



Friday, 26 April 2024
12.30 pm

**Meeting of
Local Pension Board -
Firefighters Pension
Scheme
Sadler Road
Winsford
CW7 2FQ**

Contact Officer:
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Cheshire Fire Authority

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The Agenda is usually divided into two parts. Most business is dealt with in the first part which is open to the public. On some occasions some business may need to be considered in the second part of the agenda, in private session. There are limited reasons which allow this to take place, e.g. as confidential information is being considered about an individual, or commercial information is being discussed.

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MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME

FRIDAY, 26 APRIL 2024

Time: 12.30 pm

POs Conference Room - Fire Service HQ, Sadler Road, Winsford, Cheshire CW7 2FQ

AGENDA

- 1 Apologies**
- 2 Declaration of Interests**
- 3 Notes from the previous meeting** (Pages 1 - 6)
A copy of the notes from the previous meeting held on 5th December 2023 are attached, for information.
- 4 XPS Cheshire Performance Delivery Report Quarter 4 2023-24** (Pages 7 - 22)
- 5 Firefighter Pension Scheme Risk Update** (Pages 23 - 54)
- 6 Firefighter Pension Scheme Risk Register** (Pages 55 - 72)
- 7 McCloud Update** (Verbal Report)
- 8 JCNP Pensions Update** (Verbal Report)
- 9 Training and Development Update** (Verbal Report)

Next Meeting: Tuesday 13 August 2024



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Tuesday, 5 December 2023 at Fire Conference Room - Fire Service HQ, Clemonds Hey, Winsford, Cheshire, CW7 2UA at 1.30 pm

PRESENT: Councillor David Brown, Lee Shears, Neil McElroy and George Peers (Employee – FBU)

OFFICERS: Carmine Rabhani (Pension Scheme Manager), Graeme Hall (Head of Public Sector Relations – XPS Administration), Jill Swift (Pay and Pensions Manager), Emily Purslow (Pensions Advisor)

1 APOLOGIES

There were no apologies for absence received.

2 DECLARATION OF INTERESTS

There were no declarations of interest received.

3 NOTES FROM THE PREVIOUS MEETING

RESOLVED: That

[1] the minutes of the meeting of the Local Pension Board – Firefighters’ Pension Scheme held on 15th August 2023 be confirmed as a correct record.

4 XPS CHESHIRE FIRE PENSION BOARD REPORT 2023-2024 (Q2)

Graeme Hall, Head of Public Sector Relations from XPS Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 2 2023-24 which contained the following information:-

- Overview
- Member Self Service
- Common Data
- Membership
- Completed Cases Overview
- Completed Cases by Month
- Complaints
- Telephony

Graeme provided an update on the Completed Cases Overview. The Board were advised that the KPI compliance figure for Quarter 2 was lower than reported in Quarter 1. Patterns of work continued to be the same as reported in previous

quarters, however, the additional workload and queries for the legislative changes due to the Remedy was starting to make more of an impact in Quarter 2. None of the failure cases represented an impact on any payment. XPS Administration would continue to monitor performance and raise any areas of concern where necessary. It was expected that the next few quarters would be challenging in terms of certain KPIs due to the requirements around implementing the Remedy.

The Board were advised that each McCloud case could take up to 4 to 5 hours to consider and complete; this was because of the complexity of cases which had to be considered dating from 2015 and the fact that all work had to be done manually.

A Board Member asked if members would be provided with advice on what to consider when the options were presented to them. In response, the Pay and Pension Manager stated that members were asked to consider seeking independent advice as the Service could only provide guidance.

Further guidance was due to be issued from the Local Government Association (LGA) relating to the Remedy once this was available the Service would try to make the guidance issued more user-friendly for members. XPS Administration would also publish a video presentation on their website providing further guidance.

RESOLVED: That

[1] the XPS Administration Cheshire Fire Pension Board Report Quarter 2 2023-24 be noted.

5 FIREFIGHTER PENSION SCHEME UPDATE

The Payroll and Pensions Manager presented a report that provided an overview of the current issues relating to Firefighters' Pension Scheme, including updates on the following:-

- Membership Statistics
- FPS Bulletin – action arising
- McCloud Remedy
- McCloud Remedy – Contingent Decisions
- Matthews Remedy – On Call Firefighters
- Revaluation Rate Correction
- Pension Tax Update
- General Updates

The Pay and Pensions Manager provided an update on the McCloud Remedy. It was reported that on 1st October 2023, all primary and secondary legislation to implement the McCloud Remedy came into force. Services had to complete several key tasks in readiness for the Remedy. An update of progress against these deliverables was provided at Appendix B of the report, along with a summary of the next group of key deliverables which need to be completed between October 2023 and March 2024.

The Government Actuary's Department (GAD) had now released a calculator to be used for the calculation of tax relief, compensation, and interest. Although the calculator had been tested, Services were still finding issues and the inputs required were complex. In addition, the calculator did not cover all scenarios that would require a compensation payment or interest. This meant manual interest calculations may be required in some cases.

The Home Office had recently clarified that any costs incurred by Services in relation to additional pension liabilities and compensation would be fully funded and this would be dealt with through the AME top up grant process.

The Board was updated on contingent decisions. These were decisions which members would have made differently had it not been for the discrimination. The LGA had now published an employer guide on contingent decisions which outlined the process to be followed, the relevant legislation and evidence requirements. Members would need to submit a claim within 12 months of receiving their initial remediable service statement (RSS). For most members this would be in August 2024. Employee guidance would be available in the near future.

For those wishing to purchase additional service or rescind opt out notices, they would need to pay the outstanding contributions. These contributions would also have interest added. Members purchasing opted out service would be able to repay this over a 14-year period. At present the GAD calculator did not support the calculations for this scenario. Discussions were ongoing about how this would be implemented by Services.

The Payroll and Pensions Manager provided an update on the Matthews Remedy – on-call firefighters. The Board was advised that because of this ruling, the Firefighters' Pension Scheme 2006 had been amended to allow members to backdate their pension service to their start date. The Firefighters' Pension Scheme (England) (Amendment) Order 2023 took effect from 1st October 2023. These regulations bring into force changes that allow Services to commence a second pension options exercise. Services would need to write out to eligible members with information about the scheme and invite them to express an interest in receiving a quote. This initial letter must be sent by 31st December 2023 to ensure compliance with disclosure regulations, which require Services to notify members of any material change to the scheme within 90 days.

The options exercise must be concluded by 31st March 2025. The Home Office had provided an indicative timeframe for each stage of the options exercise, but this was not mandated in the legislation, therefore Services were able to tailor this where appropriate.

The Board was advised that in the 2014 options exercise, attempts were made to trace leavers using the electoral register. However, a large number were not traceable. For the second options exercise, additional steps had been taken including posters for stations and liaison with retirement associations. Details of the options exercise had been posted to the Intranet and external website and a tracing

agency has been engaged to locate any remaining members that cannot be traced through other means.

The Board had a discussion on the methods used to trace leavers.

RESOLVED: That

[1] the Firefighter Pension Scheme update be noted.

6 MCCLOUD/SARGEANT JUDGEMENT UPDATE

This was considered in minute 5 above.

7 FIREFIGHTER PENSION SCHEME RISK REGISTER

The Payroll and Pensions Manager presented the Firefighter Pension Scheme Risk Register that had been reviewed and updated in December 2023. Updates since the last meeting were highlighted in blue in the document.

The Pensions Manager provided a commentary on each of the updated risks.

RESOLVED: That

[1] the Firefighter Pension Scheme Risk Register be noted.

8 JCNP PENSIONS UPDATE

The Pension Scheme Manager advised that at the meeting of the JCNP FBU on 9th November 2023, the FBU Trade Union Representation had raised concerns regarding the effectiveness and efficiency of the service provided by XPS for the administration of workforce pensions. Following consistent complaints over a long period of years and the previous lack of trust and confidence in the company following split/two-part pension issues raised by the FBU, the following information was requested:-

- When was the current contract with XPS due for renewal?
- What Key Performance Indicators (KPI's) were in place for the provision of the service by the contractor?
- Could all KPI reports for the provision of the contract be shared with the FBU.

The FBU had circulated several examples highlighting issues with the service provided by XPS administration.

The Pension Scheme Manager advised that on 30th November 2023 he had responded to the FBU representative by email explaining that in response to the 5 cases brought to officers' attention at the last JCNP FBU Meeting, the Payroll and Pensions Manager had reviewed the individual circumstances of each case. As names were not provided, she had to make assumptions about who the individuals may be.

The Payroll and Pensions Manager had provided a response to each which highlighted that in some cases XPS had been at fault, but in others they were not at fault, and it was the individual themselves or the specific circumstances of the case which led to the issue arising. Where XPS had been identified at fault, it had already been raised with them directly and through quarterly contract meetings, and the Service would work with them to ensure these issues are not repeated.

RESOLVED: That

[1] the update be noted.

9 PENSION BOARD TRAINING UPDATE

The Governance and Corporate Planning Manager advised that the LGA Firefighters' Pension Annual training session had been arranged to take place in November and had to be cancelled due to Board Member availability.

The LGA had advised that in 2024 they would be looking to change the approach to how they provided the Local Pension Board training, and this would not be individually to each Local Pension Board. The LGA were aiming to provide further details and hopefully dates within the December bulletin.

RESOLVED: That


[1] the update be noted.



**Cheshire Fire
Performance Delivery Report**

Q4 2023-2024

Contents

-  **01 Overview**
-  **02 Member Self Service**
-  **03 Data Quality**
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-  **05 Completed Cases by Month**
-  **06 Complaints**
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-  **08 McCloud Update**
-  **09 Regulations and Guidance**

01 Overview

XPS are pleased to provide our quarterly governance report to the Cheshire Fire Pension board which is in respect of 1 January to 31 March 2024. Due to the timing of this meeting some statistics will only cover the Quarter to 31st December 2023 but will be updated for the next report.

We must acknowledge that it has been a particularly challenging period for the administration teams since 1 October for a number of reasons and that our service has not been at the level which we have been used to providing to our clients. Prior to 1 October the administration teams benefitted from automation of calculations however this automation was lost from that date which meant that all calculation work became manual. This significantly increased the time required for an individual member calculation - in some cases this more than tripled the time taken to complete a calculation. This was also compounded by the requirement to receive additional member data from the Fire Authority to allow XPS to produce the two calculations required for the McCloud remedy.

XPS have been implementing a number of measures to improve the overall level of service and to counteract this loss of automation/further data requirements.

