

## Pensions Issues Log - HFRS - 15th November 2016

| Issue Number | Pension Group | Pension issue   | Description / Impact   | Progress  | Project Manager (use drop down) | Target Completion Date | Status |
|--------------|---------------|---|--|---|---------------------------------|------------------------|--------|
| 5            | HFRS          | Impact on pension tax liability of temporary promotions   | Assessment of alternatives methods (Additional Pension Benefits (APB)) to limit or remove tax liability when moving into temporary promotions.<br>Regulations changed in July 2013 – policy development required.                        | In February 2016 the HFRA Finance and General Purposes Committee agreed that any temporary promotions that existed on (or had been granted from 1 July 2013) will be treated as pensionable Additional Pension Benefits (APBs) up until 1 April 2015 when the new scheme provisions apply and temporary promotions are non-pensionable. A letter has been sent to inform affected staff of the process and its potential implications. A paper is being considered by the HR Committee in Nov 2016.   | Rob Carr                        | Dec 2016               | RED    |
| 22           | HFRS          | Annual Benefit Statements   | The Annual Benefit Statements (ABS) should have been issued to employees by 31st October 16 latest. The delay means that the HFRA are technically in breach of the Pension Regulator requirements.                                       | A Pension Breach has been reported to TPR on Monday 14th November for the two schemes, 1992 and 2015 registered on the Exchange Portal. TPR has also been notified that this applies to the 2006 Scheme albeit TPR has still to set this up on the portal. We still do not have a confirmed date for the issue of the ABS, although 31st Dec 16 has been recorded as a long-stop.   | Rob Carr                        | 31 December 2016       | RED    |
| 17           | HFRS          | Communication to members  | All FRAs should have a re-employment policy in place and ensure that the re-employment conditions are met on re-employment of an officer who has retired under the age of 55, including those who have a concurrent retained employment. | This relates to firefighters who have more than one contract of employment with the HFRS and wish to retire from their main employment based on a Protected Pension Age (PPA), whilst continuing with their other employment. In such circumstances and to avoid a significant tax penalty specific conditions need to be met including a "break in service" from all employments of at least 1 calendar month (or may be 6 months depending on the circumstances). All affected firefighters are to be written to advising them of the process to be followed.   | Jonathan Hurford-Potter         | Dec 2016               | AMBER  |
| 24           | HFRS          | Protected Pension Age (PPA) and Unauthorised Payments   | In 2010/2011 HMRC advised HFRS that 4 firefighters who retired and did not have a break of one calendar month before reemployment had received "unauthorised payments" which would need to be repaid by both employer and employee.      | The case with HMRC has been ongoing since 2012, but we now have a ruling. HMRC have requested payment and offered a compromise arrangement. HFRS have agreed to settle the employees liability as well as employer. We have written to the 4 firefighters seeking approval from them to allow us to engage with HMRC on their behalf to resolve this. If they refuse then HMRC will seek recovery from the individuals themselves.  | Jonathan Hurford-Potter         | 01 January 2017        | AMBER  |
| 3            | HFRS          | Employment tribunal claims regarding transitional protections                                       | Fire Brigades Union have started the process of a legal challenge on the transitional protections in the 2015 pension scheme regulations, in respect of potential discrimination.  | Some national issues about the way in which the ET cases are going to be dealt with, which seems to have now settled down. Data return provided to Bevan Brittan for HFRS. Initial hearings have now been held and Bevan Brittan may need to seek further submissions from HFRS'.   | Rob Carr                        | Continuing             | GREEN  |
| 4            | HFRS          | Change to pensionable status of training allowance and Additional Responsibility Allowances (ARAs). | Assessment and implementation of allowances becoming pensionable (Related to Norman case).<br>Provision allowed for in accounts.   | <b>Pensionable or non-pensionable Allowances:</b> Following the Norman v Cheshire High Court Case (2011) and the introduction of the 2015 Firefighters pension scheme, all Fire and Rescue Services are required to decide whether or not Training Allowances and Additional Responsibility Allowances are pensionable or not. No central guidance is being provided and it is for each local service to determine, looking at 6 specific factors. A working group has now been formed to look at the detail of this for Hampshire Fire and Rescue and agree a plan of action to address. A contingent liability in the region of £59,000 has been identified, if any of the Allowances are considered to be pensionable. | Sandy Gregory                   | Mar 2017               | GREEN  |
| 7            | HFRS          | Re-engagement Policy  | Review of re-engagement policy   | Whilst the general position is not to re-engage staff, it was agreed that a policy would be drafted which sets out parameters that must be met in the exceptional situations where there is a business need to re-engage and to set out the potential tax implications for those with Protected Pension Age (PPA). This will be included in the formal policy paper going to the F&GC in March 17.  | Sandy Gregory                   | Mar 2017               | GREEN  |

