

Report

2019 Annual Benefit Statement survey

February 2020

Research Report

**Prepared for the Firefighters' Pensions (England)
Scheme Advisory Board – Local Pension Board
effectiveness committee**

Contents

1. Executive Summary	3
1.1 Data submission	3
1.2 Meeting the deadline	3
1.3 Deferred members.....	3
1.4 Internal controls	4
1.5 Administration and resources	4
2. Introduction	5
3. Methodology	6
3.1 Fieldwork.....	6
3.2 FRA respondent profile.....	7
4. Research findings	7
4.1 Data submission	7
4.2 Meeting the deadline	9
4.3 Deferred members.....	11
4.4 Internal controls	15
4.5 Administration and resources	17
5. Recommendations	22
5.1 Data submission	22
5.2 Meeting the deadline	22
5.3 Deferred members.....	23
5.4 Internal controls	23
5.5 Administration and resources	23
Annex A: Survey questions – FRA	24
Annex B: Survey questions – administrator	27
Annex C: Respondents	30
Annex D: Please explain why any breach was not recorded/ reported, if applicable.....	32
Annex E: What, if anything, do you plan to do differently next year to improve the ABS process?33	
Annex F: Is there anything the Scheme Advisory Board could do facilitate improvements to the ABS process?	35

1. Executive Summary

The ABS 2019 survey invitation was issued via FPS bulletin to all relevant stakeholders on 29 November 2019. For the first time this year, separate employer (Fire and Rescue Authority (FRA)) and administrator versions of the survey were issued.

The survey closed on 6 January 2020. During that time 33 FRA and 36 administrator responses were received in respect of the 45 FRAs in England, equating to an overall response rate of 73% and 80% respectively.

1.1 Data submission

Almost 90% of both employers and administrators indicated that all year-end information was submitted by the deadline required to allow administrators to carry out key processes, such as checking and validating data, and running provisional statements.

Administrators were asked what percentage of data was returned to the employer to query. Almost half (48%) returned under 5% of data, and a further quarter (26%) returned between 5-10% where the salary or other information appeared to be incorrect.

The split between monthly and annual submissions is approximately equal.

1.2 Meeting the deadline

There was some discrepancy in the responses to meeting the statutory deadline of 31 August for active members. Almost all administrators (97%) confirmed that the deadline had been met, compared with only 70% of FRAs.

The variance appears to be due to the tolerance level as just over half of respondents in both categories reported that 100% of statements were produced and distributed by that date.

Where statements could not be issued by 31 August, the only particular category of member affected were special members of the FPS 2006 (40% administrator and 64% FRA).

The most common cause of delay, in one-third to one-half of cases, was software that was unable to perform the required calculations. Around 3% cited late submission of data, and 6% of FRAs stated other reasons, which were broadly categorised as data issues.

1.3 Deferred members

Despite there being no statutory requirement to send deferred benefit statements (DBS) to former members of the FPS 1992, 97% of administrators provide this information as a matter of good practice.

Of those, 91% reported 100% distribution by the nominal deadline of 31 August, with delay being caused in 6% of cases where the software was unable to calculate the benefits.

Both the FPS 2006 and FPS 2015 regulations require that DBS are provided to relevant parties. All administrators are compliant with this and 94% were able to issue 100% of statements in respect of both schemes by the assumed deadline. Any delays were again caused by software limitations.

1.4 Internal controls

Almost 50% of FRA respondents indicated that ABS delays were reported to the Local Pension Board (LPB), and 63% of administrators reported any delay to their FRA client. Most of the remaining responses indicated in relation to reporting ABS delays that it was not applicable (where there was no delay).

Where ABS were not provided by 31 August, 42% of FRAs and 49% of administrators recorded a breach of law and considered it for materiality.

One-third of FRAs subsequently reported a breach to the Pensions Regulator (TPR) and 43% of administrators. Reasons for non-reporting generally stated that the breach was not considered to be material.

1.5 Administration and resources

Just over 45% of administrators completing the survey use their own version of the ABS template, with a similar number (43%) using the standard template provided by the LGA. The remaining 11% chose to proceed with their system provider's version.

When asked whether certain deductions were shown on the statement, nearly 95% show Pension Sharing Order (PSO) debits, 91% show scheme pays deductions, but only 69% provide pension saving information as a percentage of annual allowance/ lifetime allowance used.

Almost three-quarters (74%) of administrator respondents confirmed that they have already implemented online self-service for scheme members to access ABS/ DBS. This is significantly higher than the FRA responses at just under one-half (48%). This discrepancy may have arisen as submissions were not received from and in respect of the same FRAs.

The timescales on planned implementation were also therefore skewed, with around 20% of FRAs indicating that they planned to do so within the next 12 months, but only 9% of administrators. A further 18% (3%) stated within two years. A longer timescale was anticipated by 3% in both surveys and the remainder had no plans or were not aware of any.

Only two software suppliers offer pension administration systems for the Firefighters' Pension Schemes. Over half (55%) of those who responded use Altair by Heywood, with the remaining 45% utilising the Universal Pension Management (UPM) system by Civica. Outsourcing accounted for 57% of printed ABS, with 43% printing in-house.

Over half (56%) of administrators spent three to six months on the ABS process from start to finish, and almost one-third (32%) indicated that it took less than one month. The remainder fell between one to three months. No additional resource was required by administrators to complete the exercise.

Generally, the quality of ABS resources provided by LGA, the timeliness of communications from LGA, and the ABS process overall, were rated as satisfactory by FRAs (average score of four and above). Administrators rated timeliness and overall process at 3.5. The results indicate that the timescales for providing information and the total process could be improved.

Key themes from FRAs relating to planned improvements for the 2020 cycle are improving software functionality, automating statements for FPS 2006 special members, and to work more closely with their administrator.

Administrators identified that the range and content of both ABS and DBS could be simplified, and that the introduction of online member self-service would improve the overall process.

Administrators did not offer any suggestions for where the Scheme Advisory Board (SAB) could add value. However, FRAs felt that the Board could most assist in facilitating improvements by ensuring timely communication of outcomes in the transitional protections remedy process, continuing to support LPBs and FRAs, and working proactively with software providers to encourage them to make required system changes.

2. Introduction

The introduction of the [Public Service Pensions Act 2013](#) saw the requirement for Annual Benefit Statements (ABS) to be issued to all active scheme members by 31 August. Since 2017, the Bluelight team have surveyed FRAs on the ABS process following the statutory deadline.

In the first year free Survey Monkey software was used, with limited success. The invitation was issued to 110 individuals across 44 English FRAs (excluding Isles of Scilly) and the survey ran from 4 October 2017 to 14 November 2017. During that time 26 total responses were received, which included three duplicate replies. Of the 26 survey responses, 15 were fully completed and 11 only partially completed by answering just the first question.

This understandably compromised the analysis of the results and was believed to be attributable to technical or user difficulties with the free software. A [summary of the 2017 survey findings](#) was presented to the SAB at their meeting on 1 December 2017.

For 2018, the LPB Effectiveness Committee (“the Committee”) agreed to commission a web-based survey to increase the numbers of questions allowed and give more flexibility to the response options. The survey was also extended to allow administrators of the scheme to submit responses, and multiple replies from FRAs were welcomed.

The ABS 2018 survey invitation was issued via FPS bulletin to all relevant stakeholders and was in the field from 28 September 2018 to 14 November 2018. During that time 42 total responses were received from 31 of the 47 FRAs in England and Wales.

The [ABS 2018 research report](#) was published in April 2019. While the extended survey allowed more detailed and meaningful analysis of the results, there were issues around the clarity and wording of the questions, particularly for measuring internal controls, and issuing the same question set to FRAs and administrators skewed the results in some areas.

In 2019, the Bluelight team procured a paid 12 month Survey Monkey plan to carry out a member survey on the effectiveness of scheme administration, which fed into the Aon [administration and benchmarking review](#). The plan allowed unlimited surveys, questions, and responses, and let team members analyse, filter, and export results at any time.

The ABS 2019 survey was developed and hosted using the existing paid Survey Monkey plan, which allowed for separate FRA and administrator surveys and avoided incurring additional expenditure.

3. Methodology

The survey was designed by the SAB secretariat in conjunction with the Committee. The question set was revised to take account of feedback and learning from previous years. The survey questions can be found at [Annex A](#) (FRA) and [Annex B](#) (administrator).

The survey was launched in [FPS Bulletin 26 – November 2019](#), with a covering email explaining that there were different versions for FRAs and administrators to complete and inviting one reply from each FRA and one per FRA from administrators. The initial deadline was stated as 10 January 2020.

To ease the burden on administrators with multiple clients, a third, shorter version of the survey was provided, with the intention that they complete a full survey for the first FRA and the reduced version for each subsequent submission.

A reminder was issued in [FPS Bulletin 27 – December 2019](#) confirming that the closing date had been brought forward to 6 January 2020, as the paid Survey Monkey plan expired on this date.

The survey was also held on the [Scheme Advisory Board website](#) for the duration of the collection period.

3.1 Fieldwork

The survey was issued on 29 November 2019 with a closing date of 10 January 2020. The reminder issued on 23 December 2019 amended the deadline to 6 January 2020.

During that time 33 FRA and 36 administrator responses were received in respect of the 45 FRAs in England, equating to an overall response rate of 73% and 80% respectively. Two of the three FRAs in Wales also responded, although their submissions have not been included in this analysis.

The information collected has been aggregated and no responses have been attributed to individual authorities within this report. A list of respondents is attached at [Annex C](#).

It is important to note that replies were not received from and in respect of the same FRAs, therefore the results often do not correlate for the same question asked of both parties.

Throughout the report percentages in figures and tables may equate to more or less than 100 per cent due to rounding.

3.2 FRA respondent profile

Over one-third (36%) of submissions were completed by FRA pension practitioners and a further third (36%) by the scheme manager. LPB representatives made up the remaining quarter (27%).

Role	Total (Percentage)
FRA pension practitioner	36.36
Scheme manager	36.36
Local pension board representative	27.27

Table 3.1 - Capacity in which survey completed

4. Research findings

4.1 Data submission

Before ABS can be produced, year-end data must be provided by the FRA to the administrator. There are checks that the administrator will need to carry out to validate this data and ensure it is as accurate as possible. Data can then be loaded into the system to initially generate the CARE element for FPS 2015 members, before further checks are carried out. Statements will finally be run, firstly in provisional and then in actual modes, prior to printing and distribution.

Due to these processes, administrators will set deadlines for receipt of year-end information.

Almost 90% of both employers and administrators indicated that all year-end information was submitted by the deadline required, including Continual Professional Development (CPD) and Additional Pension Benefit (APB) data where relevant. This is an improvement from just under three-quarters (74%) in 2018, noting that this was a combined response from FRAs and administrators, and included multiple responses from the same organisations.

