

Agenda



AGENDA for a meeting of the HERTFORDSHIRE FIRE PENSION BOARD to be held in COMMITTEE ROOM A, County Hall, Hertford on FRIDAY, 23 MARCH 2018 AT 10.00 AM

MEMBERS OF THE BOARD (4) - QUORUM (4)

Employer Representatives – T W Hone (Chairman), G Goodchild

Member Representatives – D Scotchford (Vice Chairman), S Joiner

STANDING SUBSTITUTE MEMBERS

Employer Representative – J Smith

Member Representative – D Cooper

Meetings of the Board are open to the public (this includes the press) and attendance is welcomed. However, there may be occasions when the public are excluded from the meeting for particular items of business. Any such items would be taken at the end of the public part of the meeting and listed under "Part Two ('closed') agenda".

Committee Room A is fitted with an audio system to assist those with hearing impairment. Anyone who wishes to use this should contact main (front) reception.

Members are reminded that all equalities implications and equalities impact assessments undertaken in relation to any matter on this agenda must be rigorously considered prior to any decision being reached on that matter.

Members are reminded that:

- (1) if they consider that they have a Disclosable Pecuniary Interest in any matter to be considered at the meeting they must declare that interest and must not participate in or vote on that matter unless a dispensation has been granted by the Standards Committee;
- (2) if they consider that they have a Declarable Interest (as defined in paragraph 5.3 of the Code of Conduct for Members) in any matter to be considered at the meeting they must declare the existence and nature of that interest. If a member has a Declarable Interest they should consider whether they should participate in consideration of the matter and vote on it.

AGENDA

1a. APPOINTMENT OF CHAIRMAN

In accordance with Annex 24 of the Constitution “the term of office of the Chairman shall be 1 year unless the Chairman resigns or is replaced by the Board. The office of Chairman shall rotate between the employer representatives and the member representatives so that where the Chairman is an employer representative the next following Chairman shall be a Member representative and vice-versa”.

The Board is therefore invited to elect a member representative as its Chairman for the ensuing year.

1b. APPOINTMENT OF THE VICE CHAIRMAN

In accordance with Annex 24 of the Constitution “the Board shall elect a Vice-Chairman who shall.....be either an employer representative or a member representative. Where the Chairman is an employer representative the Vice-Chairman shall be a member representative and vice-versa”.

The Board is therefore invited to elect an employer representative as its Vice Chairman for the ensuing year.

1c. MINUTES

To confirm the minutes of the meeting of the Board held on 15 December 2017 as a correct record.

2. LOCAL PENSIONS PARTNERSHIP PRESENTATION ON GENERAL DATA PROTECTION REGULATIONS (GDPR)

Presentation of the LPP

3. REPORT ON FIREFIGHTER PENSION SCHEMES ANNUAL BENEFIT STATEMENT RE-ISSUE

Report of Director of Resources

4. LOCAL PENSIONS PARTNERSHIP LOCAL GOVERNMENT PENSION FUND ADMINISTRATION REPORT

Report of LPP

DATES OF FUTURE MEETINGS

The Board is invited to note the dates of future meetings, as follows:
19 July 2018: 10.00 AM

There are no items of Part II business on this agenda. If Part II business is notified the Chairman will move:-

“That under Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph.....of Part 1 of Schedule 12A to the said Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.”

If you require further information about this agenda please contact Theresa Baker, Democratic Services, on telephone no (01992) 556545 or e-mail theresa.baker@hertfordshire.gov.uk

Agenda documents are also available on the internet at:
www.hertfordshire.gov.uk

**KATHRYN PETTITT
CHIEF LEGAL OFFICER**

Minutes



To: All Members of the Hertfordshire Fire Pension Board, Chief Executive, Chief Officers, All officers named for 'actions'

From: Legal, Democratic & Statutory Services

Ask for: Theresa Baker

Ext: 26545

HERTFORDSHIRE FIRE PENSION BOARD

15 DECEMBER 2017

ATTENDANCE

MEMBERS OF THE BOARD

Employer Representatives: T W Hone (chairman), J Smith (substituted for S Hedger)

Member Representatives: D Cooper (substituted for S Joiner), D Scotchford (vice chairman)

STANDING SUBSTITUTE MEMBERS

Employer Representatives:

Member Representatives:

Upon consideration of the agenda for the Hertfordshire Fire Pension Board meeting on 15 December 2017 as circulated, copy annexed, conclusions were reached and are recorded below:

Note: No declarations of interest were made by any member of the Board in relation to the matters considered at this meeting.