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| 8            | HFRS          | HFRS Discretionary Powers Policy   | <p>Review and revision of HFRS discretionary powers required in light of the following issues:</p> <p>Regulation [18(1d)] provides for CPD payments to be pensionable on the determination of the employer.</p> <p>NJC collective agreement as per NJC circular 03/07 appendix A<br/> <a href="http://www.local.gov.uk/c/document_library/get_file?uuid=3cbb554c-6964-49b3-a254-6116ff09cb03&amp;groupId=10180">http://www.local.gov.uk/c/document_library/get_file?uuid=3cbb554c-6964-49b3-a254-6116ff09cb03&amp;groupId=10180</a></p> <p>The need to establish process for independent review of individual member's medical circumstances following IHR to ensure that the level of ill health pension awarded is still appropriate.</p> <p>The need to establish injury allowance policy for HFRS confirming whether or not the Authority provides an injury allowance for employees in accordance with the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011.</p> | The HFRA Finance & General Purposes Committee (F&GP) accepted a number of recommendations contained in a paper dated 10th May 16. These are attached as an annex to the Pension Board papers. A full <b>Discretionary Policy</b> will be tabled for the March 2017 S&G Committee for approval following consultation with unions and other relevant parties. An <b>Ill-Health Retirement and Review Policy</b> will be tabled for the March 2017 S&G Committee for approval following consultation with unions and other relevant parties. | Sandy Gregory                   | 31 March 2017          | GREEN  |
| 21           | HFRS          | Record Keeping Requirements  | TPR are looking for a commitment by Fire Pensions to create a record keeping plan   | Nick Weaver, Head of Pensions Administration is preparing a Record Keeping plan that may be adopted by each of the 3 Services.   | Nick Weaver                     | 31 March 2017          | GREEN  |
| 23           | HFRS          | Temporary Promotion (TP) treated as pensionable under 2015 (CARE) scheme | At the Pension Board Members workshop held on Friday 11th November 16 Clair Alcock indicated that there was a view that TP within the 2015 (CARE) scheme should be treated as pensionable.  | The view of the Scheme Administrator is that HFRA applied the change in TP rules in accordance with the regulations. If there is a now a question mark over how the change in rules has been interpreted then this should be determined nationally, rather than each FRA having to seek it own legal advice and come up with a view. This should be passed to the Scheme Advisory Board for guidance.  | Jonathan Hurford-Potter         | TBC                    | GREEN  |
| 25           | HFRS          | Process for managing RDS buy-back on retirement                          | RDS firefighters who elected to "buy back" service using either payroll deductions or direct debit will need to pay any outstanding balance due at the point of retirement.   | Payroll in conjunction with Pensions Administration to ensure that suitable controls are in place to ensure that any balance of money due is recovered at the point of termination.  | Gemma McNamara                  | 01 January 2017        | GREEN  |

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| 9a           | HFRS          | Refund of Pension Contributions where more than 30 years paid PRIOR to 50th Birthday. | The Government has agreed to introduce an employee contributions holiday for members of the 1992 Firefighters' Pension Scheme who accrue the maximum 30 years' pensionable service prior to age 50. This will apply from the point of accruing maximum service in the Scheme until the member's 50th birthday. This change will be applied retrospectively to 1 December 2006. Any affected scheme members who continue in employment beyond their 50 <sup>th</sup> birthday will need to either resume paying contributions until retirement, or choose to opt out of the pension scheme, at which point their pension will be deferred. | <b>Pension Holiday for firefighters still in service.</b> So far 3 firefighters are affected and a manual process has been established to flag and un-flag their pay records to stop and re-start pension contributions pre and post 50 years in accordance with the rules. A check of firefighters who have transferred-in service is now being undertaken to ensure that nobody has been omitted.  | Rob Carr                        | Dec 16                       | GREEN    |
| 9b           | HFRS          | Refund of Pension Contributions where more than 30 years paid PRIOR to 50th Birthday. | The Government has agreed to introduce an employee contributions holiday for members of the 1992 Firefighters' Pension Scheme who accrue the maximum 30 years' pensionable service prior to age 50. This will apply from the point of accruing maximum service in the Scheme until the member's 50th birthday. This change will be applied retrospectively to 1 December 2006. Any affected scheme members who continue in employment beyond their 50 <sup>th</sup> birthday will need to either resume paying contributions until retirement, or choose to opt out of the pension scheme, at which point their pension will be deferred. | <b>Repayment of excess pension contributions to retired firefighters:</b> Fire Pensions are maintaining a list of Fire Personnel who believe that they are affected by the change of policy. Will only be applicable to personnel who joined BEFORE their 20th birthday and who were continuously employed to aged 50. Routine Notice issued to firefighters and list of retired names being compiled. Payroll are currently checking the records of all retired personnel to come up with a master list. It is intended to write to all retired personnel at the end of Nov. 16 to confirm whether or not they have a valid claim. Rob Carr has agreed Finance will assist in calculating the refunds due using the Home Office calculator. | Jonathan Hurford-Potter         | 01 March 2017                | GREEN    |
| 1            | HFRS          | RDS Less Favourable Treatment – purchase of retrospective membership                  | RDS members given option to purchase retrospective membership of a modified pension scheme.<br>The past service employer costs will be reflected in increases in future employer contribution rates.  | Work has been completed. Personnel who elected to pay by lump sum need to do so by 7th November 16. There were 168 that initially elected to join the MNFPS that we received details for. 10 of which declined the offer and 1 (xxxxx xxxxxx) that is due to pay by LS (but hasn't yet) – who I've given an extension to. As at today we have:- Pensioners – 56; Deceased – 2 (2 beneficiaries); Deferred – 41; Actives – 59 (15 now in 2015 scheme)   | Claire Neale                    | Nov 16                       | COMPLETE |
| 6            | HFRS          | GMP Reconciliation exercise   | April 2016 – State pension provision moving from two tiers to single tier. All schemes will need to do a GMP reconciliation – not a legal requirement (no secondary legislation issued yet) but an 'expectation' from Pensions Regulator and HMRC.  | HMRC data has been received by Pension Services and initial queries raised with them in terms of variances in the data. All queries have now been resolved.  | Nick Weaver                     | In line with Govt timescales | COMPLETE |