



MINUTES OF THE MEETING OF THE LOCAL PENSION BOARD - FIREFIGHTERS PENSION SCHEME held on Friday, 26 April 2024 at POs Conference Room - Fire Service HQ, Sadler Road, Winsford, Cheshire CW7 2FQ at 12.30 pm

PRESENT: Councillor David Brown (Chair), Lee Shears, Tony O'Dwyer (Employee - FOA) 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), Amy Caves (Solicitor) and Donna Linton (Governance and Corporate Planning Manager)

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 5th December 2023 be confirmed as a correct record.

4 XPS CHESHIRE PERFORMANCE DELIVERY REPORT QUARTER 4 2023-24

Graeme Hall, Head of Public Sector Relations from XPS Administration, was in attendance and presented the Cheshire Fire Pension Board Report Quarter 4 2023-24 which contained the following information:-

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

Graeme Hall provided an update on the Completed Cases Overview. The table showed that the performance against the Service Level Agreement during the

Quarter 4 reporting period was lower than reported in previous quarters. In response, Graeme Hall advised that the additional workload and queries for the legislative change due to the Remedy was making more of an impact, also there had been staff challenges due to sickness and leave which had now been resolved. XPS would continue to monitor performance and raise any areas of concerns where necessary.

The Board were provided with an update on the Member Self Service, the table within the report provided information on the number of Cheshire Fire members who had registered for the online member self-service portal including the age profiles for members who had registered. A Board Member advised that it was felt that not all members especially the retirees were aware that they had access to the Member Self Service and suggested that this was promoted in future correspondence to all members. In response, Graeme Hall advised that XPS focussed on the active members rather than the retirees, however, XPS were looking to be more proactive in promoting the Member Self Service going forward.

Graeme Hall advised that a company called Heywoods were in the process of developing a system to produce a revised Annual Benefits Statements (ABS) that would be in a 12-page PDF printable format. A draft version of the document would be available by 1st July for comment. It was still the intention that the ABS would be published by 31st August 2024. A Board Member asked if guidance would be available to members explaining the new format of the ABS. In response, the Payroll and Pensions Manager advised that the new format should be easier to understand as it would provide further information and a breakdown of data. However, if this was not the case further guidance would be made available.

The Board were advised that following recent HMT guidance that the interest applied to arrears of benefits under McCloud may result in unauthorised payments in certain circumstances. A new GAD interest calculator is being supplied to determine any applicable tax charges to allow this to be confirmed to members. Due to the legislative timescales to deliver this project XPS have decided to take a new approach with the cohort ordering (where Services agree) to ensure that all RSS were delivered to members in time. XPS appreciated that this did not fit within the guidelines of cohort order previously issued but believed this was a pragmatic solution to the delay. To issue this cohort, XPS would require assistance from CFRS and asked that the GAD data for these members be sent at your earliest opportunity.

XPS provided an overview on how long after retirement payments have been for members who have retired since October 2023. The chart detailed in the report showed how this had tracked since the two months prior to McCloud to the end of February 2024.

The Scheme Manager asked how many payments had been made seven days after the date of retirement and by how long. In response, Graeme Hall advised that he would provide this information outside the meeting.

RESOLVED: That

- [1] **the XPS Administration Cheshire Fire Pension Board Report Quarter 4 2023-24 be noted; and**
- [2] **Graeme Hall to provide information on the date of payment made beyond seven days of retirement to the Scheme Manager outside the meeting.**

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 - Update
- McCloud Remedy – Contingent Decisions
- Matthews Remedy – On Call Firefighters
- Pension Tax Update
- Pension Dashboards Programme
- General Updates

The Payroll and Pensions Manager advised that in the Chancellor's budget statement in March 2023, the Government announced that they would be abolishing the Lifetime Allowance (LTA) from 6th April 2024. The Finance Act 2024 received royal assent on 22 February 2024, removing the lifetime allowance from the 2024-25 tax year. This now meant that there was no limit on the amount of pension savings that people could take without a tax charge. Going forward, members would still be able to take the maximum lump sum but anything over £268,275 would be subject to income tax at the member's marginal tax rate. For some this may equate to 40% or 45% tax.

A Board Member asked if this would affect members in Remedy. In response, Graeme Hall, advised that clarity was being sought on how this would affect members in Remedy. A Board Member advised that London Fire Brigade had sent correspondence to their members advising on the Pension Tax Update.