PART I ('OPEN') BUSINESS

Chairman's Announcements

Sian Hedger had left the Council on 17 November 2017 and recruitment of another Employer Representative would begin.

ACTIONS

P Towey

1. MINUTES

- 1.1 The Minutes of the Hertfordshire Fire Pension Board meeting of 27 September 2017 were confirmed as a correct record and signed by the Chairman.

2 COMMUNICATION POLICY STATEMENT 2017

[Officer contact: Jolyon Adam, Finance Manager
(Tel: 01992 555078)]

- 2.1 The Board received a report on the updated Communication Policy Statement (Appendix A), last reviewed in January 2016.
- 2.2 P Towey highlighted the changes to the Communications Policy, primarily the move to electronic communications with members where possible and, in particular making the Annual Benefit Statement available online with electronic notification of publication.
- 2.3 Written notice of the intention to change the default method of communications would be received between January and April 2018, with the option to opt out of e-communications in favour of continuing to receive paper hard copies. Members opting for e-communication would be asked to nominate an email address for their email communications (including the Pensioner Newsletter), notifications, payslips and alerts; the first online Annual Benefit Statement (ABS) would be in August 2018.
- 2.4 The Board welcomed the convenience of online self-service, in particular for the ABS which would be permanently accessible.
- 2.5 As part of the LPP's new business model, calls would migrate between January and April 2018 from the London team to the Preston Team and similarly administration and payroll to the London team which would have a larger pool of technical support.
- 2.6 The public facing role of the LPPs Engagement Officers at pension surgeries and the technical support they received was highlighted. To assist the Board in understanding what was available to members of the Fire Pension Schemes officers agreed that LPP staff would attend the July meeting to update on the LPP's resilience and technical resources.

P Towey
T Mutter
N Lewins

Conclusions:

- 2.7 The Board approved the 2017 Communication Policy Statement.

3. LOCAL PENSIONS PARTNERSHIP FIREFIGHTERS PENSIONS ADMINISTRATION REPORT

[Officer Contact: Taryn Mutter – Head of Client Delivery (LPP)]

3.1	The Board considered a report from the London Pensions Partnership (LPP) which provided the quarterly update on delivery of the pensions fund administration services with respect to statistics and key performance indicators; an update on regulatory changes, including the latest information on potential scheme changes and additional projects.	
3.2	To ascertain the trend in the number of deferred Fire Pension Scheme members, officers agreed to liaise with the LPP to provide the Board with the data (which may be in the annual accounts) (going back 5 years if possible).	P Towey T Mutter
3.3	In relation to the 5 cases completed outside of SLA but within the rectification period, the Board commented that the LPP should have the resources to deal with quarterly surges in transaction volumes and should record that the problems had been solved.	T Mutter
3.4	In regard of scheme regulations and changes, the Board heard that the decision on the discrimination case was likely to be after the March meeting and that the Brewster case was ongoing.	
3.5	Members heard that progress on the Pensions Dashboard was being held up by the need for pension providers to sign up to it.	
3.6	The Board were advised that the government levied all Pension Administering Authorities (the County Council), to fund the Scheme Advisory Board. The Scheme Advisory Board advised the Government on scheme design and also supported local fire pension boards in the interpretation of regulatory changes. The levy was £5.67 per active member.	
	Conclusion:	
3.7	The Fire Pension Board commented on additional information and content to be included in future reports.	
4.	DATES OF FUTURE MEETINGS 23 March 2018: 10:00am – 1:00pm 19 July 2018: 10:00am - 1:00pm OTHER PART I BUSINESS There was no other PART I business.	

KATHRYN PETTITT
CHIEF LEGAL OFFICER

CHAIRMAN_____

CHAIRMAN'S
INITIALS

.....

