

FPS Bulletin 8 – May 2018

Welcome to the eighth issue of the Firefighters' Pensions Schemes bulletin.

Never miss an issue again! Future publication dates have been determined as on or around the last working day of each month as schedules dictate. Past editions are available [here](#). A bulletin index has been also recently been added to the main bulletin page of the website and will be updated on a monthly basis.

If you have any comments on the contents of this bulletin or suggested items for future issues, please contact [Claire Hey](#).

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Calendar of events

Please see below a calendar of upcoming events relevant to the Firefighters' Pension Schemes. Only those events which are hyperlinked are currently available to book. If you have any events you would like to be included in a future bulletin, please contact [Claire Hey](#).

Local Pension Board (LPB) wrap up training	19 June 2018
SAB	20 June 2018
Fire Communications Working Group	27 June 2018
Firefighter Pensions Technical Community	2 July 2018
LPB Effectiveness Committee	5 July 2018
Aquila Heywood CLASS AGM, Holiday Inn - Manchester City Centre	11-12 July 2018
Firefighters' Pensions AGM	AMENDED: 17-18 September 2018
SAB	4 October 2018
Civica Fire & Police Technical meeting	11 October 2018
SAB	5 December 2018

FPS

Valuation data

Readers may recall from the AGM in October last year that GAD had to exclude certain valuation data when setting assumptions for the purposes of the 2016 valuation.

The table below shows where data was excluded and from which assumptions.

Mortality	17 FRAS excluded
Age retirement	18 FRAs excluded (30% of active membership)
Ill-Health retirement	15 FRAs excluded (25% of active membership)
Death before retirement	15 FRAs excluded (25% of active membership)
Family Statistics	Only 10 of 45 FRAs (20%) had credible data

GAD confirmed, and we have had this verified by an independent actuary, that this exclusion of data is **not** considered material by GAD to the outcome of the 2016 valuation, so there is no cause for undue concern.

The exclusion of the data does not mean that the data was incorrect, simply that GAD were unable to reconcile it with previous valuation data and therefore could not reasonably use it to inform assumptions on things like age retirement. There are likely to be a number of reasons why this was the case.

As part of an outstanding action from the SAB meeting in [December](#) we have recently written to all FRAs whose data was excluded as part of the work in raising data standards and providing a standard set of tests for schemes to score as part of the TPR scheme specific data scoring requirements.

Helpful references on the valuation data and TPR data scoring requirements are provided below:

Valuation data references

- [SAB valuation consultation response – Paragraph 7](#)
- [SAB Meeting 25 September 2017 – Item 5, paragraph 3](#)
Confirmation from independent actuary that the missing data was not material
- [Technical group meeting 9 October 2017 – Item 5e](#)
Detailed conversation notes with regards to missing valuation data

Please email bluelight.pensions@local.gov.uk if you do not have a log-in for this site

TPR data score requirements

- [Administration and Benchmarking Committee 7 February 2018 – Item 9](#)
- [Confirmation of TPR data scoring requirements – Slide 79](#)

Finally, readers will no doubt want to know when the valuation results will be known. Unfortunately, we still await the final confirmation of the valuation Directions from HM Treasury and as such we remain unable to confirm when the provisional results will be available.

Tax awareness seminars – next steps. What are you doing?

Between October 2017 and January 2018, Barnett Waddingham hosted and presented a series of tax awareness seminars for the Firefighter and Police pension schemes, which were procured through the SAB budget in conjunction with NPCC.

The SAB is keen to ensure that the learning gained from the sessions has been useful to FRAs and that positive next steps have been implemented. A full summary of the seminars and suggestions for next steps is included at [Appendix 1](#).

Further to the success of the series of seminars, requests for additional workshops with a focus for administrators have been received, and the SAB secretariat is looking to progress this with the Board.

