

FIRE FIGHTERS PENSION BOARD - MINUTES
6 October 2020, 10am, Dial in Meeting

Present: Glynn Luznyj, Employer Representative (**Chairman**)
Glynn Dixon, Employer Representative
David Greensmith, Director of Finance, SFARS
Helen Scargill, West Yorkshire Pension Fund (WYPF)
Irina Volkova-Heath, Pension Co-ordinator
Robert Moss, Fire Pension Scheme Member (Employee Representative)
Richard Mortimer, Fire Pension Scheme Member (Employee Representative)

Minutes: Lisa Willocks, Business Support, SCO

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. Attendance, Apologies and Conflicts of Interest

GL welcomed the group to the call and initiated a round of introductions. There were no declarations of conflict of interest noted.

2. Minutes and Actions Arising

2.1. In terms of accuracy, the previous minutes from 6th July 2020 were approved.

Action 25: Position remains unchanged. Awaiting election of new Commissioner.

Action 28: Action completed.

Action 30: Not concluded. DG & GL work on policy requirements and liaise with consultation board and present to SGB.

Action 32: Most of the work has been concluded. Pension regulator is aware and is happy with the work that is being done – to be discussed in the meeting. Ongoing.

Action 34: Annual Benefits Statement has been sent to WY with no exceptions. Action Closed.

Action 38: No update, the Home Office is still putting everything together. Will revisit when information comes through. Action Closed.

Action 39: To ensure recruitment processes adopt the wording regarding potential implications for tax, annual allowance or promotion.

Action 40: Performance Indicators format. HS wasn't proposing to create any other KPI's, this was for the purpose of the meeting whether this could be pulled into one document. Ongoing

Action 41&42: Work has been completed and will be discussed during the meeting. Action Closed.

Action 43: Refers to Action 30. Action Closed.

3. Pensionable Pay

Paper presented to the Strategic Governance Board (SGB) board last week. Update on pensionable pay issues that have materialised in the Mid & West Wales case. Reviews have been ongoing throughout the service, around the training allowance, day crewing and resilience team. In terms of the update, following the legal advice received by the lawyers (Weightmans), recognising the training allowance should have been pensionable, also the resilience team, but both outside the limitation act period. All payments regarding day crewing were pensionable as members were given the choice to move to the 2006 scheme at the time. The paper updates following a Pensions Ombudsman complaint received. The individual was a member of the resilience team between 2007-2011. He has agreed to pay any pension contributions outside of the limitation act period. After more legal advice the FRA has been advised to

accept this position and adjust the pension benefits of the individual. The finding has gone back to the Pensions Ombudsman and the individual and both are happy with the remedy.

Puts us in a position where we need to look retrospectively at the training school allowance, going back 6 years to 2014 and inform members to give them an opportunity prior to 2014. Same applies to the resilience team, if they are prepared to pay the contributions, we should offer the same opportunity. Recommendations sent to the board that further work needs to be done on training allowance and resilience team.

GD. The reference to the limitation legal advice – last bullet point. Mr F has only been in receipt of his pension for 2 years and still in the limitation act period. Had Mr F been in receipt prior to 2014 would our approach be different. DG responded that it would change our position but will clarify with Weightmans in regards to the commencement of the limitations period. GD questioned whether we rely on the limitation act – thinks we need to do further work. DG advised that the main issue is that there is no case law on this and the lawyers have to be careful over the wording they use. GD believes we need to take legal advice and come to a conclusion quickly.

IVH questioned whether we have to make the payments up to them. HS advised we are doing the recalculation and there will be tax implications. HMRC says although it is a legal ruling there has been no amendments to the regulations. GL advised this was agreed with the Scheme Manager that any lump sum classed as an unauthorised payment by HMRC would attract a taxation. The taxation at the higher rate would be picked up by the authority, if this was an administration error however this is not clear when the outcome is based on historical action as a result of case law. DG suggested that a conversation with the Scheme Manager as to whether we agree that the authority pick up any additional taxation on lump sum payments. GL advised that there is more legal advice to be taken and over the taxation payments. GD agreed and following conversations at the SGB there clearly more work to be done.

Rob Moss re-declare that he is a former member of the resilience team and note the potential conflict in his position.

GL stated that we need to ensure that we have transparency and that we get this right for all the members, and that work needs to be done outside of the meeting.