- APT tool - In the absence of automation on our pensions software, XPS have built and tested our own calculation tool which was deployed within the administration team during February 2024. This has helped to improve the time taken to perform calculations and has removed some of the manual elements of this work.
- Resources - XPS have reviewed the structure of our administration department and are making some changes. We are introducing an additional tier of management to the structure and have also appointed 4 new members of staff to the administration teams. These 4 new employees joined XPS during March 2024.
- Client relationship Team - XPS are also introducing 3 new Client Relationship Managers to the structure to help support our clients. Two roles have applicants shortlisted for a second interview and appointments are expected soon.
- Training - Significant training has been delivered to the administration team in light of the more manual nature of the work and the increased processing times
- Triage team - XPS have introduced a triage team to help manage member contact and expectations.

XPS are in regular dialogue with the LGA, keeping them abreast of developments with our service and monitoring our overall service delivery. After a very challenging number of months since 1 October, it is clear that there are positive signs that our service is on the right trajectory and starting to return to pre 1 October levels.

02 Member Self Service

The tables below provide information on the number of Cheshire Fire members who have registered for the online member self-service portal. There is also then a table to put your member take up into context with the average across the Fire schemes which we administer as well as an age profile.

Quarter 3 2023	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	352	6	13	298	663	54.0%
Deferred	174	4	6	402	582	30.6%
Pensioner	317	6	9	501	827	39.1%
Widow/Dep	10	0	0	113	123	8.1%
Total	853	16	28	1,314	2,195	39.6%

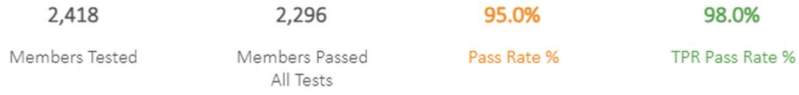
<i>Fire Scheme Averages for comparison</i>						
	REGISTERED	ACCOUNT DISABLED	ACTIVATION LINK SENT	NOT REGISTERED	TOTAL	% Up Take
Actives	15.4%	0.2%	0.7%	13.8%	862	15.4%
Deferred	6.2%	0.1%	0.3%	13.3%	347	6.2%
Pensioner	14.4%	0.2%	0.7%	27.8%	810	14.4%
Widow/Dep	0.6%	0.0%	0.0%	6.7%	36	0.6%

Age Profiles for Members who have registered for self-service			
Under 22	0.00%	Aged 46 - 50	20.36%
Aged 23 - 25	1.82%	Aged 51 - 55	16.11%
Aged 26 - 30	8.21%	Aged 56 - 60	4.86%
Aged 31 - 35	15.20%	Aged 61 - 65	0.61%
Aged 36 - 40	13.07%	Aged 65+	0.30%
Aged 41 - 45	19.45%		

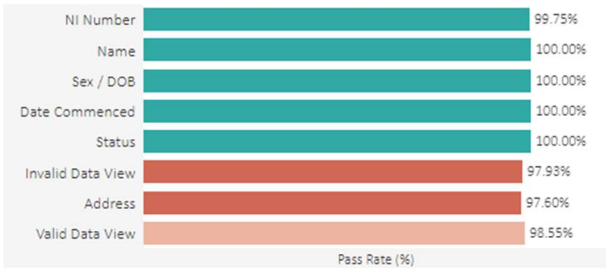
03 Data Quality

Common Data

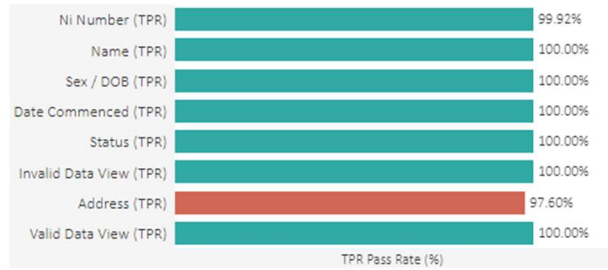
Data Quality | Summary



Pass Rate % by Test Category



TPR Pass Rate % by Test Category

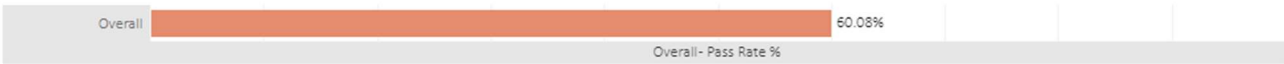


Scheme Specific Data

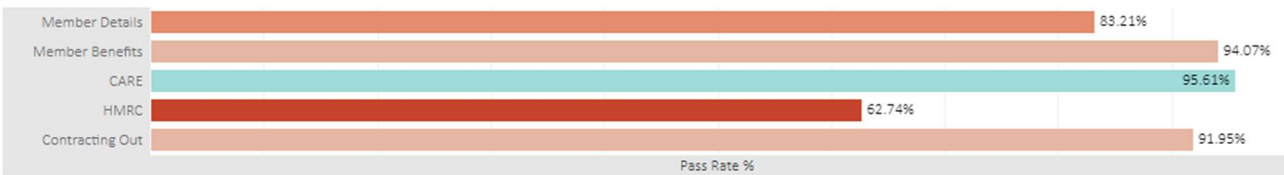
Police and Fire Scheme Specific Data Quality | Overall Summary



Grand Total | Pass Rate %



Grand Total | Pass Rate % by Test Category



04 Completed Cases Overview

The table below shows our performance against the Service Level Agreement during the reporting period.

	Cases completed	Cases completed within the target	Cases completed outside the target	Cases: % within target
April	45	40	5	89%
May	116	113	3	97%
June	61	54	7	89%
Quarter 1	222	207	15	93%
July	57	46	11	81%
August	56	48	8	86%
September	47	35	12	74%
Quarter 2	160	129	31	81%
October	38	31	7	82%
November	33	28	5	85%
December	9	5	4	56%
Quarter 3	80	64	16	80%
January	76	39	37	51%
February	55	29	26	53%
March	60	52	8	87%
Quarter 4	191	120	71	63%
Year - Total	653	520	133	80%

05 Completed Cases by Month

Q4 January 24					
Service	Days	Minimum Target	Cases	Within Target	Actual Performance %
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	2	1	50
Deferred Benefits	10	90	0	0	0
Divorce Cases	30	100	2	1	50
Estimates	10	100	0	0	0
General	10	100	8	4	50
Processing new entrants	10	90	0	0	0
Refunds	10	100	0	0	0
Retirement Actual	5	100	3	3	100
Retirement Options	10	100	3	0	0
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	58	30	52

Q4 February 2024					
Service	Days	Minimum Target	Cases	Within Target	Actual Performance %
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	2	2	100
Deferred Benefits	10	90	1	0	0
Divorce Cases	30	100	3	1	33
Estimates	10	100	3	1	33
General	10	100	18	1	6
Processing new entrants	10	90	0	0	0
Refunds	10	100	0	0	0
Retirement Actual	5	100	2	2	100
Retirement Options	10	100	4	0	0
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	22	22	100

Q4 March 2024

Service	Days	Minimum Target	Cases	Within Target	Actual Performance %
Death in Service	5	100	0	0	0
Death of a pensioner	5	100	5	2	40
Deferred Benefits	10	90	0	0	0
Divorce Cases	30	100	0	0	0
Estimates	10	100	0	0	0
General	10	100	8	3	38
Processing new entrants	10	90	19	19	100
Refunds	10	100	0	0	0
Retirement Actual	5	100	2	2	100
Retirement Options	10	100	0	0	0
Transfers – in (Calculation)	10	90	0	0	0
Transfers – in (Payment received)	10	90	0	0	0
Transfers – Out (Calculation)	10	100	0	0	0
Transfers – Out (Payment)	10	100	0	0	0
Variations	10	90	26	26	100

06 Complaints

XPS has received a high level of contact from members in the post Remedy period particularly around the time it has taken for them to receive retirement options forms and estimates of benefits. Our latest Position Statement goes into more detail about the challenges we have faced since 1 October (particularly with the loss of automation and the manual nature of our retirement calculations since that time).

The Position statement also summarises the steps we have taken and are currently implementing to rectify the delays in the service that we have been providing. XPS have recently deployed our own automated calculation tool within the administration team which is reducing the processing time for retirement estimates etc. Further resources are being introduced to the administration team to help return our service to pre-1 October levels - offers have been accepted for these additional positions and they will all start with XPS shortly. Where a member has contacted us with any concerns, we have attempted to explain the delays, apologise for them and to resolve the member's case as quickly as possible. We will continue to monitor these and address any concerns alongside yourselves, and we appreciate your support throughout this period whilst we embed these changes.

07 IDRП

Description	Date received	Date completed	Comment
Nil			

08 McCloud Update

Following recent HMT guidance that the interest applied to arrears of benefits under McCloud will result in unauthorised payments in certain circumstances we are now awaiting a new GAD interest calculator to determine what will be applicable to the charge to allow this to be confirmed to members. SAB has also since sent out a note on 3 possible ways to deal with McCloud Immediate Choice exercise whilst we await the new GAD interest calculator.

Due to the legislative timescales to deliver this project XPS have decided to take a new approach with the cohort ordering to ensure that we deliver all RSS to members in time. With this in mind, we would like to start producing the protected member statements, as this group are the least likely to be impacted by interest and would potentially not need revisiting at a later date.

We appreciate that this does not fit within the guidelines of cohort order previously issued but believe this is a pragmatic solution to the delay. In order to issue this cohort, we would need assistance from yourselves and would ask that you send us your GAD data for these members at your earliest opportunity.

Although there is no statutory date that a commutation amount needs to be paid after retirement XPS have been providing an overview on when payments have been made beyond the members retirement date. The chart below shows how this has tracked since the two months prior to McCloud to the end of February (note, this covers all the XPS police and fire clients and is not Cheshire Fire specific - this is to show the underlying trend):

Payment Made	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
On DoR	47.24%	43.83%	25.85%	38.97%	36.22%	36.53%	37.82%	27.88%
< 7 days of DoR	36.68%	36.42%	25.42%	28.21%	31.89%	33.79%	39.10%	36.36%
7+ days of DoR	16.08%	19.75%	48.73%	32.82%	31.89%	29.68%	23.08%	35.76%

Cheshire Fire payment profile is:

Payment Made	Aug-23	Sept-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
On DoR	25.00%	0.00%	0.00%	0.00%	N/A	0.00	N/A	50.00
< 7 days of DoR	75.00%	100%	50.00%	50.00%	N/A	66.67%	N/A	0.00%
7+ days of DoR	0.00%	0.00%	50.00%	50.00%	N/A	33.33%	N/A	50.00%

Finally, we understand that members will continue to have a keen interest in the progress of the Immediate Choice McCloud remedy, and we will provide additional updates as the project proceeds, appreciating there is a keen interest in the timing of RSSs being issued.

