

What type of scheme is FPS 2015?

- Occupational
- Un-Funded
- Defined benefit
 - Benefits set out in law
- One of several Public Sector pension schemes



Local Pension Boards

The Role of the Local Pension Board

Assist the scheme manager in securing compliance with:

- Scheme regulations
- Legislation relating to governance and administration of the Scheme
- Pension Regulator's requirements e.g. Code of Practice

Scheme governance and Administration:

- managing risks and ensuring there are adequate internal controls
- keeping records and ensuring the quality of member data
- ensuring the correct contributions are paid to the scheme
- managing conflicts of interest
- publishing information about the board
- communicating information to members
- resolving disputes and reporting certain breaches of the law

Good decision making:

Did the decision maker(s);

- Have appropriate delegation?
- Follow regulations, guidance, policy?
- Was professional advice required/followed?
- Consider only the relevant facts?
- Has a new material factor come to light?

Assist the scheme manager where requested:

Might include;

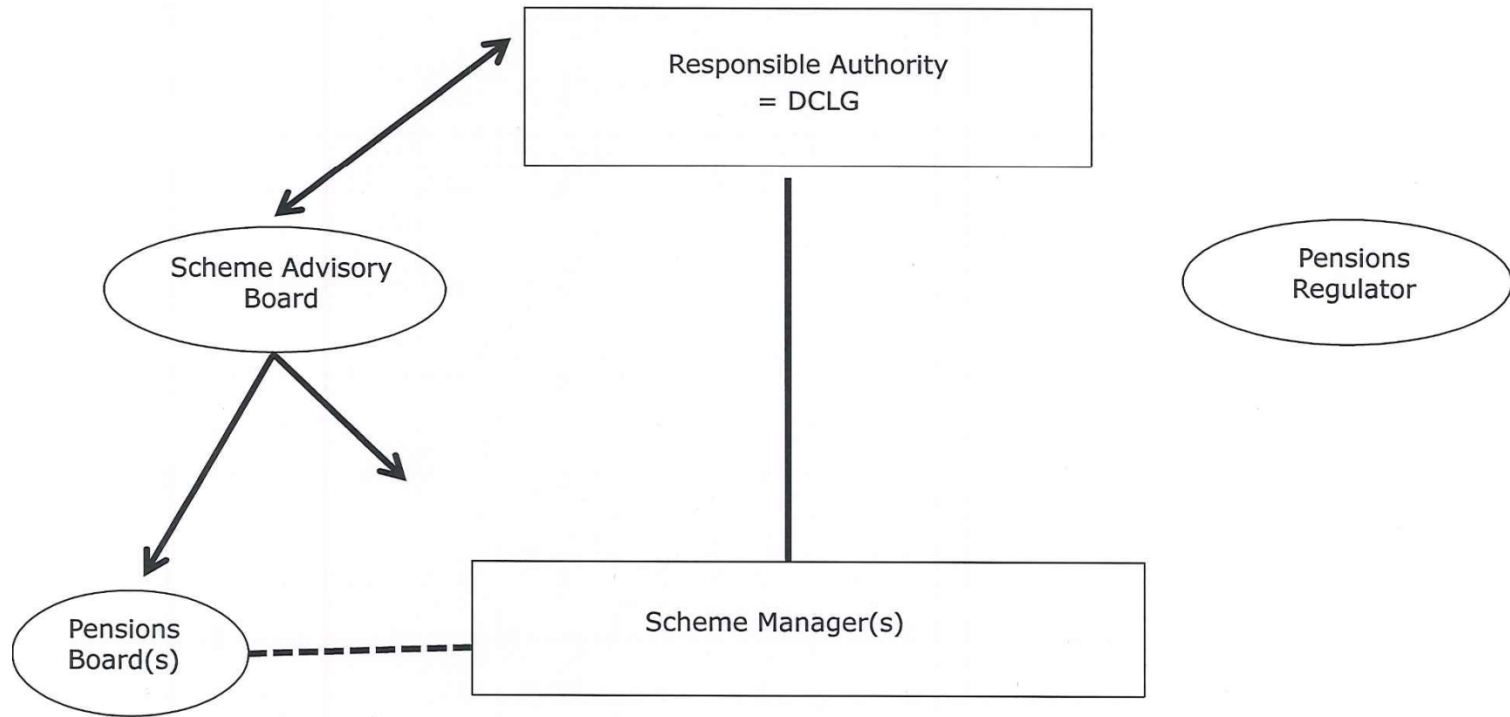
- Input into policies
- Input into communications

"But not to replace or duplicate the role of Hertfordshire CC or make decisions which are the responsibility of Hertfordshire CC"

Assist scheme manager

Firefighters' Pension Scheme

New Governance Structure



PSP Act 2013

- Hutton main recommendations and conclusions:-
 - Retain defined benefit arrangements
 - Move away from final year arrangements
 - Defined contribution for all ruled out-no race to the bottom
 - Explore options around career average/hybrid arrangements
 - Move new members into new scheme for future service
 - Achieve short term savings by increasing member conts

PSP Act 2013 Scheme design

- Defines CARE scheme
- Defines revaluation
- Defines normal pension age
- Names Responsible Authority (Secretary of State for Firefighters)
- Requires Scheme manager (LFB)
- Defines Local Pension board
- Defines Scheme Advisory Board

PSP Act 2013 Summary

In summary the act sets out that the FPS should:-

- Be a CARE scheme revalued under HMT orders
- Have a NPA of SPA or 60 (if still active)
- Have a Scheme Manager, a Scheme Advisory Board and a Local Pension Board
- Have an employer cost cap with method to ensure costs match that cap
- Prevent accrual to existing scheme except for protected members and maintain final salary link for previous service

FPS 2015 summary

- Pension based on 1/59.7th of pay.
- Normal Pension Age (NPA) of age 60.
- Individual CARE Pension Account.
- Active pension account revalued in line with Average Weekly Earnings (AWE) index.
- Deferred and pensioner benefits revalued in line with Consumer Price Index (CPI).

FPS 2015 continued...

- Can buy Added Pension.
- Partial retirement possible from age 55.
- Employer initiated early retirement.
- Commute pension to lump sum at rate of 12:1.
- Ill Health cover.
- Death in service benefits.
- Family/Dependants benefits.

How CARE works

- Example sheet

What is pensionable

- Attached sheet

Pension contribution rates

- See sheets

Training support areas

- Any area's of training/explanation in future meetings?