4. Split Pensions

Progressing and most members have received a letter. Agreed to be left on the agenda as an ongoing point.

5. Injury Pension Review

DG took the meeting through the paper to provide the board and scheme manager regarding the outcome of a review undertaken by WYPF, making sure that the pensions that are in payment are correct. Where members have any other benefits payable, we need to ensure that the pensions are adjusted correctly so they are not receiving benefits twice. There has been some history over underpayments. Seventeen pensioners have been notified and corrected. Some historical payments need to be corrected, there is £99,306k of underpayments and £93k overpaid. Underpayments have been agreed and WYPF are processing these payments. There are two large cases of overpayment. £40k & £43k – the board to consider the payments and how we approach to recover the funds whilst fully considering the limitations act and the impact on individuals. Meeting has been set up for this week for the scheme manager to discuss this.

DG asked whether WYPF has had any similar experiences with other schemes or clients and getting overpayments back. HS advised that this situation occurs with every new client we take-on and make it priority to review the injury awards. Most FRA's try to recover and limit to the 6 years. A couple have written the overpayment off but the majority do try to recover up to the 6 year period. RM & RM agree with the proposal and that it's a sensible approach to take in trying to recoup.

GD questioned whether this is reported to the pension regulator as a breach. HS knows of a couple of FRA's who have assessed the issue, and believes recorded it internally but didn't report it to the regulator on the basis that it is a one-off situation, and shouldn't happen again because of the change in administration. GL advised they would discuss and bring back to the board.

6. Update from Administrator / Bulletins, Factsheets, Technical Notes/Events/Surveys

- Communications meeting was held on 7th September and discussed remedy and immediate detriment guidance. Looking to produce some communication that will be available for everybody to use at every stage in the process and giving the same information to members. Looking at going through sergeant case and the consultation taking place. Once available, information should be used for both remedy and immediate detriment cases. Will be a large piece of work and will take a lot of resources.
- Member website on the FPS site, there have been some issues with the authority because of the regulation changes that came into effect in September regarding accessibility on websites. That organisation is being audited and as a result putting any measures in place for any areas of non-compliance. Hopefully this will be with the LGA in December.
- Discussions have taken place on the Pensions Admin Strategy consultation document, everyone was in favour but one or two suggestions for change and improvement. LGA will do that and a revised document will be available.
- Annual Conference – there are a few attendees from Staffordshire and will update from their own perspective. GL agreed.
- Client meeting on 15th July.
 - In terms of new business, need to make members aware that WYPF will be providing pensions administration for Leicestershire, Derbyshire & Nottinghamshire Fire from 1st December. More recruitment to be undertaken to increase resources.
 - WYPF are running a Project team from a remedy perspective, LGPS & Fire. Looking at a strategic level, looking at from the ground level, project teams to work on each of the areas of retrospection of importance.
 - Restructure within WYPF, few more posts and some people assimilated with effect 1st September. Need to start looking at filling the posts. In terms of Fire within new business development governance area will give some more scope for improvements and implement changes under Fire.
 - Following guidance for linking and aggregation. First looking at automatic linking of benefits for members, as these are not affected by remedy in the 15 scheme. More detail is available from the minutes of that meeting. The consultation and deadline for responses is the end of this week.
- Bulletins: No. 37 came out on 30th Sept. In 35 no actions were required by WYPF. In 36 – SRA's would have to confirm their administrators had received the new data collection spreadsheet from the GAD 2020 Valuation. HS can confirm that has been received and will be starting work on collating the information.
- LGA training – none.
- Client Monthly Report – July, August and September has been sent.
- No regulation amendments. In terms of Valuation 2020, still waiting for a revised valuation extract from the software supplier. Expected in the next couple of days.
- Due to Covid 19 the decision was made to run the daily payroll once a week. This has now changed to twice a week on Mondays & Thursdays.
- Deferred benefit statements – started producing in May.
- Annual benefit statements for active members – 100% produced by 31st August deadline, and the 10 members that breached the annual allowance for 19/20, and they have all received a pension savings statement, 100% complete and sent out by the 6th October deadline.
- GMP reconciliation – nothing to report.
- Monthly returns – still an ongoing issue until we get to next year's Annual Benefit Statement, however, it is much improved.
- KPI reporting included in the monthly report. No major changes, the changes that have happened have been in the upward direction.

