>
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## 7 Health, Safety and wellbeing implications

- 7.1 There are no health, safety or wellbeing implications arising from this report.

## 8 Your Fire and Rescue Service priorities

- 8.1 Production of the Annual Report and its submission for formal ratification by the Human Resources Committee supports all the Your Fire and Rescue Service 2020 – 23 priorities.

# LOCAL PENSION BOARD

## Annual Report 2020 - 2021

**OFFICIAL**

Ownership: Legal and Governance

Date Issued: 12 July 2021

Version: V2

Status: Final



# Revision and Signoff Sheet

## Change Record

Date	Author	Version	Comments
		V1 – initial draft	To submit to Local Pension Board for final comment and recommendation for approval to HR Committee on 9 July 2021
		V2 – final version	To submit to HR Committee for formal ratification 9 July 2021

## Reviewers

Name	Version Approved	Position	Organisation	Date
Nicola Houseman		Committee Manager	WYFRA	23/04/21

## Distribution

Name	Position	Organisation
Local Pension Board		West Yorkshire Fire and Rescue Authority
Human Resources Committee		9 July 2021

## Document Properties

Item	Details
Document Title	LOCAL PENSION BOARD
Author	Administrator
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## 1 Foreword

The purpose of this Annual report is to provide a source of information about the status of West Yorkshire Fire and Rescue Authority Local Pension Board for Scheme members and for the Scheme Manager together with a summary of issues considered in the relevant period (1 April 2020 – 31 March 2021)

In accordance with Section 5 and s.30 (1) of the Public Service Pensions Act 2013 and Regulation 4A of the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015, the West Yorkshire Fire and Rescue Authority Local Pension Board was established in February 2015 to provide advice on the effective and efficient administration and management of the various firefighter pension schemes.

[The Local Government Pension Scheme for Green Book employees is monitored by a separate Local Pension Board established by the West Yorkshire Local Government Pension Scheme and does not form part of this Annual Report].

The Report includes commentary on the following;

- A summary of the work undertaken by the Local Pension Board during 2020 – 21
- Detail of areas investigated and how these areas were dealt with
- Any conflicts of interest and how these were managed
- Any identified risks and other areas of potential concern
- Any expenses and costs incurred by the Board
- Gifts and hospitality received by members of the Board
- Training for Board members
- Breaches
- Scrutiny and review

Information has also been categorised in parts of this Annual Report on the basis of the following Classifications

Classification	Action
	Outstanding
	Partially complete
	Complete

## 2 Membership and meetings of the Board

2.1 The West Yorkshire Fire and Rescue Authority Local Pension Board comprises 6 members as follows (as approved by the Full Authority on 26 June 2020);

3 x Scheme Member representatives (Paul Drinkwater, Chris Lawton (Chair) and Jim Davies FBU)

3 x Scheme Manager representatives (Councillors Peter Harrand and Angela Wenham and John Roberts CEx/CFO)

(plus Non-voting Officer Adviser(s) as appropriate)

- 2.2 The Board has met on 3 occasions in the 2020 – 21 year. There was an attendance of 82.4% during the period in question.
- 2.3 One of the Scheme Manager representatives, Councillor Angela Wenham, had resigned her position as Leeds City Councillor and consequently from membership of the Fire Authority. The Local Pension Board carried a Scheme Manager vacancy with effect from 22 March 2021.

### **3 Work undertaken by the West Yorkshire Fire and Rescue Authority Local Pension Board 2020 – 21**

- 3.1 The work undertaken by the Board during the course of the year has been defined by the extant Terms of Reference (initially approved at the 24 June 2016 meeting of the West Yorkshire Fire and Rescue Authority).
- 3.2 Appointment to the Pensionable Pay working group at the behest of the Local Government Association and appointment to the Scheme Advisory Board's Benchmarking and Effectiveness Committee
- Chris Lawton (Scheme member representative - Chair)
- 3.3 During the period 1 April 2020 – 30 June 2021 the following items were considered by the Board;
- Updates on the work with the national Scheme Advisory Board (SAB) & its sub-committee (Ensuring the effectiveness of the Local Pension Board)
  - Pension Fund – Key Performance Indicators and corporate risks
  - Discretions made by the Scheme Manager
  - Annual benefit statements (including Annual Benefit Survey 2020)
  - Annual review of Terms of Reference
  - Pension Risk Register (with update for COVID19 risks)
  - Compliance deadlines and Breaches Register
  - Response to SAB survey 2019 on effectiveness of Local Pension Boards (including West Yorkshire position statement)
  - Equalisation of Guaranteed Minimum Pension (GMP)
  - Pension Ombudsman sample cases
  - Legislative updates
  - Firefighter Pensions England bulletins
  - Response to The Pensions Regulator survey 2020 and completion of The Pensions Regulator self-assessment questionnaire
  - Response to LGA Administration Strategy consultation
  - Impact of COVID19 on pension services and mitigations (including Protected Pension Age)
  - Update on Government position regarding Qualifying injury adjustments (to reflect COVID19 deaths)
  - McCleod / Sargeant decision and proposed remedy – including application of immediate detriment guidance
  - Application of the O'Brien ruling on the Retained Duty System (Modified) scheme

3.4 The Activity report (submitted to each meeting) includes detail on the number of;

- pension scheme members across the various schemes
- number of new scheme members
- retirees
- pensioner members
- deferred members
- IDRPs stage 1 and 2 complaints
- Opt-outs
- Pension estimates requested / processed
- Compliance and complaints

3.5 Each agenda also includes the following standing items;

- legislative update (see section 10.)
- scrutiny and review (including discretions, breach and risk registers)
- Pensions ombudsman cases (see section 9.)

## 4 Specific investigations and Board resolutions

4.1 A summary of the areas considered during 2020 – 21 which warranted further investigation and action and the relevant outcomes are detailed in the table below.

Meeting	Summary	Outcome / resolution	Status
28 January 2021	Gap analysis of The Pensions Regulator (TPR) self-assessment results	To be submitted to the next subsequent meeting of the Board ( <i>considered at 23 April 2021 meeting</i> )	
	Benchmarking of scheme members with other FRS' and Local Government Pension Scheme	To be included in future Activity reports (with additional information on gender and dual contracts)	

## 5 Conflicts of interest

5.1 As statutorily required, members of the Local Pension Board complete a Declaration of Interests. The register is maintained by the West Yorkshire Fire and Rescue Authority Committee Services section. Members of the Board reviewed their Declarations in July 2020.

5.2 There have been no declarations made by any member, adviser or attendee at any meeting of the Board during the relevant period.

## 6 Identified Risks and areas of concern

6.1

Meeting	Summary of risk	Outcome / resolution	Status
24 July 2020	Impact of auto-enrolment on scheme members / membership	Advice given to Members	
28 January 2021	McLeod and Sargeant remedy – impact on resources	Full-time Pensions Assistant post to be advertised. Additional payroll support required. (Looking at options as to whether someone is employed on a fixed-term contract or outsource the work to a partner agenda ie. Kirklees MC) – <i>WYFRA appointment made April 2021</i>	

## 7 Expenses and Costs

- 7.1 There has been no expenditure or costs incurred within the relevant period for the administration of the Board.
- 7.2 The Chair of the Board and Pensions Manager attended a free Public Sector Pensions webinar on 25 January 2021.

## 8 Gifts and Hospitality

- 8.1 There have been no declarations of gifts or hospitality received by Members of the Local Pension Board during the relevant period.

## 9 Training

- 9.1 It is a statutory requirement of the Public Service Pensions Act 2013 that members of the Local Pension Board should have the capacity to become conversant with, and develop a knowledge of, detailed related issues in order to effectively carry out their duties.
- 9.2 The following training has been provided during the course of the year to Local Pension Board members;
- Pensions Regulator e-learning package
  - Monthly bulletins from LGA Pension Advisory Service
  - LGA National training programme – update / refresher training

- 9.3 One standing item on the Local Pension Board agendas is consideration of relevant Pension Ombudsman cases. The summaries provided and Ombudsman decisions serve as a learning tool for LPB members.
- 9.4 Members completed a self-assessment issued by TPR – an analysis was subsequently reported back with proposed remedies / actions (see paragraph 4.1).

## 10 Legislative updates

- 10.1 As a statutory requirement, members of the Local Pension Board have been provided with regular legislative updates.
- 10.2 The following have been provided during the relevant period;
- Age discrimination legal challenge and remedy
  - RDS (Modified) – application of O'Brien ruling
  - Statutory instrument updates
  - Protected Pension Age – COVID19 relaxation
  - Compensation scheme (qualifying injury and COVID19)
  - Exit payments
  - Equalisation of Guaranteed Minimum pension (GMP)

## 11 Scrutiny and review

- 11.1 Members are required to scrutinise areas relevant to the administration of the Firefighters' Pension Schemes.
- 11.2 The following areas were scrutinised during the relevant period;
- Pension Risk and breaches policy
  - Discretions
  - Breaches register
  - Pension Risk register
  - Compliance deadlines



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# Activity report

## Local Pension Board

Date: 22 July 2021

Agenda Item:

9

Submitted By: Chief Employment Services Officer

<b>Purpose</b>	To inform Members of performance in key areas for the period 1 January 2021 to 30 June 2021
<b>Recommendations</b>	That the report is noted.
<b>Summary</b>	<p>This report informs Members of the Authority's key areas relating to the Local Pension Board as follows:</p> <ul style="list-style-type: none"><li>Number of pension scheme members across the various schemes</li><li>Number of new pension scheme members</li><li>Number of retirees in the period</li><li>Number of pensioner members of each scheme</li><li>Number of deferred members of each scheme</li><li>Number of IDRPs stage 1 and 2 complaints</li><li>Number of Opt Outs from the pension schemes</li><li>Number of pension estimates requested and processed</li></ul>

Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:  
Claire Johnson, Pensions Manager  
T:01274 682311 EXT: 671041  
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: None

## 1 Introduction

This report informs Members of the Authority's key areas relating to the Local Pension Board as follows:

- Number of pension scheme members across the various schemes
- Number of new pension scheme members
- Number of retirees in the period
- Number of pensioner members of each scheme
- Number of deferred members of each scheme
- Number of IDRPs stage 1 and 2 complaints
- Number of Opt Outs from the pension schemes
- Number of pension estimates requested and processed

## 2 Information

### 2.1 Number of pension scheme members across the various schemes:

#### 2.1.1 At 30 June 2021:

1992 Fire fighters Pension Scheme	44
2006 Fire Firefighters Pension Scheme	2
2015 Firefighters Pension Scheme	929
Fire Fighters Modified Scheme	13

#### 2.1.2 At 31 December 2020:

1992 Fire fighters Pension Scheme	44
2006 Fire Firefighters Pension Scheme	2
2015 Firefighters Pension Scheme	918
Fire Fighters Modified Scheme	15

## **2.2 Number of pensioner members across the various schemes:**

### **2.2.1 At 30 June 2021:**

1992 Fire fighters Pension Scheme	2372
2006 Fire Firefighters Pension Scheme	12
2015 Firefighters Pension Scheme	39
Fire Fighters Modified Scheme	35

### **2.2.2 At 31 December 2020:**

1992 Fire fighters Pension Scheme	2372
2006 Fire Firefighters Pension Scheme	12
2015 Firefighters Pension Scheme	3
Fire Fighters Modified Scheme	36

## **2.3 Number of deferred members across the various schemes:**

### **2.3.1 At 30 June 2021:**

1992 Fire fighters Pension Scheme	90
2006 Fire Firefighters Pension Scheme	91
2015 Firefighters Pension Scheme	103
Fire Fighters Modified	15

### **2.3.2 At 31 December 2020:**

1992 Fire fighters Pension Scheme	94
2006 Fire Firefighters Pension Scheme	91
2015 Firefighters Pension Scheme	101
Fire Fighters Modified	16

## 2.4 Number of 1992 FPS Scheme members with tapered protection

At 31 December 2020, there are **4** 1992 FPS, 2006 NFPS and RDS Modified members that have tapered protection and will transition into the 2015 FPS before 31 March 2022.

## 2.5 Number of new pension scheme members

In the period 1 January 2021 to 30 June 2020, there has been **3** new 2015 CARE pension scheme members.

Please note that this does not include members that have transitioned due to taper protection.

This can be broken down into the following demographic:

Age	Male	Female
18 – 30		
31 – 40	2	1
41 – 50		
51 – 60		
Total	2	1

## 2.6 Number of retirees

In the period 1 January 2021 to 30 June 2021, **14** members retired to pension.

## 2.7 Number of Opt Outs

In the period 1 January 2021 to 30 June 2021, **6** members opted out of the pension scheme.

This can be broken down into the following demographic:

Age	Male	Female
18 – 30	17	4
31 – 40	3	1
41 – 50	3	
51 – 60	1	
Total	23	5

## 2.8 Estimate Requests

In the period 1 January 2021 to 30 June 2021 a total of **24** estimates were processed.

## 3 Summary of new recruits

In the period 1 January 2021 to 30 June 2021, we appointed **20** Wholetime Firefighters **5** On Call Firefighter. Of those, **1** recruit chose to opt out of the pension scheme.

The recruits can be broken down into the following demographic:

Age	Male	Female
18 – 30	17	4
31 – 40	3	1
41 – 50		
51 – 60		
Total	20	5

#### **4 IDRPs**

In the period 1 January 2021 to 30 June 2022, there have been **0** IDRPs complaints at Stage One and **1** at Stage Two.

##### **Stage Two:**

The case related to an employee who elected to join the RDS Modified scheme. They have taken issue with additional interest applied to the calculations for those who elect to pay by period contributions.

The complaint was partially upheld.

#### **5 Grey Book Head Count**

The total number of grey book employees at 30 June 2021 was **1074**. Of these, **988** are current pension scheme members.

#### **6 Financial Implications**

3.1 There are no financial implications arising directly from this report.

#### **7 Legal implications**

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

#### **8 Human Resource and Diversity Implications**

5.1 There are no human resources implications arising directly from this report.

#### **9 Health, Safety and wellbeing implications**

6.1 There are no health, safety and wellbeing implications arising directly from this report.

#### **10 Your Fire and Rescue Service priorities**

7.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

## 11 Environmental implications

11.1 There are no environmental implications arising directly from this report.

## 12 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorkfire.gov.uk)</a> )	Yes / <b>No</b>
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OFFICIAL

# Scrutiny and review

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

**10**

Submitted By: Chief Employment Services Officer

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### Purpose

To scrutinise and review the following:

- Discretions made by Scheme Manager
- Breaches register
- Pension Risk register
- Compliance deadlines
- Pension administration audit

### Recommendations

That the report be noted and further action is taken as identified

### Summary

It is one of the requirements of the Local Pension Board that members scrutinise areas relevant to the administrations of the Firefighters' Pension Schemes.

This report identifies five areas of scrutiny.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager  
T: 01274 682311 EXT: 671041  
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: Annex C – Pension risk register  
Annex D – Compliance deadlines

## 1 Introduction

- 1.1 Local Pension Board members are to be conversant with Firefighter pension scheme rules and other administration policies relevant to the schemes.
- 1.2 In accordance with this requirement updates have been provided on the following legislative issues:
- Discretions made by Scheme Manager
  - Breaches register
  - Pension risk register
  - Compliance deadlines
  - Pension administration audit
- 1.3 Members are invited to consider the remaining annexes and consider if any further action would be appropriate.

## 2 Information

### 2.1 Discretions made by Scheme Manager

- 2.1.1 For the period from 1 January 2021 to 30 June 2021 the Scheme Manager hasn't been asked to exercise their discretion.

### 2.2 Breaches register

- 2.2.1 For the period from 1 January 2021 to 30 June 2021 0 breaches have been identified.

### 2.3 Pension risk register

- 2.3.1 The current risk register can be found in Annex A.

### 2.4 Compliance deadlines

- 2.4.1 Members need to be mindful of 4 key parts of the pension administrative process and the dates associated with it:

- Year End deadline – 31 May
- Annual Benefit Statement (ABS) deadline – 31 August
- Pension saving statement deadlines - 6 October
- TPR Survey – November

- 2.4.2 In anticipation of the Annual Benefit Statement (ABS) and pension saving statement deadlines, West Yorkshire Pension Fund (WYPF) have been approached to see how confident they are with complying with The Pensions Regulator (TPR) deadline. The questions asked and replies received (in red) are as follows:

#### ABS

Q1) Do you have all the data you require from WYFRS to undertake the ABS process? -

Yes

Q2) Did you have any issues with the data quality that WYFRS supplied? If so, please advise. - No

Q3) When do envisage that ABS production will commence for WYFRS? **w/c 26<sup>th</sup> July 2021**

Q4) Has the issue with the 30 year date been rectified from last year? (It was calculating it a day early which led to restricted lump sums being quoted) **I think so but want to retest now the new delivery has gone into Live – just to be doubly sure.**

Q5) Do you envisage any calculation problems that could hinder the process? **No**

Q6) Do you expect to meet the ABS statutory deadline of 31/08/2021? If not, why not? **Yes**

Q7) It's our understanding that the 2021 ABS' will not take into consideration remedy and will have projections to 30 years and age 55 (where applicable), however, projections won't be quoted for protected members – please can you confirm that this is the case. **Agreed**

### **Pension Savings Statements**

Q1) Do you have all the data you require from WYFRS to produce the pension savings statement? **Yes, in the main, however, there are always a few cases that we need to request more accurate pay data for. These cases can't always be known until the exercise is underway. This is the same across all FRAs and is not specific to WYFRA**

Q2) Do you expect to meet the statutory deadline of 06/10/2021? If not, why not? **Yes**

2.4.3 Further details can be found in Annex B.

## **2.5 Pension Administration Audit**

2.5.1 Departments within WYFRS are subject to regular audits. An audit has recently been undertaken on WYFRS Internal Pension Administration.

2.5.2 Based on the findings, the auditor has confirmed that an overall “**Substantial Assurance**” opinion has been allocated. With no recommendations arising.

2.5.3 The final report will be shared with Members once it has been published.

## **3 Financial Implications**

3.1 There are no financial implications arising directly from this report.

## **4 Legal implications**

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

## **5 Human Resource and Diversity Implications**

5.1 There are no human resources implications arising directly from this report.

## **6 Health, Safety and wellbeing implications**

6.1 There are no health, safety and wellbeing implications arising directly from this report.

## 7 Your Fire and Rescue Service priorities

- 7.1 Keeping Members informed with how the scheme is operating and what decisions have been made is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

## 8 Environmental implications

- 8.1 There are no environmental implications arising directly from this report.