09 Regulations and Guidance

January 2024

LGA issued Bulletin 77

Bulletin 77 covered many topics with the following actions arising, see below:-

Ill Health - Special Members

FRA's to ensure any special members who have service within the remedy period are assessed for ill health under both the legacy and reformed schemes accordingly.

Matthew's - Data request

FRAs are asked to provide Matthew's project implementation data and opt out data to bluelightpensions@local.gov.uk by 21 February 2024

Matthews – GAD Calculator

FRAs are asked to read the updated user guide and query log and to download the new version of the calculator from the beginning of February.

Firefighters' Pension Added Pension Compensation

Scheme managers and administrators are recommended to read the guidance, follow the process, and use the template supporting documents to assist the process. This process should be completed by 31 March 2024.

Age Discrimination remedy – Data Sharing Agreement and guidance

FRAs should use the Data Sharing Agreement for cases where a firefighter was employed by a previous FRA in the remedy period and also follow the guidance document when obtaining the data to ensure that the data is with administrators by 31 March 2024.

Age Discrimination remedy – Remediable Service Statement (RSS) factsheet

LGA recommend that scheme managers liaise with their pensions administrator to establish what plans are in place for producing an RSS for eligible individuals.

Injury pension calculation for a retained firefighter appointed after 5 April 2006

Administrators to review how they have calculated injury pensions for retained firefighter appointed after 5 April 2006 and consider whether a recalculation is required.

FPS pensions will increase by 6.7% from 8 April 2024

A lower, pro-rata increase will apply to pensions that started after 23 April 2023. This increase is in line with the increase in the Consumer Prices Index for the year up to September 2023.

Active FPS pension accounts will be revalued in line with changes in Average Weekly Earnings and will increase by 7.7% from 1 April 2024.

February 2024

LGA issued Bulletin 78

Bulletin 78 covered many topics with the following actions arising, see below:-

The Firefighters' Pension Scheme (England) (Amendment) Regulations 2024 were laid before parliament and will come into force from 27 March 2024.

The regulations amend the Firefighters' Pension Scheme (England) Regulations 2024 to allow for provision of unpaid carer's leave to be included in calculating pensionable service and to remedy an error in the Public Service Pensions Revaluation Orders for 2021 and 2022.

FRAs will need to ensure that they take the relevant actions to deduct pension contributions from Carer's leave payments and include in pensionable pay calculations going forward.

Age Discrimination Remedy – Informal guidance note for accounting and finance

FRAs should note the informal guidance and ensure that they are paying any corrections to pension benefits.

Age Discrimination Remedy – Ill Health reassessments

FRAs are encouraged to signpost members who are hesitant in agreeing to the re-assessment process to the factsheet.

Age Discrimination Remedy – Remediable Service Statement member video

FRA's and administrators are encouraged to direct members to the website and video should members have any queries relating to the RSS.

Matthews - GAD Calculator cost sharing

FRAs to complete the purchase order form and return to bluelightpensions@local.gov.uk by 21 March 2024.

Matthews GAD calculator version 2 corrections

FRAs should note the issues raised with Version 2 of the GAD calculator.

Matthews – Supporting documents

FRAs are recommended to use the updated version of the Individual Statement of Details documents.

March 2024

LGA issued Bulletin 79

Actions arising Age Discrimination Remedy – GAD tax and contributions calculator

FRAs should ensure that they are using the most up to date version of the calculator and guidance.

Age Discrimination Remedy – GAD standalone Interest Calculator

Administrators are encouraged to use the interest calculator to ensure consistency across the sector.

Age Discrimination Remedy – Immediate Choice Remediable Service Statement (ICRSS) roll out update to timetable and member communications

FRAs to appropriately contact the priority cohorts and inform them on the status of their RSS.

Age Discrimination Remedy – data sharing

FRAs and administrators to familiarise themselves with the revisions made to the document.

Matthews – GAD calculator

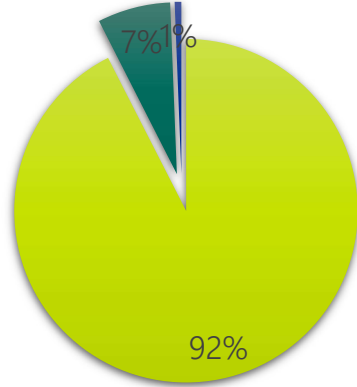
FRAs should ensure that they are using the most recent version of the calculator and are recommended not to make local copies of the calculator.

Matthews - Project Implementation data request

FRAs to complete the Project Implementation data request and return to bluelightpensions@local.gov.uk by 21 April 2024

08 Telephony

Q4 2023

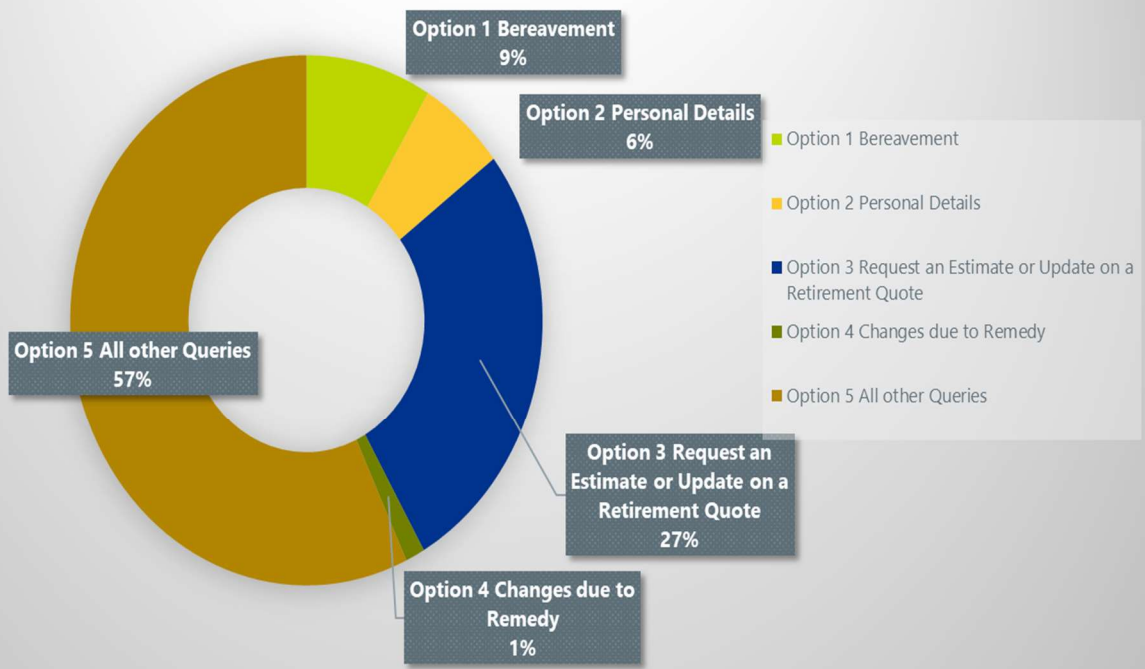


■ Answered ■ Abandoned ■ Short Abandoned

Total Calls	162
Answered Calls	148
Abandoned Calls	11
Short Abandoned Calls	3
Average Wait Time	00:01:13
Average Duration	00:09:32
Average Abandon Time	00:00:08

Summary of Performance

Highlights / Key Achievements	Challenges
<ul style="list-style-type: none"> Of the 11 abandoned calls <ul style="list-style-type: none"> 5 Calls were abandoned outside of business hours and were therefore unanswered. 2 Calls abandoned during the IVR 4 Calls abandoned in waiting 	





Graeme Hall
Head of Public Sector Relations
01642 030643

XPS Pensions Group, XPS Pensions, XPS Group, XPS Administration, XPS Investment and XPS Transactions are the trading names of Xafinity Consulting Ltd, Punter Southall Ltd and Punter Southall Investment Consulting Ltd.

XPS Administration is the trading name of PS Administration Ltd.

Registration

Xafinity Consulting Ltd, Registered No. 2459442. Registered office: Phoenix House, 1 Station Hill, Reading RG1 1NB. Punter Southall Investment Consulting Ltd Registered No. 6242672, Punter Southall Ltd Registered No. 03842603, PS Administration Ltd Registered No. 9428346. All registered at: 11 Strand, London WC2N 5HR. All companies registered in England and Wales.

Authorisation

Punter Southall Investment Consulting Ltd (FCA Register number 528774) and Xafinity Consulting Ltd (FCA Register number 194270) are both authorised and regulated by the Financial Conduct Authority (FCA) for investment business.

CHESHIRE FIRE AUTHORITY

MEETING OF: LOCAL PENSION BOARD – FIREFIGHTERS PENSION SCHEME
DATE: 26 APRIL 2024
REPORT OF: PENSION SCHEME MANAGER
AUTHOR: JILL SWIFT

SUBJECT: FIREFIGHTER PENSION SCHEME UPDATE

Purpose of Report

1. The purpose of this report is to provide the Local Pension Board with an update on current issues relating to the Firefighters' Pension Scheme and the local governance arrangements in place to ensure effective administration of services, and to provide an update on progress for the McCloud and Matthews remedies.

Information

Membership Statistics

2. Current membership statistics are detailed in Appendix A. There are currently no significant changes in membership.

FPS Bulletin – Actions Arising

3. **FPS Bulletin 76 – Contingent Decision Process.** The bulletin advised Fire and Rescue Authorities (FRAs) to liaise with administrators to establish a contingent decision claim process for pension scheme members who have opted out or been unable to purchase added years in the final salary schemes. A meeting took place with XPS pensions on 4 April to discuss this process and agree timescales and responsibilities for these claims.
4. **FPS Bulletin 77 – Added Pension Compensation.** Added pension payments that staff have paid into the 2015 scheme cannot be converted to the equivalent 'added years' in the final salary schemes when they are rolled back to their legacy scheme. As a result, compensation payments should be made to refund any contributions paid. All affected members received their compensation payments and the necessary communications about this on 18 March 2024.

