

LOCAL PENSION BOARD

Report of the Head of Human Resources30th June 2016

PENSIONS UPDATE

1.0 Purpose of Report

- 1.1 To provide Members with information on scheme membership and progress on implementation of scheme changes.

2.0 Introduction

- 2.1 This report provides Members with scheme membership information, together with updates on the following issues:

- Scheme Advisory Board
- Firefighters' Pension Scheme 1992 – Pension Ombudsman decision in the *Milne v GAD* case
- Industrial action Pension buyback
- Auto Enrolment

3.0 Schemes Membership Information

- 3.1 The following active memberships of the firefighters' pension schemes are taken from pay data as at 10th June 2016 compared to 24th December 2015 for Wholetime Firefighters, and 15th June 2016 compared to 15th December 2015 for Retained Firefighters.

3.1.1

Firefighters' Pension Schemes Membership	Wholetime	
	10/06/2016	24/12/2015
1992	105	115
2006	4	4
2015	179	177
Retained Modified	8	8
Opted out	6	7

The variations for wholetime members are as follows:

- **1992 scheme:** 5 retirements and 5 tapered to 2015 scheme
- **2015 scheme:** 5 who have tapered in from the 1992 scheme, less 3 'leavers' (Retained Duty System staff who have been on a temporary wholetime contract which has now ceased)
- **Opted Out:** 1 leaver

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3.1.2

Firefighters' Pension Schemes Membership	Retained	
	15/06/2016	15/12/2015
1992	0	0
2006	26	27
2015	245	232
Retained Modified	35	38
Opted out	18	18

The variations for retained members are as follows:

- **2006 scheme:** 1 tapered to 2015 scheme
- **2015 scheme:** 1 tapered in from the 1992 scheme and 12 new starters
- **Retained Modified:** 3 retirements

3.2 The following tables show the active members as at 1st April 2016 compared to the 1st April 2015, including the numbers protected and tapered in the 1992 and 2006 schemes. Data provided by West Yorkshire Pension Fund.

Firefighters' Pension Schemes Membership	Wholetime	
	01/04/2016	01/04/2015
1992 Protected	70	81
1992 Tapered	40	45
2006 Protected	2	5
2006 Tapered	2	2
2015	177	163
Retained Modified Protected	5	8
Retained Modified Tapered	3	3

Firefighters' Pension Schemes Membership	Retained	
	01/04/016	01/04/015
1992 Protected	0	0
1992 Tapered	0	0
2006 Protected	11	13
2006 Tapered	15	19
2015	234	194
Retained Modified Protected	29	24
Retained Modified Tapered	6	6

3.3 The following table shows the pension members of each scheme as at pension pay date 1st June 2016, compared to those at 1st January 2016.

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3.3.1

Pension Members	01/06/16	01/01/16
1992	501	494
2006	10	12
2015	0	0
Retained Modified	30	23

The variations for pension members are as follows:

- **1992 scheme:** 7 retirements
- **2006 scheme:** 2 previously costed to this scheme now in Modified
- **Retained Modified:** 2 from the 2006 scheme, 3 retirements implemented and 2 deferred pensions implemented

3.4 The following table shows the deferred members of each scheme as at 1st June 2016 compared to those at 1st January 2016.

3.4.1

Deferred Pension Members	01/06/16	01/01/16
1992	29	23
2006	112	136
2015	22	0
Retained Modified	33	30

The variations in deferred pension members cover pensions that have come into payment, leavers and those who have opted out of the scheme.

3.5 There is an Internal Dispute Resolution Procedure for dealing with any complaints, this can be accessed at:

http://www.wypf.org.uk/Member/Fire/Active/1992/IDRP/pdf/IDRP_Firefighters.pdf

Since the last meeting of the Pension Board in January 2016, 2 complaints have been received as follows:

- Stage 1 – upheld: the complaint related to an underpayment of an injury pension.
- Stage 1 – not upheld: the complaint related to an incorrect deferred pension benefit statement, which was subsequently corrected, the complainant was seeking the pension to be brought in based on the incorrect benefit statement as this would have given a higher pension payment when it becomes due in 2019. To date, an appeal to Stage 2 has not been received.

