

FIRE FIGHTERS PENSION BOARD

Held 8 July, 2019 at 1.00 pm
Room 1, Fire HQ, Pirehill ST15 0BS

Present: Mr Glynn Luznyj, Employer Representative (**Chairman**)
Mr Richard Mortimer, Fire Pension Scheme Member (Employee Representative)
Mr Robert Moss, Fire Pension Scheme Member (Employee Representative)
Mr Glynn Dixon, Employer Representative

Also in Attendance:
Mr David Greensmith, Director of Finance Assets and Resources
Ms Irina Volkova-Heath, Pension Co-ordinator

Apologies: Ms Helen Scargill, West Yorkshire Pension Fund (WYPF)

Documents referred to in these notes are not appended but will be attached to the signed copy of the minutes. Copies, or specific information in them, may be available on request.

1. Declarations of Interest/Conflict of Interest

Board members were reminded that they should declare any interests or responsibilities, which may lead to a conflict of interest in the subject area or any specific agenda item of this meeting. A conflict of interest is defined as a financial or other interest, which is likely to prejudice a person's exercise of functions as a member of the Pension Board. It does not include a financial or other interest arising merely by virtue of that person being a member of the Firefighters' Pension Scheme.

None noted.

2. Minutes of the Pension Board Held on 3 May, 2019

2.1 The Board reviewed the last minutes and accepted them as a true and accurate record of the meeting.

AGREED – That the minutes of the Fire Pension Board held on 3 May, 2019 be signed by the Chairman

2.2 **Matters Arising** – The following noted following the last meeting;

Action 013 – Split Pensions Update: David Greensmith to consider the sums that might be involved in the payment of any potential compensation claim. Once known the issue would then be followed up in discussion with the scheme manager

This remains an open action for David Greensmith.

The following actions are closed; 9,10,11,12, 14

3. Terms of Reference (ToR) Update

The Board agreed the revised ToR. The key change is the frequency of the meetings.

It was noted that the Chair has completed 4 years of his tenure and according to the ToR he is normally appointed on a rolling basis usually for 3-5 years although he can be appointed for up to 10 years. The Board noted that the Chair provides consistency and acknowledged the investment in training for the Chair and Board members. As part of the record keeping it was agreed that a copy of the record of Board appointment is held with the records of the meeting papers.

ACTION 15 – David Greensmith and Jane Sims to set up a Board Appointments register.

There was a discussion regarding the Employee Representatives and it was concluded that it is better for the representatives to be replaced at different intervals to ensure some continuity and it was agreed that this would be picked up in Agenda item 9 and added to the Risk Register.

4. West Yorkshire Pension Fund (WYPF) Report

The Board received the above report for Information and the Chair asked if there was any causes for concern. Irina Volkova-Heath noted that retained fire-fighters pay their pension contributions in arrears which causes a delay in the production of their benefit figures. There have been queries with some of the transfers of data and as these are cleared the averages will reduce.

5. Pensions Audit Report

Whilst there were nine recommendations contained within the April 2018 Audit report six of these have been implemented. Most related to the Pension fund switching providers to WYPF.

5.1 Lump Sum – An extra screen has been added which allows WYPF to see any crystalized benefits.

5.2 Tracking of Recommendations – It was confirmed that all outstanding recommendations from the Audit report are reported to the Ethics, Transparency & Audit Panel (ETAP).

5.3 Starters and Leavers - Irina Volkova-Heath confirmed that she is developing a monthly report for starters and leavers to the Pension scheme, however she is hampered as information flows from the Fire Service to Stoke City Council Payroll to WYPF and then back again - meaning that the process can be complex.

ACTION 16: Irina Volkova-Heath is contacting Stoke to resolve this issue

6. Split Pensions Update

Since 2007 279 people have retired from the SFRS and potentially could have been affected by the Split Pensions issue if they have had a temporary promotion or demotion during specified periods. For members already retired - 42 cases identified. Six cases have been resolved and four cases have been given redress. Of the 36 cases unresolved nine relate to retained fire-fighters.

Irina Volkova-Heath confirmed that work is continuing to review everyone potentially affected by the split pension issue.

Not all of the cases have resulted in increased pension payments and pensioners who have been reviewed but not had a change in pension provision have not been contacted. Concern was raised by the Employee representatives that pensioners are unaware that there may have been an issue of Pension payment changes and it was requested that WYPF contact pensioners.

ACTION 17 – Irina Volkova-Heath confirmed that she will discuss with WYPF to ensure that they will contact everyone effected by the issue of Split Pensions planned by 31.10.19 to provide assurance that their pension has been reviewed.

The Chair confirmed that WYPF have provided assurance to the Pension Board that this will not happen in future and that there is a flag to recognise the point for calculation of split pension. However, until all cases have been reviewed it was agreed that Split Pensions will be a standing agenda item.