FPS 2006 special members - resettlement lump sum payment

The calculation of the remaining lump sum contribution for a member who ceases to pay periodic contributions before the end of the 10 year period can be processed through the “Settlement Lump Sum” option using the current version of the [calculator](#). The data required to use this option consists of the following:

- Name
- Date of original calculation
- Date periodic contributions commenced
- Date of last periodic contributions
- Number of instalments paid
- Periodic contribution amount being paid

See page 15 of the [user manual](#) for more detail.

A lump sum based on the value of the outstanding instalments is then calculated. The user guide gives guidance and an example on how to carry out this type of calculation (example 8, page 35).

As only past interest rates are used in this calculation, there is no need for an updated version of the calculator to be produced. Also, it is not necessary to use the calculator that was issued on the month that the original calculation was carried out, as the most recent calculator is able to look up past interest rates based on the data provided as above.

Further guidance and resources relating to [special members of FPS 2006](#) are available in the member area of the FPS Regulations and Guidance site. Please email bluelight.pensions@local.gov.uk if you do not have a relevant log-in.

New factsheets available

The following factsheets have been developed by the LGA Bluelight team in collaboration with the Fire Communications Working Group and the Scheme Advisory Board to be provided to members and are available from the FPS Regulations and Guidance website:

[FPS 2015 promotional leaflet for new members](#)

[CARE build up flyer](#)

Items in Word format can be edited - please check any areas highlighted in yellow.

Invitations to bid

We are pleased to announce that the SAB has recently appointed Weightmans as legal adviser to the Board under Regulation 4F(4) of [The Firefighters’ Pension Scheme \(Amendment\) \(Governance\) Regulations 2015](#), to inform the Board on legal issues relating to the Firefighters’ Pension Schemes, and to provide advice on particular matters that may arise from time to time.

The Board is now seeking to make two further appointments, the first for a permanent actuarial adviser and the second to undertake a review of administration and management costs for the Firefighters’ Pension Schemes.

Further instructions for interested parties are available from the [invitation to bid](#) page of the Board website and the bid processes will run until 15 June 2018.

Other News and Updates

GDPR

As confirmed in bulletin 7 (April 2018) the LGA Bluelight team commissioned Squire Patton Boggs to produce a template privacy notice for Fire Authorities as the data controller to use /adapt. These documents have now been uploaded to the [GDPR](#) page of www.fpsregs.org.

The full privacy notice is intended to enable Fire Authorities in their capacity as data controller of personal data relating to the Firefighters Pension Scheme for which they are responsible, to satisfy their obligation under the General Data Protection Regulations (“GDPR”) to inform affected individuals what personal data is held and how it is used for the purposes of the pension scheme.

As the documents confirm, the privacy notice will need to be tailored to the specific circumstances of each Fire Authority, taking into consideration appendix 1 of the [covering letter document](#) and the notes on the template privacy notice. The footnotes should be removed before this is published.

Where text appears in [square brackets] authorities must either insert/amend or delete text as appropriate. The text in square brackets is highlighted yellow to make it easier to identify.

The privacy notice can be accessed [here](#).

Further to issue of the privacy notice, we received several queries about who is responsible for sending the privacy notice. We would like to take the opportunity to remind Fire Authorities that as data controllers, compliance for GDPR rests with them. Therefore, please ensure that you have taken the relevant action to discuss with your data protection officer and any data processors on your behalf.

TPR Governance and Administration 2017 survey results

The TPR administration and governance survey results have recently been published, with particular mention of governance improvements made within FPS. An outstanding response rate was recorded across all fire schemes in the UK and we would like to thank all scheme managers who completed the survey.

Some particular items of interest have been outlined below. We will be carrying out further analysis of the results in comparison with the outcomes of our own survey of Local Pension Boards in order to identify where targeted support can be offered to assist boards in securing compliance with legislation and offering improved member outcomes.