McCloud Remedy – Update

5. An update of progress against the McCloud Remedy project deliverables is provided at Appendix B, along with a summary of the next group of key deliverables which need to be completed between April 2024 and June 2024.
6. In December 2023, the remediable service statement (RSS) template for immediate choice and deferred choice members was finalised. A sample of the RSS is provided at Appendix C. The RSS contains all the information that scheme members will need to make their decision about whether to take reformed or legacy scheme benefits for the remedy period (1 April 2015 to 31 March 2022).
7. In January 2024, an issue was raised with regards to the 8% interest which will be applied to pension arrears and lump sum payments made to immediate choice pensioners. All public sector pension schemes were of the understanding that this interest would not be subject to tax, however, following advice from HMRC, it became clear that any interest paid to a pensioner which was over the commercial rate of interest, would be taxable.
8. As a result of this uncertainty, the Local Government Association (LGA) advised services to pause the rollout of immediate choice RSSs. This issue only impacts immediate choice members.
9. On 23 February, HM Revenue and Customs released a newsletter outlining how tax should be applied to interest payments over the commercial rate of interest, which is defined as 1% above the Bank of England base rate. On 29 February the National Police Chiefs Council along with the LGA briefed the police and fire pensions sectors on how to calculate tax on interest payments.
10. Although clarity on the tax issue has been resolved there is still a remaining query about whether interest should be calculated on the gross or net payments. This policy decision is currently with HM Treasury to resolve. The Government Actuary's Department (GAD) will be producing a calculator to assist services with these complex interest calculations, however, until the outstanding issues are resolved, they will be unable to rollout the calculator.
11. As a result of this, and a number of other delays, it has become clear that the original indicative timescales are no longer feasible. As a result, the dates for ill health pensioners and beneficiaries have been pushed back. The date for taper and unprotected members has not been changed.

Ill Health Pensioners	March 2024	Changed to	June 2024
Beneficiaries	May 2024	Changed to	June 2024
Taper/Unprotected Pensioners	November 2024	No change	

12. Despite the timetables being amended nationally, Cheshire Fire and Rescue Service is proceeding to remedy cases in accordance with the original timetable. Therefore, ill health members received their RSSs in the first week of April.
13. An update on the current position was sent to all other immediate choice pensioners on 5 April. Understandably, pensioners are frustrated at the length of time it is taking to resolve their cases. Unfortunately, a number of delays have been outside of Cheshire Fire and XPS's control. However, a face to face session will be arranged shortly for immediate choice pensioners to allow them to ask any questions they have and to allow the Service to provide them with a more detailed update on progress and the reason for the delays.
14. The LGA have recently advised that the RSS for contingent decisions and beneficiaries are now available and they are currently working on the RSS template for annual benefit statements (ABS) which will be needed by August 2024.
15. The Cheshire Fire and Rescue Service pension team are currently finalising the bulk GAD calculator for all active and deferred members in scope for remedy. The tax, interest and contribution data provided on this calculator details how much members will owe, or how much compensation will be due for contribution adjustments. This information is needed by administrators to allow them to produce a combined annual benefit statement and RSS that members will receive later in August 2024.

McCloud Remedy - Contingent Decisions

16. Contingent decisions are decisions which members would have made differently had it not been for the discrimination. These decisions may relate to opt outs, purchase of added years or transfers. Whilst the regulations allow contingent decisions for transfers, the Home Office have confirmed they don't believe any of these scenarios will apply in the Firefighters' Pension Schemes.
17. The LGA has now published an employee guide for scheme members who may wish to submit a contingent decision claim, along with a claim form. They advised services to liaise with administrators before confirming the process to scheme members.
18. On 4 April, Cheshire Fire and Rescue Service met with XPS pensions to discuss the process and agree timescales and responsibilities for these claims.
19. Scheme members who wish to submit a claim to reinstate opted out service will be able to repay their contributions in instalments over a 14 year period. Interest will also be applied. GAD are developing another calculator which will allow services to calculate how much members owe and the interest to be applied. This calculator should be available at the beginning of May.

20. Details of the contingent decision process will be communicated to scheme members in the coming weeks. An overview of the process is provided at Appendix D.
21. There are some areas of potential challenge with regards to opt outs. The regulations only cover the remedy period. Therefore, if the member opted out before the remedy period, this may have implications for how much service they can purchase, and which scheme they will be eligible to rejoin. Further legal advice is being sought on this by the LGA.

Matthews Remedy – On Call Firefighters

22. Following the Matthews v Kent and Medway Town case in 2006, Fire services undertook a time-limited options exercise in 2014 to give all retained firefighters with service between 1 July 2000 and 5 April 2006 access to a modified version of the Firefighters' Pension Scheme 2006. The exercise only allowed members to backdate their membership to 1 July 2000.
23. Following another court case brought by judges in 2018 (O'Brien v MoD) a further options exercise will now be undertaken to allow those members to backdate their modified scheme service to their start date, where this is before 1 July 2000, and to capture any members who didn't get the opportunity to join the scheme in 2014.
24. The legislation to implement these changes came into force on 1 October 2023. Between October and December 2023, the Service wrote to last known addresses of all 259 members in scope to advise them about the opportunity to join the modified scheme, or purchase additional service.
25. According to disclosure regulations, when there is a material change to a scheme, scheme members should receive communication about this within 3 months. However, due to the fact that some members left the Service in the early 2000s, it wasn't possible to trace all members by 31 December 2024. Other communication channels have been used such as posts on the staff intranet and external website, posters for fire stations and also promotion through Cheshire's retired firefighters' association. In addition the FBU have been contacting any employees on their databases.
26. An external company called Heywoods was engaged in February to locate current addresses for 67 members that the service could not contact at their last known address. To date, all but 12 people have been traced and have received information about the scheme.
27. This breach has been assessed against the Pension Regulators (TPR) code of practice and has been deemed not to be a material breach. Therefore, it will be logged but will not need to be reported to TPR.
28. Cheshire Fire and Rescue Service's pensions team are currently working to produce quotes for members who have expressed an interest in joining the

scheme or purchasing additional service. These calculations are very complex and there are still a number of outstanding technical issues which the Home Office are considering. These may require amendments to regulations to resolve.

29. The following statistics outline progress so far:

Active Members	17
Deferred Members	147
Pensioner Members	84
Deceased Members	11
Total Members in scope	259

Members notified about opportunity to join scheme	238 out of 259 (12 members could not be traced and the remainder are death cases as we are waiting on HO to confirm eligibility)
Expressions of Interest Received	137 out of 238
Calculations completed	130 out of 137
Statements compiled and sent to members within 3 months of the member expressing an interest	37 out of 130
Members who have elected to join the scheme	14 out of 37
Members who have elected not to join the scheme	1 out of 37
Pensioners who have joined and are awaiting payment	9 are with XPS for payment

30. The GAD calculator that has been provided to calculate service and contributions still has a number of outstanding bugs, which is holding up the production of statements for certain cases. The most complex cases will be referred to GAD as the calculator does not cover all scenarios. The referral process for these cases has not yet been confirmed.

Pension Tax Updates

31. In the Chancellor's budget statement in March 2023, the Government announced that they would be abolishing the Lifetime Allowance (LTA) from 6 April 2024. The Finance Act 2024 received royal assent on 22 February 2024, removing the lifetime allowance from the 2024/25 tax year.
32. Although this now means that there is no limit on the amount of pension savings that people can take without a tax charge, there are still limits in place for schemes where members can take more than the HMRC limit in a pension lump sum. This affects the Firefighters' Pension Scheme 1992. Going forwards, members will still be able to take the maximum lump sum but anything over £268,275 will be subject to income tax at the member's marginal tax rate. For some this may equate to 40% or 45% tax.

Pension Dashboards Programme

33. Following the Department for Work and Pension's announcement that the Pension Dashboards Programme connection deadlines would be delayed, it has now been confirmed in legislation that the latest connection deadline for will be October 2026. However, public sector schemes will be expected to stage by 1 October 2025.
34. The original connection deadline was September 2024. Due to the ongoing work on the McCloud and Matthews remedies during 2024, this delay is welcome news to the public sector pensions sector. However, administrators will continue to plan and prepare for the implementation and support will be required from fire services to ensure data is fit for purpose.
35. Whilst the majority of actions will be automated by pensions software, preparation work will involve data cleansing, testing software and dealing with enquiries, as well as ongoing requirements to update and maintain software.
36. XPS pensions will be preparing a Dashboards Connection Readiness Report in the coming months. Schemes may have to consider matching criteria, data protection and privacy statements and additional costs for pension administration services. Whilst the majority of work will be carried out by the administrator, the Pensions Regulator have made it clear that it is scheme managers and Local Pension Boards who are responsible for overseeing that dashboards are implemented accurately and on time.

General Updates

37. From April 2024 the employer's contribution rate for the Firefighters' Pension Scheme 2015 has increased from 28.8% to 37.6%. Employee contribution rates and bandings will remain the same.

**CONTACT: DONNA LINTON, GOVERNANCE AND CORPORATE PLANNING
MANAGER
TEL [01606] 868804
BACKGROUND PAPERS: NONE**

Appendix A – Quarter 3 2023/24

Membership

Scheme	Active	Deferred	Pensioner	Widow	Dependant
1992 Scheme	0	55	738	108	1
2006 Scheme	0	228	58	4	2
2015 Scheme	615	298	27	2	0
Total	615	581	823	116	3

Opted Out Members v Active Members

Scheme	Operational Staff	% of WT	% of total operational employees
Wholetime Active Members	410	96.7%	62.6%
Wholetime Opted Out	14	3.3%	2.1%
		% of On Call	% of total operational employees
On Call Active Members	205	88.7%	31.3%
On Call Opted Out	26	11.3%	4.0%
Total	655		100%

94% of operational employees are in a pension scheme. 6% are opted out.