## 9 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorkfire.gov.uk)</a> )	<b>No</b>
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<b>Risk Area 1 - Regulatory and Compliance</b>	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Failure to put appropriate governance arrangements in place and monitor risk	2	7	14	Scheme Manager and Pension Board awareness of legal responsibilities				
				<ul style="list-style-type: none"> <li>Pension Board given up to date information on legal responsibilities</li> </ul>	Pension Board Chair	As Required		
				<ul style="list-style-type: none"> <li>Terms of reference in place and under review</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>Procedures for assessing and managing risk</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>Procedure to identify, assess and report breaches</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>Suitable frequency of Pension Board meetings</li> </ul>	Scheme Manager	Annual	July 2021	
Failure to interpret rules or legislation correctly	2	7	14	Appropriate Pension Board Member training				
				<ul style="list-style-type: none"> <li>Up to date and documented training log, showing completion of scheme-specific training and The Pensions Regulator's educational material</li> </ul>	Scheme Manager	Annual	LPB Meetings	
				<ul style="list-style-type: none"> <li>Technical advice and regular updates made available</li> </ul>	Scheme Manager	Ongoing	LPB Meetings	
				<ul style="list-style-type: none"> <li>Ongoing process for acquiring relevant knowledge and understanding, with regular refreshers</li> </ul>	Scheme Manager	Ongoing	LPB Meetings	
				<ul style="list-style-type: none"> <li>Training of new Pension Board Members</li> </ul>	Scheme Manager	As Required	LPB Meetings	
				<ul style="list-style-type: none"> <li>Awareness and understanding of relevant documentation as per TPR Code of Practice 14 paras 42-46</li> </ul>	Scheme Manager	Annual	LPB Meetings	

Conflicts of Interest	2	5	10	All Pension Board members to declare any conflicts				
				<ul style="list-style-type: none"> <li>Conflicts of interest policy in place and fully understood</li> </ul>	Scheme Manager	Ongoing	July 2021	
				<ul style="list-style-type: none"> <li>Request for interests to be declared at each meeting</li> </ul>	Scheme Manager	Ongoing	LPB Meetings	
Failure to comply with TPR deadlines	5	7	35	All pension Board members to keep upto date with TPR compliance deadlines				
				<ul style="list-style-type: none"> <li>Training of new Pension Board Members</li> </ul>	Scheme Manager	Ongoing		
				<ul style="list-style-type: none"> <li>Technical advice and regular updates made available at LPB meetings</li> </ul>	Scheme Manager	Ongoing		
<b>Risk Area 2 - Operations</b>	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Member data incomplete or inaccurate	5	7	35	Data management and monitoring requirements under SLA fully understood and deemed adequate				
				<ul style="list-style-type: none"> <li>Monthly processes to monitor records and carry out reconciliation</li> </ul>	Scheme Manager	Monthly	July 2021	
				<ul style="list-style-type: none"> <li>Monthly KPI reporting on data issues – provide summary at each PB meeting</li> </ul>	Pensions Administrator / Scheme Manager	Ongoing	July 2021	
				<ul style="list-style-type: none"> <li>Data review arrangements in place including periodic address cleanse</li> </ul>	Pensions Administrator / Scheme Manager	As Required	July 2021	

				<ul style="list-style-type: none"> <li>• Process to enact a Data Improvement Plan and report breaches, if required</li> </ul>	Scheme Manager	As Required	July 2021	
Administration process failure / maladministration	4	8	32	Formal SLA in place with third party administrator and monitoring arrangements assessed as adequate				
				<ul style="list-style-type: none"> <li>• Quarterly client meetings and monthly reports including KPIs</li> </ul>	Scheme Manager	Monthly	July 2021	
				<ul style="list-style-type: none"> <li>• Ongoing dialogue between Scheme Manager and third party administrator, including process improvement plans</li> </ul>	Scheme Manager	Ongoing	July 2021	
				<ul style="list-style-type: none"> <li>• Clear identification of roles, authority levels, data security and data protection processes</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>• Audit reporting on both third party administrator and Scheme Manager's processes</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>• Disaster Recovery Plans up to date and appropriate</li> </ul>	Scheme Manager	Annual	July 2021	
				<ul style="list-style-type: none"> <li>• Ability to commission independent assurance report, if required</li> </ul>	Scheme Manager	As Required	July 2021	
Inadequate, late or inaccurate communications	5	7	35	Communication requirements fully understood and The Pensions Regulator's recommendations applied				
				<ul style="list-style-type: none"> <li>• Communications provided under SLA fully understood and deemed adequate for basic requirements</li> </ul>	Scheme Manager	Annual	July 2021	

				<ul style="list-style-type: none"> <li>Ad hoc communications provided by LGA Pensions Adviser monitored, fully understood and tailored as necessary</li> </ul>	Scheme Manager	Ongoing	July 2021	
				<ul style="list-style-type: none"> <li>Develop Communications Strategy and keep under review</li> </ul>	Scheme Manager	Annual	July 2021	
Operational disaster (fire/flood etc)	1	6	6	Business continuity procedures in place				
				<ul style="list-style-type: none"> <li>Third party scheme administrator Disaster Recovery Plan up to date and appropriate</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Scheme Manager Disaster Recovery Plan up to date and appropriate</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Contracts and other essential documents recorded on a central database</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
<b>Risk Area 3 - Financial</b>	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Excessive charges by suppliers / additional liabilities on the operating budget	3	2	6	Regular checks of transactions and charges against contract terms/ robust methodology used to forecast pension accounting data				
				<ul style="list-style-type: none"> <li>Annual review of scheme budget, quarterly review of cost incurred against budget</li> </ul>	Scheme Manager	Quarterly	July 2021	
				<ul style="list-style-type: none"> <li>Periodic review of suppliers</li> </ul>	Scheme Manager	Annual	July 2021	

				<ul style="list-style-type: none"> <li>Processes in place to ensure robustness of method to forecast and calculate pension accounting data. Liaise with third party administrator when making forecasting assumptions</li> </ul>	Scheme Manager	Annual	July 2021	
Fraud / Fraudulent behaviour	1	10	10	Budget monitoring and appropriate payment processes including use of authorised signatories and data validation				
				<ul style="list-style-type: none"> <li>Monitor incoming and outgoing scheme funds and membership movements against scheme forecasts – reconcile actual transactions against forecasts</li> </ul>	Scheme Manager	Monthly	July 2021	
				<ul style="list-style-type: none"> <li>Authorisation of transactions in accordance with audit requirements and carried out by authorised signatories only</li> </ul>	Scheme Manager	Ongoing	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Robust data validation processes in place by third party administrator and Scheme Manager to ensure all transactions authentic</li> </ul>	Pensions Administrator / Scheme Manager	Ongoing	As per internal audit cycle	
				<ul style="list-style-type: none"> <li>Audit reporting on both third party administrator and Scheme Manager's processes</li> </ul>	Scheme Manager	Annual	As per internal audit cycle	
<b>Risk Area 4 - Funding</b>	Likelihood (1:least likely, 10:most likely)	Impact (1:least likely, 10:most likely)	Score (likelihood x impact)	Main Control/ Specific Risk Reduction Actions	Owner	Test	Next review	Comment
Employer failure to pay correct contributions into	1	10	10	Contribution deductions and payments – monthly reconciliation of schedule of payments due and amount paid across				

scheme			<ul style="list-style-type: none"> <li>Processes in place to comply with regulatory requirements on contribution rates and pensionable pay definitions</li> </ul>	Scheme Manager	Ongoing	As per internal audit cycle	
			<ul style="list-style-type: none"> <li>Suitable reporting and reconciliation processes in place ahead of payment including checks on changes in contract and transition to 2015 Scheme</li> </ul>	Scheme Manager	Monthly	As per internal audit cycle	

## **AGENDA ITEM No. 10 – ANNEX D**

### **Compliance Deadlines**

Members at previous Local Pension Board (LPB) meetings agreed that it would be useful for them to have a comprehensive list of our compliance deadlines. This will enable Members to scrutinise our position, ensure that we are compliant and avoid fines from The Pensions Regulator (TPR).

I have highlighted below the key dates for members to be aware of, it's worth noting that through the year the Scheme Manager is asked to comply with additional areas, however, these are just one off pieces of work. Anything significant will be report to Members through the usual LPB channels.

#### **31 May – Year end Data**

West Yorkshire Pension Fund (WYPF) has imposed a deadline of 31 May to send all of our year-end data to them. This data is required for the production of Annual Benefit Statements (ABS). Although failing to comply would not result in a financial penalty, it means that WYPF can give no guarantees that ABS production will be completed in time for 31 August, which is the TPR deadline.

To reduce the likelihood of non-compliance WYFRS now send data to WYPF monthly. This has resulted in less work at year end and ensures that all data is sent to WYPF in a timely manner, therefore giving them ample opportunity to produce the ABSs within the compliance timeframes.

#### **31 August – ABSs**

TPR have imposed a deadline of 31 August to produce all ABSs. Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance.

#### **31 October – Pension Savings Statement**

TPR have imposed a deadline of 31 October to produce all pension saving statements. These statements are only applicable for employees who have breached their Annual Allowance (AA), generally numbers are relatively low (50-100 max). Failure to comply with this deadline can result in a financial penalty, the amount would be determined by TPR, in making their decision they would consider the numbers involved and the reason for non-compliance. It would also have a knock on effect for the employee. If the employee has breached their AA, and they don't have any carry forward to offset, a tax charge is payable. HMRC have imposed a deadline of 31 January for Voluntary Scheme Pays (VSP) and 31 July for Mandatory Scheme Pays (MSP). If the individual does not comply with these deadlines HMRC can impose sanctions.

#### **30 November – TPR Survey**

TPR send out an annual survey, the survey focuses on governance of the scheme. Although this survey isn't mandatory and failure to complete wouldn't result in a fine, failing to reply could damage our reputation with TPR and SAB. The survey is normally completed by the Pensions Manager, with support from the LPB Chair, Scheme Manager and administrator.



OFFICIAL

# Pension Ombudsman - update

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

11

Submitted By: Chief Employment Services Officer

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### Purpose

To present Members with information on recent Pension Ombudsman rulings related to the Firefighters' Pension Scheme and other relevant schemes.

### Recommendations

That the report be noted.

### Summary

It is a requirement of the Public Service Pensions Act 2013, and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters.

It is advised by the Local Government Association that, in order to secure compliance with the legislation relating to the governance and administration of the Firefighter Pension Schemes, Members should review Pension Ombudsman cases.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager  
T: 01274 682311 Ext: 671041  
E: [Claire.johnson@westyorksfire.gov.uk](mailto:Claire.johnson@westyorksfire.gov.uk)

Background papers open to inspection: None

Annexes: None

## **1 Introduction**

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board had a knowledge and understanding of the governance and administration of the relevant pension schemes.

