

Firefighters Pension Scheme

Annual General Meeting
Day Two

25 September 2019

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@LGAworkforce #LGAFirepensions

Welcome to London!



Agenda

- Chair's Welcome
- A view from government, Amar Pannu, Head of Police and Firefighters' Pensions, Home Office
- Administration and Benchmarking Review - Key Outcomes, Craig Payne, AON
- Workshops and feedback
- Case Law Update, Eversheds
- LGA Update
- Closing remarks

Workshops

1. National Performance Monitoring – Eaton-Cockell Room (Floor 7)

Helen Scargill, West Yorkshire Pension Fund and **Tara Atkins**, West Sussex County Council

2. Abatement – Smith Square 1 & 2

Alec Bennet, Eversheds Sutherland and **Claire Hey**, LGA

3. Transitional Pension Calculations– Bevin Hall

Clair Alcock, LGA

Chair's welcome

Malcolm Eastwood

**Chair of the Firefighters Scheme
Advisory Board (England)**

Administration and management

Each of the 45 English Fire and Rescue Authorities (FRAs) are responsible for the management and administration of their scheme and are defined in law as the scheme manager - Responsibility to comply with over-riding pension legislation is on each FRA.

At present this responsibility is managed differently within each FRA, this can depend on whether they are a combined authority or whether the FRA function sits within a county council, PFCC or mayoral function.

Each FRA is required to administer the pension scheme either in-house or appoint a third party administrator. There are currently 19 different pension administrators across the 45 FRAs, a list of Authorities and their administrators can be found here.

Firefighter Pension Scheme Members

1992 Scheme	2006 Scheme (Standard Members)	2006 Scheme (Special Members)	2015 Scheme	Compensation Scheme
Protected standard members	Protected standard members	Protected special members	2015 only	Benefits based on service
	Protected retained members		1992 transitional	Protections for retained firefighters with a qualifying injury before 1st April 2014
			2006 standard transitional	
			2006 standard retained transitional	
			2006 special transitional members	

Funding

The top up grant provided from central government covers pension payments only. It does not fund administration and management of the scheme.

Unlike centrally administered schemes, where the employers pay an administration levy, FRAs have to fund pension costs arising from the administration and management of the scheme from their operating accounts.



Supporting pensions since 2015!

2016 Valuation

- **Notified that the cost cap had breached below 2% floor at 11.6%, triggering the mechanism for improvement**
- **SAB consulted on changes to the scheme design to align member costs back within target cost cap of 16.8%**
- **Aware of significant pressure the employer increase put on employers**
- **Written Ministerial Statement on 30 January 2019 paused the cost cap process.....**

SAB Committees

- **Local Pension Board Effectiveness committee continues its work to support Local Pension Boards**
- **Cost Effectiveness committee worked on both valuation recommendations and benchmarking report**
- **Administration and effectiveness committee working hard to carry forward report recommendations.**

Benchmarking report

- **Critical project for the SAB**

- **Commissioned to understand**
 - 1. How much are scheme management costs**
 - 2. How effective is the management and administration of the scheme.**

- **Critical to understand where we are now, with regards to the costs and levels of service provided.**