Membership by Age and Ethnicity

Membership by Gender and Ethnicity					
	Gender		Ethnicity		
	Female	Male	BME	Not Known	White
Pension Scheme	%	%	%	%	%
2015 Scheme	11.9	88.1	2.8	3.7	93.5
Opt Out	10	90	2.5	5.0	92.5
Total In Scheme	11.2	82.7	2.6	3.5	87.8
Total Opted Out	0.6	5.5	0.1	0.3	5.7

Membership by Age					
	18-20	21-30	31-40	41-50	51+
	%	%	%	%	%
2015 Scheme	1.1	17.2	34.8	32	14.8
Opt Out	0.0	7.5	27.5	47.5	17.5
Total in Scheme	1.1	16.2	32.7	30.1	13.9
Total Opted Out	0.0	0.5	1.7	2.9	1.1

Appendix B – McCloud Key Deliverables October 2023 – March 2024

Action	Progress	Deadline	Status
<p>Completion of GAD Calculator – Contribution Adjustments</p>	<p>The GAD calculator will need to be completed for all members in scope to work out the contribution adjustment or compensation amount due.</p> <p>Due to the volume of work required, this will be done in phases.</p> <p>Priority 1 – Transfer out cases - Complete Deferred choice cases as they arise – ad hoc as members retire Immediate choice cases for ill health/death cases - Complete</p> <p>Phase 2 – Immediate choice cases for taper/unprotected members – Between Oct 2023 and November 2024</p> <p>Phase 3 – Active/Deferred members - by 30 April 2024 to allow ABS-RSS to be produced by August 2024</p> <p>Phase 4 – Fully Protected members already retired – Between Oct 2024 and March 2025</p>	<p>31/03/2025</p>	<p>In Progress. Calculator for active & deferred members is on track to be completed by 30 April 2024</p>
<p>Production of IC – RSSs for ill health members</p>	<p>Recalculation of pension options and provision of IC – RSSs to ill health pensioners.</p>	<p>31/03/2024</p>	<p>Complete</p>
<p>Compensation for Added Years paid to affected members</p>	<p>All affected members have received communications about this change to their pension record and have received payment of compensation</p>	<p>31/03/2024</p>	<p>Complete</p>
<p>Register for HMRC tax portal</p>	<p>Registration for the tax portal has now been completed</p>	<p>31/03/2024</p>	<p>Complete</p>

Appendix B – McCloud Key Deliverables April 2024 – June 2024

Action	Progress	Deadline	Status
Production of IC – RSSs for beneficiaries of deceased members	Recalculation of pension options and provision of IC – RSSs to beneficiaries of deceased members.	31/05/2024	In Progress
Contingent Decisions	Communicate the contingent decision process to all members. Draft an internal business process to handle claims as they are received. GAD calculator for opt out cases likely to be available from the beginning of May.	31/05/2024	Not Started

XX MONTH YEAR

Name Surname



Welcome to your remediable service statement

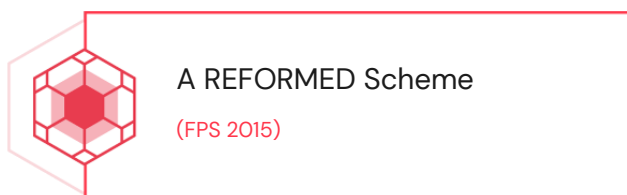
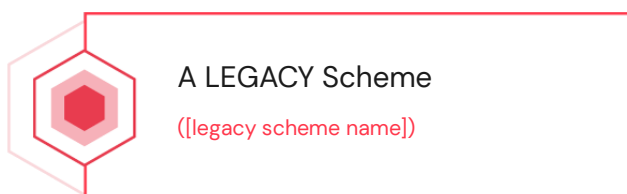
Providing you with details of your choices for remedy



Dear [first name]

You're currently receiving a pension from service with xxxxxx.

As a result of a legal review of the Firefighters' pension scheme (FPS), new options are now available which mean that you can choose the benefits that you receive from either:



This choice will be in relation only to the benefits built up between 1 April 2015 and 31 March 2022 (or your retirement date if sooner). The time between 1 April 2015 and 31 March 2022 is known as the 'remedy period'.

You can choose whichever option is best for you.

Need help understanding your statement?

Find out more at fpsmember.org

What action you need to take

After reading this document, you should let us know your choice by completing the enclosed 'remedy choice form' and returning it to XXXXXXXX.

You have 12 months to decide, but we want to let you know that some of the figures inside are only valid for 28 days from the date of this statement. After this date you can still make a decision, but we will need to recalculate any interest payments.

Your decision about which benefits are best for you will be personal to your circumstances. There are several factors to consider which we have highlighted in more detail within this document. These include, but are not limited to, when you left the Fire Service, whether you were 55 or over and what death and beneficiary benefits are payable.

Should you not make a choice, your Scheme Manager will decide on your behalf.

Full details about how to make decision can be found on page 15.

About you

Member type:
Type of member you are

Retirement date:
Day Month Year

National Insurance Number:
AA 0000 00 A

Unique Identifier:
000000000

Your membership history:

- Before 1 April 2015:
[legacy scheme]
- 1 April 2015 – 31 March 2022
(the remedy period):
[legacy scheme]
- After 1 April 2022:
FPS 2015

At a glance

Here's a summary of your choices.

The summarised figures below show your *total* benefits built up in the Firefighters' pension scheme(s). The figures include the element of pension built up during the remedy period. A breakdown of these figures is shown later in the statement.

Benefits currently being paid		Your alternative benefit options	
Pension paid each year	£[XXXX] a year	Pension	£[total annual pension] a year
PLUS		PLUS	
Pension paid from state pension age*	£[XXXX] a year	Pension paid from state pension age*	£[XXXX] a year
Lump sum paid at retirement	£[XXXX]	Lump sum	£ XXXX
Spouse/civil partner pension**	£[current spouse pension]	Spouse/civil partner pension**	£[total alternative spouse pension]

*When you retired from service, you did not immediately start to receive your pension from FPS 2015. This is payable from state pension age, or earlier with reductions applied.

**This would be reduced if your spouse/civil partner/declared partner is more than 12 years younger than you.

When you retired you decided about how much pension and lump sum you received. This was known as your lump sum 'commutation' options. We have used the same options in the calculation of your alternative benefits, however if you do decide to change benefits you can choose alternative lump sum commutation options.

Please contact us if you would like an illustration of your alternative commutation options.

Lifetime allowance

Benefits already paid	Your alternative benefit options	
Percentage of lifetime allowance used: XX%	Percentage of lifetime allowance used	XX%

Arrears/overpayments

If you choose your alternative benefit options, your choice will be backdated to the date that your pension commenced.

If these are higher than those currently being paid an additional payment will be made to cover the arrears of pension that are due, plus interest.

If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

In both scenarios, the value of this payment may change depending on several factors including when you make your final choice.

Below is a summary of the overpayment/underpayment that applies, including interest.

A breakdown of this value is shown later in the statement:

Arrears/overpayments	
Pension: Total overpayment/underpayment:	£[XXXX]
Lump sum: Total overpayment/underpayment:	£[XXXX]

Some members have individual circumstances relating to their benefits, for example pension from transfers in or additional contributions. If you would like to see a full breakdown of how your pension value is calculated, then please contact us.

Our assumptions

We have set out the assumptions taken to help you compare your pension already being paid and your alternative benefit options as clearly as possible.

Commutation options



We have assumed that if you selected alternative benefits, you would make the same commutation options as you did when you retired. This is so you can compare it to your current choice.

If you elect to change to alternative benefits, you will have the option to select an alternative commutation option. This would affect the amount of pension you would receive and may introduce a tax charge.

Please contact us if you would like an illustration of your alternative commutation options.

Assumptions

We have set out the assumptions taken to help you compare your pension already being paid and your alternative benefit options as clearly as possible.

	Benefits currently being paid	Your alternative benefit options
 Pension values	<p>Current:</p> <p>Your current pension is calculated based on the benefits that you are receiving now.</p> <p>When you started receiving your pension it may have been less than this amount and could have received pension increases each year.</p>	<p>Alternative:</p> <p>The figures shown on your alternative pension calculations are based at the date of this statement, so that you can easily compare them with your current pension.</p>
 Lump sum values	<p>Current:</p> <p>The value of the lump sum shown is the amount that you received when you retired and includes any tax charges that you might have paid.</p>	<p>Alternative:</p> <p>The value shown for the alternative lump sum is calculated on the date that you left the scheme.</p>

Arrears/overpayments

When you have made your choice, your benefits will be backdated to the date that your pension commenced.

If these are higher than those currently being paid an additional payment will be made to cover the arrears of pension that are due, plus interest. If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

Pension

As the alternative pension is higher than your current benefits, you would receive:

One off payment in respect of the value of the difference in pension:	£[pension arrears]
PLUS	
An interest payment as at [date of statement] of:	£[remedy interest payment – pension]

This interest figure is applicable for 28 days from the date of this statement, after this date it will be recalculated to cover the relevant period. After 28 days, the interest rate used in the calculations will reduce.

Lump sum

As the value of the lump sum from the alternative benefits is higher than the value of the lump sum that you received when you retired, you would receive:

A one off payment of £[lump sum difference].	This is the difference of the value of the lump sum you received and the alternative lump sum, after any tax charges.
PLUS	
An interest payment as at [date of statement] of: £[remedy interest payment – pension]	

This interest figure is applicable for 28 days from the date of this statement, after this date it will be recalculated to cover the relevant period. After 28 days, the interest rate used in the calculations will reduce.

For the purpose of this statement, we have assumed the same commutation option that you selected when you started to receive your benefits. When you make your decision, you will be able to review how much pension you would like to take as lump sum. You will need to ask us for an illustration of your alternative commutation options.



ARREARS/OVERPAYMENTS

When you make your decision, you will be able to review how much pension you would like to commute (give up) for a lump sum. Please contact us if you would like an illustration of your alternative commutation options.

Contributions

All the Firefighters' pension schemes have a 'contribution rate' which is paid by the member whilst they are building up benefits.

If you choose an alternative benefit for the remedy period, the amount you have already paid may need to change.

 If you choose alternative benefits	You would receive a refund of £[contributions due to member]	This is the difference in the amount of contributions that have been paid already and the contributions required to change to alternative benefits. [(£ XXX)]
	+/-	
 Tax adjustments	£[contribution tax adjustment]	Contributions to pension schemes receive tax relief. This value is the adjustment in tax if you switch to alternative benefits.
	+/-	
Interest as at [date of statement]*	£[interest]	If you switch to the alternative benefits, you will also receive interest on the contributions that you are due a refund on.]
	=	
Balance	£[+][+][+]	This this the total amount owed/due.

*You can find out how interest has been calculated in our FAQs online at:

www.fpsmember.org/remedy/remedy-faqs

Contributions Holiday

Our records indicate that, should you elect for option one, you are entitled to a contribution holiday. This entitlement has already been considered within the contributions amounts illustrated above.

How would this be paid?

The balance will be deducted from your lump sum unless you notify us otherwise.

If you wish to make a one-off payment instead, you will need to have made this before your revised pension benefits will be paid.

Family benefits

As well as a pension and lump sum, the Firefighters' pension scheme provides additional benefits. You should also consider these benefits when making your decision.

Full details of the benefits from each scheme can be found at www.fpsmember.org.

	FPS 1992	FPS 2006 & Special FPS 2006	FPS 2015
Spouse/ civil partner pension	Half your annual pension before it is reduced for any lump sum commutation. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life but ceases on re-marriage.	Half your annual pension after it is reduced for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.	Half your annual pension after reduction for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.
Unmarried co-habiting partner	No entitlement.	Half your annual pension after it is reduced for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.	Half your annual pension after commutation*. Pension is payable for life.
Death in retirement lump sum	No entitlement.	If you die within 5 years of retirement, the balance of 5 year's pension payments would be paid to your survivor.	If you die within 5 years of retirement, the balance of 5 year's pension payments would be paid to your survivor.
Children's pensions	Paid to children under age 18 or under age 23 and in full time education.	Paid to children under age 18 or under age 23 and in full time education.	Paid to children under age 18 or under age 23 and in full time education.