## **2 Information**

- 2.1 There has been one relevant Pension Ombudsman ruling that has been made since the date of the last meeting. Details are as follows:

[PO18920](#) - Mr S (The New Firefighters' Pension Scheme (Wales) 2007 (modified section for retained firefighters) (the Modified Scheme)) – Late submission of paperwork

### **2.2 Complaint Summary:**

Mr S is a retained firefighter and so he was eligible to join the Modified Scheme when it was brought into effect.

Mr S has complained that he returned the necessary forms in order to begin the process of enrolling in the Modified Scheme, but the Authority has subsequently not allowed him to do so.

### **2.3 Summary of the Ombudsman's Determination and reasons:**

The complaint shall be upheld against the Authority because Mr S submitted the necessary forms to join the Modified Scheme with sufficient time to be enrolled.

## **3 Financial Implications**

- 3.1 There are no financial implications arising directly from this report.

## **4 Legal implications**

- 4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

## **5 Human Resource and Diversity Implications**

- 5.1 There are no human resources implications arising directly from this report.

## **6 Health, Safety and wellbeing implications**

- 6.1 There are no health, safety and wellbeing implications arising directly from this report.

## **7 Your Fire and Rescue Service priorities**

- 7.1 Keeping Members informed with regard to legislation and current ombudsman pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

## 8 Environmental implications

8.1 There are no environmental implications arising directly from this report.

## 9 Equality Impact Assessment

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorkfire.gov.uk)</a> )	<b>No</b>
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OFFICIAL

# Legislative update

## Local Pension Board

Date: 22 July 2021

Agenda Item:

12

Submitted By: Claire Johnson

**Purpose** To provide a legislative update to Members on matters related to the Firefighters' Pension Scheme(s)

**Recommendations** That the report be noted.

**Summary** It is a requirement of the Public Service Pensions Act 2013 and subsequent 2015 regulations, for Members of a Local Pension Board to have a knowledge and understanding of the law relating to pensions and such other matters. This report provides an update on the latest relevant legislative issues.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:  
Claire Johnson, Pensions Manager  
T:01274 682311 EXT: 671041  
E: Claire.johnson@westyorkshire.gov.uk

Background papers open to inspection: None

Annexes: Annex A – Revised Home Office Immediate Detriment Guidance

## 1 Introduction

- 1.1 It is a requirement under the Public Service Pensions Act regulations that Members of a Local Pension Board have a knowledge and understanding of the governance and administration of the relevant pension schemes.
- 1.2 In accordance with this requirement updates have been provided on the following legislative issues:
- Age Discrimination – Pension Remedy
  - Revised Immediate Detriment Guidance
  - RDS Modified
  - Exit Payments in the Public Sector

## 2 Information

### 2.1 Age Discrimination – Pension Remedy

- 2.1.1 LGA have been working with software suppliers and the Fire Communications Working Group (FCWG) to develop a [standard data collection template](#) to sit alongside the [draft data collection guidance](#).
- 2.1.2 The data products have been provided to complement internal processes and workflow between FRAs and administrators; they are not provided as standalone tools.
- 2.1.3 It's expected that the administrator will populate the data collection template with all employees who are eligible for their pension to be remedied. It's expected that this data will be shared with the FRA in the coming weeks.
- 2.1.4 It is then the FRAs responsibility to verify the data, cleanse the data and fill in the payroll gaps.
- 2.1.5 It's recently been agreed that Kirklees Council will collate the payroll data required for pension remedy.
- 2.1.6 The Pensions Manager is working closely with Kirklees to ensure that they're fully aware of the scope and requirements. Regular project meetings are taking place and will continue until the project is complete.
- 2.1.7 As the agreement with Kirklees is outside of our existing SLA there is a cost attributed for this service. The grant received from Central Government will cover the costs associated with this exercise.

### 2.2 REVISED Immediate Detriment Guidance

- 2.2.1 It was reported in our January meeting that [guidance](#), formally known as Immediate Detriment guidance, was issued from the Home Office.
- 2.2.2 On 18 December 2020, the Scheme Manager, CFO and Pensions Manger met to discuss the legal findings and agree on a position for WYFRS. It was agreed, that at this stage, our position would remain unchanged and we will not use the immediate detriment guidance to remedy our forthcoming retirees.
- 2.2.3 It's understood that the Home Office and HMT are relying on Section 61 of the Equality Act to provide legal underpinning to the note for non-claimants. That power was being

contested in the FRA's appeal under Schedule 22 of the same act, in which they argue that they were required by law to follow the pension regulations and so had no choice but to implement the transitional protections for older firefighters - As reported in our April meeting, the FRA's lost their appeal.

2.2.4 The Scheme Manager, CFO and Pensions Manager met again to reconsider our position. It was at this meeting where it was decided that we would, from 23 April 2020, allow our Firefighter to retire using the immediate detriment guidance.

2.2.5 This change was communicated to the workforce via a Let's Talk briefing.

2.2.6 So far, we have had 3 employees who have been eligible to retire under Immediate Detriment terms. All of which opted to revert into their legacy scheme (FPS1992). We have a further 7 employees who will be leaving in due course.

2.2.7 When processing the cases, we were reliant on the information supplied in the guidance, as well as our knowledge of FPS1992 regulations. Unfortunately, the note was very light on information around what to do in cases whereby the employee would qualify for a contribution holiday or would be entitled to a contribution refund. The revised [guidance](#), which was issued in June 2021, gave more clarity around these issues.

2.2.8 A copy of the guidance is provided in Annex A.

2.2.9 In summary, it confirms that employees who were eligible for a contribution holiday and/or refund of contributions should not be processed under Immediate Detriment. Further clarity is needed around how to process these cases. This contradicts how we have been processing our cases. These will have to be revisited once the guidance has been published.

## **2.3 RDS Modified**

2.3.1 A recent ruling in the [O'Brien](#) case confirmed that fee paying judges should be allowed into a pension scheme from the start date of their employment.

2.3.2 The Home Office has recognised that this will have application to retained firefighters.

2.3.3 There are no timescales yet on this the Home Office are in discussion with their legal department and employers regarding the scope and mechanics of the settlement exercise.

2.3.4 More information will be provided when available.

## **2.4 Exit Payments in the Public Sector**

2.4.1 We reported in the January meeting that [The Restriction of Public Sector Exit Payments Regulations 2020](#) came into force on 4 November 2020. These regulations have now been withdrawn and future proposals are currently under [consultation](#).

2.4.2 The original regulations had limited application for the FPS, as exemptions apply to two of the exit payments which would otherwise fall within the scope of the £95,000 cap: enhanced commutation (FPS 1992) and Authority Initiated Early Retirement (AIER) (FPS 2006 and FPS 2015) on fitness grounds.

2.4.3 Members will be informed of the outcome of the consultation and any implications which may arise for FPS members at future meetings.

### **3 Financial Implications**

3.1 At this stage financial implications are unclear.

3.2 Government are yet to confirm if they will be financing the fallout from remedy and/or the RDS case.

### **4 Legal Implications**

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by Members for legal advice made at the meeting

### **5 Human Resource and Diversity Implications**

5.1 There are no human resources implications arising directly from this report.

### **6 Health, Safety and wellbeing implications**

6.1 There are no health, safety and wellbeing implications arising directly from this report.

### **7 Your Fire and Rescue Service priorities**

7.1 Keeping Members informed with regard to legislation an ongoing pension issues is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

### **8 Environmental implications**

8.1 There are no environmental implications arising directly from this report.

### **9 Equality Impact Assessment**

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	<b>No</b>
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## Firefighters' Pension Schemes

### McCloud/Sargeant ruling – Guidance on treatment of 'Immediate Detriment' cases

#### 1.0 Purpose of guidance

- 1.1 The purpose of this note is to provide informal guidance to Fire and Rescue Authorities (FRAs) in England on processing 'immediate detriment' cases (see definition in section 3 of this guidance) in advance of legislating to remove the age discrimination as found in the McCloud/Sargeant Employment Tribunal litigation. As the guidance is non statutory and informal, it does not in itself place legal obligations on FRAs. However, FRAs have the power to calculate and pay pension entitlements for those members who fall within either of the two categories at paragraph 3.2 under their legacy schemes, through the application of section 61 of the Equality Act 2010. That provision means that these individuals have the right to be treated as though they have been in service in their legacy scheme since 1 April 2015, if that is what they want and they inform the scheme of this<sup>1</sup>.
- 1.2 The informal guidance is provided at the request of the Fire Brigades Union and the Firefighters' Pensions (England) Scheme Advisory Board to assist employers with "immediate detriment" cases. It is specific to members of the Fire Pension Schemes.
- 1.3 The issues raised in this document are the subject of ongoing litigation and the Government's announced proposals to introduce legislation, when Parliamentary time allows, to address the discrimination identified by the Court of Appeal. As such this guidance will be kept under review to ensure that it is consistent with any judgment, or legislative proposals, and it is therefore subject to any further developments in these respects.
- 1.4 In this guidance a reference to the "2015 scheme" is to the applicable reformed 2015 Fire CARE Pension Scheme, and a reference to the "legacy scheme" is to the applicable Fire Pension Schemes that applied to a member before 1 April 2015.
- 1.5 This guidance **should not** be seen as providing a definitive resolution to all of the consequences arising from the discrimination, rather as a way to progress certain immediate detriment cases (as defined in this guidance) now there is some clarity as to how certain issues should be approached. It is important **to note that ALL cases processed using this guidance will need to be revisited** once the full detail of the Government's approach is finalised, and legislation is in place. Legislation is expected to be in place by October 2023.