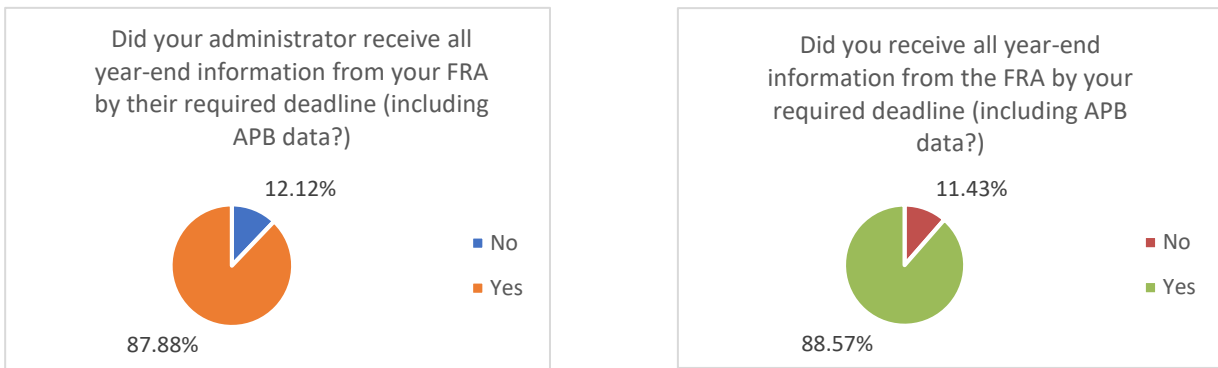


Figure 4.1 - Proportion of FRAs submitting all year-end information to their administrator by the required deadline (including CPD data).

Administrators were asked what percentage of data was returned to the employer to query. Almost half (48%) returned under 5% of data, and a further quarter returned between 5-10% where the salary or other information appeared to be incorrect.

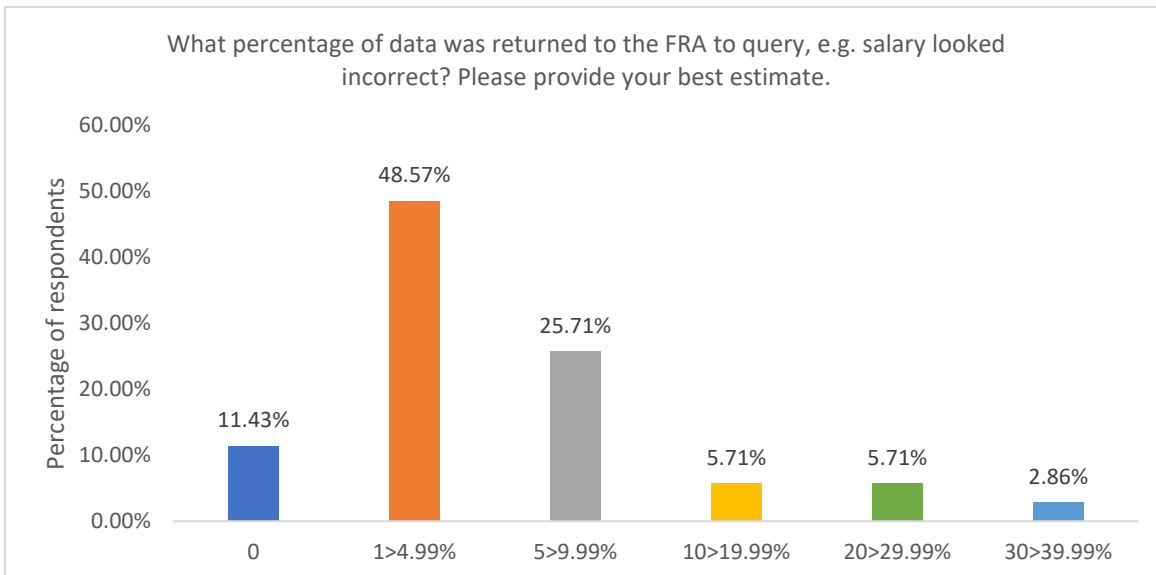


Figure 4.2 – Percentage of data returned to the employer to query.

The Committee recommended in last year's report that migration to monthly postings would improve the efficiency and quality of data collection for the ABS process. In order to monitor progress, respondents were asked for the first time this year whether data was submitted to the administrator on a monthly or annual basis.

There was an even split between both options for both categories of respondent.

This may be reflective of comments made in last year's survey which stated that a planned improvement was the implementation or streamlining of monthly pay and contributions postings.

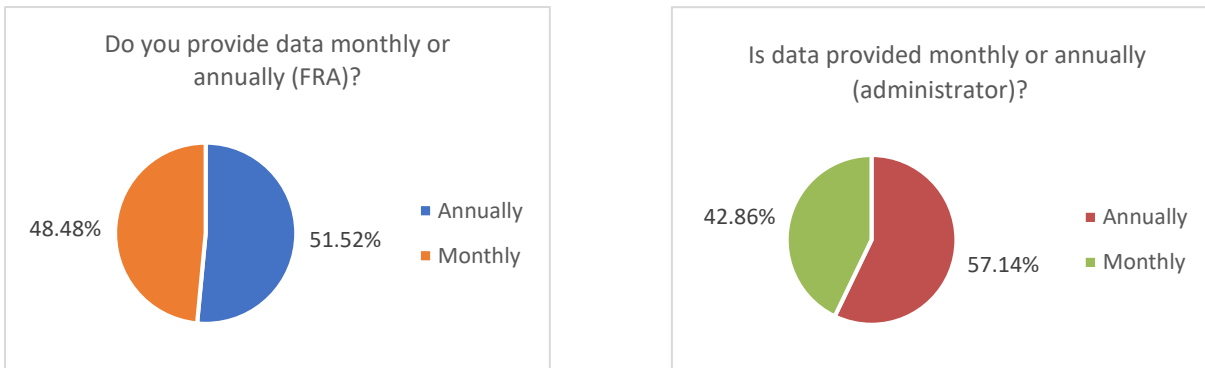


Figure 4.3 – Comparison of monthly to annual data submission to the administrator.

4.2 Meeting the deadline

There was some discrepancy in the responses to meeting the statutory deadline of 31 August for active members. Almost all administrators (97%) confirmed that the deadline had been met, compared with only 70% of FRAs. Taking the administrator response rate, this is a 2 point improvement on the percentage of those achieving the deadline in 2018 (95%).

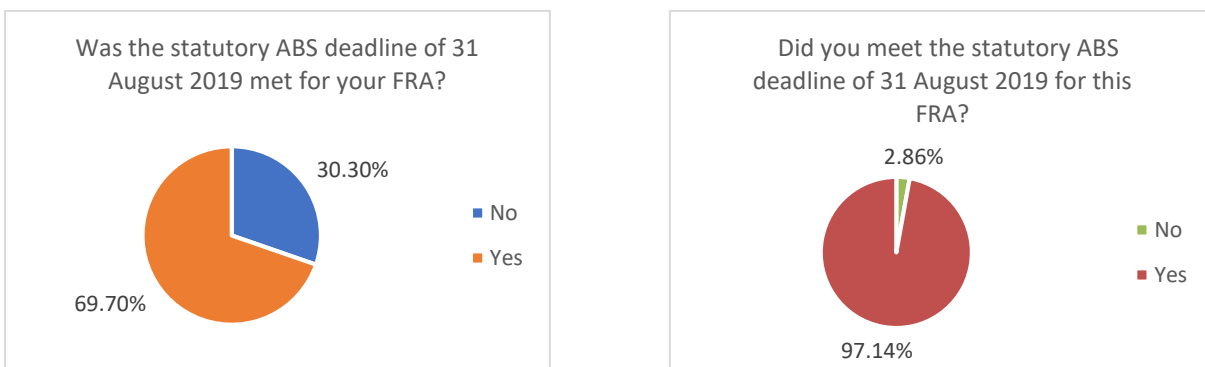


Figure 4.3 – Proportion of respondents meeting the statutory ABS deadline of 31 August 2019.

Respondents were asked to specify what percentage of active member ABS were produced and distributed by 31 August 2019.

The variance in meeting the deadline appears to be due to the tolerance level as just over half of respondents in both categories reported that 100% of statements were produced and distributed by that date. The majority (100% FRAs and 94% administrators) achieved a 90% or better rate of distribution; 6% of administrators indicated 80>89%.

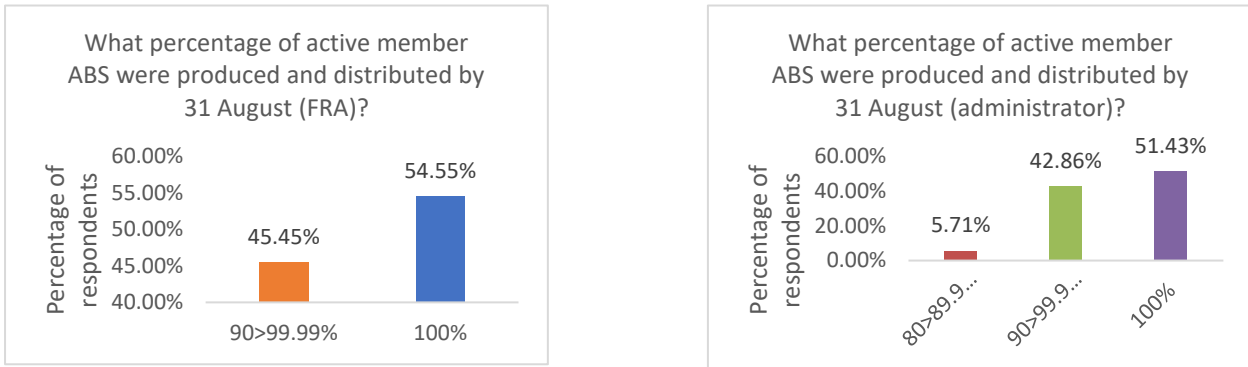


Figure 4.4 – Percentage of active member ABS produced and distributed by 31 August.

Where it was not possible to distribute all statements by the deadline, a pre-populated drop down list was provided in order to establish whether any groups of members were particularly affected and what the main cause of the delay was. The response options are shown under Annex A and B. The “don’t know” option was largely removed from the administrator survey drop down lists, as it was felt that they should have access to this information.

The only particular group that appeared to be affected were those that fell into the “special members category, as reported by almost two-thirds (63%) of FRAs and 40% of administrators.

Special members are retained firefighters who have been granted access to the Firefighters’ Pension Scheme 2006 (FPS 2006) with special provisions which broadly reflect the rules of the Firefighters’ Pension Scheme 1992 (FPS 1992). This follows the introduction of the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and a subsequent court case which deemed that retained firefighters should receive equal treatment with full-time regular firefighters. This category of member is commonly held to be complex to administrate.

The remaining respondents (36% FRA and 60% administrators) either felt that there was no pattern of affected members or, more likely, fell within the 100% bracket in Figure 4.4.