4.0 Scheme Advisory Board

4.1 The Scheme Advisory Board (SAB) members have been appointed by the Secretary of State; they have met twice in quick succession in order to formalise terms of reference and other issues so that they can start to engage with local pension boards. Malcolm Eastwood, the Chair of the SAB is eager to engage with Local Pension Board chairs to provide a verbal update. The SAB will have a website and issue communications to pension boards and work is progressing on this matter, therefore, at this time, the minutes of the meetings and terms of reference are not available.

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4.2 The other SAB members are as follows:

Employee Representatives

Sean Starbuck
Samantha Rye
Francis Bishop
Dave Limer
Tristan Ashby
Glyn Morgan
Des Prichard

Employer Representatives

Cllr Maurice Heaster
Cllr Jeremy Hilton
Cllr Rebecca Knox
Cllr Darrell Pulk
Cllr Thomas Wright
Cllr John Fuller
Cllr Philip Howson

4.3 Notification has been received that a two day event is being planned at Local Government House in London on 10th and 11th October 2016, the current proposal is as follows, and Board members are asked to consider attendance:

- 10th October 2016
13.30 – Firefighters’ Technical Group (all welcome)
16.30 – Round Table for LPB Chairs and Scheme Advisory Board
- 11th October 2016
Firefighters’ Pension Scheme AGM (for Boards and administration), times to be advised

5.0 Firefighters’ Pension Scheme 1992 – Pension Ombudsman decision in the Milne v GAD case

5.1 All the payments to members affected in this Service have been made. In March 2016 the Ombudsman considered a number of claims that the interest paid on the additional lump sum does not adequately compensate for investment that could have been made if the additional lump sum had been made at retirement. The ombudsman decision on these claims is not to investigate claims on this theme. He has however, confirmed that he would now consider complaints on non-payment now the government have facilitated funding for the additional payments. He explains both these points in full in his statement:
<https://www.pensions-ombudsman.org.uk/wp-content/uploads/Police-and-firefighters-full-announcement-March-16-1.pdf>

6.0 Industrial Action - Pension buyback

6.1 All the information for RDS pension members has been provided to West Yorkshire Pension Fund (WYPF). The information, for WYPF to amend the pension records, on the 87 wholtime employees who have not bought back is more problematical, this is having to be compiled manually from the strike records; leavers are being prioritised to ensure their pension record (active or deferred), or cash equivalent transfer values (CETV), can be produced accurately.

7.0 Auto Enrolment

7.1 The re-enrolment anniversary is approaching; under the rules of auto enrolment the Service has to repeat the auto enrolment process on all opted out employees, reassessing their earnings to ascertain if they should be re-auto enrolled. There are 27 employees currently that have opted out between September 2013 and August 2015. An employee who has opted out between 1st September 2015 and 31st August 2016 does not have to be reassessed until the next third year re-enrolment anniversary. Although not part of the required process we are writing to the 27 employees who may be affected, advising them in

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advance, that their pay, closest to 1st September 2016 re-enrolment date, will be assessed and should they be over the earnings limit they will be re-enrolled into the pension scheme, with the option to opt out again, should they so wish. Once the assessment has been completed they will be provided with the outcome and all the relevant information. This process must be completed by 28th September 2016.

8.0 Recommendation

- 8.1 That Members note the content of this report and provide instruction as to who should attend the event that is being planned by the LGA and SAB in October 2016.

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20th June 2016

Background documents

March 2016 Ombudsman statement:

<https://www.pensions-ombudsman.org.uk/wp-content/uploads/Police-and-firefighters-full-announcement-March-16-1.pdf>