

**LOCAL PENSIONS PARTNERSHIP  
FIREFIGHTERS PENSIONS ADMINISTRATION REPORT**

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Agenda Item  
No:

**3**

**Purpose of the report**

This report is provided by the Local Pensions Partnership (LPP) giving a quarterly update on the delivery of the pensions fund administration services in the following sections.

- Section 1: Statistics and key performance indicators
- Section 2: An update on regulatory changes, including the latest news on the potential scheme changes
- Section 3: Additional Projects

**Recommendations**

Comments are welcome as to additional information or content that should be included in future reports.

## SECTION 1 STATISTICS AND KEY PERFORMANCE INDICATORS

### 1.1 Pensions Fund Statistics

#### Scheme Membership:

Membership of the Firefighter Pension Arrangements over the past year are summarised below:

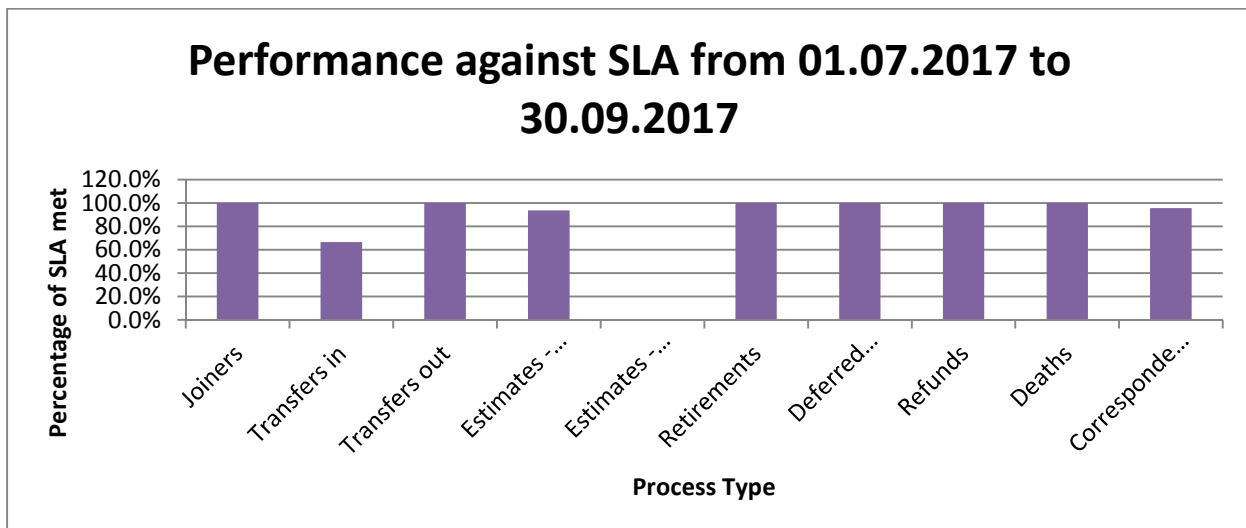
	Q3 2016/7	Q4 2016/7	Q1 2017/18	Q2 2017/18
Active Members	605	602	591	606
Deferred Members	229	243	253	263
Pensioners/Dependants	643	643	649	652

### 1.2 Performance Indicators

The LPP Pensions Administration Services is measured against key performance indicators that measure compliance, efficiency and effectiveness of the service. See Section 1.3.

### 1.3 Performance for the LPP Pensions Administration Service

**Service Level Agreement and Volumes:** The following graph provides a quarterly review of key areas and performance achieved with performance overall during the period over 93.67%.



1 transfer in case, 2 estimate cases, 1 employer estimate case and 1 correspondence case were not completed within Service Level Agreement (SLA) but they were completed within the agreed rectification period, however this is against the backdrop of additional transaction volumes experienced within the quarter – as seen in the table opposite.