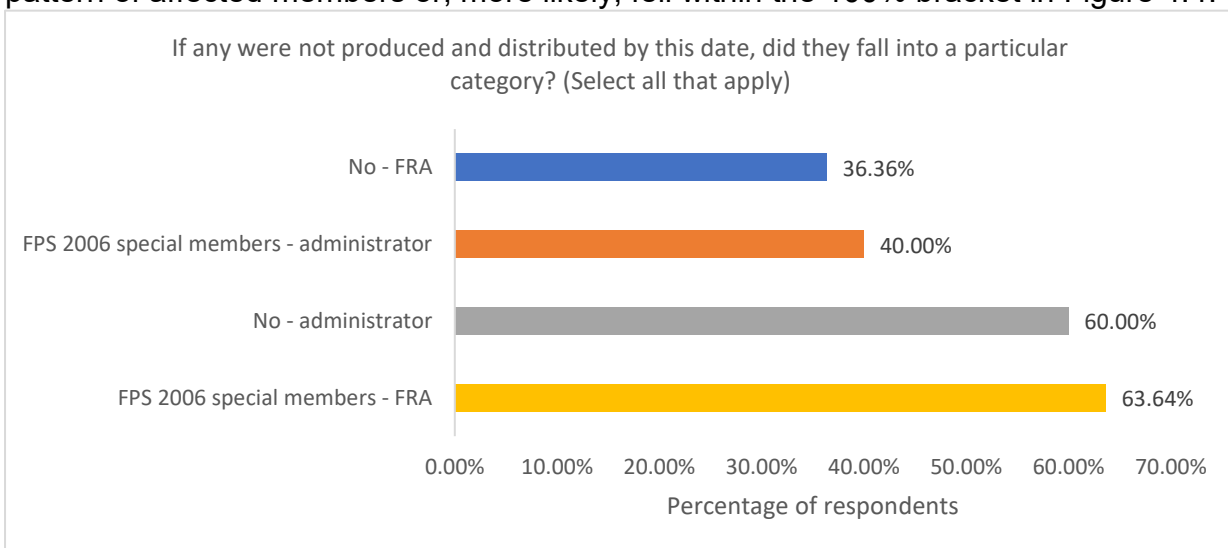


Figure 4.5 – Proportion of members falling into one or more category.

Excluding N/A responses, of the options provided the most common cause of delay was software unable to calculate benefits, in one-third to one-half of cases. This is reflective of most of the cases falling under the special member category above.

Around 3% cited late submission/ receipt of data, and 6% of FRAs cited other reasons, which were broadly categorised as data issues and included technical issues for divorce cases and data issues requiring further investigation, and data migration following a change in administration.

In the 2018 survey, the most frequently occurring responses were issues with software and a variety of data related reasons.

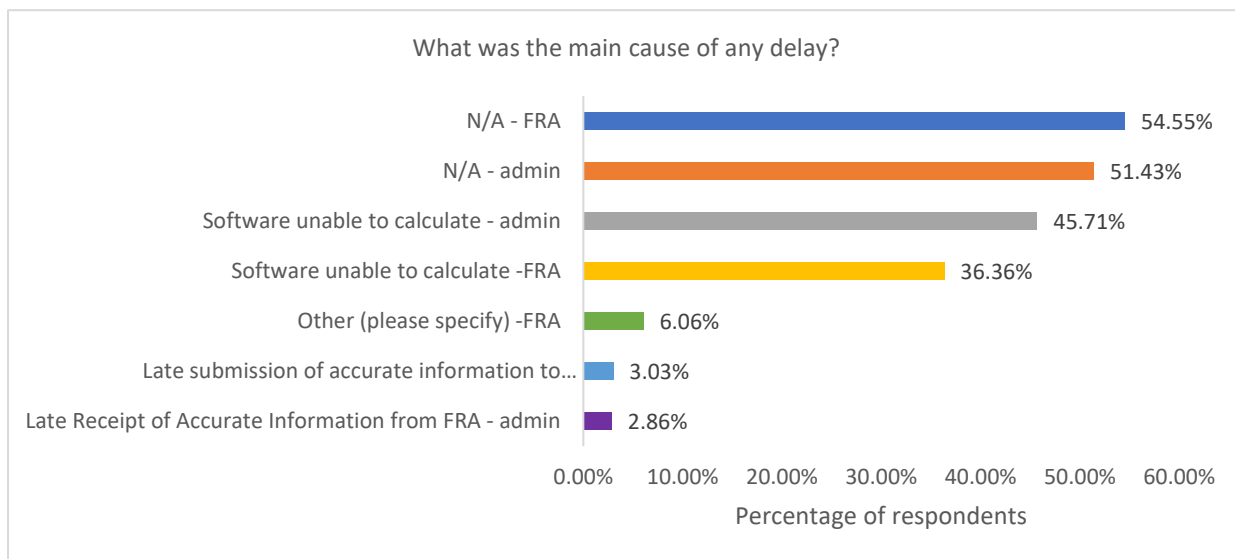


Figure 4.6 – Primary reason for any delay - ABS.

4.3 Deferred members

The questionnaire proceeded to ask employers and administrators what arrangements are in place for members leaving service without an immediate entitlement to benefits. Under the regulations, there is a statutory requirement for deferred members of the FPS 2006¹ and the Firefighters’ Pension Scheme 2015² (FPS 2015) to be sent a deferred benefit statement (DBS). No such provision exists in the FPS 1992; however, it is considered good practice to provide one under disclosure of information.

Unlike active member ABS, there is no statutory deadline for DBS. Therefore, for the purposes of this survey, we have assumed the same deadline of 31 August.

Despite there being no statutory requirement, 97% of administrators provide DBS to former members of the FPS 1992 as a matter of good practice.

Only one FRA does not supply this information, and the remaining 9% were unsure. The total positive and “don’t know” responses roughly correspond with the administrator outcome.

¹ <http://www.legislation.gov.uk/ukxi/2006/3432/schedule/1/part/15/paragraph/4/made>

² <http://www.legislation.gov.uk/ukxi/2014/2848/regulation/183/made>

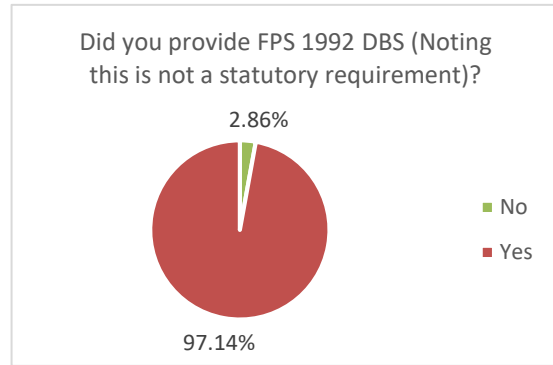
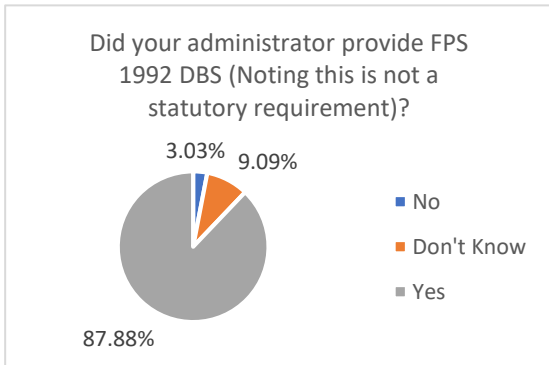


Figure 4.7 – Proportion of respondents providing FPS 1992 DBS.

Of the 97% of administrators that provide DBS, 91% reported 100% distribution by the nominal deadline of 31 August and 6% achieved between 90 to 99.99%.

The category displayed as 0% in Figure 4.8 corresponds with the respondent who answered “no” to the previous question. The “N/A” and “don’t know” FRA responses below correspond with the FRA submissions in Figure 4.7.

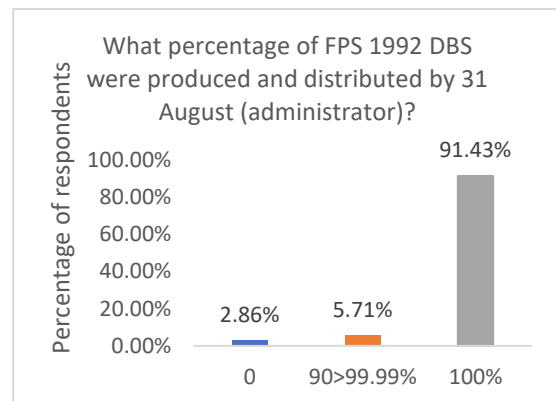
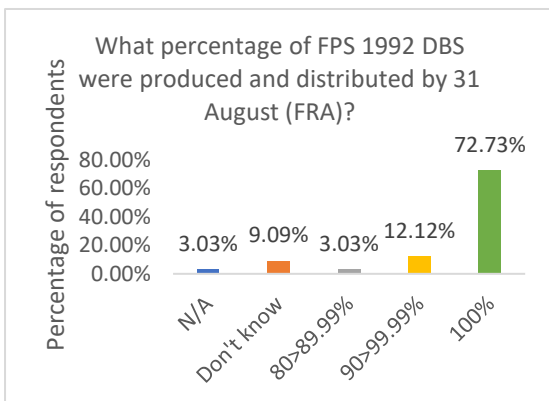


Figure 4.8 – Percentage of FPS 1992 DBS produced and distributed by 31 August.

As such a high proportion of DBS were produced and distributed by 31 August, the subsequent question regarding the cause of any delay to timescale was largely obsolete.

Administrators stated that delay was caused in 6% of cases where the software was unable to calculate the benefits. Three percent of FRAs agreed that the software had caused problems, but 12% stated the reason as “other”. This encompassed data issues and benefits waiting to be claimed. One respondent in both categories did not send statements as it is not a statutory requirement.

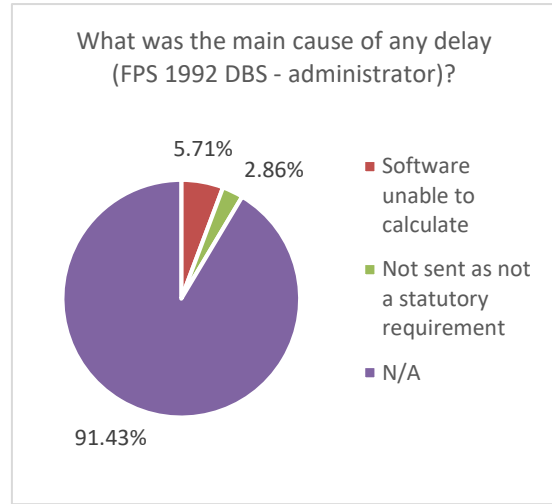
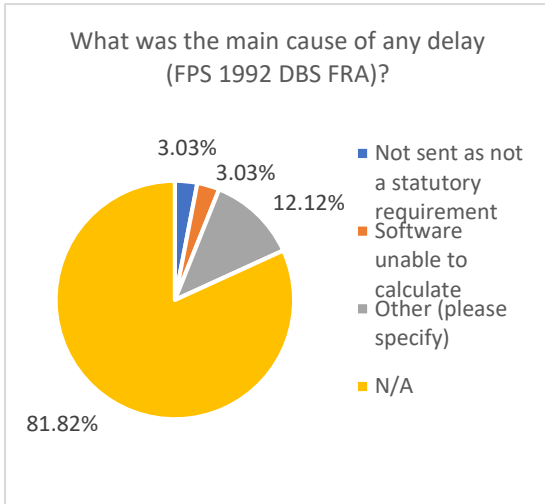


Figure 4.9 – Primary reason for any delay – FPS 1992 DBS.