*This figure would be reduced if your spouse/civil partner/co-habiting partner is more than 12 years younger than you.

Elections

Once you have made your choice, the dependants benefit payable will be in line with this, and there will be no further option to change this.

More information can be found at www.fpsmember.org.

If you have not completed an unmarried partner declaration form, then you can find one here xxxxxxxxxxxx.

You can also complete a form to let us know who you want to receive any death lump sum payments and if you have not already done this the form can be found here xxxxxxxxxxxx.

Choosing pension and lump sum

When you chose to start to take your pension you had the option to choose the balance of pension and lump sum that you received.

This is known as commutation – where you commute (give up) some of your pension for a higher lump sum.

For the purposes of this statement, we have assumed that you would make the same decision. However, if you choose to move to alternative benefits, you will have the option to make this choice again. Doing so will change the value of the figures in the statement.

The value of the lump sum you can take can vary – HMRC sets a limit on the amount you can take without incurring a tax charge. FPS 1992 allows you to take more than this amount, however a tax charge may be payable if you select to do this.

For more information about your commutation options see:

<https://fpsmember.org/fps-1992/how-much-lump-sum-can-i-take>.

If you would like to receive an illustration of your alternative commutation options, please contact us.

How will corrections be paid?

New regular payments

After receiving your election form, we will process your case. If you choose to switch to alternative benefits, you will receive confirmation of your decision and we will let you know the date your revised pension payments will start.

Arrears/Overpayments

When you have made your choice, your benefits will be backdated to the date that your pension commenced on.

If you are owed money

If these are higher than those currently being paid an additional payment in respect of overpaid contributions, arrears of pension and/or lump sum values will be made. These payments will be made to the bank account which your pension payments are currently made unless you specify otherwise. We will write to you to confirm the value of this payment and when it will be made.

If you owe money

If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

This will be deducted from your lump sum unless you notify us otherwise.

If you wish to make a one-off payment instead, you will need to have made this before your revised pension benefits will be paid.

Impact on tax

Limits on the amount of pension you can build up

The Government sets limits on the amount of pension that can be built up each year. This is known as the Annual Allowance (AA) and is calculated by looking at your Pension Input Amount (PIA).

Each year you were building up benefits, if you were close to or exceeded the PIA, you will have received a pension saving statement detailing the amount that you built up in the Firefighters' pension scheme.

Any changes to the benefits you built up during the remedy period, may change the amount of pension built up for each of these years.

Remediable pension savings statement

If, for at least one of the years within the remedy period, the benefits you built up in the Firefighters' pension scheme were close to, or over the pension input amount you may be liable for an additional tax payment.

If the data we hold for you indicates that this might be the case, once you have made your choice, you will be sent a remediable pension savings statement (R-PSS) that shows the PIA built up in each of the remedy years, which will allow you to determine whether any additional tax is due. However, to assist in making that choice, we have sent you a notional remediable pension saving statement (NR-PSS) so you can see how your choice impacts the PIA.

HMRC member tax calculator

HMRC have designed a member calculator to allow members to correct their tax position where they have been affected by remedy.

The service will:

- work out any repayments that are due for a lifetime allowance or annual allowance charge an individual has previously paid.
- work out new, reduced, or extra lifetime allowance or annual allowance charges that an individual may have to pay.
- submit information for HMRC to review.

Once this information has been submitted, HMRC will then contact your Fire and Rescue Authority (FRA).

The FRA will then need to:

- repay any overpaid tax charges paid from 6 April 2015 to 5 April 2019, and
- increase your pension benefits to cover the amount of repayment due for overpaid tax charges they paid on your behalf.

If you have an extra tax charge to pay, a notice will be sent directly to you by post. If you are due a refund of tax charges, HMRC will pay this to you using the bank details you have provided. If your FRA paid the tax charges through scheme pays, the refund will be made to the FRA.

Please see links to the different products below:

- [Calculator / Digital Service \('Calculate your Public Service Pension Adjustment'\)](#)
- [The Interactive Guidance tool \('Check if you are affected by the Public Service Pensions Remedy'\)](#)
- [The McCloud GOV.UK guidance collections page](#)
- [The McCloud pensions newsletter](#)

Income tax

The tax you pay on your pension income depends on the total value of income that you receive in any financial year. For example, including income from other pensions or wages that you might be receiving.

As we do not hold details of your total income, we are not able to advise if changing to alternative benefits for the remedy period will impact the amount of income tax that you pay.

HMRC has processes in place to limit the impact of pensions paid in arrears. You can find out more at: <https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim75020>

Tax relief on contributions

Contributions to pension schemes receive tax relief, we have included details of this within your contributions calculations which are show on page 8.

Lifetime Allowance

When you retired, the Lifetime Allowance was in force up to 5 April 2023 and will have applied to your pension benefits if you retired before this date. If this applies to you, the revised percentage of the Lifetime Allowance that has been used by your benefits has been shown in this statement.

Making your choice

If you want to remain the same

If you are happy with the benefits that you are currently receiving and do not want to change, you should select the 'Remain with current benefits' box on the enclosed remedy choice form and return it to us at XXXX.

If you want to change

If you decide that you would like to choose the alternative benefits shown in this statement, please complete the enclosed remedy choice form and return it to us at XXX.

If you don't make a choice

We strongly recommend that you make a choice. If you don't make a choice, your scheme manager will decide for you based on the figures in this statement.

How long you have to make a choice

The figures in this statement are valid for 28 days, however you have up to 12 months to make your choice. If you do not decide within 28 days, the figures relating to interest that will be paid will be recalculated at the date you make a decision and the rate of interest used to calculate the payments will be reduced.

After you have made your choice

Once you have made a choice about your benefits, we will process your request.

What if I change my choice?

You have until 10 days before payment is made to change your decision. Where possible we would suggest that you contact us immediately if you have changed your mind, to ensure that no payment is made.



Brief background to remedy

Past changes to the Firefighters' pension scheme.

In April 2015, a new pension scheme (called FPS 2015) was introduced. As part of the roll out of the new scheme, some members were given 'protection' and remained in their legacy scheme for a set period of time after April 2015. This protection ran from 1 April 2015 to 31 March 2022 (or their retirement date, if sooner). This period is now known as the 'Remedy period'.

After a legal challenge, the courts determined that these protections were age discriminatory and unfair to all members of the pension scheme i.e. younger members in the scheme were missing out on additional years of benefits from the original pension schemes.

Remedy period

The changes introduced from 1 October 2023 aim to give all members the same choice of benefits for the 'Remedy period'. We refer to this as Remedy.

It can also be referred to as McCloud, as the McCloud judgement related to the Judges case. Sargeant as the Sargeant judgement related to the Firefighters' or Age Discrimination remedy as both cases related to Age discrimination.

Pre-Remedy

1 April 2015 – 31 March 2022



You were put into a scheme based on your age and service.

You didn't have a choice.

Post-Remedy

1 April 2015 – 31 March 2022



You can choose the scheme that is right for you.

Mr/Mrs Full Name
123 Street Name
Town
City
AB1 2CD

www.fpsmember.org

On this site you'll find frequently asked questions, useful animations explaining your remediable service statement.

Administrator contact details

[Administrator name]
[Address line 1]
[Address line 2]
[Address line 3]
[City]
[Postcode]

[Admin website]

[Admin phone number]

The legal bit

There are several legal documents which determine the correct process for remedy. A key document is the Public Service Pensions Judicial Offices Act (PSPJOA) Section 29 – this provides full details of the Act that outlines remedy: <https://www.legislation.gov.uk/ukpga/2022/7/section/29/enacted>

Compensation

If you think you have been negatively impacted by remedy, in the first instance, you should speak with your scheme manager (usually a person within your Fire and Rescue authority).

Contingent Decisions

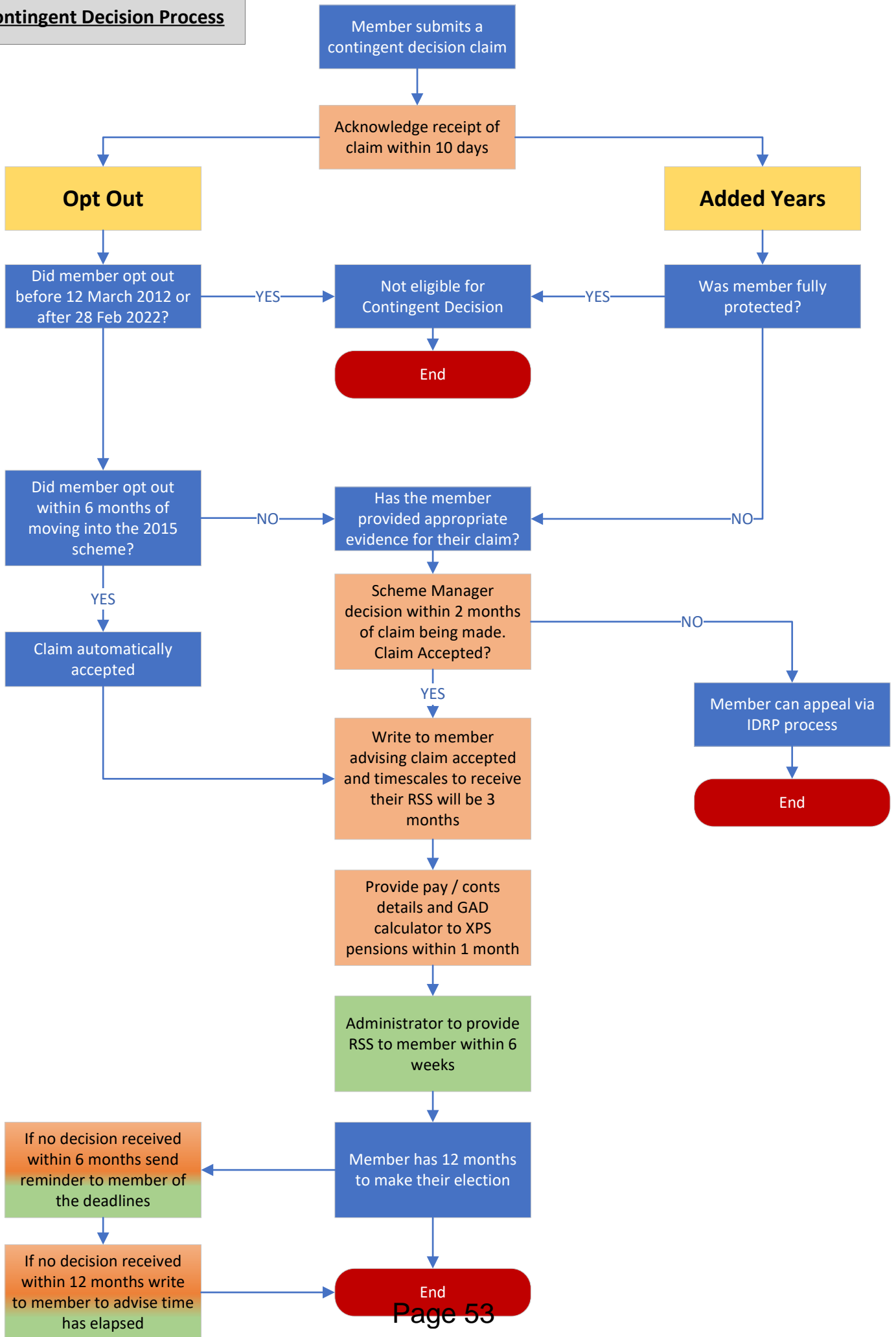
If you think that you made a choice, that you may have made differently had it not been for remedy, in the first instance, you should speak with your scheme manager (usually a person within your Fire and Rescue authority), about how you go about making a claim.