<b>Key Processes Completed</b>	<b>01.10.2016 to 31.12.2016</b>	<b>01.01.2017 to 31.03.2017</b>	<b>01.04.2017 to 30.06.2017</b>	<b>01.07.2017 To 30.09.2017</b>	<b>Performance against SLA %</b>
Admissions	0	2	1	2	100%
Transfers in	0	0	1	3	66.7%
Transfers out	1	0	1	3	100%
Estimates - member	21	37	26	32	93.8%
Estimates - employer	0	0	0	1	0.00%
Retirements	1	1	4	3	100%
Deferred benefits	2	5	3	6	100%
Refunds	0	0	3	2	100%
Deaths	0	0	2	4	100%
Correspondence	29	16	12	23	95.7%
<b>Total Key Processes Completed</b>	54	61	53	79	93.7%

Work continues to move the Herts Fire Pensions Administration to the specialist team in London who are also responsible for administering pensions for London Fire Brigade, Beds Fire & Rescue Authority and Kent Fire & Rescue Authority. The intention is to provide more expertise and resilience to the Authority and scheme members whilst maintaining a presence in the Hertfordshire office.

#### **LPP Service Complaints**

- None

#### **Fire Authority Complaints**

- None

#### **IDRP's**

- None

## **SECTION 2 FIREFIGHTERS PENSION SCHEME REGULATIONS AND SCHEME CHANGES**

### **2.1 Legal Challenge Regarding Pension Protection Arrangements**

Following the legal challenge to the 'protection arrangements' for firefighters in the 1992 scheme which was judged to be justified by the Central London Employment Tribunal, the Fire Brigade Union has announced that they intend to appeal the ruling. The hearing will be held in the first 2 weeks of December.

### **2.2 Amendment Regulations**

The Fire Amendment Regulations (the Firefighter's Pension Schemes and Compensation Scheme (Amendment) (England) order 2017 (2017/892) and The Firefighters' Pension Scheme (England) (Amendment) Regulations 2017 (2017/881) have been laid on the 11 September 2017.

The most significant amendments are as below:

A SI 2017/892 gives effect to the government decision as was announced in the budget of 18 March 2015 that widows, widowers, and surviving civil partners of firefighters and police officers who died or die on duty in England and Wales would no longer lose their survivor benefits if they remarry or form a civil partnership. On 12 October 2015, the Home Secretary announced in the House of Commons that, in respect of police pensions, such changes would be applied retrospectively to marriages, remarriages and civil partnerships entered on or after 1 April 2015. The current reforms regarding firefighters are consistent with that approach.

B SI 2017/888 ensures that where a member of the 1992 or 2006 scheme is due to taper into the 2015 scheme, but is undertaking consideration for potential ill health retirement, they should remain in the 1992 or 2006 scheme until the decision has been taken.

## 2.3 Annual and Lifetime Allowance

LPP has contacted all scheme members who have exceeded or are close to exceeding the Annual Allowance or Lifetime Allowance limits. The letter included details of 'drop in days' to enable individuals to discuss their personal circumstances.

The timetable below shows the plans and how it ties in with the HMRC requirements.

Date	Event	Status
31 August 2017	Annual Benefit statements issued	Complete
6 October 2017	Individual letters to members affected by Annual Allowance issued	Complete
17 October 2017 & 14 November 2017	Drop in day	Complete
31 January 2018	Self-assessment deadline (individuals with a tax charge must complete their self-assessment by 31 January 2018)	
31 July 2018	Deadline for member to inform LPP if they intend to use scheme pays	

## SECTION 3 – ADDITIONAL PROJECTS

### 3.1 GMP Reconciliation

Work is underway to produce the project plan and the cost model for the third and final phase of the reconciliation exercise. This final phase will incorporate the analysis of the active membership, a refreshed analysis of the deferred and pensioner membership, the resolution of any new discrepancies identified and the resolution of the queries raised with HMRC in the previous phase of the reconciliation.

Once the project plan has been signed off internally LPP will approach Hertfordshire Fire & Rescue Service for comment and agreement.

In addition, HMRC announced in its November countdown bulletin that it no longer intends to issue statements to individuals with details of their contracted out history. This was expected to be dispatched in December 2018. The HMRC explanation is that in light of Personal Tax Accounts, the Pension tracing service and, eventually the pensions dashboard, this is no longer necessary.