All administrators are compliant with the legislative requirement to send statements to deferred members of FPS 2006. The majority (91%) of FRA respondents also comply, with 9% indicating that they did not know.

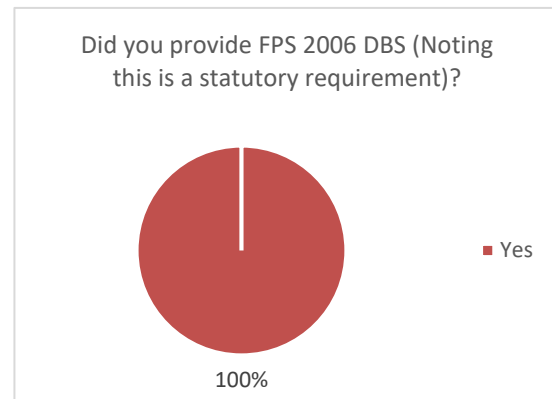
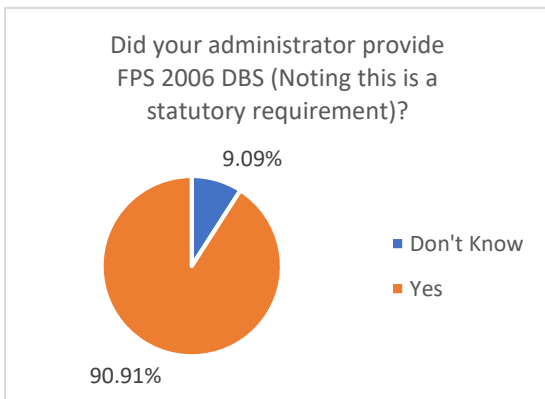


Figure 4.10 – Proportion of respondents providing FPS 2006 DBS.

While all administrators providing information were able to send over 90% of statements by the assumed deadline, 95% of those respondents achieved 100% of DBS produced and distributed by 31 August for former members of the FPS 2006. The FRA results were broadly similar.

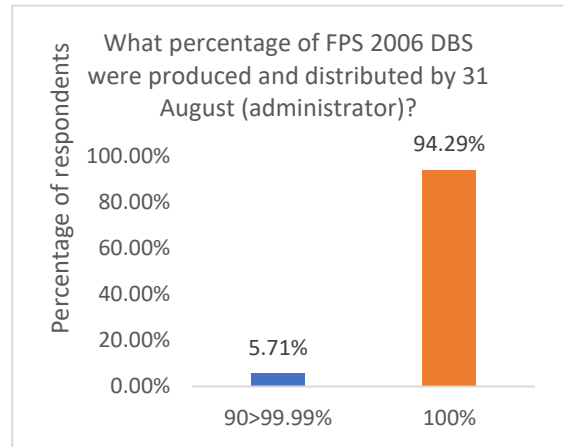
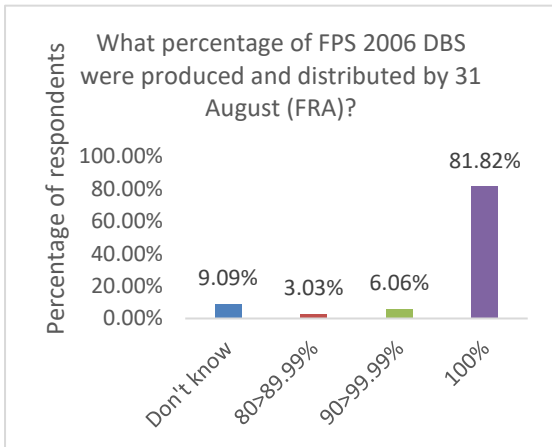


Figure 4.11 – Percentage of FPS 2006 DBS produced and distributed by 31 August.

In relation to the primary reason for any delay, the highest proportion (up to 95% across both surveys) was “N/A” as expected in line with the previous question. Software limitations again accounted for a small percentage of responses. Free text replies submitted under the “other” option within the drop down list included data migration following a change in administration, with one FRA reporting that the member had gone away.

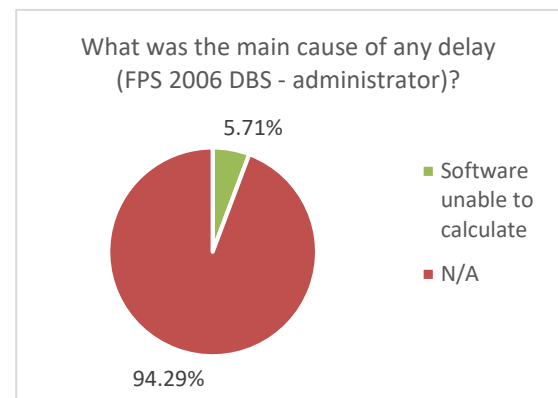
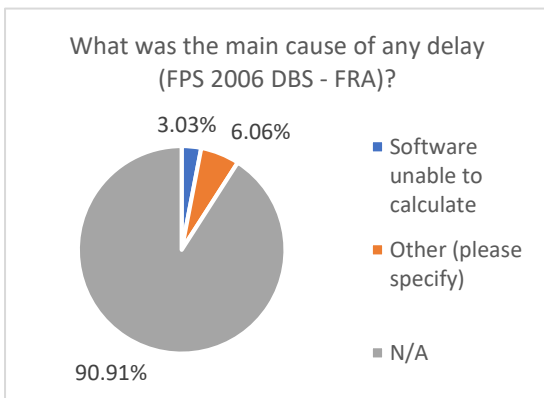


Figure 4.12 – Primary reason for any delay – FPS 2006 DBS.

The response for the number of those sending DBS in respect of the FPS 2015 mirrored the response for the same question of the FPS 2006, with 100% of administrators and 91% of FRAs producing statements and the same 9% who were unsure.

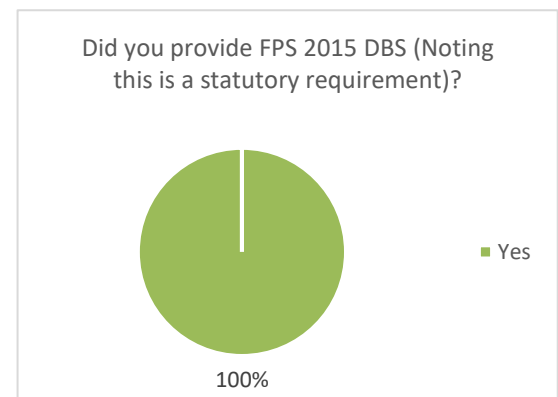
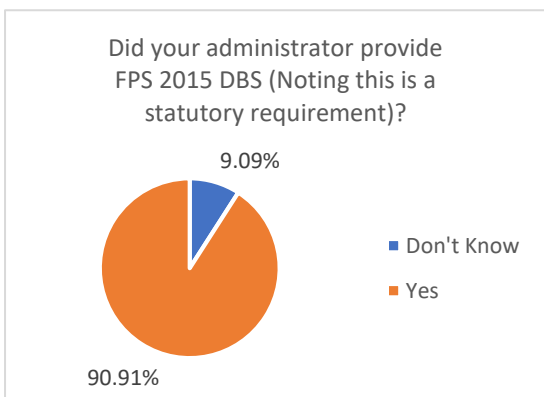


Figure 4.13 – Proportion of respondents providing FPS 2015 DBS.

All administrators sending DBS to deferred FPS 2015 members were again able to produce and distribute over 90% of statements by the 31 August. FRAs reported a slightly lower ratio realising a full 100% than for the FPS 2006, at 79%. There was a corresponding increase in the 90-99.99% category; otherwise the results are identical.

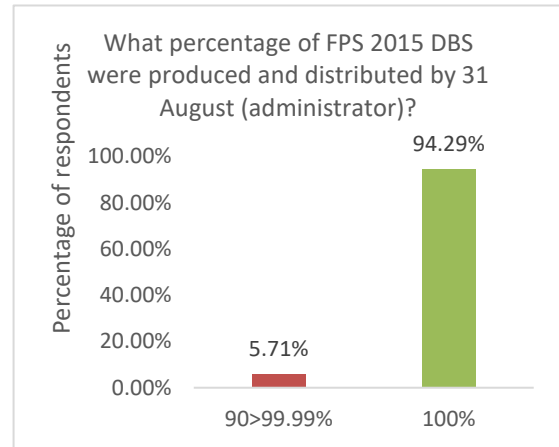
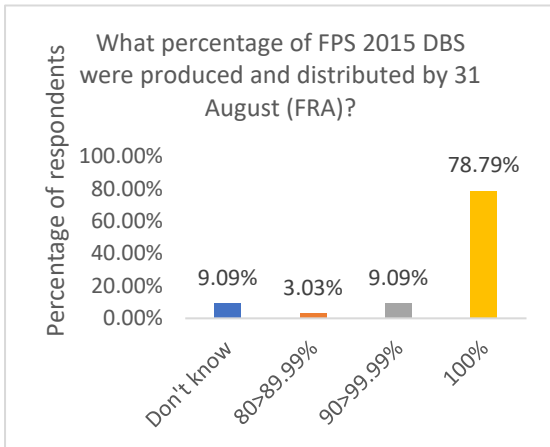


Figure 4.14 – Percentage of FPS 2015 DBS produced and distributed by 31 August.

One additional FRA reported a delay in issuing FPS 2015 DBS, with the reason indicated as application of pensions increase to the statement (under “other”). Other outcomes are the same.