HERTFORDSHIRE COUNTY COUNCIL
HERTFORDSHIRE FIRE PENSION BOARD
23 MARCH 2018 AT 10:00AM

Agenda Item
No:

2

LOCAL PENSIONS PARTNERSHIP

**PRESENTATION ON GENERAL DATA PROTECTION REGULATIONS
(GDPR)**

Presentation of LPP

Author: James Ahlberg – Information Governance Manager, (LPP)

Purpose of the presentation:

This presentation (Appendix 1) provides an overview of the background to the General Data Protection Regulations, its importance, key changes that will affect the Pension Board, first steps towards compliance and an update on the LPP's progress.

Recommendations:

That the Board notes the contents of the presentation

General Data Protection Regulations (GDPR)

Presented by James Ahlberg
Information Governance Manager

What I will be covering...

- Background to the General Data Protection Regulation
- Why is it important?
- Key changes that will affect the LGPS
- First steps towards compliance
- Update on LPP's progress



Background to General Data Protection Regulation (GDPR)

- What is it?
 - An EU regulation which will replace current EU Data Protection Directive 95/46/EC and the UK Data protection Act 1998
 - It provides a new legal framework setting out rules for processing personal data across the EU
 - Reinforces the existing law – Data Protection Act 1998 but:
 - Much more prescriptive
 - Higher penalties for non-compliance
- When does it come into force?
 - 25th of May 2018
 - Brexit to have little or no impact

25th May, 2018

Why is it important?

Giant leap in penalties – up almost 4000%!

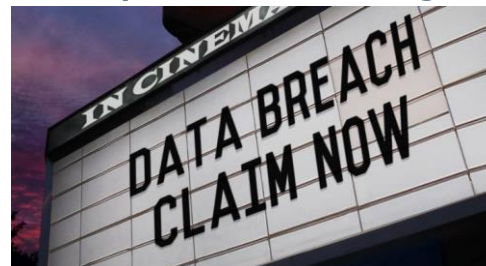
- Fines of up to greater of 4% annual worldwide turnover or €20 million for breaching key principles:
 - Data Security
 - Fair & Lawful processing
 - Transferring data outside the EU
 - Data subjects rights i.e. right of access, rectification, erasure
- Lower tier fines up to greater of 2% of annual worldwide turnover or €10 million for breaching lesser principles:
 - Failing to notify a data breach on time
 - Failing to have correct contract with service provider



Why is it important?

Claims for compensation & other remedies

- Individuals can claim compensation for material and non-material damage i.e. Distress
- Not-for-profit bodies can bring representative actions on behalf of individuals
- New liability for data processors (pension administration service providers, IT providers etc) but data controllers (Administrating Authorities) remain primarily liable
- Additional wide powers:
 - Investigative i.e. demand information/ audits
 - Obtain access to premises, equipment etc
 - Warnings, temporary/ permanent bans on data use, order suspension of data flows



Key changes that will affect the LGPS

Data Mapping/ Records of processing activities (article 30)

- Name and contact details of controller and DPO
- Purpose
- Categories of data and data subjects
- Categories of recipients
- Transfers to third countries, and documentation of safeguards
- Where possible, time limits to erasure
- Where possible, description of security measures
- Make available to Supervisory Authority on request



Key changes that will affect the LGPS

Data Protection Officer (Article 37-39)

- Mandatory because a public authority
- Potentially could be one DPO for several authorities
- Basis of appointment
 - Professional qualities
 - Expert knowledge of data protection law
 - Ability to perform required services
- Must be actively involved in all issues relating to personal data
- Must report directly to most senior management

Key changes that will affect the LGPS

Enhanced Privacy Notices – more information in a shorter notice!

- All existing privacy notices need to be revised to include new mandatory information (Articles 14 & 14a)
- Must be concise and intelligible, so more information but shorter text!
- Solutions:
 - Layering - Short summary of key/unusual data uses, plus link to fuller privacy notice
 - Just in time notices i.e. when sign up to a new service
 - Privacy dashboards – meaningful choices about data uses
 - Videos or animations
- Stricter limits on use/effectiveness of consents



Key changes that will affect the LGPS

Privacy Impact assessments? (Article 33)

- Required where "high risk" to rights and freedoms of individuals, including:
 - Systematic and extensive evaluation based on automated processing, including profiling, that significantly affects individuals; or
 - Large scale processing of sensitive personal data

Conducting
privacy impact
assessments

ico.



