

The report is Not Exempt

The report is for Information

REPORT TO: LOCAL PENSION BOARD

MEETING DATE: 22/04/24

SUBJECT: Scheme Administrator - Update

PURPOSE OF REPORT AND REASON FOR RECOMMENDATION(S):

To update Members of the Local Pension Board on activities being undertaken by the scheme administrators in relation to the administration of the Firefighters' pension schemes.

EXECUTIVE SUMMARY

This report provides Local Pension Board Members with a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.

RECOMMENDATIONS:

That Local Pension Board Members note the content of the report.

REPORT APPROVAL

Clerk / Monitoring Officer:

Comments: Approved

Relevant Director:

Comments: Approved

Section 151 Officer/Treasurer:

Comments: Approved

Chief Fire Officer /
Deputy Chief Fire Officer

Comments: Approved

ACCESS TO INFORMATION LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT:

Presenting the Report:

Mr Martin Morgan
Deputy Pensions Manager

Report Author(s) and Designation

Mr Martin Morgan
Deputy Pensions Manager

Date original report written

05/04/2024

Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad ER GWYBODAETH

ADRODDIAD I'R: BWRDD PENSIWN LLEOL

DYDDIAD Y CYFARFOD:
22/04/24

TESTUN: Gweinyddwr y Cynllun - Diweddariad

PWRPAS YR ADRODDIAD A RHESWM DROS YR ARGYMHELLION:

Diweddaru Aelodau'r Bwrdd Pensiwn Lleol ar weithgareddau sy'n cael eu cyflawni gan weinyddwyr y cynllun mewn perthynas â gweinyddu cynlluniau pensiwn y Diffoddwyr Tân.

CRYNODEB: Mae'r adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf i Aelodau'r Bwrdd Pensiwn Lleol am nifer o brosiectau sy'n cael eu cyflawni ar yr un pryd, ynghyd â darparu gwybodaeth am faterion perthnasol wrth weinyddu buddion y cynllun.

ARGYMHELLION: Bod Aelodau'r Bwrdd Pensiwn Lleol yn nodi cynnwys yr adroddiad.

CYMERADWYO'R ADRODDIAD

Clerc:

Sylwadau: Cymeradwyd

Cyfarwyddwr berthnasol:

Sylwadau: Cymeradwyd

Swyddog Adran 151/Trysorydd:

Sylwadau: Cymeradwyd

**Prif Swyddog Tân /
Dirprwy Brif Swyddog Tân**

Sylwadau: Cymeradwyd

PAPURAU CEFNDIR A DDEFNYDDIWDYD WRTH BARATO'I'R ADRODDIAD HWN:

Yn cyflwyno'r Adroddiad:

Mr Martin Morgan
Dirprwy Reolwr Pensiynau

Awdur(on) yr Adroddiad a'u Swyddi

Mr Martin Morgan
Dirprwy Reolwr Pensiynau

Dyddiad yr ysgrifennwyd yr adroddiad
gweiddiol

05/04/2024

**REPORT TO LOCAL PENSION BOARD
22 APRIL 2024
SCHEME ADMINISTRATOR - UPDATE**

1 Executive Summary

- 1.1 This report provides Local Pension Board Members with a progress update on a number of projects being simultaneously undertaken, along with providing information on relevant issues in the administration of scheme benefits.

2 National/Wales Position

- 2.1 Pension scheme administration is specific to each individual Fire and Rescue Service. However, most pension scheme administration activities are outsourced to third party administrators. In the case of Mid and West Wales Fire and Rescue Service, the administrator role is provided by Dyfed Pension Fund under the provision of a Service Level Agreement.

3 Mid and West Wales Fire and Rescue Service Current Position

3.1 Regulatory Update

- 3.1.1 Firefighters' Pension Scheme 2015 – Court of Appeal transitional protections judgement
- 3.1.2 The Firefighters Pensions (Remediable Service) (Wales) Regulations 2023 were laid and came into force on 01 October 2023. The software provider, Heywood, are continually updating the system based on errors that have been raised by Administrators.
- 3.1.3 Financial data in respect of members in the Firefighter Pension Scheme 1992 (FPS 1992) have been received and the Dyfed Pension Fund is awaiting further data relating to members in respect of the Firefighter Pension Scheme 2007 (FPS 2007) to update our records.
- 3.1.4 All members who have retired from 01 October 2023 have been processed.
- 3.1.5 Testing is currently being undertaken in respect of loading data and calculations in order to produce the Remediable Service Statements (RSS) required for pension scheme members.

3.2 Regulatory Amendments

- 3.2.1 Regulatory amendments or matters highlighted in circulars issued by the Welsh Government have been actioned unless otherwise stated.