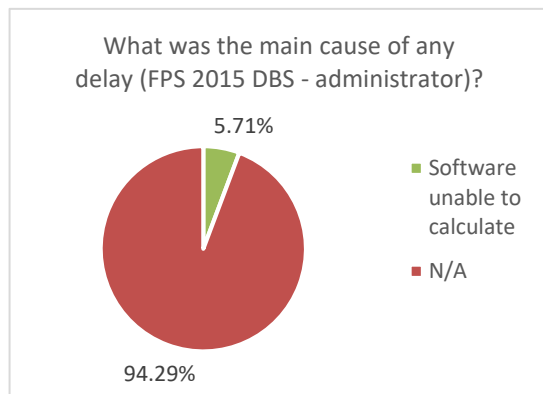
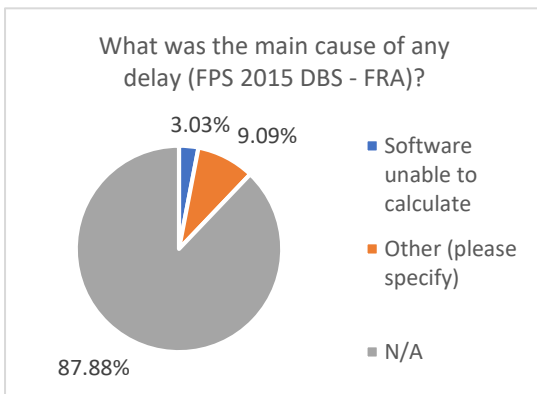


Figure 4.15 – Primary reason for any delay – FPS 2006 DBS.

4.4 Internal controls

Employer stakeholders were asked whether any ABS not provided by 31 August were reported to their LPB. Administrator stakeholders were asked whether they reported any failure to meet the deadline to their FRA client.

Almost half (45%) of FRA respondents indicated that ABS delays were reported to the LPB, with a further half (45%) indicating that it was not applicable. Around two-thirds (63%) of administrators reported any delay to their FRA client. A higher “N/A” return than the one-third (37%) stated would have been expected in relation to this category. However, this may indicate that performance was reported to the FRA whether there was a delay or not.

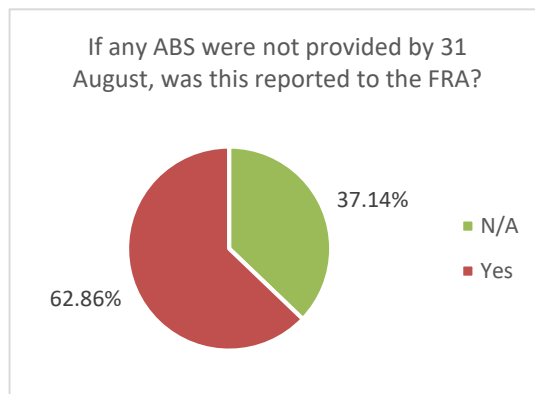
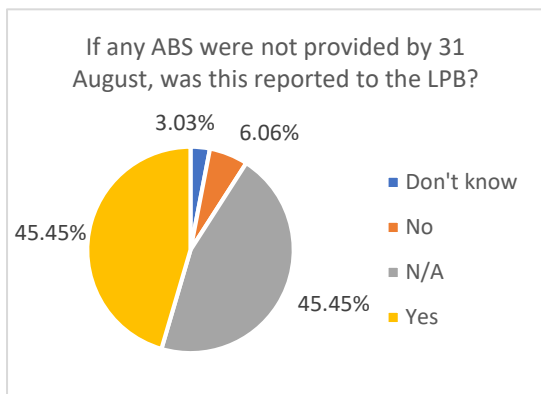


Figure 4.16 – Reporting of delayed ABS to LPB/ FRA.

Where ABS were not provided by 31 August, 42% of FRAs and 49% of administrators recorded a breach of law and considered it for materiality.

When considering whether a material breach has occurred, individuals should take into account how the error came about, what action was taken to resolve it, and whether similar errors of this nature have occurred previously. The effect of an error might be minor as a single event but could be major if it occurs frequently or processes/ work flows are flawed. A [breach assessment template](#) is available from www.fpsboard.org to record the decision making process.

While the “don’t know” and “no” response categories correspond with the FRA results at Figure 4.16, and “N/A” for administrators, there is some discrepancy between the figures which may warrant further investigation.

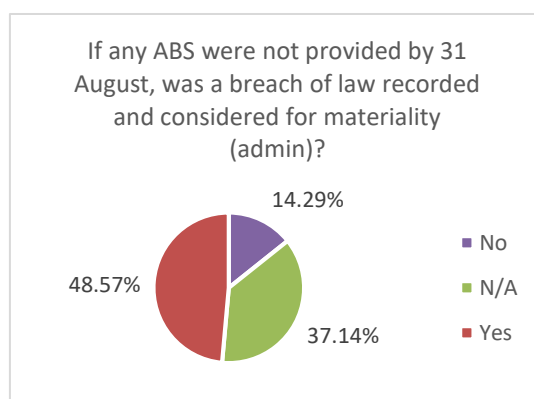
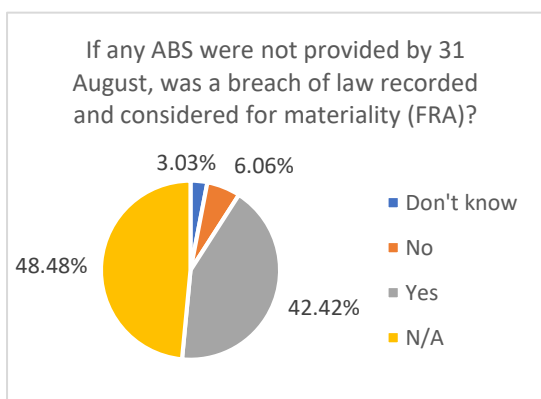


Figure 4.17 – Proportion of ABS breaches recorded and assessed for materiality.

Only one-third of FRAs subsequently reported a breach to TPR and just under half (43%) of administrators. However, this is a considerable increase on last year’s survey which indicated that no breaches were reported.

In an improvement to the 2018 survey, a further question was added to establish reasons for non-recording or reporting. Generally, both FRAs and administrators stated that the breach was not considered to be material. Several administrators replied in relation to DBS that members had reached their Normal Pension Age (NPA) and were awaiting payment of the benefit. A full list of the open text responses can be viewed at [Annex D](#).

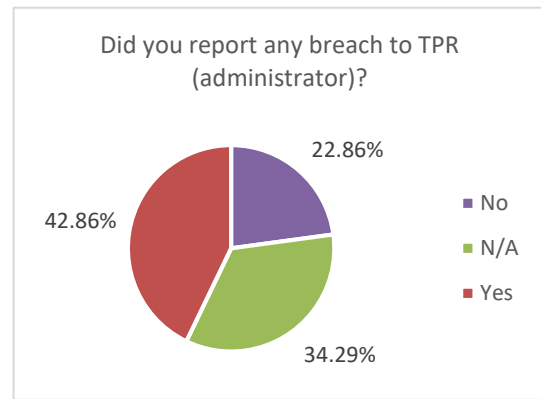
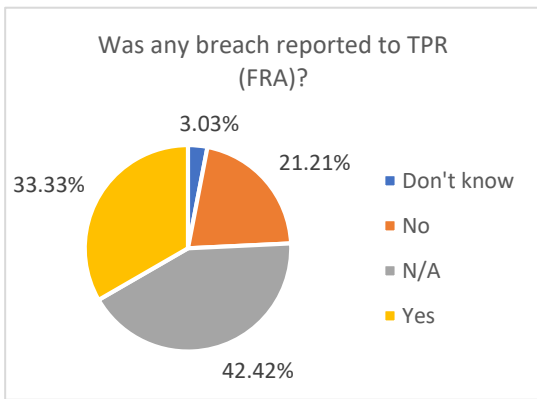


Figure 4.18 – Proportion of breaches reported to TPR.

4.5 Administration and resources

Several questions in this chapter were addressed to administrators only. Where FRAs were also asked to provide a response, this has been clearly indicated.

Each year the SAB secretariat issues a revised [ABS template with explanatory notes](#). In 2018, the example calculations were brought up to date, and the document was assessed at cost by the Plain English Campaign and awarded a Crystal Mark.

In order to gain insight on the value of providing a standard document, respondents were asked which template was used, as administrators may prefer to use an alternative format.

Just over 45% of administrators completing the survey use their own version of the ABS template, with a similar number (43%) using the standard template provided by the LGA. The remaining 11% chose to proceed with their system provider's version.

Through changes to the question set this year, it can be evidenced that there is value in providing a standard template as the document is used in just under half of cases.

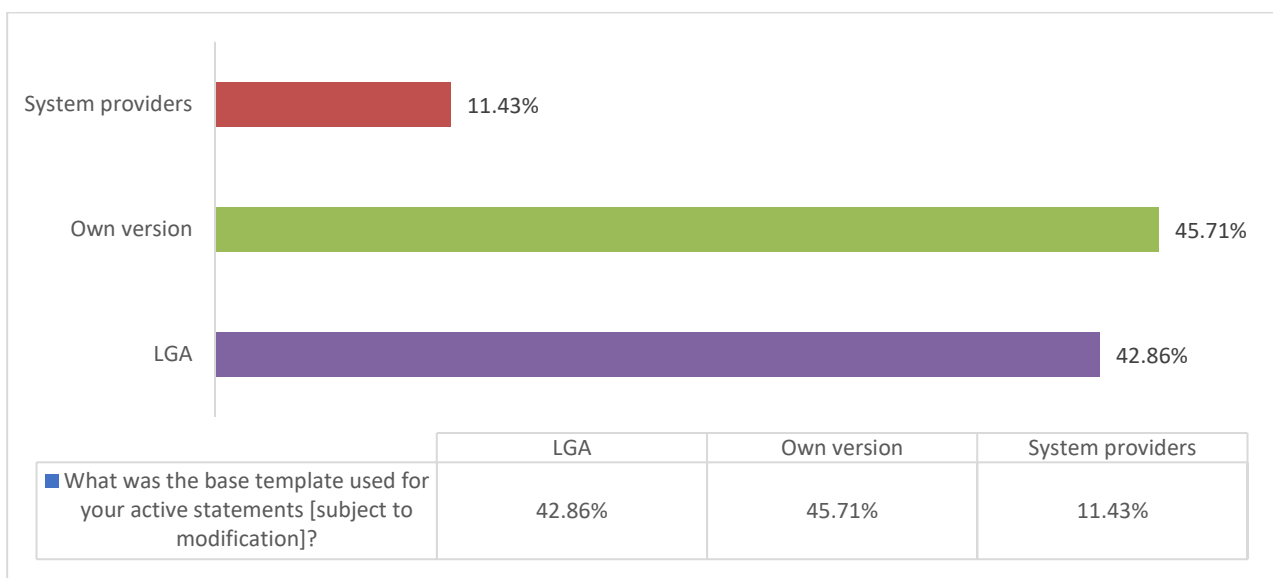


Figure 4.19 – ABS template used.

Participants were then asked to confirm whether certain deductions are shown on the ABS.

Almost all administrators (95%) include Pension Sharing Order (PSO) debits where a percentage of the member's benefit has been awarded to their ex-spouse as part of a divorce settlement.

Nine in ten (91%) respondents show scheme pays deductions. These deductions are made when a tax charge has been paid by the scheme on the member's behalf during their employment.

Less than three-quarters (69%) provide pension saving information as a percentage of annual allowance/ lifetime allowance in case this is required by members to assess their total tax liability.