LPP

Local Pensions Partnership

Key changes that will affect the LGPS

Privacy by Design and Default

- Requires right level of data protection to be embedded in life cycle of applications, taking account of
 - available technology
 - cost
 - risks
- To include data minimisation and pseudonymisation
- Default settings must ensure that only the specific personal data needed for the purpose is processed i.e. amount of data, extent of processing, period of storage and accessibility.
- Increased importance of limiting amount of data collected and what is shared



Key changes that will affect the LGPS

Mandatory data breach notification – Robust data breach policy essential

- Must notify ICO of data breach unless unlikely to result in risk to individuals (i.e. some damage, or even loss of control of data)
- **Without undue delay** and where feasible within 72 hours after having become aware of the breach
 - Full details of the breach i.e. nature, categories and number of individuals affected, likely consequences and measures to address/mitigate the breach
- 72 hours = very short timescale – effective data breach handling procedure essential
- A *processor* shall notify the *controller* without undue delay
- A notification to the data subject **without undue delay** is also mandatory if breach likely to result in a high risk (not if encrypted so unintelligible)
- Controllers must document data breaches



Key changes that will affect the LGPS

Service provider agreements – renegotiation & redrafting

- Expanded list of mandatory clauses to be included in every agreement that starts or continues after 25 May 2018
- For first time, direct obligations on processors, including
 - Security measures
 - Records of processing activities
 - Compliance on cross-border transfers
 - Co-operation with controller on compliance
- Big change in risk profile for processors
 - So likely to look to limit liability/seek indemnities

Key changes that will affect the LGPS

And don't forget...

- Data Security – Will remain critically important
- Subject Access Requests – Will continue/increase in frequency
- Transfers Outside EEA – Will continue to need special terms/justifications
- Profiling/Automated Decision-making – Restrictions have been strengthened
- Right to be Forgotten - Expanded



First Steps Towards Compliance

STEP 1 – Data Mapping & Gap Analysis

- Audit current position & identify major gaps in compliance
- Create/update records of personal data processed
- Develop & implement a compliance plan

STEP 2 – Data Privacy Officer

- Agree appropriate structure & roles for DPO(s)
- Develop job specification
- Recruit/appoint DPO(s)

STEP 3 – Data Protection Policies & Procedures

- Identify & review existing policies/procedures
- Update and add to these as required

First Steps Towards Compliance

STEP 4 – Review data security & breach handling processes

- Review and update data security systems, processes & procedures
- Prepare and/or update data breach response plans

STEP 5 – Service Agreements

- Identify and prioritise existing agreements for review/renegotiation
- Revise standard templates to include new mandatory provisions

STEP 6 – Privacy Notices

- Update to insert mandatory content
- Consider layering notices

STEP 7 – Check you can 'demonstrate' compliance

LPP

Local Pensions Partnership

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Update on LPP's progress

Step	LPP Progress
1	<ul style="list-style-type: none">• High level & detailed gap analysis completed• Data mapping for admin business completed, other areas of the business ongoing
2	<ul style="list-style-type: none">• DPO in place and a new Information Governance Manager appointed to head up GDPR implementation
3	<ul style="list-style-type: none">• All policies and procedures identified and in the process of being updated
4	<ul style="list-style-type: none">• A new process and system to report data breaches has been implemented• A detailed staff training plan for all staff is underway for roll out in March
5	<ul style="list-style-type: none">• All service agreements have been identified and are in the process of being reviewed to ensure compliance by May 25th• Legal have drafted the supplemental agreement which is currently being reviewed
6	<ul style="list-style-type: none">• LPP's Fair Processing Notice (FPN) is in draft format ready for review• Other privacy notices for the business are under review
7	<ul style="list-style-type: none">• All decisions made are being recorded so LPP can demonstrate compliance to the ICO in case of audit or we have a data breach



Any questions?



Source information for presentation gathered from Information Commissioners Office, Squires Patton Boggs & Dilys Jones Associates Ltd.

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

Report of Director of Resources

Author: Rachel Wilson, Senior HR Officer, Strategy, Policy & Reward
(Tel: 01992 588142)

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:

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

- 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.