- Fire schemes are recorded as least likely to hold quarterly meetings at 35% (table 4.1.3, page 13). This reflects the results of the LPB survey and formed the basis of our recommendation that quarterly meetings are best practice.
- Fire and LG scheme managers are most likely to attend every board meeting (page 14).
- Fire schemes are least likely to carry out a regular evaluation of the board’s performance (page 15). A sample self-assessment document has recently been added to the [LPB resources](#) available on the SAB website to help boards to measure their effectiveness.

- We were especially pleased to note that the FPS belief that they have access to sufficient knowledge, understanding, and skills to properly run the schemes has increased significantly from 36% in 2015 to 92% currently (page 15).
- Fire schemes remain least likely to have documented procedures for assessing and managing risk at 63% (page 18). However, as table 4.2.1 shows, this has increased from 36% in 2015 and the report specifically mentions that this continues the upward trend observed for FPS since 2015. Table 4.2.2 shows the increase in risk registers from 2015 to 2017.
- Complexity is listed as the most commonly identified barrier to improved governance and administration for the FPS at 78% (page 39). We are hopeful that continued development of the FPS websites and provision of these monthly bulletins will go some way to easing this complexity.

The [summary](#) and full [research report](#) are available here.

HMRC

HMRC newsletters/bulletins

HMRC have published pension schemes newsletters 98 and 99 containing important updates and guidance on pension schemes. The following issues are covered:

[Newsletter 98 – 3 May 2018](#): Manage and Register Pension Schemes service, pension flexibility statistics, registration statistics, annual allowance calculator, lifetime allowance additional member functionality, relief at source for Scottish Income Tax, pension flexibility payments and Scottish Income Tax, Trust Registration Service, and reporting of non-taxable death benefits.

[Newsletter 99 – 30 May 2018](#): Pension Schemes Online service, APSS262 form, event report – reportable events 22 and 23, genuine errors, relief at source for Scottish Income Tax, and look up residency status for relief at source.

Contracting-out reconciliation update

The following bulletin containing important guidance and information about the end of contracting-out and the scheme reconciliation process, was published by HMRC in May.

[Countdown bulletin 34](#)

Updates include:

- automation of scheme cessation files
- new automated solution change of responsible paying authority/buy out
- not in scheme Contributions Equivalent Premium
- automation file submissions
- State Scheme Premium payments

Training

Annual Local Pension Board wrap-up training

We have had a number of requests for individual training sessions for new members of Local Pension Boards and are therefore pleased to confirm that we are able to offer a board training 'wrap up' session. This event will be held at the LGA offices at 18 Smith Square, Westminster on Tuesday 19 June 2018 and will run from 10:30 to 15:30. Please see the attached [agenda](#).

The Pensions Regulator will attend the session to provide an overview of the 2017 Governance and Administration survey results. Refreshments and a sandwich lunch will be provided.

A limited number of places remain available, so please book soon to avoid disappointment. [Book your place here](#).

The session last year was extremely well received and we plan to offer wrap-up training on an annual basis, for new members to boards or those requiring a refresher session.

If you wish to enquire about full board training at your own venue, please contact the team at bluelight.pensions@local.gov.uk. Each board is entitled to a free training session under the Scheme Advisory Board levy. Administrator training can also be arranged on request. Examples of previous sessions are held [here](#).

Special Members of the 2006 Scheme Refresher Workshop

We were pleased to welcome around 50 delegates to the FPS 2006 Special Member workshop held on 2 May 2018 at 18 Smith Square. Our thanks go to Vicky Jenks of Shropshire Pension Fund and Chris Mulholland from GAD for their contributions, and to all delegates participating in the event.

This refresher workshop focused on the history and framework of the 2014 provisions which allowed special members to join the 2006 scheme, how this was communicated to employers and members, and gave an overview of the 2016 valuation statistics in relation to this group of members.

Scheme managers, pensions, finance and HR professionals from a range of FRAs, along with software providers, received a detailed update on the technical aspects of the amendments and had opportunity to reflect on their own experiences.