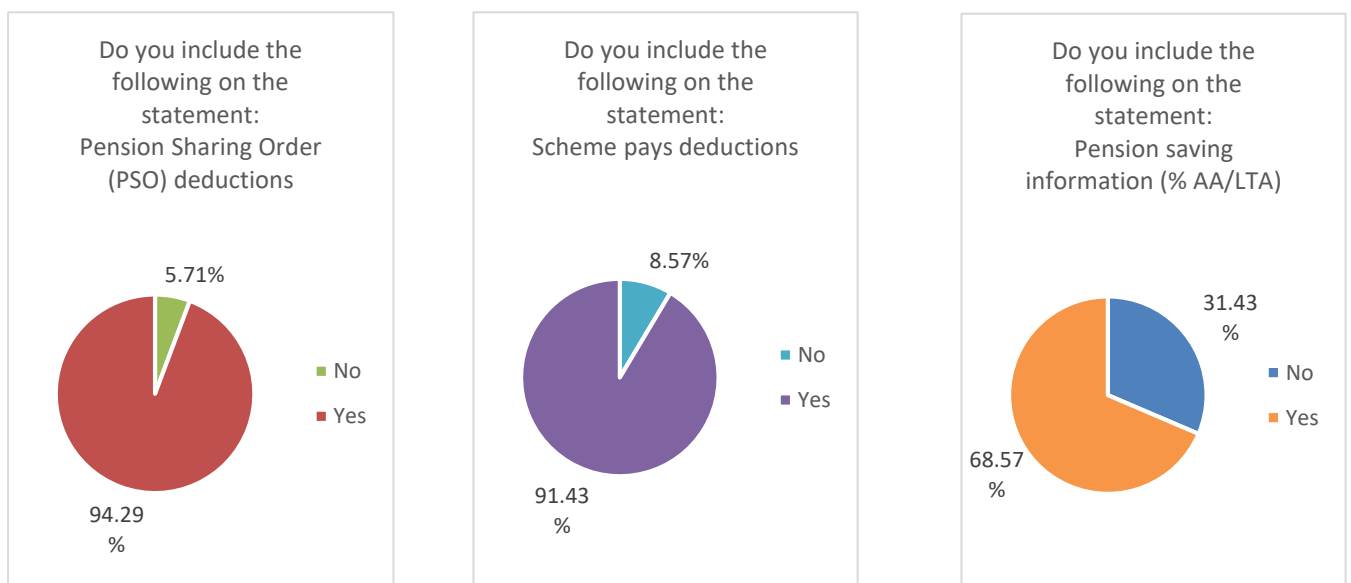


Figure 4.20 – Pension deductions shown on the ABS.

With the forthcoming introduction of pensions dashboards, expectations for digital solutions and instant online access to benefit information are going to increase. Both FRAs and administrators were asked to quantify the online functionality members are currently offered.

Almost three-quarters (74%) of administrator respondents confirmed that they have already implemented online self-service for scheme members to access ABS/ DBS. This is significantly higher than the FRA responses at just under one-half (48%). This discrepancy may have arisen as submissions were not received from and in respect of the same FRAs or may indicate a lack of awareness.

The timescales on planned implementation were also therefore skewed, with around 20% of FRAs indicating that they planned to do so within the next 12 months, but only 9% of administrators. A further 18% (3%) stated within two years. A longer timescale was anticipated by 3% in both surveys and the remainder had no plans or were not aware of any. It would be interesting to find out why this is the case.

The results are broadly comparable with the 2018 survey, which either indicates that there has been no development in this area, or last year's results were over-stated.

It is beyond the scope of this survey to establish whether online functionality has been extended for members to carry out other self-service tasks such as running projections or amending their personal details.

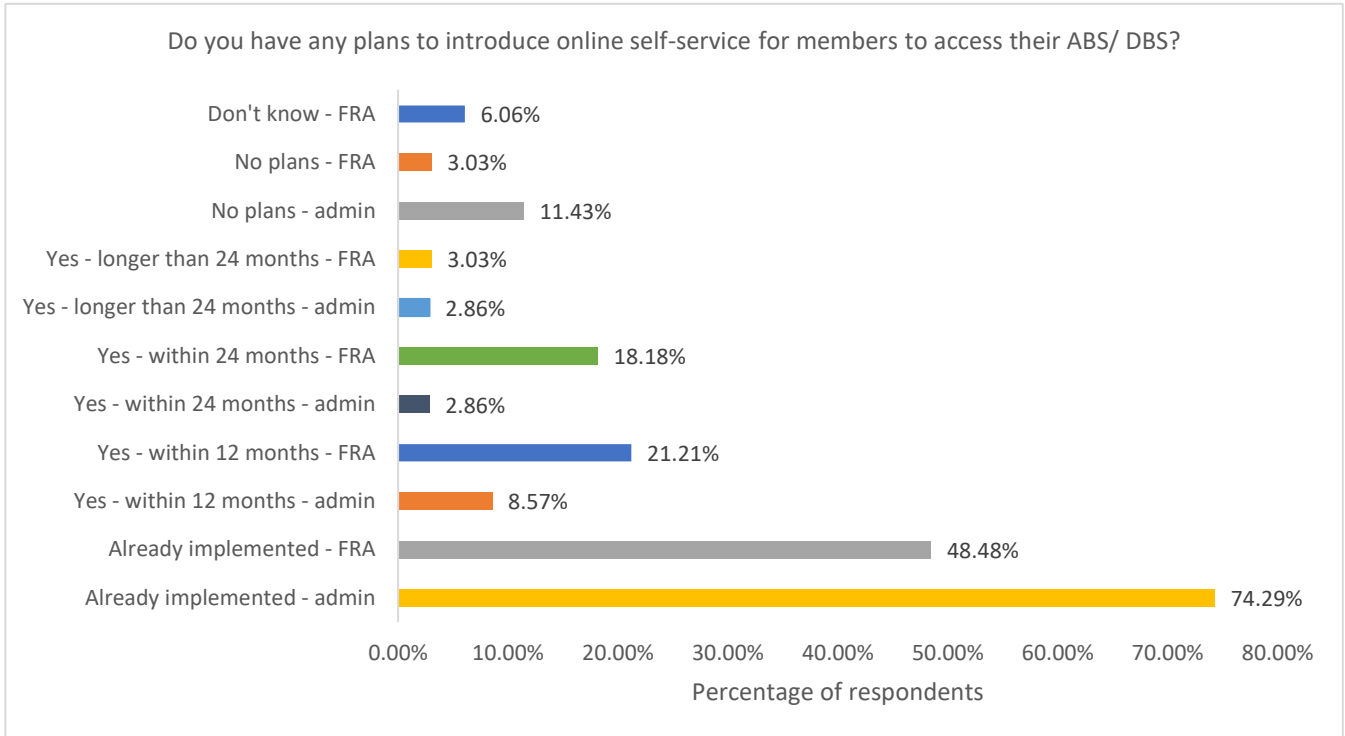


Figure 4.21 – Implementation of online member self-service.

Only two software suppliers offer pension administration systems for the Firefighters' Pension Schemes. Over half (55%) of the administrators who responded use Altair by Heywood, with the remaining 45% utilising the Universal Pension Management (UPM) system by Civica.

The most common method of printing ABS was to outsource, at 57%, with the remainder (43%) printing in-house. This trend continues from the 2018 results, although the split was more pronounced in that year and a high proportion of respondents were unsure how statements were printed. Excluding FRAs from this question has refined the results.

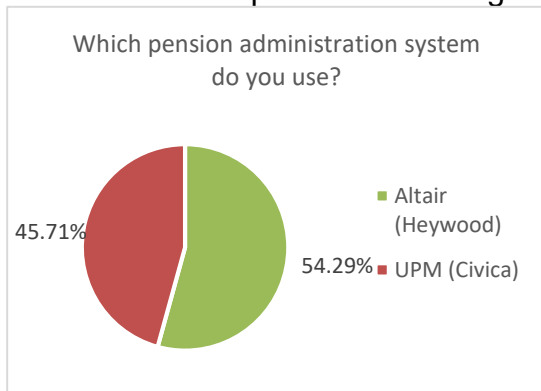


Figure 4.22 – Pension administration system used.

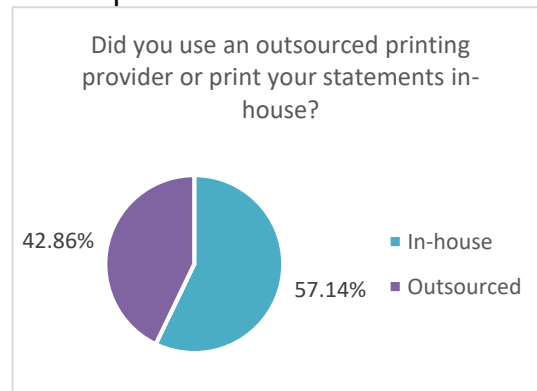


Figure 4.21 – Method of printing ABS.

A list of timescale parameters was provided for administrators to choose from to give an estimate of time spent on the ABS process. This is an improvement to last year’s question set which included a free text box for responses. The varying format and content of replies made the data difficult to collate and evaluate. However, the most common response (31%) in 2018 was three months.

This year over half (56%) of administrators spent three to six months on the ABS process from start to finish, and almost one-third (32%) indicated that it took less than one month. The remainder fell between one to three months.

The time taken to complete the process was cross-referenced against the frequency of data submission i.e. monthly or annually. There was no discernible pattern. Of the 11 responses in this category, four administrators receive data on a monthly basis and seven receive data at year-end. Seven replies were from the same administrator but, again, frequency varied by client. Of those receiving data annually, one FRA has a small number of members and one is administered in-house, which may account for the short timescale.

No additional resource was required by administrators this year to complete the exercise.

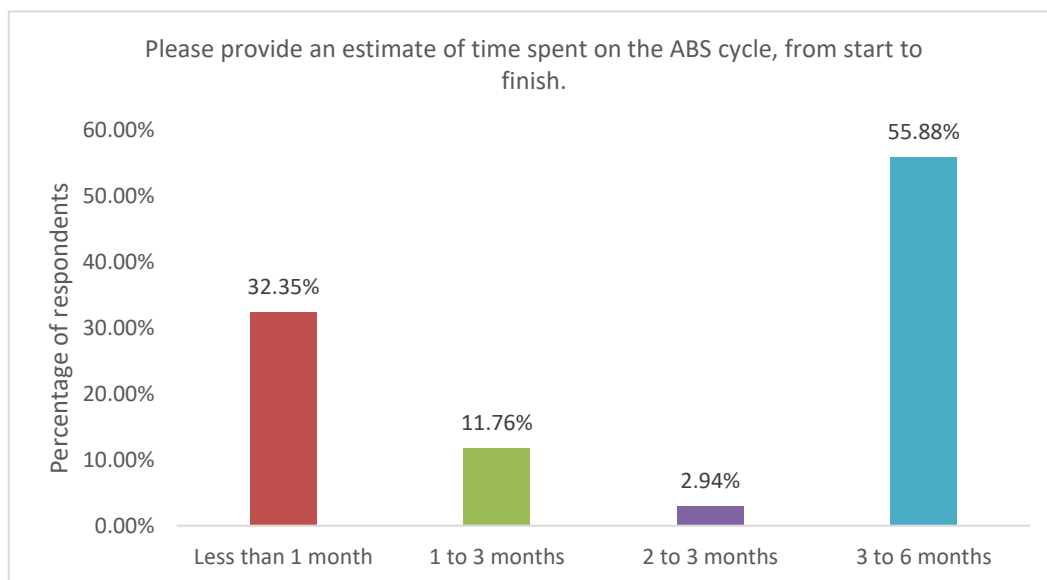


Figure 4.22 – Time spent on the 2019 ABS cycle.