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<sup>1</sup> To note, Part 3 Chapter 1 Regulation 7(2) of the 2014 Regulations states: "A person who is in service in a scheme employment (P) is an eligible person in relation to that employment unless in relation to service in that employment— (a) P is a protected member of the 1992 Scheme or the NFPS; or (b) P is a member of any other pension scheme and the authority employing P pays contributions to that scheme in respect of P."

## 2.0 Background to McCloud/Sargeant ruling

- 2.1 Most public service pension schemes, including the Firefighters' Pension Schemes and, were reformed in 2015. These reforms included 'transitional protection' for scheme members closest to retirement.
- 2.2 In December 2018, the Court of Appeal ruled that the transitional protection element of the 2015 public service pension reforms constituted unlawful age discrimination in the Firefighters' and Judges' Pension Schemes. The Government respects the Court's decision and has confirmed that it will remove the difference in treatment across all main public service pension schemes, including the Police Pension Scheme.
- 2.3 The Government consulted on proposals to remove this discrimination and responded on 4 February 2021. Details of the proposal and the response are available online from GOV.UK<sup>2</sup>. The changes set out in the consultation response to remove the discrimination will apply across all the main public service pension schemes and provide affected members with a choice of which scheme benefits they would like to receive for the remedy period. The remedy period is defined as between 1 April 2015 and 31 March 2022 in the consultation paper.

## 3.0 What are 'Immediate Detriment' cases?

- 3.1 This guidance aims to deal with cases where the benefits are not yet in payment as these are less complicated to deal with (compared to where benefits are already in payment).
- 3.2 For the purposes of this guidance, the term 'immediate detriment' applies only to individuals who were members or eligible to be members of a legacy scheme immediately prior to 1 April 2012, and have a period of service after 31 March 2015 during which they were members of a legacy or reformed scheme, where those periods of service are continuous including those with a qualifying break in service of less than 5 years (this is irrespective of whether they have submitted a legal claim or not) and who
  - I. become eligible to retire (for any reason, including ill health) and draw their pension and want to have all their benefits paid from their legacy scheme (i.e. do not accept 2015 scheme benefits); **OR**
  - II. do not qualify for lower-tier (and therefore higher-tier) ill-health pension under the single pot Ill-Health Retirement (IHR) arrangement, and are therefore left without a pension in payment **BUT** would be eligible under the IHR arrangements in their legacy scheme.

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<sup>2</sup> <https://www.gov.uk/government/consultations/public-service-pension-schemes-consultation-changes-to-the-transitional-arrangements-to-the-2015-schemes>

- 3.3 Any scheme members that fall within either of the two categories above can have their pensions calculated and put into payment according to the guidance set out in section 5 below. As set out above, FRAs have the power to calculate and pay pension entitlements for these members under their legacy schemes, through the application of section 61 of the Equality Act 2010. That provision means that these individuals have the right to be treated as though they have been in service in their legacy scheme since April 2015, if that is what they want and they inform the scheme of this.
- 3.4 This guidance **should not** be applied to scheme members who have already retired and are in receipt of their pension payments. As set out in more detail in para 4.4 below, these cases are likely to be more complex to resolve, including on tax. At present, it is not clear that cases where an individual has already retired can consistently be processed under current legislation without adverse impacts. Nor should the guidance be applied where the member has died in service as the government's approach to these cases has not yet been finalised.
- 3.5 This guidance applies only to unprotected and taper protected members of the reformed schemes. This guidance should not be applied to protected scheme members, whose benefits will be received from the legacy scheme.

#### **4.0 Guidance on treating immediate detriment cases**

- 4.1 Transition members are members who were members of a legacy scheme and subsequently moved into the 2015 scheme either at 1 April 2015 or later under the tapered protection arrangements in relation to their service from that date and are in scope for remedy, as set out in paragraph 3.2 above.
- 4.2 There are some transition members who have already been dismissed from work on grounds of ill-health, but without a pension as they did not qualify for an ill-health pension under the 2015 Scheme. In addition, there are transition members who are now approaching retirement and want to take their full pension benefits under their legacy pension scheme. This guidance provides employers with advice on how these cases can now be processed in advance of final remedy implementation.

##### *Transition members who are already in receipt of a pension*

- 4.3 There are cases (in respect of both ill-health/ordinary retirements) where transition members have already retired and are currently receiving an ill-health/ordinary pension. It is recognised that many of these members' pensions are lower than they would be if they had instead been members of their legacy pension scheme since April 2015. For example, where a transition member has retired on ordinary grounds below age 55, their benefits accrued under the 2015 Scheme will currently be deferred until their State Pension Age.
- 4.4 These cases are likely to be more complex to resolve, and at this stage it is not clear that cases where an individual has already retired can consistently be processed

under current legislation without adverse impacts. Even for cases that do not need legislative change, schemes and in some cases individuals will require further guidance or information to be provided on how the detail of cases should be processed, and on interpretation of existing rules where these do not provide immediate clarity, given the complexity and novelty of this situation. This material needs to be worked through in some detail, to ensure that – as far as possible – individuals whose cases are processed under section 61 receive the same, or as close as possible, treatment as those being processed once new legislation is in place. Work in this area is ongoing. FRAs may be able to process these cases once outstanding points have been resolved. However, providing a full remedy in these cases may not be possible until legislation has been implemented.

## **5.0 Giving scheme members a choice**

- 5.1 This section provides guidance where FRAs offer members meeting the criteria set out in para 3.2 the opportunity to take all their pension benefits accrued during the remedy period under their legacy pension scheme, rather than under the 2015 Scheme.
- 5.2 In order to provide this choice, FRAs will need to present two sets of pension entitlement quotes to each qualifying scheme member, which includes any legacy scheme entitlement that becomes due such as APBs or Two Pension entitlement, and include updated Pension Input Amounts for all years of the remedy period for all members who have paid an annual allowance (AA) charge or who may be liable for an AA charge – more detail on this is set out below.
- 5.3 Whilst not an exhaustive list, each quote must also set out the pension benefits that the member would receive under each choice, to include: recurring annual pension (before and after commutation), commutation retirement lump sum entitlement, employee contributions owed/refunds due etc.
- 5.4 It should be noted that any decision to take benefits from their legacy scheme may impact earlier tax liabilities (AA charge) on the increase in a member's pension savings – FRAs should consider what support they can provide to members to revisit these assessments.
- 5.5 Given section 61 of the Equality Act allows individuals to be treated as though accruing in their legacy scheme since 2015, the information that schemes should provide to members includes:
  - recalculated Pension Input Amounts (PIAs) for every year of the remedy period to date; and
  - PIAs for 2012-13, 2013-14, and 2014-15 (which would not be changed by an election under section 61).
- 5.6 Members should contact HMRC about any changes to their AA tax liabilities for the remedy period. AA charges can only be corrected within the tax system, with HMRC,

for years within the statutory time limits. Further information about statutory time limits can be found in the Compliance Handbook (CH51300)<sup>3</sup>.

- 5.7 However, individuals will also need revised PIAs for earlier years, beyond the statutory time limits and out of scope for tax correction, including to claim compensation where they have paid higher AA charges on reformed scheme benefits for out of scope remedy period years.
- 5.8 For periods within the usual statutory time limits for correction of tax, where an individual has already used mandatory Scheme Pays, pension debits for previous years can be adjusted to accommodate any revisions to the AA charge owed.
- 5.9 Where an individual has already used voluntary Scheme Pays and there is a reduction in the AA charge owed, pension debits for previous years can be adjusted.
- 5.10 Where individuals have not used Scheme Pays before or used voluntary Scheme Pays and there is an increase in the AA charge owed, pension schemes should offer voluntary Scheme Pays to help individuals affected to pay any additional AA charge. Alternatively, individuals can pay additional AA charge owed in cash, if they prefer. An election/option must be made into Scheme Pays before an individual's pension is put into payment. Interest will be payable on late paid AA charges.
- 5.11 There remain several outstanding issues that will not be resolved until such time that the Government finalises its approach and legislation is in place to remove the discrimination identified by the McCloud/Sargeant ruling (see unresolved pensions issues section below). Each scheme member will need to agree to accept the Government's final approach and any future adjustments that this requires.
- 5.12 Each scheme member should be required to provide written confirmation of their election, stating that it is made by reference to section 61 of the Equality Act. Once written confirmation has been received from each member, the FRA can put the chosen pension into payment, once scheme pays elections have been made.
- 5.13 In the absence of any written confirmation, the default position should be the current regulatory position for a transition member. Therefore, the pension paid will be in accordance with their pension entitlement as provided under both the legacy scheme regarding accrual from years before the remedy period, and 2015 CARE Scheme regarding accrual for remedy period years.

***Unresolved pension issues:***

- 5.14 As outlined above, there remain outstanding issues which limit the provisions of this guidance, where the Government is still finalising the details of its approach. Legislative change will also be required in some areas, to implement a full remedy.