Dispute Resolution

If you think you have been negatively impacted by remedy, in the first instance, you should speak with your scheme manager. Your scheme manager will follow an Internal Dispute Resolution Procedure (IDRP) to try and resolve your complaint.

If your scheme manager cannot resolve your query, you can raise a formal complaint with the Pensions Ombudsman. Further information can be found on their website: <https://www.pensions-ombudsman.org.uk/making-complaint>

Contingent Decision Process



Fire Risk Scoring Matrix

Probability/ Likelihood	VH = 5	5	10	15	20	25
	H = 4	4	8	12	16	20
	M = 3	3	6	9	12	15
	L = 2	2	4	6	8	10
	VL = 1	1	2	3	4	5
		VL = 1	L = 2	M = 3	H = 4	VH = 5
	Impact					

Risk Priority

15-25	High	Significant Action Plan required
9 – 14	Medium	Action Plan required
1 – 8	Low	Risk can be tolerated

Joint Risk Scoring Guidance

IMPACT							
Impact Score	Service	Performance	Finance	Reputation	Legal	Safety	Human Rights/ Diversity
5 = Major	Major impact/disruption to critical services. Inability to deliver a number of organisational objectives.	Significant performance impact. Not achieving more than one of the organisation's performance targets	Fire – over £1m	Sustained national media coverage. External Enquiry. Removal of command team member.	Prosecution. Major claims/fines against both organisations	Multiple fatalities or multiple permanent injuries	Unjustified impact or interference.
4 = Serious	Serious impact/disruption on critical services with a noticeable impact on local communities.	Large impact on performance resulting in not achieving one of the organisation's performance targets	Fire - over £500k	Sustained adverse media coverage	Serious claims/fines against both organisations	Single fatality or severe injuries	Serious unjustified impacts or interference.
3 = Moderate	Noticeable impact on non-critical services or short term disruption.	Impact on performance resulting in difficulty achieving performance targets but where corrective action can still be taken	Fire – over £250,000	Some local adverse publicity	Significant litigation/claims. Within insurance cover.	Major injury	Some limited unjustified impact or interference.
2 = Low	Minor disruption to Service Delivery	Small impact on performance targets but can still be managed.	Fire – over £100K	Short term customer dissatisfaction	Minor claims/complaints within insurance cover	Minor or slight injury	Impact of interference manageable with existing resources
1 = Negligible	No noticeable disruption to service. Impact is easily manageable	Minimal/short term impact on performance, not to the extent where key targets are impacted.	Fire – below £5K	Manageable customer dissatisfaction	Unlikely to lead to litigation or a claim.	Unlikely to have any safety impact.	No impact on diversity/human rights

Probability Score	Detailed Description	% Chance	Relative	Frequency
5 = Very Likely	Has regularly occurred with the organisation or there are strong indications that the risk will happen in the future.	80% or more	Certain that it will happen	yearly
4 = Likely	Has previously occurred or there is a strong probability that it will happen in next 12 months within the organisation.	50% - 80%	Highly likely to occur	Every 1 to 2 years
3 = Moderate	Some indication that the risk will happen in the short to medium term.	20% - 50%	More likely not to happen than happen	Every 2 – 5 years
2 = Unlikely	Limited indication at this stage that the risk will happen.	5% - 20%	Unlikely to happen but possible	Every 5 to 20 years
1 = Remote	No indication that the risk will happen. Expected to be a rare occurrence	0% - 5%	Extremely unlikely	Every 20 years or more

Firefighter Pension Scheme Risk Register

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
Operational disaster (i.e. flood/fire)	1	3	3	↔	All records are stored electronically. Data is backed up regularly and server providers also have business continuity procedures in place. Business continuity and data security forms part of contract.	Pension Provider	Annual review	
				↔	The majority of pension documents are electronic and all personnel files have been scanned. Data is regularly backed up, can be accessed from anywhere on the network and server providers also have business continuity procedures in place. Business Continuity plan to be reviewed on a bi-annual basis.	Head of People & Development and HR Business Support Supervisor	Ongoing	
				↔	Contracts with pension provider are stored electronically and hard copy stored in Legal Dept.	Scheme Manager / Pensions Manager	In line with contract dates	
Member data incomplete or inaccurate	2	3	6	↔	Members have direct access to their own data and information via online Self-Service portal. Annual reconciliation of member data to ensure accuracy and identify	Pension Provider	Annual	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					and resolve any gaps in conjunction with pension provider			
				↔	Annual data check of common data and any addresses found to be incorrect are investigated using a tracing agency where required	Pension Provider / Pensions Manager	Annual	
				↔	Robust payroll processes in place to ensure accuracy of data sent to pension provider	Pensions Manager / Payroll and Pensions Supervisor	Review Annually	
Administration Failure / Maladministration	2	3	6	↔	Formal agreement in place with pension provider including SLAs. Provider presents report to the Pension Board at each meeting.	Scheme Manager/ Pensions Manager / Pension Provider	Quarterly	Due to the volume of work involved for the McCloud remedy, XPS and clients have agreed to vary SLAs on a temporary basis during this very busy period. Any SLAs where payments are involved will be maintained as far as possible
				↔	Authority Levels and signatory lists clearly documented and up to date	Pensions Manager / Pension Provider	When there is a change in staff or policy	
				↔	Review Pension Providers audit reports	Scheme Manager/	Annually	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
						Pensions Manager		
				↔	Close management of administration contract through quarterly contract and performance review meetings	Pensions Manager	Quarterly	March 2024 Update Fortnightly meetings now in place to discuss / monitor upcoming DCU retirements.
				↔	Robust internal controls in place for both the pension provider and CFRS including: <ul style="list-style-type: none"> - Pre-checks to take place by Pension Provider and the Pensions Co-ordinator/Pensions Manager prior to final authorisation by approver (for all calculations) - Provider to have documented controls for all calculations and payments - CFRS to check agreement with all calculations for pension and lump sums and approve payment. - CFRS checks to ensure split pensions are identified and notified to the pension provider at the point of retirement 	Pensions Officer / Pension Provider / Pensions Manager	Ongoing	March 2024 Update See issues log. Incorrect estimate leading member to expect £9000 more lump sum when he actually retired. The Team Manager has committed to reviewing the internal training notes for Modified Scheme calculations to ensure this is clearer for administrators in the future and prevent future errors.

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
				↔	Provider has a training programme in place for their staff, including Fire specific pension scheme rules	Pension Provider	Ongoing	
				↔	Transparent and open monitoring process to ensure lessons are learned from any errors made. Monitored through quarterly performance reviews.	Scheme Manager / Pension Provider	Ongoing	
				↔	Ensure resilience in Pension Provider teams to mitigate the impact of loss of key staff/knowledge of Fire Pension Schemes	Pension Provider	Ongoing	
Data Forecasts and Calculations	2	3	6	↓	Robust business process in place to ensure the Administrator are provided with accurate pensionable pay and service information to enable accurate forecasts to be produced for members	Pensions Manager/ Pensions Officer	Annually	
				↓	Administrator to make available suitable forms and guidance to enable clear instructions to be provided by employer	Pension Provider	Ongoing	
McCloud/Sargeant Lack of resources to complete any remedy actions	4	5	20	↔	- Ensure additional budget is available for the additional internal resources that will be needed to complete any remedy actions including additional budget which may be required to pay for tasks which may need to be completed by	Scheme Manager / Head of Finance / Treasurer	Ongoing	March 2024 Update Workloads remain high due to the volume of data work required for the Matthews and McCloud remedy exercises. Work to complete the bulk GAD

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
			4		payroll/pension providers on top of the current contract SLAs.			calculator for McCloud is underway and on track to be delivered by 30 April as per XPS requirements. The Matthews exercise is very admin-intensive therefore there will be a pinch point between Feb and April 2024 as key data work for the 2 remedies coincides.
Cyber Security	1	4	4	↔	<ul style="list-style-type: none"> - Both Cheshire Fire and Rescue Service and the pension provider have access to specialist skills and knowledge to assess and manage the risk of cyber security incidents - All systems are subject to regular back ups to ensure critical data is not lost - Robust IT policies on password, access and acceptable use along with limited access to certain websites to reduce the risk of malware attacks - Documented business continuity plans where security is breached. - Both CFRS and the pension administrator have: <ul style="list-style-type: none"> - robust system controls in 	Head of IT/ Pension Provider	Annually	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
					place such as firewalls, anti-virus and anti-malware as well as a regular schedule of software updates. - Access to systems and data is limited to authorised personnel only			
Loss of experienced/ knowledgeable staff	2	4	8	↔	<ul style="list-style-type: none"> - Ensure role holder has the appropriate skills, experience and qualifications - Ensure full induction and training is given to new starter to ensure they receive the necessary grounding in Firefighter Pensions - Provide access to LGA training and LGA conferences to build knowledge - Ensure ongoing support plan is in place to assist new starters to complete pension board and FPS bulletin actions - Provide necessary training and introduction to pension provider to enable role holder to manage contract - Ensure succession plan in place 	Head of People & OD	Ongoing	

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
Matthews remedy Lack of resources/data to complete remedy action	4	5	20	↔	<ul style="list-style-type: none"> - Additional funding has been secured for a temporary pension resource. Once more is known about the timescales for the McCloud and Matthews remedy, a plan will be put in place to recruit to this position - Ensure data on job, salary and absences is available from legacy HR system to allow calculations to be completed 	Head of People & OD / Pensions Manager	Ongoing	March 2024 Update Workloads remain high due to the volume of data work required for the Matthews and McCloud remedy exercises. Work to complete the bulk GAD calculator for McCloud is underway and on track to be delivered by 30 April as per XPS requirements. The Matthews exercise is very admin-intensive therefore there will be a pinch point between Feb and April 2024 as key data work for the 2 remedies coincides.
Lack of resource in LGA team <ul style="list-style-type: none"> - Current Senior pension advisor leaves in April and other main resource is on maternity leave - Recruitment may be difficult due to a lack of people in 	3	5	15	↓	<ul style="list-style-type: none"> - LGA responsible for recruiting resource to backfill these roles - Number of sub-committees already in place to carry on work relating to technical aspects of the scheme, communications and governance. - Advisor now in place specifically covering governance 	LGA	April/May 2023	March 2024 Update All positions in the LGA team have now been filled. The third member of the team will commence in the role following a notice period with their current employer. This risk will now be closed.