Stakeholders were asked to evaluate their satisfaction with: the quality of ABS resources provided by LGA, the timeliness of communications from LGA, and the ABS process overall, using a 1-5 scale (where 1 was ‘very dissatisfied’ and 5 was ‘highly satisfied’).

While all categories rate towards the higher end of the scale, with a mean score of 4 or above in each category from FRAs, the results show room for improvement in the timescales for providing information and the process as a whole.

There was a decrease in scores across the board, and the average ratings suggest that while the resources provided are high quality, they need to be provided sooner in the process.

In particular, administrators gave a lower score for timeliness and overall process, as the standard documentation was released later than anticipated.

Process	Rating (mean value) – FRA	Rating (mean value) – admin
Quality of ABS resources provided by LGA	4.3	4.2
Timeliness of communications from LGA	4.4	3.4
ABS process overall	4.2	3.5

Table 4.1 – Evaluation of satisfaction with... – mean ratings.

Finally, respondents were asked to describe any plans for improvement to the ABS process next year, and comment on any action the SAB could take to facilitate those improvements.

This was captured verbatim and full details of the responses are attached at [Annex E](#) and [Annex F](#) respectively. The following key themes were identified and have been summarised below.

Administrator responses have been collated to remove duplicates.

Improved software functionality
Automated production of statements for FPS 2006 special members
FRA to work more closely with administrator
Simplification of ABS/ DBS templates
Introduction of online member self-service

Table 4.2 – Key themes relating to plans to improve the ABS process in 2020.

Only four responses were received to the question of the SAB supporting improvements to the process and these all from FRAs. A selection of the comments are noted below.

Advance notification of changes needed for transitional protections remedy
Work more proactively with software providers to encourage them to make required changes
Continue to support LPBs and simplify processes to address FRA workloads

Table 4.3 – Comments relating SAB support to facilitate improvements.

5. Recommendations

The Committee would like to thank all those that were able to submit a response for their participation in the survey, and for continuing to support the work of the SAB. The Committee were pleased to note as increased response rate from the 2018 survey.

While there were several FRAs whose administrator did not respond and vice-versa, the Committee noted particular concern where neither party had submitted a response, as a potential indicator of poor internal controls and lack of communication. The SAB will consider whether any action could be taken to encourage engagement with requests for information, such as building provision into a Service Level Agreement (SLA).

5.1 Data submission

The Committee consider that migration to monthly posting of pay and contributions would expedite the collection of required data for the ABS process following year-end, allowing validation and data cleansing to take place on a monthly basis and queries to be addressed in real time.

Around half of those responding utilise monthly returns, so this is evidently high on administrators' agendas and functionality does already exist within pension administration software.

Communication between the employer and administrator is key. Deadlines and format for receipt of data should be clearly stated, along with any procedures the administrator has in place for data collection and validation.

Publication of a template pensions administration strategy is planned, which will formalise expectations in this area.

5.2 Meeting the deadline

Almost all administrators were able to meet their statutory requirements. However, special members of the FPS 2006 continue to present a problem, with software capability in some cases unfit for purpose. The Committee encourage software providers to ensure that functionality exists within their programmes to carry out the complex calculations that this category of member demands. While understandably this comes at a cost, the cost must be offset against the value of being able to supply timely and accurate benefit information to all members.

Boards may wish to consider adding this as a specific element to their risk register to ensure mitigation processes can be put in place.

Data conversion can be an issue for those FRAs entering into new administration contracts. The Committee recommend that timescales are considered when tendering for a new administration provider and ensure all ABS related processes are built into a robust SLA.

5.3 Deferred members

An encouraging number of administrators provide DBS to deferred members of all schemes.

Where delay in distribution has been caused by software limitations, this correlates to the statement above concerning functionality to provide complex calculations and the same recommendation will apply.

5.4 Internal controls

To facilitate a good understanding of the ABS cycle, it is recommended that the outcome of the exercise is reported annually to the LPB, whether any delay or breach has occurred or not.

In instances where it is unclear whether a reportable material breach has taken place, authorities should complete the [breach assessment template](#). Stakeholders are reminded that any person involved with a scheme (excluding members) has a duty to report an identified breach.

Suggested good practice for reporting standards will be included in the template pension administration strategy

Tracing services can be utilised for members who are no longer resident at their last known address.

5.5 Administration and resources

It would not be appropriate for the Committee to make recommendations on the mechanics of the ABS process, such as software and printing solutions, as this is clearly a commercial decision for administrators. Therefore, the recommendations in this section reflect actions that the SAB and secretariat can take.

The SAB secretariat will continue to provide a revised standard template annually and in good time. The sample calculations will be updated every two years and resubmission to the Plain English campaign considered if there have been substantial material changes to content. Statement annexes will be added to the member-area of www.fpsregs.org to be used as standalone documents as required.

Further thought will be given to improving the flow of data between employers and administrators and simplifying the information that is provided to members. The Fire Communications Working Group (FCWG) have an outstanding action to produce a standard DBS template.

The Committee and the wider SAB will continue to champion the use of online technology to provide statements to members, with the facility for individuals to carry out further calculations. This is a priority given likely future changes to the FPS and both administrators and FRAs have demonstrated a solid commitment to the provision of member self-service.

The outcome of the administration and management benchmarking review will be considered in conjunction with this report to establish whether further improvements can be suggested.

Annex A: Survey questions – FRA

1	In what capacity are you completing the survey?	Scheme manager
		FRA pension practitioner
		Local Pension Board representative
		Other (please specify)
2	Which FRA are you completing the survey in relation to?	Drop down FRA list
3	Did your administrator receive all year-end information from your FRA by their required deadline (including APB data?)	YES/NO/DON'T KNOW
4	Do you provide data monthly or annually?	MONTHLY/ANNUALLY
5	Was the statutory ABS deadline of 31 August 2019 met for your FRA?	YES/NO/DON'T KNOW
6	What percentage of active member ABS were produced and distributed by 31 August?	%
7	If any were not produced and distributed by this date, did they fall into a particular category? (Select all that apply)	No
		FPS 2006 special members
		Standard retained
		FPS 1992
		FPS 2006
		FPS 2015
		High earners (AA/ LTA)
		Don't know
8	What was the main cause of any delay?	LATE SUBMISSION OF ACCURATE INFORMATION TO ADMINISTRATOR
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		DON'T KNOW
		N/A

9	Did your administrator provide FPS 1992 DBS (Noting this is not a statutory requirement)?	YES/NO/DON'T KNOW
10	What percentage of FPS 1992 DBS were produced and distributed by 31 August?	%
11	What was the main cause of any delay?	NOT SENT AS NOT A STATUTORY REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		DON'T KNOW
		N/A
12	Did your administrator provide FPS 2006 DBS (Noting this is a statutory requirement)?	YES/NO/DON'T KNOW
13	What percentage of FPS 2006 DBS were produced and distributed by 31 August?	%
14	What was the main cause of any delay?	UNAWARE OF REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		DON'T KNOW
		N/A
15	Did your administrator provide FPS 2015 DBS (Noting this is a statutory requirement)?	YES/NO/DON'T KNOW
16	What percentage of FPS 2015 DBS were produced and distributed by 31 August?	%
17	What was the main cause of any delay?	UNAWARE OF REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		DON'T KNOW
		N/A

18	If any ABS were not provided by 31 August, was this reported to your Local Pension Board?	YES/NO/DON'T KNOW/N/A
19	If any ABS were not provided by 31 August, was a breach of law recorded and considered for materiality?	YES/NO/DON'T KNOW/N/A
20	Was any breach reported to The Pensions Regulator?	YES/NO/DON'T KNOW/N/A
21	Please explain why any breach was not recorded/ reported, if applicable.	Open-Ended Response
22	Do you have any plans to introduce online self-service for members to access their ABS/ DBS?	ALREADY IMPLEMENTED
		YES - WITHIN 12 MONTHS
		YES - WITHIN 24 MONTHS
		YES - LONGER THAN 24 MONTHS
		NO PLANS
23	On a scale of 1 to 5, with 1 being very dissatisfied and 5 being highly satisfied, please rate your satisfaction with:	the quality of ABS resources provided by LGA
		the timeliness of communications from LGA
		the ABS process overall
24	What, if anything, do you plan to do differently next year to improve the ABS process?	Open-Ended Response
25	Is there anything the Scheme Advisory Board could do facilitate improvements to the ABS process?	Open-Ended Response

Annex B: Survey questions – administrator

1	Name of administrator	Drop down administrator list
2	Which FRA are you completing the survey in relation to?	Drop down FRA list
3	Did you receive all year-end information from the FRA by your required deadline (including APB data?)	YES/NO
4	What percentage of data was returned to the FRA to query, e.g. salary looked incorrect? Please provide your best estimate.	%
5	Is data provided monthly or annually?	MONTHLY/ANNUALLY
6	Did you meet the statutory ABS deadline of 31 August 2019 for this FRA?	YES/NO
7	What percentage of active member ABS were produced and distributed by 31 August?	%
8	If any were not produced and distributed by this date, did they fall into a particular category? (Select all that apply)	No
		FPS 2006 special members
		Standard retained
		FPS 1992
		FPS 2006
		FPS 2015
		High earners (AA/ LTA)
9	What was the main cause of any delay?	LATE SUBMISSION OF ACCURATE INFORMATION TO ADMINISTRATOR
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		N/A
10	Do you include the following on the statement:	Pension saving information (% AA/LTA)
		Pension Sharing Order (PSO) deductions