APPENDIX 1



Private & Confidential

«Title» «Initials» «Last_name_»
«Address 1»
«Address 2»
«Address 3»
«Address 4»

Hertfordshire County Council
County Hall
Pegs Lane
Hertford SG13 8DE

Date:

<<Date>>

Dear Sir / Madam

Annual Benefit Statement 2016-17

You were issued with an Annual Benefit Statement (ABS) in August 2017 detailing your estimated benefits in the Firefighters Pension Scheme (FPS) to the end of March 2017.

It has since come to our attention that the Final Salary Pay figure reported to the Local Pensions Partnership (LPP) was not in-line with the relevant pension scheme regulations.

This has meant that the estimated pension benefits on your ABS for 2016-17 are incorrect as they have been either over or under estimated on the Final Salary Pay figure.

Please find enclosed with this letter a revised ABS for 2016-17 with your correct Final Salary Pay and revised estimated pension benefits.

Please accept our apologies for this administrative error; we are putting measures in place to prevent this type of error happening in future. Please be assured that this data is only used in the production of Annual Benefit Statements and is not used to calculate any retirement estimates or pensions in payment, which are unaffected by this error.

If you have any queries please contact HRPensionsProjects@hertfordshire.gov.uk

Yours sincerely

Sally Hopper

Assistant Director – HR Services

HERTFORDSHIRE COUNTY COUNCIL

HERTFORDSHIRE FIRE PENSION BOARD

23 MARCH 2018 AT 10.00 AM

Agenda Item
No:

4

**LOCAL PENSIONS PARTNERSHIP
FIREFIGHTERS PENSIONS ADMINISTRATION REPORT**

Report of LPP

Author: Taryn Mutter – Head of Client Delivery (LPP)

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:

	Q4 2016/7	Q1 2017/18	Q2 2017/18	Q3 2017/18
Active Members	602	591	606	609
Deferred Members	243	253	263	277
Pensioners/Dependants	643	649	652	654

The table below shows how the membership of the fund has evolved since 2005, with 2011 included as the date the administration transferred to London Pension Fund Authority.

Membership Type	31/01/2005	31/03/2011	31/03/2017
Actives - current contributing member	584	680	602
Deferred - no longer contributing, hold membership within the fund and not yet in receipt of their pension	41	58	243
Pensioners - currently in receipt of their pension or dependant pension	469	569	643
Sub total	1094	1307	1488
Undecided - contributions have ceased and work is in progress	1	3	6
Frozen Refund - not reached vesting period and refund of pension contributions not claimed	6	15	20
Total	1101	1325	1514

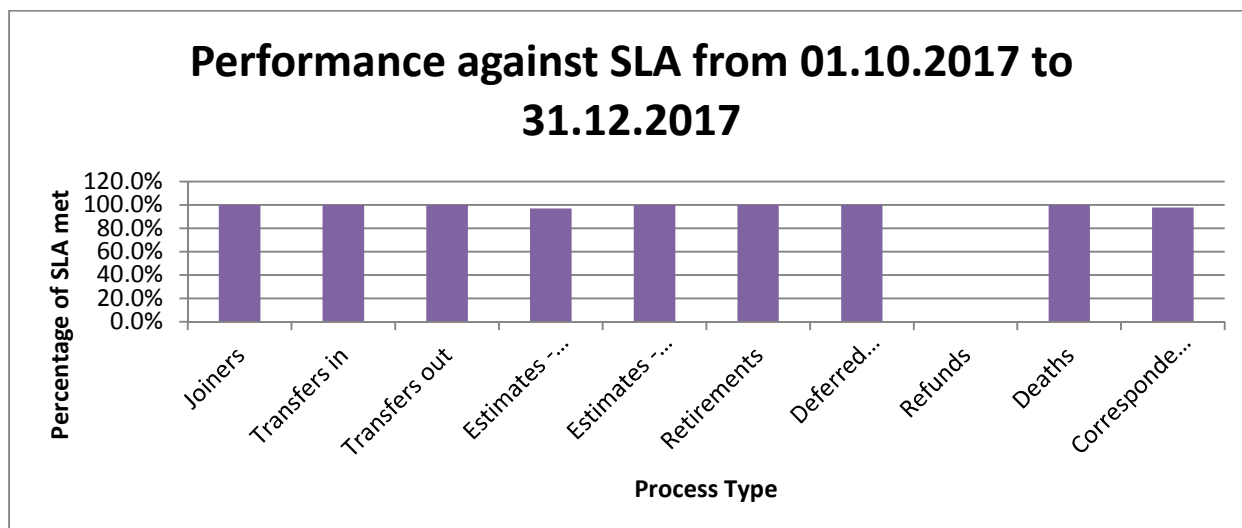
1.2 Performance Indicators

Performance of the Pension Fund is measured in the following key areas:

- 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 graphs provide a quarterly review of key areas and performance achieved with performance overall during the period over 93.67%.