3.3 E-Communication

3.3.1 The 'My Pension online' facility was introduced in order to provide scheme members with interactive 24/7 access to their pension record and benefit statements. The final phase of disclosure requirements has been completed and employees must elect to receive paper statements. Currently 10 Fire scheme members have elected to continue receiving paper statements out of 3,562 members.

3.3.2 The table below shows the member categories that have accessed the site during the period 01 April 2023 to 31 December 2023:

E-communication opt outs: **10 out of 3,562**

Total Registered Records: **1,750 out of 3,562**

Percentage of Records Registered:

Active:	54%
Deferred:	49%
Pensioner:	43%

3.3.3 Logged in Registered users accessed the service between 01 April 2023 – 31 December 2023:

Active:	260
Deferred:	241
Pensioner:	212

3.4 GMP Reconciliation

3.4.1 When a scheme member attains State Pension Age (SPA), they will be advised of the amount of Guaranteed Minimum Pension (GMP) which is included in their pension.

3.4.2 The GMP relates to the part of the pension for the period between April 1978 and April 1997 for which they were 'contracted out'. For this period, the Pension Scheme has to guarantee that their pension will be at least the same as it would have been, had they not been 'contracted-out'. Contracting out ceased in April 2016.

3.4.3 HMRC have now stated that they will not be sending a statement to all individuals affected specifying who is responsible for paying their Guaranteed Minimum Pension (GMP).

3.4.4 The pensions section will continue to reconcile the GMP values it holds for members with those calculated by HMRC. It ensures that all individuals recorded by HMRC against the fund are correct. The pensions section has reconciled 99.52% of the records held.

3.4.5 Further information has also been issued to HMRC in order that they amend their records. Unfortunately, a response remains outstanding and is the reason for no change in the records completed since the last update.

3.4.6 Reconciliation work has also been undertaken in respect of active scheme members and 98.43% have been reconciled. HMRC had previously informed the pensions section that they would commence responding to the outstanding queries in March 2019. Unfortunately, HMRC have not responded to all the outstanding queries as suggested, and therefore the reconciled data remains the same as the previous report.

3.5 Appeals

3.5.1 No pension appeals have been received during the period 01 July 2023 to 31 December 2023.

3.6 Breaches

3.6.1 No breaches have been recorded during the period 01 October 2023 to 31 December 2023.

3.7 My Pension Online

3.7.1 The Scheme Administrators would be grateful if scheme members could be made aware of the 'My Pension Online' facility in order to view their pension scheme benefits.

3.8 Workflow

3.8.1 The tables attached at Appendix 1 detail the workflow statistics for the key tasks undertaken in the section for the period 1st July 2023 to 30th September 2023 and 1st October 2023 to 31st December 2023 in respect of the Firefighters Pension Scheme(s).

3.8.2 Please note that in circumstances where multiple iterations for the same calculation date have been undertaken, this is recorded as a single estimate. The workflow statistics are recorded on a quarterly basis.

4 Proposal

4.1 This report is for information only.

5 Service Commitments, Improvement Objectives and Well-being goals

5.1 The Service is committed to ensuring that the key principles of the Wellbeing of Future Generations (Wales) Act 2015 are supported.

6 Financial/Procurement Implications

- 6.1 It is likely that the financial impact relating to the outcome of HMT's consultation to enact remedy relating to the outcome of the Firefighters' Pension Scheme 2015 – Court of Appeal transitional protections judgment, will result in increased benefits to members of the Firefighters Pension scheme.

7 Risk Assessment/Legal and Compliance Implications

- 7.1 These are incorporated throughout the report.

8 Fire Authority Governance Implications

- 8.1 The Authority, as a Scheme Manager, should take all practical steps to ensure compliance with the administration of the Firefighters' Pension Scheme(s).

9 Equality and Diversity, including the Socio-economic Duty and Welsh Language Standards implications

- 9.1 All the practices are fully compliant.

10 Data Protection and Privacy Issues

- 10.1 All personal information processed as part of pension scheme administration is done so in accordance with the Authority's Data Protection Procedures.

11 Consultation and Communication

- 11.1 Considered, but not deemed relevant to the report.

12 Prevention, Protection and Response Implications

- 12.1 Considered, but not deemed relevant to the report.

13 Human Resource and People Development Implications

- 13.1 The Human Resources Department is responsible for ensuring the day to day administration of employers' responsibilities in relation to the Firefighters' Pension Scheme(s), and for the provision of employee information to the third-party administrators.

14 Information and Communications Technology (ICT) / ICT Strategic Advisory Team (ISAT) Implications

- 14.1 See 3.4 and 3.5 above.

15 Estates Implications

15.1 Considered, but not deemed relevant to the report.

16 Fleet, Engineering and Logistics Implications

16.1 Considered, but not deemed relevant to the report.

17 Evaluation

17.1 Considered, but not deemed relevant to the report

18 Recommendations

18.1 That Local Pension Board Members note the content of the report.