		Scheme pays deductions
11	Did you provide FPS 1992 DBS (Noting this is not a statutory requirement)?	YES/NO
12	What percentage of FPS 1992 DBS were produced and distributed by 31 August?	%
13	What was the main cause of any delay?	NOT SENT AS NOT A STATUTORY REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		N/A
14	Did you provide FPS 2006 DBS (Noting this is a statutory requirement)?	YES/NO
15	What percentage of FPS 2006 DBS were produced and distributed by 31 August?	%
16	What was the main cause of any delay?	UNAWARE OF REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		N/A
17	Did you provide FPS 2015 DBS (Noting this is a statutory requirement)?	YES/NO
18	What percentage of FPS 2015 DBS were produced and distributed by 31 August?	%
19	What was the main cause of any delay?	UNAWARE OF REQUIREMENT
		SOFTWARE UNABLE TO CALCULATE
		PRINTING ISSUES
		LACK OF RESOURCE
		POSTAGE DELAY
		OTHER - PLEASE SPECIFY
		N/A
20	If any ABS were not provided by 31 August, was this reported to the FRA?	YES/NO/N/A
21	If any ABS were not provided by 31 August, did you record a breach of law and consider it for materiality?	YES/NO/N/A

22	Did you report any breach to The Pensions Regulator?	YES/NO/N/A
23	Please explain why any breach was not recorded/ reported, if applicable.	Open-Ended Response
24	What was the base template used for your active statements [subject to modification]?	SYSTEM PROVIDERS/OWN VERSION/LGA
25	Do you have any plans to introduce online self-service for members to access their ABS/ DBS?	ALREADY IMPLEMENTED
		YES - WITHIN 12 MONTHS
		YES - WITHIN 24 MONTHS
		YES - LONGER THAN 24 MONTHS
		NO PLANS
26	Which pension administration system do you use?	ALTAIR (AQUILA HEYWOOD)
		UPM (CIVICA)
27	Did you use an outsourced printing provider or print your statements in-house?	OUTSOURCED/IN-HOUSE
28	Please provide an estimate of time spent on the ABS cycle, from start to finish.	LESS THAN 1 MONTH
		1 TO 3 MONTHS
		3 TO 6 MONTHS
		6 TO 9 MONTHS
		LONGER THAN 9 MONTHS
29	If any additional resource was required, please list it here:	Open-Ended Response
30	On a scale of 1 to 5, with 1 being very dissatisfied and 5 being highly satisfied, please rate your satisfaction with:	the quality of ABS resources provided by LGA
		the timeliness of communications from LGA
		the ABS process overall
31	What, if anything, do you plan to do differently next year to improve the ABS process?	Open-Ended Response
32	Is there anything the Scheme Advisory Board could do facilitate improvements to the ABS process?	Open-Ended Response

Annex C: Respondents

	FRA	Admin
Avon Fire and Rescue Service		
Bedfordshire Fire and Rescue Service	Bedfordshire Fire and Rescue Service	Local Pensions Partnership (LPP)
Buckinghamshire and Milton Keynes Fire and Rescue Service	Buckinghamshire and Milton Keynes Fire and Rescue Service	West Yorkshire Pension Fund
Cambridgeshire Fire and Rescue Service		LGSS
Cheshire Fire and Rescue Service	Cheshire Fire and Rescue Service	
Cleveland Fire Brigade	Cleveland Fire Brigade	
Cornwall Fire and Rescue Service	Cornwall Fire and Rescue Service	Cornwall County Council
County Durham and Darlington Fire and Rescue Service	County Durham and Darlington Fire and Rescue Service	
Cumbria Fire and Rescue Service	Cumbria Fire and Rescue Service	Local Pensions Partnership (LPP)
Derbyshire Fire and Rescue Service		Leicestershire County Council
Devon and Somerset Fire and Rescue Service	Devon and Somerset Fire and Rescue Service	West Yorkshire Pension Fund
Dorset and Wiltshire Fire and Rescue Service	Dorset and Wiltshire Fire and Rescue Service	West Yorkshire Pension Fund
East Sussex Fire and Rescue Service	East Sussex Fire and Rescue Service	
Essex County Fire and Rescue Service	Essex County Fire and Rescue Service	
Gloucestershire Fire and Rescue Service		
Greater Manchester Fire and Rescue Service	Greater Manchester Fire and Rescue Service	Greater Manchester Fire and Rescue Service
Hampshire Fire and Rescue Service	Hampshire Fire and Rescue Service	Hampshire County Council
Hereford and Worcester Fire and Rescue Service	Hereford and Worcester Fire and Rescue Service	West Yorkshire Pension Fund
Hertfordshire Fire and Rescue Service	Hertfordshire Fire and Rescue Service	Local Pensions Partnership (LPP)
Humberside Fire and Rescue Service	Humberside Fire and Rescue Service	West Yorkshire Pension Fund
Isle of Wight Fire and Rescue Service	Isle of Wight Fire and Rescue Service	Isle of Wight Council
Isles of Scilly Fire and Rescue Service		Cornwall County Council
Kent Fire and Rescue Service		Local Pensions Partnership (LPP)
Lancashire Fire and Rescue Service		Local Pensions Partnership (LPP)
Leicestershire Fire and Rescue Service		Leicestershire County Council
Lincolnshire Fire and Rescue	Lincolnshire Fire and Rescue	West Yorkshire Pension Fund
London Fire Brigade		Local Pensions Partnership (LPP)
Merseyside Fire and Rescue Service	Merseyside Fire and Rescue Service	Local Pensions Partnership (LPP)
Norfolk Fire and Rescue Service	Norfolk Fire and Rescue Service	West Yorkshire Pension Fund
North Yorkshire Fire and Rescue Service	North Yorkshire Fire and Rescue Service	West Yorkshire Pension Fund
Northamptonshire Fire and Rescue Service	Northamptonshire Fire and Rescue Service	LGSS
Northumberland Fire and Rescue Service	Northumberland Fire and Rescue Service	West Yorkshire Pension Fund

	FRA	Admin
Nottinghamshire Fire and Rescue Service	Nottinghamshire Fire and Rescue Service	Leicestershire County Council
Oxfordshire Fire and Rescue Service	Oxfordshire Fire and Rescue Service	Oxfordshire County Council
Royal Berkshire Fire and Rescue Service	Royal Berkshire Fire and Rescue Service	West Yorkshire Pension Fund
Shropshire Fire and Rescue Service	Shropshire Fire and Rescue Service	Shropshire County Council
South Yorkshire Fire and Rescue Service	South Yorkshire Fire and Rescue Service	West Yorkshire Pension Fund
Staffordshire Fire and Rescue Service		West Yorkshire Pension Fund
Suffolk Fire and Rescue Service	Suffolk Fire and Rescue Service	Suffolk County Council
Surrey Fire and Rescue Service		
Tyne and Wear Fire and Rescue Service	Tyne and Wear Fire and Rescue Service	West Yorkshire Pension Fund
Warwickshire Fire and Rescue Service		
West Midlands Fire Service	West Midlands Fire Service	West Midlands Fire Service
West Sussex Fire and Rescue Service	West Sussex Fire and Rescue Service	Hampshire County Council
West Yorkshire Fire and Rescue Service	West Yorkshire Fire and Rescue Service	West Yorkshire Pension Fund

Annex D: Please explain why any breach was not recorded/ reported, if applicable.

FRA responses:

2% of statements not produced equated to less than 10 statements. We did not consider this to be material enough to be reportable.
We had undergone a data cleanse exercise prior to the deferred benefit statements being sent out. The ones that weren't sent out in time with the deadline were ones which were returned as addressee gone away. We decided that if we sent them out anyway then we would have been breaching GDPR.
Not a material breach. Affected 30 RDS 2006 Modified Scheme Members. Due to lack of national calculations from Civica, Administrator manually calculated and completed by 31 October 2019.
Recorded on internal breach log but not deemed to be of material significance so was not reported to the Pensions Regulator
We did report it but they have agreed no action
Not Material

Administrator responses:

Recorded on internal breach log but not deemed to be of material significance so was not reported to the Pensions Regulator
Recorded on internal breach log but not deemed to be of material significance so was not reported to the Pensions Regulator
Only DBS for 92 scheme weren't issued for 1 member who was past NPA and we were awaiting his forms to claim payment.
3 members past their NPA - waiting for them claiming their pension(from deferred) as with all our other FRA's
2 members past their NPA - Waiting on them completing forms and claiming their pensions.
1 member in 92 DBS not issued as member past NPA and we were waiting on forms to claim pension.
1992 deferred members past their NPA - we were waiting on them claiming payment. So had received notification of value of benefits already.

Annex E: What, if anything, do you plan to do differently next year to improve the ABS process?

FRA responses:

A number of steps have already been put in place over the past 4 years to ensure all active members are captured, data is submitted on time and data cleansing has been completed. The only issues this year relate to technical issues with the pension administration software, so the only remaining controls that can be put in place relate to improvements to the software configuration.
We have moved to a new administrator since the ABS were produced and believe this should improve the process.
Further enhance our working relationship with our pensions Administrator - Local Pension Partnership (LPP) and continue to work with LPP to try to improve the information available in the ABS
Seek to improve the production of the modified pension
Administrator is improving software to remedy the issue this year and monthly returns are being submitted so no delays foreseen
To ensure that payroll submit the correct Whole Time Equivalent Pensionable Pay (WTE) [used for any final salary element of retirement benefits] and CARE Total Pensionable pay (CARE) to the pensions team
An audit of addresses before issuing
make small improvements to the annual return
ensure modified statements are produced automatically with minimal manual intervention
Review contract with the Administrator, particularly reasons why small proportion of ABS were delayed to prevent happening again, Ensure substantive job titles continue to be used, despite temporary promotions salary figures used, and that this is explained
We have moved onto monthly postings from April 2019 but have encountered a few issues. We are hopeful these will be corrected shortly and so we should be able to provide 2019-20 data quicker than in previous years
Improve statement layout for deferred ABS
Our pensions administrator intends to automate the calculations for RDS modifieds to reduce the risk of not producing 100% of the ABS on time
Our ABS process went very smoothly and other than a technical issue which has now been rectified there are no improvements identified
Aligning pension board meetings to the LGA planning cycle
Ensure Pension Administrator is constantly reviewing the process, so the complexity of the calculations is broken into simpler terms for the end user to understand.
Work out Remedy

Administrator responses:

Start earlier. Delayed this year due to LGPS valuation
Try to simplify/reduce number of ABS/DBS templates.
A part from a one modified member the process ran through smoothly.
Introduce Member Self-Service
2006 Special Members now have a bespoke in-house calculation so these are now part of the standard production process

Annex F: Is there anything the Scheme Advisory Board could do facilitate improvements to the ABS process?

Advise on any changes which may be required to ABS as a result of the McCloud case in plenty of time to ensure software can be updated if necessary.

It would be helpful if the Scheme Advisory Board could, proactively work with the major pensions system software providers, to encourage them to make improvements requires to better facilitate the capture of scheme specific data and enhance their capabilities in respect of calculating benefits under the various firefighter pension schemes.

Preplanning any impact of McCloud judgement on how ABS are presented to provide assurance

Again to keep under review, supporting LPB and members of the scheme, simplify the process where appropriate to try and address the workload required by both FRA's and Pension Administrators.