One member estimate and one member correspondence case were not completed on time, however, they were completed within the rectification period and with our SLA of 95% of cases completed within specified timescales.

Key Processes Completed	01.01.2017 to 31.03.2017	01.04.2017 to 30.06.2017	01.07.2017 to 30.09.2017	01.10.2017 to 31.12.2017	Performance against SLA %
Admissions	2	1	2	19	100%
Transfers in	0	1	3	4	100%
Transfers out	0	1	3	3	100%
Estimates - member	37	26	32	33	96.97%
Estimates - employer	0	0	1	1	100%
Retirements	1	4	3	8	100%
Deferred benefits	5	3	6	9	100%
Refunds	0	3	2	0	100%
Deaths	0	2	4	10	100%
Correspondence	16	12	23	43	97.67%
Total Key Processes Completed	61	53	79	130	98.46%

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. All work will be transferred by 1 April 2018.

LPP Service Complaints

A complaint was received from a pensioner regarding timeliness of payment of pension. The member's option forms were received after payroll cut-off date, which meant that payment of annual pension would not have reached the member's account until the end of the following month. The matter was resolved by Hertfordshire County Council agreeing to make a payment via CHAPS.

Fire Authority Complaints

- None

IDRP's

- None

SECTION 2 FIREFIGHTERS PENSION SCHEME REGULATIONS AND SCHEME CHANGES

1. Legal challenge over pension protection arrangements.

Ms R Sargeant v Secretary of State for the Home Department & Ors

The Home Office introduced a new firefighters' pension scheme on 1 April 2015 and all firefighters moved into the new scheme on that date, other than protected firefighters. Such protection was determined on the basis of age.

The Fire Brigades Union (FBU) brought various claims to an employment tribunal. Their main claim was that unprotected members had suffered age discrimination. There is a defence to age discrimination where you can show that the particular rule is a proportionate means of achieving a legitimate aim.

The employment tribunal ruled against the FBU on 14 February 2017. The tribunal ruled that the transitional protections are proportionate means of achieving a legitimate aim.

The FBU appealed against that ruling to the Employment Appeal Tribunal who ruled on 29 January 2018 as follows:

- (1) The employment tribunal was correct to rule that the Home Office was pursuing a legitimate aim in respect of the transitional protections.
- (2) The tribunal did not follow the correct legal principles when it determined that the Government adopted proportionate means of achieving those aims.
- (3) The case should be remitted back to the same or a different tribunal for reconsideration.

2. Guaranteed Minimum Pension (GMP)

The government consulted on the indexation and equalisation of GMP between 28 November 2016 and 20 February 2017. This consultation was regarding how the government should continue to meet their obligations to index (price protect) and equalise (make equal payments to men and women) the pension entitlements of a certain group of public servants with an occupational pension known as a GMP.

This consultation received 62 responses, broadly in favour of the government's objectives in continuing to ensure the GMP continues to be indexed and equalised. Between 6 April 2016 and 5 December 2018 an "interim solution" has been implemented. This solution has been extended for a further two years and four months, to cover members of public pension scheme with a GMP who reach state pension age on or after 6 December 2018 and before 6 April 2021. During this period, the government will investigate the possibility of an alternative long-term methodology, known as "conversion".

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)	Assumed individuals completed self-assessments - Complete
31 July 2018	Deadline for member to inform LPP if they intend to use scheme pays	

SECTION 3 – ADDITIONAL PROJECTS

GMP Reconciliation

LPP have submitted a Project Initiation Document for sign off to allow work to commence on the completion 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.

HMRC have announced in their November countdown bulletin that they no longer intend 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.