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<sup>3</sup> <https://www.gov.uk/hmrc-internal-manuals/compliance-handbook/ch51300#:~:text=The%20normal%20time%20limit%20of%204%20years%20applies%20to%20all%20taxes>

*Adjustments to employee contributions*

- 5.15 Scheme members who choose to take their full pension benefits under their legacy scheme will either owe employee contributions or be entitled to a refund. Any employee contributions owed will need to be paid before the member's legacy scheme pension can be put into payment, or paid out of a member's retirement lump sum upon retirement. Where contributions owed are paid from a retirement lump sum it is less likely they will attract tax relief – as set out below in paragraph 5.18.
- 5.16 Any contributions owed will need to be based on the pay that is considered to be pensionable under the legacy scheme, which may vary from that pay which is considered pensionable under the 2015 Scheme. It will be for employing FRAs to make an assessment for each member and seek payment.
- 5.17 A member will be permitted to pay any outstanding employee contributions from their retirement lump sum or from any other personal source, though it should be noted that in these cases the individual is unlikely to get tax relief. Members will eventually have an opportunity to apply for compensation for any shortfall in tax relief in relation to those contributions when the legislation is in place. If the contributions are made under net pay before an individual has retired, and go through the payroll, then tax relief should be available. Therefore, where possible, FRAs should ensure that any employee contributions owed are paid by the member before they leave service. This may not be possible in some cases, for example for deferred members or where an individual has retired previously on ill-health grounds and did not qualify for a pension under the 2015 Scheme but would qualify under their legacy scheme. In such cases, the scheme member will have to wait until legislation has been implemented to receive any appropriate compensation.
- 5.18 Where an individual has overpaid contributions, their case should not be processed at this time. This is due to complexities regarding ensuring fair and non-discriminatory treatment of returned contributions, without new legislation, that have not yet been resolved.
- 5.19 A final decision is yet to be made in respect of whether, and at what rate, interest should be applied to contributions owed by employees should they elect to receive benefits from their legacy scheme during the remedy period (2015 to 2022). As the Government's approach to this issue is yet to be confirmed, this guidance proposes that interest is not applied to employee contributions owed at this time.
- 5.20 Notwithstanding this, any immediate detriment cases where the pension is put into payment now may need to be revisited in respect of interest if the Government's final approach includes the application of interest on owed employee contributions. FRAs should ensure that any members making a decision under this guidance are aware of, and accept, this condition. As at para 1.15, all cases processed using this

guidance will need to be revisited once the full detail of the Government's approach is finalised, and legislation is in place.

- 5.21 It is recognised that some members by virtue of age and service would qualify for a contribution holiday under the legacy 1992 Scheme having reached 30 years' service before age 50. These members may also be taper members who have paid contributions to 2015 Scheme after their 30-year anniversary date. The position of applying tax relief and interest on contributions underpayments or refunds for these members is yet to be confirmed. Therefore, these cases should not be processed at this time.

#### *Recovery of outstanding employer contributions*

- 5.22 The Firefighters' Pension Schemes are in a unique position compared to other public sector pension schemes in that they do not have a uniform employer contribution rate across all schemes. As such, any election by a scheme member under this guidance to take their full pension benefits under their legacy scheme will impact on the corresponding employer contributions owed in respect of that member during the period that they were in the 2015 Scheme.
- 5.23 Employing FRAs do not need to recalculate the contributions that they, as the employer, should have paid under the legacy scheme for each transitional member that chooses to take their full benefits under the legacy scheme. This shortfall in employer contributions will be captured in future scheme valuations as an unfunded, past service deficit and reflected in the employer contribution rates going forward.

#### *Treatment of Cash Equivalent Transfer Value (CETV) transfers into the 2015 Scheme*

- 5.24 It is recognised that there will be some transition scheme members who will have transferred benefits from an external pension arrangement into the 2015 Scheme under a Cash Equivalent Transfer Value (CETV), known as a transfer in.
- 5.25 However, the rules of the FPS 1992 legacy scheme do not permit the receipt of a transfer in after 5 April 2006 when the scheme closed.
- 5.26 The transfer-in should remain in the 2015 Scheme until such time that the Government's approach to removing the discrimination has been finalised and legislation is in place. It will be at this time that these cases can be revisited. If this is not done the transfer in will be considered an unauthorised payment for tax purposes, with the member incurring unauthorised payments charges of up to 55%, and scheme sanction charges may apply.

#### *Treatment of purchased added pension in the 2015 Scheme*

- 5.27 Some transitional scheme members will have elected to make voluntary contributions to purchase 'additional pension' in the 2015 Scheme. For those members that elect to take their full benefits under the legacy scheme, any employee contributions paid in respect of the additional pension purchased will

need to be converted to the equivalent value of additional pension that could have been purchased in the member's legacy scheme.

- 5.28 The legacy schemes do not currently have 'additional pension' provisions. Additional pension purchased in the 2015 Scheme is one of the unresolved issues for which the Government's approach has not yet been finalised. Until this issue has been resolved, any added pension accrued by a member should remain in the 2015 Scheme. As with 'transfers-in', these cases will need to be revisited when the Government's approach to removing the discrimination has been finalised and legislation is in place.

*Scheme Pays – treatment of debits applied to 2015 Scheme pension*

- 5.29 There may be instances where transitional members have previously incurred certain tax charges and have elected for these to be paid under Scheme Pays, with the associated pension debit applying to the 2015 Scheme benefits.
- 5.30 Where this is the case and the member elects for all their pension benefits to be paid from their legacy scheme, FRAs will need to recalculate the pension debit. The recalculation of the pension debit will need to be undertaken by FRAs as if it had been taken at the time of the original Scheme Pays elections, using the actuarial factors that were applicable at that time.

*Revisiting AA tax assessments on previous years*

- 5.31 Under current arrangements, there is generally a statutory time limit for reassessing tax for previous years – this is usually the current year and the four full previous tax years. This means that where a scheme member's pension benefits change for past years, altering their tax position in relation to their AA charge, HM Revenue and Customs can collect and refund tax where it is owed for the current tax year, and the four previous tax years. As noted at paragraph 5.8-5.10, this may require FRAs to adjust previous Scheme Pays calculations or make Scheme Pays available where it was not used previously. As set out above, where Scheme Pays has not previously been used, schemes will need to make voluntary Scheme Pays available. Otherwise, members will need to pay additional AA charges in cash.
- 5.32 Where a scheme member's benefits change due to an election under this guidance so that additional AA tax is due for a tax year that sits outside the statutory time limits, HMRC cannot collect that additional tax. As such, the member will not be required to pay this. However, the recalculation of the pension input amount will still be necessary, including to enable members to claim compensation for overpaid AA in out of scope years, where appropriate.
- 5.33 The Government has confirmed that where a scheme member's benefits change, reducing their liability to tax, the scheme member will be able to seek a tax refund from HMRC in respect of any overpaid tax charges within the usual statutory time limits.

For years outside the statutory time limit, scheme members can claim compensation for overpaid tax, once legislation is in place.



OFFICIAL

# West Yorkshire Pension Fund - Key Performance Indicators

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

**14**

Submitted By: Chief Employment Services Officer

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<b>Purpose</b>	To inform Members of West Yorkshire Pension Fund performance in key areas for the periods 1 January 2021 to 30 June 2021
<b>Recommendations</b>	That the report is noted
<b>Summary</b>	This report informs Members of the Authority's key areas against which West Yorkshire Pension Fund measure their level of service.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager  
T:01274 682311 EXT: 671041  
E: Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: None

## 1 Introduction

1.1 The KPI report presents performance data from West Yorkshire Pension Fund in a number of key areas. Some of the areas included are as follows:

- Transfer in and out quotes
- Divorce quotes
- Pension estimates
- Deferred benefit set up
- Retirement quotes
- Retirement actuals
- Payroll changes
- Death notifications

## 2 Information

2.1 Data from 1 January 2021 to 30 June 2021:

	WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT	AVERAGE_TIME_TAKEN
Change of Bank Details		13	20	13	85	100	2.23
Death Grant Nomination Form Received		12	20	12	85	100	5.42
Death on Deferred		1	5	1	85	100	4
Enquiry Fire		6	10	6	85	100	1
General Payroll Changes		122	20	122	85	100	1.38
Payment of Spouses _Child Benefits		18	10	18	100	100	1.11
Pension Saving Statement		4	20	4	100	100	1
Retirement Actual		11	10	11	85	100	1
Transfer In Quote		3	10	3	85	100	4.33
Update Member Details		8	20	8	100	100	1
Change of Address		41	20	40	85	97.56	3.98
Initial letter Death in Retirement		34	5	32	85	94.12	1.56
Death in Retirement		34	5	31	85	91.18	1.76
Pension Set Up_Payment of Lump Sum		11	3	10	85	90.91	1
Pension Estimate		40	10	36	85	90	3.78
Set Up New Spouse Pension		18	5	16	85	88.89	1.83
Deferred Benefits Into Payment 'Payment of Lump Sum'		7	3	6	85	85.71	4.14
Age 55 Increase to Pension		22	20	18	85	81.82	17.5
NI adjustment to Pension at State Pension Age		29	20	23	85	79.31	17.07
Spouse Potential		9	20	7	85	77.78	13
Deferred Benefits Set Up on Leaving		6	10	4	85	66.67	8.33
Transfer In Actual		6	10	2	85	33.33	34.67
DWP Request For Information		1	10	0	85	0	30
Initial letter Death on Deferred		1	5	0	85	0	9

## 2.2 Data from COVID 19 lockdown (23 March 2020) to 30 June 2021:

WORKTYPE	TOTAL_CASES	TARGET_DAYS_FOR_EACH_	TARGET_MET_CASES	MINIUM_TARGET_PERCENT	TARGET_MET_PERCENT	AVERAGE_TIME_TAKEN
Change of Bank Details	42	20	42	85	100	2.71
Death on Deferred	1	5	1	85	100	4
Divorce Quote	2	40	2	85	100	2.5
Divorce Settlement â†† Pension Sharing order Implemented	4	80	4	100	100	2
Enquiry Fire	7	10	7	85	100	1
General Payroll Changes	250	20	250	85	100	1.49
Payment of Spouses _Child Benefits	38	10	38	100	100	1
Pension Saving Statement	6	20	6	100	100	1
Purchase of Service Quote	1	20	1	85	100	2
Refund Actual	1	20	1	85	100	2
Refund Quote	1	10	1	85	100	8
Update Member Details	35	20	35	100	100	1
Change of Address	94	20	93	85	98.94	2.4
Death in Retirement	85	5	82	85	96.47	1
Initial letter Death in Retirement	85	5	82	85	96.47	1.24
Death Grant Nomination Form Received	44	20	42	85	95.45	8.09
Retirement Actual	41	10	39	85	95.12	1.88
Set Up New Spouse Pension	38	5	36	85	94.74	1.11
Pension Estimate	93	10	87	85	93.55	2.65
Age 55 Increase to Pension	62	20	57	85	91.94	15.13
Deferred Benefits Into Payment * Payment of Lump Sum"	12	3	11	85	91.67	2.79
Nl adjustment to Pension at State Pension Age	72	20	66	85	91.67	14.67
Pension Set Up_Payment of Lump Sum	41	3	37	85	90.24	1.49
Spouse Potential	20	20	17	85	85	12.3
Transfer In Quote	20	10	17	85	85	12.25
Life Certificate received	16	5	12	85	75	14.31
Deferred Benefits Set Up on Leaving	25	10	12	85	48	24.08
Transfer In Actual	19	10	6	85	31.58	82.21
DWP Request For Information	1	10	0	85	0	30
Initial letter Death on Deferred	1	5	0	85	0	9