Questions:

- GL asked about Annual allowance being incorrect for 10 members – next year can there be a manual calculation, then that would stop members receiving an incorrect statement. HS would have to who produces the Annual Benefits statements and pension savings but would suspect not – purely in terms of numbers we have got, and the ability to complete in the timescale. HS will raise internally to see if there is anything we can do, however there is nothing to stop incorrect information going out on the annual benefits statement. If the process cannot be changed then a communication needs to be sent out.
- Leap year issue – all resolved. HS advised that anyone who has asked for an estimate before 2022 will have received one. We are not aware of why it happened, there was no amendments to the calculation, which was used last year, and the system was tested before they were sent out with no issue. Investigating to make sure it doesn't happen again.

7. Risk Register Update

- 11 risks captured for the Pension Board.
- HS commented on No. 9 – changing wording something more general title with a few examples.
- GL No. 2 – member data. Can the impact rating be reduced to 2?
- Administration risk no. 3 – is this creeping up for consideration.
- Risk No 8. The net risk rating, update the mitigating actions, may reduce the likelihood. Risk rating to remain the same.

8. Any Other Business

- **Sergeant Remedy Preparatory Work** We establish a small project team in Staffordshire to start the preparatory work in response to the consultation. Suggest the team meets on a regular basis to pick up the actions, so that we are ready for 2022. All in agreement.
- **R Moss – Transfer of Private Pensions.** On 29th April 2019 took the transition to move a private pension into 2015 scheme. Point 5.14 revaluing – any transfers taken into 2015 scheme against the legacy scheme (92 scheme). At this moment no one knows what the transfer values are. The problem is depending on length of service, could create an issue as to whether they would come into the detriment category. DG advised that we can't pretend it hasn't happened – how can we get assurance that this will get picked up with regard to the communication from the Home Office? HS advised that this is going through legal process at the moment and have raised it within the response to consultation in terms highlighting that being converted in to 92 the transfer could never have happened had transition not occurred, raised that as an issue. Also raised that some people because of the transition period and suggested that it wants a look at converting it into an additional pension benefit equivalent. Until it goes through a process and we get regulations, there is no guidance. RM would like to come back on the subject that unless you had transferred from the 2015 scheme and put money in, that money couldn't have gone in the 92 under ordinary circumstances, however the remedy period is 1.04.2015- 31.03.2022 and any transfer that happens during that period, you have to declare which scheme you belong to. GL advised that we can't act on this until there is legal clarity and guidance to FRA's. RM would like to put to the board to put together how many members have we got in this position and identifying who they are so we are ready to communicate. IVH advised that in all the literature, it is stated that we are not allowed to give financial advice and it is the individual's responsibility to seek financial advice.
- **R Mortimer – Overtime.** There appears to be a lot of overtime being offered for FF's. RM would like to look at the abatement opportunity that has been presented to November of allowing people to waive the abatement requirement if we are running short of staff. There are members of staff who retired but cannot re-join the force for 6 months if they are under 55, however the government has placed an exemption if emergency services are short of staff due to Covid. GL advised that currently staffing levels will not be an issue going through the pandemic and therefore there is no current need to review the service's position on abatement.
- **R Moss - Multiple Pensions – Retained Personnel.** Aware that some individuals that have multiple pensions, there was no issuing of new multiple payroll numbers. Some multiple pensions haven't

been consolidated into one pot. The concern is if the pot becomes deferred and hasn't been consolidated, we are now at the point that those pots will be permanently deferred if not reactivated within 5 years and would like to raise it again. GL responded and addressed the issue going forward but we cannot approach to consolidate so they are not deferred - it's the rules. DG advised we can link things together but if permanently deferred they are separate pensions. HS advised they only remain deferred if the periods of employment is 5 years or more, cannot move one into the other. HS advised they only remained deferred if the gap between public sector employment is 5 years or more. IVH advised that the issue is our administrators linking multiple casual employment on the whole time, they cannot link into the retain as it is concurrent employment and running in parallel so would have to be separately. GL advised that from a pension board perspective the issue was raised and took advice but this was the position taken by the authority. RM advised that this is with regard to multiple whole time pensions that are treated as distinct separate pensions due to be issuing of new payroll numbers, RM knows of an individual who is not aware of the situation and their earlier pensions risk becoming deferred but not aware that the problem exists. RM to liaise with DG, GL, IVH, HS to pick it up outside of the meeting.

Date of next meeting

7 January 2020