Risk Area - OPERATIONS	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
<p>the market for pension roles.</p> <ul style="list-style-type: none"> - If any new advisor does not have specific fire pensions knowledge, this may impact the level and quality of support available to FRAs. - This will be the busiest period for the McCloud and Matthews remedies, therefore LGA support will be in high demand 					<ul style="list-style-type: none"> - Additional role for a communications officer is also being recruited to - Job role requires the successful candidate to have extensive knowledge of the Firefighters' Pension Scheme and McCloud/Matthews remedies. 			

Risk Area – FINANCIAL	Likelihood	Impact	Score	Direction	Control	Owner	Test / Review	Comments/Updates
Unforeseen/Excessive charges by provider	5	5	25	↑	<p>Contracts are governed by OJEU rules and are often limited to 2 years with the option to extend, meaning providers are regularly reviewed.</p> <p>Contract prices and any adhoc scenarios where additional charges may be incurred are laid out in the contract / framework terms.</p>	Scheme Manager / Head of People & Development	Term of the Contract	

Risk Area – FINANCIAL	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					Where additional charges are required for project work, the provider will supply a full breakdown of the charges.			
Fraud / Fraudulent behaviour	1	4	4	↔	<p>Only pension forms from authorised signatories will be accepted by the pension provider</p> <p>Pension Provider staff have documented processes and both internal and external audit procedures.</p>	Authorised Signatories/ Provider	Ongoing	
Costs incurred due to failure to apply scheme/tax rules correctly or in a timely manner	2	3	6	↔	<ul style="list-style-type: none"> - Pension provider have a technical team with specialist knowledge of the regulations and tax rules - Pension provider produce employer bulletins outlining tax rules for employers - Employer subscribes to knowledge hub and receives LGA/Home Office bulletins and circulars - Regular updates from the Scheme Advisory Board - Employer subscribes to HMRC pension tax updates - Access to professional tax advice when necessary - Pension provider submit event reports and AFT reports and manage payover of tax to HMRC 	Scheme Manager / Pension Provider	Ongoing	

Risk Area – FINANCIAL	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
McCloud Remedy Possible back claims from members negatively impacted by this case	5	3	10	↔	<ul style="list-style-type: none"> - Finance team to ensure reserves are in place for potential compensation payments and additional administration costs - Pension team to closely monitor costs using LGA provided templates 	Scheme Manager / Pensions Manager / Head of Finance	Ongoing	

Risk Area – FUNDING	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Failure to deduct correct contributions from pay	2	2	4	↔	<ul style="list-style-type: none"> - Monthly reconciliation of pay changes to ensure any pension related changes are applied correctly - Clear policy on application of pensionable pay rules - Bi-annual contribution band checks are completed in April when bandings change and July when pay award is applied - Automate payroll processes where possible. Where not possible, robust process should be in place for any manual workarounds 	Pensions Manager	Monthly Bi-Annually	
Failure of employer to pay contributions to the scheme	1	3	3	↔	<ul style="list-style-type: none"> - Pension deductions are accounted for by the FRA and therefore contributions are deducted directly 	Finance / Treasurer	Monthly	

Risk Area – FUNDING	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
					<ul style="list-style-type: none"> from employee pay and accounted for in the pension account. - Finance team conduct monthly reconciliation 			
Failure to manage FPS fund correctly i.e. injury pension accounting	1	3	3	↔	<ul style="list-style-type: none"> - Follow guidance provided by Fire Finance network and Home Office circulars - Training and guidance available for finance team on tax and accounting matters through LGA, CIPFA and PSTAX. - Attend Fire Finance Network meetings for guidance from colleagues in other Services. - Process in place to ensure fund is compensated in cases where abatement is not applied to the member 	Finance / Treasurer	Ongoing	
McCloud Additional pension account outgoings Ruling leading to increased costs to the pension account	5	5	25	↔	<ul style="list-style-type: none"> - Ensure the outcome of this ruling is factored in to any pension account budgeting/accounting and contingency planning is considered. - Calculate potential additional pension and lump sum payments as a result of immediate detriment and remedy to allow accurate valuation for top up grant 	Finance / Treasurer Pensions Manager	Ongoing	

Risk Area – REGULATORY & COMPLIANCE	Likelihood	Impact	Score		Control	Owner	Test / Review	Comments/Updates
Failure to interpret rules or legislation correctly	2	4	8	↔	<ul style="list-style-type: none"> - Utilise central LGA resource and regional / national groups to assist with interpretation of rules and possible provision of legal opinion - Subscribe to the LGA Knowledge hub to get regular updates and liaise with other FRAs - Access professional tax/legal advice where required - Utilise LGA/Home office bulletins and circulars - Utilise knowledge and expertise of the Pension Provider technical team - Annual training for pension board and members of the pension team - Attendance at FPS AGM - Clear documented process for decision making outlining process to be followed and the responsible parties 	Scheme Manager/ HR Business Support Supervisor/ Pension Board Members/ Pensions Manager	Review as case law arises or as new legislation comes into Force	
Failure to comply with disclosure requirements or communicate with staff	3	4	12	↔	<ul style="list-style-type: none"> - Annual Benefit Statements (ABS) provided to all active scheme members in August each year - Annual Benefit Statements provided to all deferred members on an annual basis - Annual check to ensure all members have received an ABS 	Provider Provider Pensions Manager	Annual Annual Annual	March 2024 Update All members in scope for the Matthews exercise received a letter by 31 December 2023 which was the disclosure deadline. However, there are 100 members we

Risk Area – REGULATORY & COMPLIANCE	Likelihood	Impact	Score	Control	Owner	Test / Review	Comments/Updates
				<ul style="list-style-type: none"> - Spot check an ABS for each pension scheme to ensure accuracy of figures - Business processes in place to ensure the relevant legal statements are issued to any staff who are contractually or auto-enrolled. - Business process in place to communicate with members whose contribution banding changes. - Dedicated Intranet page for pension related matters which includes forms, details about the scheme rules, employee guides and information about pension tax. - Any news relating to changes to pension or pension tax is communicated within 3 months in the Green Bulletin or where the change impacts all staff (i.e. end of contracting out), letters will be sent to all staff 	<p>Pension Provider</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p> <p>Pensions Manager</p>	<p>Annual</p> <p>Ongoing</p> <p>Annual</p> <p>Ongoing</p> <p>Ongoing</p>	<p>believe may no longer reside at their last known address. A tracing agency has been employed to confirm addresses for these people. Once tracing is complete (2-6 weeks) letters will be redirected to the confirmed address.</p>

McCloud – Immediate Detriment (ID) – Corporate Risk Register

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
<p>Failure to remove discrimination in the workplace</p> <p>The McCloud ruling confirmed that transitional protections associated with the 2015 scheme constitute age discrimination.</p> <p>Home Office advised Services in November 2021 not to offer remedy under ID until all remedying legislation is in place, (expected October 2023) due to possible financial risks for both the Service and member.</p>	2	4	8	<p>Litigation and the potentially significant costs to defend legal claims and pay compensation and plaintiff's legal costs if unsuccessful</p> <p>Financial claims for loss and injury to feelings compensation</p> <p>Employee dis-engagement / Employee relations/welfare issues</p> <p>IDRP complaints</p> <p>Industrial relations issues</p> <p>Reputational damage</p>	<p>Assess potential costs to the pension and operating accounts for immediate detriment</p> <p>Dedicated contact in Legal Services for pension related queries and central support from Bevan Brittan</p> <p>Engagement in fortnightly national pension updates with the LGA</p> <p>Regular dialogue and communication with staff and rep bodies.</p> <p>Dedicated hub on the intranet for all updates.</p> <p>IDRP process available to staff</p>	Scheme Manager / Pensions Manager	<p>Risk 2059 – Corporate Risk Register</p> <p>March Update Services have until 31 March 2025 to apply remedy to members who retired before October 2023, therefore the risk of further litigation is low. FRAs have agreed to prioritise certain cases with ill health to be completed by March, death cases by May and unprotected/taper protected members by November 2024. However, until the detriment has been removed for these members, the risk remains of further challenge and complaints. Since the last pension board meeting we have had a number of complaints from this cohort of members and FOI requests. An update letter will be sent to members</p>

Risk Area - McCloud Immediate Detriment	Likelihood	Impact	Score	Risk Impact	Control	Owner	Risk Progress
							shortly to advise them of progress with the remedy implementation.
<p>Lack of certainty about the financial impact of ID and funding arrangements for recovery of costs</p> <p>Until remedying legislation is in place, the full scope of potential liabilities cannot yet be quantified.</p> <p>Until hearings are held later in 2022, the cost of injury to feelings claims cannot be quantified</p> <p>Home Office and HM Treasury have not confirmed whether any costs will be recoverable</p>	3	3	9	<p>Shortfall in funding to pay out increased Firefighters’ pension scheme liabilities</p> <p>Shortfall in funding to pay out compensation/interest/administration costs</p> <p>Uncertainty for financial planning</p> <p>Money already earmarked may have to be redistributed. charges from the pension provider as a result.</p>	<p>Ongoing work to calculate costs for immediate detriment to assist with short-term financial planning</p> <p>Home Office providing grant for FRSs to use towards administration costs. This is currently being used to pay for additional XPS administration and software costs.</p> <p>Regular review and monitoring of costs using LGA provided templates.</p>	Scheme Manager / Pensions Manager	<p>Risk 1006 – Strategic Risk Register</p> <p>March 2024 Update Injury to feelings claims are still being negotiated, but should be resolved in Q1 of 2024. It has also been confirmed that a third party payroll provider will co-ordinate those payments.</p>