OFFICIAL

# FPS remedy self-assessment survey response

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

15

Submitted By: Chief Employment Services Officer

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<b>Purpose</b>	To inform members of the Scheme Managers response to the remedy self-assessment survey commissioned by LGA.
<b>Recommendations</b>	That the report be noted.
<b>Summary</b>	As part of their statutory role to provide advice to Scheme Managers and Local Pension Boards in relation to the efficient and effective administration and management of the Firefighters' Pension Scheme, the Scheme Advisory Board are looking to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer: Claire Johnson, Pensions Manager  
T: 01274 682311 Ext: 671041  
E: [Claire.johnson@westyorkshire.gov.uk](mailto:Claire.johnson@westyorkshire.gov.uk)

Background papers open to inspection: None

Annexes: Annex A – WYFRS Survey Response

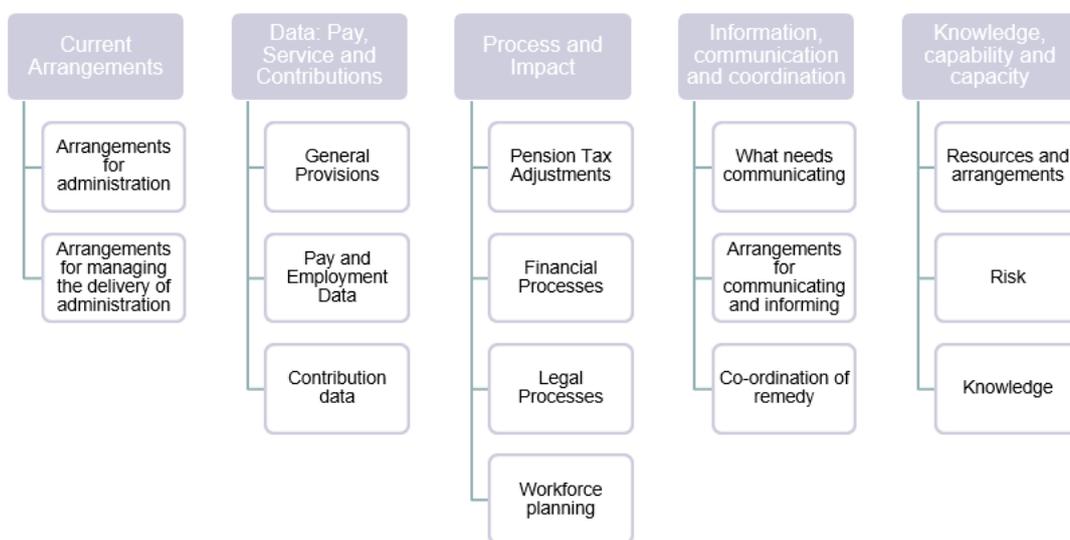
# 1 Introduction

- 1.1 As part of their statutory role to provide advice to Scheme Managers and Local Pension Boards in relation to the efficient and effective administration and management of the Firefighters' Pension Scheme, the Board want to understand more about arrangements for managing the pension scheme and specifically for implementing the age discrimination remedy.
- 1.2 To do this, the Board has prepared a self-assessment survey to take a temperature check of current arrangements.

# 2 Information

- 2.1 The survey should only be completed once per FRA, it's expected that it will be complete by the delegated Scheme Manager or an appropriate representative of the delegated scheme manager. It should not be completed by scheme administrators.
- 2.1 The closing date of the survey is 30 June 2021. Once the survey has closed, the data will be analysed, and a report will be provided to the SAB for their September meeting.
- 2.2 FRAs are asked to be as open as possible when completing the survey, this will help the Board consider what additional support and advice will be needed.
- 2.3 The survey focuses on the following areas:

## Self-Assessment Survey Areas



- 2.4 WYFRS responses can be found in Annex A

### **3 Financial Implications**

3.1 There are no financial implications arising directly from this report.

### **4 Legal implications**

4.1 The Monitoring Officer has considered this report and has no observations to make at the time of submission of this report but may provide legal advice at the committee meeting and/or respond to any requests by members for legal advice made at the meeting.

### **5 Human Resource and Diversity Implications**

5.1 There are no human resources implications arising directly from this report.

### **6 Health, Safety and wellbeing implications**

6.1 There are no health, safety and wellbeing implications arising directly from this report.

### **7 Your Fire and Rescue Service priorities**

7.1 Keeping Members informed with responses to requests from LGA is an integral part of the acquisition of knowledge and learning required by the relevant regulations and is demonstrative of the Authority's commitment to the Your Fire and Rescue Service priorities 2019 – 22.

### **8 Environmental implications**

8.1 There are no environmental implications arising directly from this report.

### **9 Equality Impact Assessment**

Are the recommendations within this report subject to Equality Impact Assessment as outlined in the EIA guidance? ( <a href="#">EIA guidance and form 2020 form.docx (westyorksfire.gov.uk)</a> )	<b>No</b>
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## FRA remedy self-assessment

### Section 1: Current arrangements

In this section we ask about your pension administration arrangements and internal management reporting lines for pensions.

\* 1. Fire and Rescue Authority:

WYFRS

\* 2. Who is your pension administrator:

WYPF

\* 3. Is this arrangement:

- In-house
- County council
- Third party - Local LGPS admin authority
- Third party - Public Sector Body e.g. other LGPS admin authority
- Third party - Private Sector body
- Don't know
- Other (please specify)

\* 4. Year current admin arrangement started:

(Enter 4-digit year e.g. 2005 or don't know)

2019

\* 5. Year current admin arrangement ends:

(Enter 4-digit year e.g. 2005 or don't know)

2023

\* 6. Do you plan to tender at the end of your current contract:

- Yes
- No
- Don't know

7. If yes to Q6, please indicate the method of procurement:

- Delegation
- OJEU full tender
- Framework
- Other (please specify)

\* 8. Do you have a preference on future admin arrangements for the scheme:

- No change - retain local arrangements
- 3 - 4 "super" administrators
- Centralised administration - voluntary
- Centralised administration - mandatory
- No preference

\* 9. What position within your FRA oversees delivery of pension administration:

\* 10. Who line manages that post-holder:

## FRA remedy self-assessment

### Section 2: Data - pay, service, and contributions

#### 2A: General provisions.

This section asks questions about your plans for managing data in Sargeant and Matthews.

\* 11. Have you started work to identify data requirements for Sargeant (age discrimination):

Yes

No

If yes, what are your key requirements or actions:

If no, can you tell us why:

\* 12. Have you started work to identify data requirements for Matthews (special members). The linked factsheet gives more information about the second options exercise:

Yes

No

If yes, what are your key requirements or actions:

If no, can you tell us why:

\* 13. Do you expect to need additional resource for implementation for either or both of these projects:

Yes

No

Don't know yet

\* 14. What position within your FRA will lead on remedy data for both cases:

\* 15. Which department manages ill-health retirements (IHR) for your FRA:

\* 16. The HMT consultation response indicates that IHR cases may need to be reassessed against the member's opposite scheme under Sargeant remedy. Will relevant teams be sufficiently resourced to revisit IHR cases:

Yes

No

\* 17. Do you have any planned resilience in place to deal with revisiting IHRs:

Yes

No

If yes, please give details:

## FRA remedy self-assessment

### Section 2: Data - pay, service, and contributions

#### 2B: Pay and employment data.

Now we would like to know about your payroll data and services and employment records.

\* 18. Is your payroll service:

- In-house  
 Outsourced  
 Other (please specify)

\* 19. Is your pension payroll service:

- In-house  
 Outsourced  
 Other (please specify)

\* 20. Have you changed payroll provider or payroll system since 2015:

- Yes  
 No  
 Both

\* 21. How many years do your payroll records go back:

(Please answer in whole numbers)

10 Years

22. Please detail any problems you can foresee obtaining pay data for the following:

(N.B. Pay data for Sargeant will date back to 2015, pay data for Matthews could relate to as early as the 1970s)

Sargeant:

N/A - All data accessible via Kirklees SAP

Matthews:

Depending on the scope we would have major issues with payroll data pre 2011.

\* 23. For Matthews, eligible individuals will have the opportunity to buy scheme membership back to the start date of their employment. We are interested to know if you will still have access to historic employment records.

How many years do your employment records go back:  
Clear, timely and consistent guidance is needed from the outset.  
(Please answer in whole numbers)

Employment and 6 years after leaving

## FRA remedy self-assessment

### Section 2: Data - pay, service, and contributions

#### 2C: Contribution data

**Finally in this section, contribution adjustments will be required for all members who are eligible for age discrimination remedy. Please tell us about your plans for managing this.**

\* 24. Which department currently manages business as usual (BAU) contribution deductions:

Pre programmed into payroll system by payroll provider

\* 25. Which department will manage your remedy contribution adjustment process:

Pensions (HR) with support from payroll provider

\* 26. Will you be able to obtain/ calculate backdated contribution data:

Yes

No

\* 27. Do you expect to apply different solutions for different types of member e.g. active, deferred, pensioner:

Yes

No

Don't know yet

Is yes, please give more details:

\* 28. Which department will manage adjustments to tax relief (PAYE):

Kirklees payroll

\* 29. The HMT consultation response indicates that interest will be due on amounts paid to and from the schemes. Which department will manage the interest process:

Pensions (HR) with support from payroll provider

30. Please detail any issues you think might occur with adjustments of contributions:

Hardship cases - guidance needed on how to apply a consistent approach.

