

Item 6



NOTTINGHAMSHIRE FIRE AUTHORITY **PENSION BOARD**

13th March 2019

REPORT FROM LEICESTERSHIRE COUNTY COUNCIL – PENSION **ADMINISTRATOR**

PENSION FUND ADMINISTRATION REPORT – QUARTER 1ST OCTOBER TO **31ST DECEMBER 2018**

Purpose of the Report

To inform the Fire Pension Board of fire-fighter pension administration in the quarter.

This is designed to assist the Fire Pension Board. It is also considered best practise to provide a report of this type.

Areas

Annual Benefit Statements / Year-end / Taxation Saving Statements

Leicestershire County Council has received all relevant scheme pays forms back from affected members with regards to their Annual Allowances. These records have been updated and HMRC quarterly returns have been submitted accordingly.

Regulation Changes

On 18 December 2018 the Home Office launched a consultation on changes to survivor benefits in the Firefighters' Pension Scheme 1992 and the Firefighters' Compensation Scheme 2006, plus a minor unrelated correction to the Firefighters' Pension Scheme 1992.

Following the introduction of registered civil partnerships in 2004, public service pension schemes provided for survivors of registered civil partnerships to be treated in the same way as widowers of opposite sex marriages. Changes were introduced that replicated the way in which widowers' benefits were introduced into the firefighters' pension schemes, which at that time provided that only membership of a pension scheme from April 1988 counted for the purposes of calculating a survivor's pension. The

same approach was later taken with regard to survivors of same-sex marriages.

On 12 July 2017, the Supreme Court ruled in the Walker v Innospec case that Mr Walker's male spouse was entitled to a pension calculated on all the years of his service with Innospec, provided that at the time of Mr Walker's death they remained married. As a result of the ruling, where survivor benefit is limited in the firefighters' pension scheme so that only membership since April 1988 is taken into account, that limit is now being abolished.

The Department is also taking this opportunity to continue its work of ensuring that all of the firefighter pension schemes work as intended. A minor amendment to the 1992 Fire scheme is therefore being taken forward as follows.

Members of the final-salary pension schemes are permitted to split their pension in the eventuality of a reduction in salary, – ie to become entitled to two pensions - so as to preserve the value of pension which has already been accrued on the higher salary. Rule B5A in the 1992 Order sets out a formula by which these two pensions should be calculated. The intention of paragraph (2) in B5A is clearly to indicate that if, after such calculations have been made, it becomes clear that the member would, after all, be better off with a conventional single pension calculated in the normal way, then that is the pension to which they should be entitled. However, the wording incorrectly states that this should happen if the total of the two pensions "exceeds" that of the single pension. The current amendment makes it clear that the two pensions should not be awarded if their total "is lower than" the single pension.

Risk and Breaches – (material or not)

None

GMP Reconciliation

The position is currently the same as the previous quarter in that the total remaining cases that have been sent to HMRC where we are now awaiting their reply is still 27.

System updates

Work has progressed well on the pensioner payroll and this went live in January 2019. This means that Leicestershire Fire pensioners, who were previously paid through the Leicestershire Oracle pensioner payroll system, will be able to log on to the new member self service area in order to view their pay slips and future P60s. They will be able to view the old system for up to six months only. Communications have been sent out to detail these changes for our Leicestershire Fire pensioners. Nottinghamshire and Derbyshire fire-fighter pensioner are paid via their respective Fire Authority payroll system.

As previously detailed immediate payments through pensioner payroll for LGPS are due to start in March 2019. This is a development initially for Local Government but if Fire Authorities were interested in this system a scoping exercise would be required.

All three Fire Authorities have agreed to implement Fire member self-service and costs have been provided and agreed by all three Fire Authorities. Contractual arrangements for all three Fire Authorities were requested for completion by the 31 December 2018.

Member self-service for active fire-fighters is due for completion in March 2019 and communications to each fire-fighter will follow from the Pension Section. Fire-fighters will be able to run their own estimates using the on-line service. However, Fire Authorities should have consideration of the pending scheme changes and the impact this will have on the on-line results. The Pension Manager proposes implementation of member self-service continues with a sufficient caveat detailing the potential change of benefits. Fire-fighters will then be aware of the potential change to the figures but still be able to run their own estimates if they choose.

However, The Pension Manager requests the Fire Authorities consider not projecting ahead on the 31 March 2019 annual benefit statements, given the pending scheme changes. The Pension Manager feels that Leicestershire County Council Pension Section must not knowingly provide incorrect estimated figures on annual benefit statements during the period of scheme uncertainty. This follows the same approach taken prior to the implementation of the CARE scheme for fire-fighters.

Key Performance Indicators

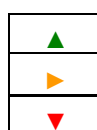
This Quarter(1.10.18 to 31.12.18)

Business Process Perspective	Target	This Quarter		Previous Quarter	Customer Perspective - Feedback	Target	This Quarter		Previous quarter
Retirement Benefits notified to members within 10 working days of paperwork received	92%	100%	▲	100%	Establish members understanding of info provided - rated at least mainly ok or clear	95%	100%	▲	100%
Pension payments made within 5 working days of receiving election	92%	100%	▲	100%	Experience of dealing with Section - rated at least good or excellent	92%	100%	▲	100%
Death related benefits notified to dependant within 10 working days of notification	90%	100%	▲	100%	Establish members thoughts on the amount of info provided - rated as about right	92%	100%	▲	100%
Death related payments made within 5 working days	92%	100%	▲	100%	Establish the way members are treated - rated as polite or extremely polite	97%	100%	▲	100%
Estimates provided within 10 working days	92%	93%	▲	100%	▼ Comments				

Good or better than target

Close to target

Below target



Pension Scheme Member Comments

Very knowledgeable, professional

Great communication and very helpful. Very impressed with the knowledge and service

My experience was positive in all ways. Thank you.

A very informative, clear and concise communication, thank you.

On all occasions where I have contacted the service it has been a very informative and helpful experience.

Excellent service

I had a very quick response to my enquiry, very good service. Friendly and helpful
Great service once again

Excellent service once again. A credit to your section and team.
Good job! Thanks.

They were great. Thanks to you all.

First time request for pension forecasts. Easy process with feeling of reassurance that when retirement date arrives all will go well.

Further details regarding estimates

	Number of estimates provided	Number of estimates already provided in the last 12 months	Number of multiple requests received	2 estimate requests	3 estimate requests	4 estimate requests	5 or more estimate requests
Notts	29	9	5	3	1	1	0
Derbys	32	12	8	6	1	0	1
Leic	25	7	6	5	1	0	0

Nottinghamshire Metric Data For Quarter Ending 31.12.18				
Category	1992	2006	2015	Modified
Active Members	96	18	528	22
Pensioners Including Dependents	793	11	11	51
New Pensioners Including Dependents	11	0	0	0
Deferred Members	56	226	100	46
New Deferred Members	0	6	0	1
Opt Outs	0	0	1	0
Deaths	1	0	0	0
Transfers In	0	0	0	0
Transfers Out	0	0	0	0
Refunds	0	0	0	0

Officers to Contact

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