ACTION 18 – Jane Sims - Split Pension to be kept as a Standing Agenda Item

7. **Breach Policy**

The Breach Policy document has been updated to reflect Best Practice identified by the Pensions Regulator (PR). The Process Flowchart remains unchanged and is provided by the PR. The breaches log is maintained by David Greensmith and all breaches are logged regardless of whether they have been reported to the Regulator or not.

8. **Breach Assessments**

Breach assessments had been completed by Glynn Luznyj and Richard Mortimer on the single issue of entitlements to two pensions (split pensions), member assessment, information sharing and reimbursement and there was a discussion on whether the Board confirmed that there was a breach and if it should be reported to the Pensions Regulator.

- The Board agreed this was a breach and debated whether it was a reportable Breach of 'material significance'.
- The Board are assured that there is a process in place to prevent a re-occurrence of the Breach.
- The issue does not affect Police Pensions only Fire.
- There is inconsistency within the Pensions sector about how rules are applied nationally which is why SFRS were encouraged to move to larger provider.
- The Board wanted the issue of Split pensions to be more widely reported.

The following Actions were agreed by the Board

ACTION 19: Glynn Luznyj and Richard Mortimer to update the Breach Document

ACTION 20: Breach to be reported as a Material Breach by Glynn Luznyj – however a narrative should be appended that corrective action has taken place to prevent a similar breach occurring and the only reason that is being reported is to ensure that the regulator and Scheme Advisory Board support action at a national level.

9. **Risk Register Review**

It was acknowledged that the Risk Register required revision as many of the Risks were to do with the change of providers to WYPF.

9.1 **Maladministration** – It was agreed that Risks 2, 3 and 4 are merged as into a new risk of Maladministration

9.2 **Lack of Employee Membership** – It was agreed that this should be included a new risk as it is difficult to recruit new employee members and cause result in meetings not being quorate. It was noted that Board members are only required to provide a month's notice of their intention to stand down.

ACTION 21: David Greensmith to update the Risk Register for approval at the next Board meeting.

10. Communications

- 10.1 Agenda Items – The Board agreed that the Bulletins and the fact sheets provided by WYPF were good and asked if they could be added as an Agenda item for the Board meeting.

ACTION 22: Jane Sims to add Communications – Bulletins and Fact Sheets to Agenda and Helen Scargill/ Irina Volkova-Heath to forward any items for the Agenda.

- 10.2 Pensions Calculator – There was a request from an Employee Representative for a Pensions Calculator to be available on the Website. It was confirmed that WYPF are working on one and will advise the Board when it is launched. WYPF confirmed that they are working on improvements to the Annual Benefit Statement which will provide more options not just those at aged 60.
- 10.3 Internal Dispute Resolution Procedure (IDRP Forms) – Although the Board will be pushing its members to use the WYPF website for information it was confirmed that as the WYPF require 2 months' notice of retirement it will be better if IDRP forms are downloaded from the Staffordshire Pensions site.

ACTION 23: David Greensmith to arrange for the IDRP_forms to be loaded on to the website.

11. Any Other Business

- 11.1 Historic Injury Award Case – If a person retires and in receipt of a Benefit like the Incapacity Benefit then their Pension is reduced accordingly. If the benefit is removed then the Pensioner should contact the Pension fund and their pensions may be restored.

Although the onus is on the Pension member to contact the Pension Fund, WYPF have recently contacted members who have been in receipt of a benefit. As a result one of the pensioner members who had had his benefit removed is now owed around £50k by the Pension Fund.

It was confirmed that this is not a Breach as the onus is on the Individual to contact the Pension Fund and that no interest is payable on the balance of the funds.

- 11.2 Pensionable Pay Seminar – Both Robert Moss and Irina Volkova-Heath are attending the Pensionable Pay Seminar and have been requested to provide feedback at the next meeting.

ACTION 24 – Jane Sims to add Pensionable Pay Seminar to the next Agenda where feedback can be received on the seminar.

- 11.3 Incorrect Taxation at Source – An Employee Representative queried a case of a retained Fire Fighter who had retired on ill health grounds who had wrongly been deducted tax at source. When contacted the Inland Revenue had refused to refund the tax and suggested that redress should be sought from the Pension Fund. There are 18 cases where tax has wrongly been deducted. Of these 15 cases have accepted compensation as a full and final settlement and two cases are still negotiating settlements.
- 11.4 Pension Arrears Case– An Employee Representative queried a case of a retained fire fighter who owed pension arrears (re buy back into 2006 modified Pension Scheme) had originally asked to pay back the arrears on a monthly basis. The member now wanted to pay a lump sum to clear the arrears and reduce the amount of interest on the arrears. It was confirmed that members cannot change their original nomination and that the monthly payment stands.

12. **Date of Next Meeting**

28 October, 1019 at 11.00am
Room 1 Fire Service HQ