Clear timely and consistent guidance is needed from the outset.

Clear, timely and consistent guidance is needed from the outset.  
FRA remedy self-assessment

### Section 3: Processes and impact

#### 3A: Pensions tax adjustments

**Pensions growth will need to be recalculated for the remedy period which may lead to new breaches of tax limits. Please answer the following 3 questions about pensions tax adjustments.**

\* 31. Are you confident that existing tax processes are robust enough to perform annual allowance recalculations for up to 7 years of remedy:

- Yes  
 No

If no, please give details of changes needed e.g. systems, procedures:

HMRC tax legislation will need to be looked at. In addition, a dedicated HMRC project team should be established.

\* 32. Who undertakes Event Reporting to HMRC on scheme pays and unauthorised payments:

- FRA  
 Administrator  
 Other (please specify)

\* 33. Does your FRA have a voluntary scheme pays (VSP) policy in place:

- Yes  
 No

## FRA remedy self-assessment

### Section 3: Processes and impact

#### 3B: Financial processes

**It is expected that financial processes will be impacted by remedy and that there may be associated budgetary costs. The following questions relate to your resources to deal with financial impacts.**

\* 34. Do you have a nominated finance lead on pensions:

Yes

No

\* 35. Do you expect to need additional resource to deal with financial adjustments and impact on BAU:

Yes

No

Don't know yet

\* 36. Do you have an allocated budget for direct and indirect remedy costs:

Yes

No

## FRA remedy self-assessment

### Section 3: Processes and impact

#### 3C: Legal processes

**It is likely that FRAs will need legal support on a range of remedy processes such as immediate detriment, reviewing and processing remedy compensation payments, complex cases ( e.g. divorce, survivor benefits, contingent decisions). Please let us know if you have this support in place.**

\* 37. Do you have a nominated legal lead on pension matters:

- Yes
- No
- Don't know

38. If yes to Q37, is that person your "nominated contact" for the proceedings in Sargeant that are managed collectively by the LGA:

- Yes
- No
- Don't know

## FRA remedy self-assessment

### Section 3: Processes and impact

#### 3D: Workforce planning

**Remedy may impact your workforce planning as members have more flexibility over when they retire. We would like to know if you are prepared for this.**

\* 39. Who leads on workforce planning and retention for your FRA:

Chief Employment Services Officer

\* 40. Is the potential impact of Sargeant remedy being modelled into plans:

Yes

No

\* 41. Are you able to identify the cohort of members affected by Sargeant remedy:

Yes

No

If yes, please confirm approximate numbers:

800

## FRA remedy self-assessment

### Section 4: Information, communication, and coordination

**The questions in this section will help us understand what types of communication you would like to see and get your views on the co-ordination of remedy across FRAs in England.**

\* 42. Following the confirmation of deferred choice underpin (DCU) in Sargeant, please indicate what information you would like members to have access to (tick as many as apply):

Please note this is not a menu or guarantee of delivery. It will allow us to understand individual FRA preferences but does not guarantee delivery of any of the options.

- No preference
- Scenarios for all member cohorts across the schemes
- High-level modeller e.g. GAD spreadsheet
- Online tool independent of scheme membership data for member to populate
- Online tool directly linked to scheme membership data
- Limit remedy figures to members eligible for Immediate Detriment
- Remedy figures for members within X years of retirement
- Other (please specify)

\* 43. Are you currently providing information to individual members:

- Yes
- No

If yes, please provide details:

\* 44. Who do you think should provide information such as FAQs at key points in the remedy process:

- Home Office
- LGA
- Administrator

\* 45. Who do you think should be the main contact for individual member enquiries:

- FRA
- Administrator

\* 46. Who do you think should provide information to the workforce on timescales, next steps etc:

- FRA
- Administrator
- Home Office
- LGA

\* 47. On a scale of 1 to 10 (1 being the lowest), please indicate how well you feel your FRA communicated the first special members options exercise in 2014/2015:



\* 48. Do you feel that communication was reflected in the numbers of individuals choosing to become a special member:

- Yes
- No
- Don't know

49. Please detail any suggestions for improvement for communicating the second options exercise:

Clear timely and consistent guidance is needed from the outset.

\* 50. How best would implementation of remedy be coordinated across FRAs in England:

- Direct engagement between FRA and administrator (x 44 times)
- Regional collaboration
- Collaborative engagement with common administrator
- Other (please specify)

\* 51. Does your FRA have a remedy project team:

- Yes
- No

52. If yes to Q51, does this include your administrator:

- Yes
- No

If no, please tell us why:

## FRA remedy self-assessment

### Section 5: Knowledge, capability, and capacity

**There is likely to be a requirement for an enhanced level of knowledge and resource capacity in Fire pensions over the next 3-4 years. Tell us about any plans you have in place to address this.**

\* 53. On a scale of 1 to 10 (1 being the lowest), please indicate the level of internal pensions knowledge and capacity within your FRA:

★ ★ ★ ★ ★ X ★ ★ ★ ★ ★

\* 54. What measures are you considering to address any shortfall in capacity (tick all that apply):

- None
- Establishing new roles/ teams
- Backfilling staff from related areas e.g. HR or finance
- Buying in additional services from administrator
- Buying in additional third party services
- Accessing training for staff

\* 55. Has remedy implementation been identified as a risk on your corporate risk register:

- Yes
- No

\* 56. If yes to Q55, has this been reported to your Local Pension Board:

- Yes
- No
- Not applicable

\* 57. Who do you feel is best placed to lead on policy engagement with central government on the legislation needed to bring in age discrimination remedy:

- LGA on behalf of FRAs
- FRA as scheme manager
- Administrator

Other (please specify)

\* 58. Who do you feel is best placed to lead on direct service wide communication or provision of content for communication:

- LGA
- FRA as scheme manager
- Administrator

Other (please specify)

\* 59. Who do you feel is best placed to lead on engagement with pension administrators on implementation:

- LGA on behalf of FRAs
- FRA as scheme manager
- Other (please specify)

\* 60. On a scale of 1 to 10 (1 being the lowest), how useful has this survey been to identify gaps in your planning:



Any final comments:





OFFICIAL

# Firefighter Pensions Bulletins 41 - 46

## Local Pension Board

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Date: 22 July 2021

Agenda Item:

16

Submitted By: Chief Employment Service Officer

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<b>Purpose</b>	To inform Members of the contents of the bulletins published since the last Local Pension Board meeting.
<b>Recommendations</b>	That the report is noted and any actions arising from the bulletins are acted upon (where appropriate).
<b>Summary</b>	Included in this report are the actions arising from each bulletin and an update of the status of the actions.

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Local Government (Access to information) Act 1972

Exemption Category: None

Contact Officer:  
Claire Johnson, Pensions Manager  
T:01274 682311 EXT: 671041 E:  
Claire.johnson@westyorksfire.gov.uk

Background papers open to inspection: None

Annexes: None

## 1 Introduction

- 1.1 The Local Government Association (LGA) produces a monthly bulletin which provides pension practitioners with updates on various pension related issues.
- 1.2 The bulletins are sent to Administrators, Scheme Managers, FRA pension contacts and LPB chairs as a matter of course.
- 1.3 There is an expectation of Members to scrutinise each bulletin and seek assurance from the Scheme Manager that all actions arising have been identified and acted upon.
- 1.4 Since the last LPB meeting in January 2021, there have been 6 bulletins published by LGA, actions arising from which can be found in the section below.
- 1.5 Copies of the bulletins have been circulated to Board members on receipt.

## 2 Information

2.1.1 [FPS Bulletin 41 – January 2021](#) had a one action for the FRA.

2.1.2

Action	FRA/Administrator	Status
Scheme Managers and LPBs to consider the <a href="#">six key processes factsheet</a> , assess which they have in place and take action to address any gaps.	FRA	For discussion

2.2.1 [FPS Bulletin 42 – February 2021](#) had one action for the FRA.

2.2.2

Action	FRA/Administrator	Status
FRA's should read the <a href="#">draft data collection guidance</a> and consider any processes or additional resources that need to be put in place to identify the data required, in advance of the standard template being provided.	FRA	Complete

2.3.1 [FPS Bulletin 43 – March 2021](#) had one action for the FRA.

2.3.2

Action	FRA/Administrator	Status
FRAs should be working towards submitting audited 2019/20 and unaudited 2020/21 pensions income/expenditure data as part of this year's top up grant claim to the Home Office.	FRA	Complete

2.4.1 [FPS Bulletin 44 – April 2021](#) had a number of actions to consider.

2.4.2

Action	FRA/Administrator	Status
FRAs and scheme administrators should familiarise themselves with the data collection tools and consider any processes or additional resources that need to be put in place.	FRA & Administrator	Complete
FRAs should ensure that projections for protected members <b>do not include</b> final salary benefits projected past 31 March 2022.	FRA	Complete
FRAs should return the completed IDR data template by 31 May 2021.	FRA	Complete

2.5.1 [FPS Bulletin 45 – May 2021](#) had one action for the FRA.

2.5.2

Action	FRA/Administrator	Status
FRAs to complete SAB remedy self-assessment survey by 30 June 2021.	FRA	Complete

2.6.1 [FPS Bulletin 46 – June 2021](#) had no actions arising and was purely for information.