

**HERTFORDSHIRE COUNTY COUNCIL**  
**HERTFORDSHIRE FIRE PENSION BOARD**  
**23 MARCH 2018 AT 10.00 AM**

**Agenda Item  
No:**

**3**

**REPORT ON FIREFIGHTER PENSION SCHEMES ANNUAL BENEFIT  
STATEMENT RE-ISSUE**

*Report of Director of Resources*

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**1. Purpose of report**

- 1.1 To disclose to the Fire Pension Board that some Annual Benefit Statements (ABS) for the Firefighters Pension Scheme (FPS) for 2016-17 contained incorrect information.
- 1.2 To provide an explanation of how this occurred, the impact this had upon members, the steps that have been taken to remedy the situation and the measures which have been put in place to prevent the situation reoccurring.

**2. Recommendations**

- 2.1 That the Hertfordshire Fire Pension Board notes the content of the report.

**3. Background**

- 3.1 The County Council has to provide all active members of the FPS with an ABS, for benefits accrued until the end of March, by the statutory deadline of 31 August. Serco, who are contracted to deliver the Council's payroll services, provide the payroll data via an 'annual return' to the Local Pensions Partnership (LPP). The LPP then use the data supplied by Serco to update their systems and produce the ABS. The format of the annual return is specified by LPP and as part of the ABS project meetings, Serco have the opportunity to clarify the specification with LPP. The annual return is signed-off by Human Resources (HR) before being released to LPP.

**4. Annual Benefit Statements 2016-2017**

- 4.1 While working on the day crewing pensionable pay project, the LPP alerted HR to the fact that some of the data supplied on the FPS annual return for 2016-17 was incorrect.

- 4.2 In the data supplied to the LPP, in the column labelled 'Pre2015Definition Pay', a gross pay figure was supplied by Serco rather than Full Time Equivalent (FTE) pensionable pay as per the pre 2015 scheme (i.e. 1992 and 2006 scheme) definitions. This was not picked up when the data was signed off.
- 4.3 Serco have now revised the data and LPP have analysed the impact on the FPS ABS for 2016-17, which is set out below:

<b>Value of Differential in error</b>	<b>Number of firefighters with a positive difference (greater value on the revised Pre15 pay figure)</b>	<b>Number of firefighters with a negative difference (lesser value on the revised Pre15 pay figure)</b>
Less than £100	3	4
£100 to £1,000	17	104
£1,000 to £10,000	39	449
Over £10,000	23	8
<b>Total</b>	<b>82</b>	<b>565</b>

- 4.4 The LPP have updated all of the affected member records on their system and ABS have been re-issued along with an explanatory letter – see **Appendix 1**.

## **5. Annual Benefit Statements 2017-2018**

- 5.1 To improve the checks in place before the ABS for 2017-18 are issued, a detailed specification of the annual return will be documented by HR and agreed by Serco and the LPP. A robust checking and sign-off procedure will also be put in place by HR, including test scripts for Serco to complete before sending the data to LPP and sampling of ABS by HR and LPP before being issued to members.

## **6. Financial Implications**

- 6.1 There has been no impact on the pension fund. The incorrect final salary figures supplied by Serco have not been used for any other purpose than producing the ABS, so it is only the ABS which have been affected by this issue. The costs for LPP to update their records and re-issue the ABS have been paid for by HR. HR in turn will look to recover these costs from Serco.

## **7. Equalities Implications**

- 7.1 When considering proposals placed before Members it is important that they are fully aware of, and have themselves rigorously considered the equalities implications of the decision that they are taking.
- 7.2 Rigorous consideration will ensure that proper appreciation of any potential impact of that decision on the County Council's statutory obligations under the Public Sector Equality Duty. As a minimum this requires decision makers to read and carefully consider the content of any Equalities Impact Assessment (EqIA) produced by officers.

- 7.3 The Equality Act 2010 requires the Council when exercising its functions to have due regard to the need to (a) eliminate discrimination, harassment, victimisation and other conduct prohibited under the Act; (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. The protected characteristics under the Equality Act 2010 are age; disability; gender reassignment; marriage and civil partnership; pregnancy and maternity; race; religion and belief, sex and sexual orientation.
- 7.4 There are no equality implications of the issue to the pension schemes.