The Payroll and Pension Manager advised that following the Department for Work and Pension's announcement that the Pension Dashboards Programme connection deadlines would be delayed, it had now been confirmed in legislation that the latest connection deadline for would be October 2026. However, public sector schemes would be expected to stage by 1 October 2025. XPS pensions would be preparing a Dashboards Connection Readiness Report in the coming months. Whilst most of the work would be carried out by the administrator, the Pensions Regulator had made it clear that it was scheme managers and Local Pension Boards who were responsible for overseeing that dashboards were implemented accurately and on time.

RESOLVED: That

[1] the Firefighter Pension Scheme update be noted.

7 MCCLOUD AND MATTHEWS REMEDY UPDATES

The Payroll and Pensions Manager provided an update on progress against the McCloud Remedy project deliverables that was detailed at Appendix B of the report, along with a summary of the next group of key deliverables which need to be completed between April 2024 and June 2024.

The LGA have recently advised that the remediable service statement (RSS) for contingent decisions and beneficiaries were now available, and they were currently working on the RSS template for annual benefit statements (ABS) which would be needed by August 2024. CFRS pension team were 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 detailed how much members would owe, or how much compensation would be due for contribution adjustments. This information was needed by administrators to allow them to produce a combined annual benefit statement and RSS that members would receive later in August 2024.

The Board were reminded that Contingent decisions were 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. The LGA had now published an employee guide for scheme members who may wish to submit a contingent decision claim, along with a claim form. On 4 April, CFRS met with XPS pensions to discuss the process and agree timescales and responsibilities for these claims.

GAD were developing another calculator which would allow services to calculate how much members owe and the interest to be applied. This calculator should be available at the beginning of May.

The Payroll and Pensions Manager confirmed that a meeting would shortly be arranged for immediate choice members. This would be a face to face meeting to allow scheme members to receive an update on the remedy implementation and to allow them to ask any remaining questions they have.

The Payroll and Pension Manager provided an update on the Matthews Remedy – On-Call Firefighters. Since the last meeting of the Board 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. CFRS's pensions team were currently working to produce quotes for members who had expressed an interest in joining the scheme or purchasing additional service. These calculations were very complex and there were still several outstanding technical issues which the Home Office were considering. These may require amendments to regulations to resolve.

Amy Caves, Solicitor, provided an update in relation to the Pensions Litigation concerning Injury to Feeling claims arising out of the McCloud judgment. It was reported that the Solicitors dealing with the Injury to Feeling claims had changed from Walkers Solicitors to Thompson Solicitors.

It was reported that the Hearing for the First Wave of cases had been vacated. Discussions had taken place with legal, and the fire and rescue services and an offer had been given in principle. Claimants who had a claim logged in 2015 were classed as the First Wave. These were cases relating to ill-health. Members would be receiving correspondence in April 2024 from Thompson Solicitors about their individual cases. No decision would be made on the Second and Third Wave until the First Wave had been finalised.

RESOLVED: That

[1] the McCloud update be noted.

6 FIREFIGHTER PENSION SCHEME RISK REGISTER

The Payroll and Pensions Manager presented the Firefighter Pension Scheme Risk Register that had been reviewed and updated in March 2024. Updates since the last meeting were highlighted in blue in the document.

The Payroll and 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 26th March 2024 there were no issues raised relating to pensions.

RESOLVED: That

[1] the update be noted.

9 TRAINING AND DEVELOPMENT UPDATE

The Payroll and Pensions Managers reported that the LGA had changed their approach to how they provided the Local Pension Board training, this would no longer be individually to each Local Pension Board. The training would take place every quarter via Teams every quarter that would be open to both new and existing Local Pension Board members, and any other individuals involved in the governance of the Local Pension Board. Lee Shears advised that had had attended the new style training session on 26th March 2024 and had found the session very useful.

All Board Members were encouraged to attend future training sessions and the Payroll and Pensions Manager would share this information with the Board Members.

The LGA Local Pension Board Conference was due to take place on 18th and 19 September 2024 in London if any Board Members were interested in attending the event.

RESOLVED: That

[1] the update be noted; and

[2] the Payroll and Pensions Manager circulate the Local Pension Board training dates to Board Members.

Note: Since the meeting two Board Members had booked to attend the LGA Local Pension Board training session on 23rd January 2025.