The full presentation slide deck from the event is available [here](#).



Fire and Police Local Pension Board Governance

The joint governance event hosted by the Fire and Police Scheme Advisory Boards with the National Police Chiefs Council (NPCC) took place on 9 May 2018 at the LGA Offices in Smith Square, London. Around 60 delegates and speakers from across the schemes attended and we would like to thank all for their participation.

A joint welcome from the Board chairs set the tone for the day and was followed by a view from the Home Office. The Pensions Regulator attended the session to give a briefing on the 2017 Governance and Administration survey results as well as outlining the roles and responsibilities of Local Pension Board (LPB) members.

Reflections on practical experiences of joint police boards, and from the chair of the Fire SAB LPB Effectiveness Committee gave context, while the final session of the day offered boards practical tips on self-assessment and adding value, with a brief look to future challenges. Delegates also had opportunity to network with colleagues and share experiences of operating LPBs over the past two to three years.

The full presentation slide deck from the event is available [here](#).



CIPFA have recently published a Police and Fire Horizon Scanning Briefing, which may be of interest to fire and police finance practitioners as well as practitioners in strategic development departments, staff in offices of police and crime commissioners (PCCs) and staff in Fire and Rescue Authorities. The document can be accessed at [Appendix 2](#).

Legislation

Act	Title
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2018 c.10	Financial Guidance and Claims Act 2018
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At present, the Government provides free financial guidance and debt advice through 3 services, Pensions Wise, The Pensions Advisory Service (TPAS), and the Money Advice Service (MAS). In December 2016, the Government published a [consultation](#) for the creation of one new single financial guidance body (SFGB) to replace the existing provisions.

On 10 May 2018, the Financial Guidance and Claims Act 2018 received royal assent and introduced a new single financial guidance body. In addition, the Act made provision about the funding of debt advice in Scotland, Wales and Northern Ireland, and regulated the claims management services.

The aim of the new SFGB is to ensure that people have access to high quality, impartial financial guidance from a single source. The new body will deliver its pensions, money guidance, consumer protection and strategic functions UK wide. However, the body's debt function will apply to England only, with the devolved administrations responsible for administering funding for debt advice in Scotland, Wales and Northern Ireland

2018 c.12	Data Protection Act 2018
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The Data Protection Bill has received Royal Assent to become the Data Protection Act 2018 on 23 May 2018. The Data Protection Act 2018 (Commencement No 1 and Transitional and Saving Provisions) Regulations 2018 [[SI 2018/625](#)] has also been published.

The Data Protection Act 2018 includes the provisions of the GDPR. There are some small differences, but UK law on data protection is now largely the same as that of the GDPR.

SI	Reference Title
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2018/493	The Local Government Pension Scheme (Amendment) Regulations 2018
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2018/576	The Firefighters' Pension Scheme (Wales) (Amendment) Regulations 2018
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2018/577	The Firefighters' Pension Schemes and Compensation Scheme (Wales) (Amendment) Order 2018
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2018/625	The Data Protection Act 2018 (Commencement No. 1 and Transitional and Saving Provisions) Regulations 2018
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Useful links

- The Firefighters' Pensions (England) Scheme Advisory Board www.fpsboard.org
- FPS Regulations and Guidance www.fpsregs.org
- Khub Firefighters Pensions Discussion Forum
<https://khub.net/group/thefirefighterspensionsdiscussionforum>
- FPS1992 guidance and commentary
<http://webarchive.nationalarchives.gov.uk/20120919152859tf/http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/firefighterspensionscheme/>
- The Pensions Regulator Public Service Schemes
<http://www.thepensionsregulator.gov.uk/public-service-schemes.aspx>
- The Pensions Ombudsman <https://www.pensions-ombudsman.org.uk/>
- HMRC Pensions Tax Manual - <https://www.gov.uk/hmrc-internal-manuals/pensions-tax-manual>

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