

North Yorkshire Fire and Rescue Authority

Pension Board

Minutes of the meeting of the Pension Board held on Friday 14 September 2018 at 2.45pm at North Yorkshire Fire and Rescue Service Headquarters, Thurston Road, Northallerton

Present:-

Employer Representatives:- Jonathan Foster (in the Chair), Stuart Simpson and Marc Warren

Member Representatives:- Alan Bell (FOA), Steve Howley (FBU) and Simon Wall (FBU)

Advisors in attendance:-

Anna Binks (NYFRS Pensions Administrator/Manager) and Ruth Gladstone (Secretariat to NYFRA)

The agenda, reports and minutes for this meeting are on NYFRS's website

Minute Number	Item of Business	To be actioned by:-
37.	Minutes and Matters Arising	
	<p>The Minutes of the Board's meeting held on 23 April 2018 were accepted as a correct record.</p> <p>Anna Binks reported the following as matters arising from the Minutes:-</p> <p>(a) NYFRS website - Work was underway, and would be completed shortly, to publish the Internal Dispute Resolution Procedure on NYFRS's website.</p> <p>(b) GDPR notices – Suggested notices had been published nationally which had required only “topping and tailing” to make them relevant to NYFRS and therefore Board members had not been consulted on the content of such notices.</p> <p>(c) E-learning link – Due to recent changes in the Board's membership, the date by which all Board members and substitutes should complete the e-learning had been extended to 30 November 2018. Anna Binks undertook to send a reminder, prior to that date, to all members and substitutes.</p>	<p>Members and substitutes Anna Binks</p>
38.	Declarations of Personal or Prejudicial Interests	
	<p>No conflicts of interest were declared.</p> <p>Anna Binks circulated a copy of the Pension Board Members' Code of Conduct. She advised that it was recognised that half of the Board's membership had been selected to serve on the Board because they were members of representative bodies. She reported that she had identified no issue of regular consideration at Pension Board meetings where declarations of interest would be required to be made at Board</p>	

meetings. She highlighted, however, that, if a case relating to an individual came before the Pension Board, and that individual was represented by a member or substitute of the Pension Board, that Board member/substitute would need to be mindful of the need to take appropriate action at the Pension Board meeting to avoid a conflict of interest. Ruth Gladstone undertook to forward to Anna Binks a copy of the blank form on which each Pension Board member and substitute should register their interests.

Ruth
Gladstone

39. Pensions Update

Considered –

The report of Anna Binks which provided information concerning the following issues.

(a) Scheme Membership Information

The report set out numbers (including past comparison numbers) of the following:- active members in, and opt-out from, each of the firefighters' pension schemes; pension members in each scheme; retirements or related procedures which were being progressed; and deferred members of each scheme. The report also provided a link to the Internal Dispute Resolution Procedure for dealing with Pension complaints. It was reported that, since the Board's previous meeting, one complaint had been received which had subsequently been through both Stage One and Stage Two of the Internal Dispute Resolution Procedure.

Members highlighted the increase in the number of whole-time firefighters in the 2015 Firefighters' Pension Scheme since the Board's previous meeting.

(b) HMRC Requirements for Pension Taxation

Anna Binks provided information and circulated a document entitled "Pensions Tax Awareness – Slides and hand-out based on information provided by Barnett Waddingham and West Yorkshire Pension Fund". The main tax issues for the Firefighters' Pension Schemes were:- the annual allowance; the lifetime allowance; 'unauthorised' lump sums from the 1992 Scheme; and the 1992 Scheme protected pension age and re-employment. It was noted that West Yorkshire Pension Fund (WYPF), on behalf of NYFRS, provided calculations to scheme members.

In response to a question from Steve Howley, Anna Binks confirmed that NYFRS's Pensions Section would communicate the tax implications to a firefighter who was retiring from the whole-time but intended to remain in the RDS. Anna Binks highlighted that it was unclear whether NYFRS's Human Resources would ask questions at the point at which they received the leaver form. The Chair advised that it was important to ensure that information was provided to the individual at the early stage, ie, when he/she was first thinking about taking retirement, so that he/she was aware of the tax implications and the need for him/her to take action, where

possible, to avoid a tax charge. The Chair undertook to liaise with Anna Binks and check on the situation.

(c) Pension Board Training Update

Three issues were suggested as being suitable for inclusion in the Pension Board Training Register, namely:-

- Two latest initiatives from The Pensions Regulator, ie the “21st Century Trusteeship and Governance Programme” and new tools for Pension Board members.
- The additional session, provided during an earlier discussion at this meeting, concerning Pensions Tax issues.
- The information, to be provided during a later discussion at this meeting, concerning the use of the Pension Board’s Breach of Law Policy and The Pension Regulator’s expectations when looking at potential breaches which might be materially significant and require reporting.

Anna Binks circulated copies of a document which recorded when each Pension Board member and substitute had completed a training topic. The Chair asked members to contact Anna Binks regarding any discrepancies.

Members
and
substitutes

The Annual Firefighters’ Pension Conference, to be held in London later in 2018, would include only a very short session concerning governance. Therefore it was considered impractical for various members of this Board to attend. Instead Anna Binks would attend the full conference and feedback relevant information to Pension Board members.

Anna
Binks

An event regarding Fire and Police Local Pension Board governance had been held, had been well attended by a cross-section of attendees, and had been very interesting.

(d) Risk Register

Since the Pension Board’s previous meeting, progress had been made, or action taken, in respect of the following, each of which were included in the Risk Register:-

- In accordance with the recommendations in a recent internal audit report:- detailed procedural guidance for business continuity had been updated; additional checks had been put in place on the setting up of new pensioners by the third party administrator (WYPF), including checks for spouses’ pensions; and the year-end return had been successfully submitted using the Monthly electronic return interface method.
- A full Data Review was in progress. WYPF was developing a system of ‘data scoring’ based on the Pension Regulator’s guidelines. Further information would be circulated once available.

Anna
Binks

- GDPR responsibilities of both NYFRA and the third party administrator (WYPF) had been identified. Required documentation had been developed and would be provided to Scheme members at suitable points and published on NYFRS's website. In addition, the Risk Register had been updated with a statement about GDPR.
- WYPF would be submitting data for the National Fraud Initiative exercise scheduled to commence in November 2018. This would act as an additional level of mortality screening in identifying possible matches of deceased individuals.

(e) Other Work Items

Anna Binks circulated the following documents from the national Fire Schemes Communications Group and asked Pension Board members to let her know whether they thought these documents should be highlighted to Scheme members:- promotional leaflet for new members of the 2015 Scheme; CARE Build-Up flyer; Topping-Up Your Pension leaflet; and Short Guide for the 2015 Scheme. A Pension Board member suggested that a Communications Workshop should be convened at which Pension Board members could consider these documents. Other Board members expressed support for that suggestion.

(f) Annual Benefit Statements

WYPF had issued, on time, all Annual Benefit Statements which had a deadline of 31 August 2018. Annual Benefit Statements which had not been issued by that date related to deferred members of the RDS Modified Scheme, in respect of which a later date for issue, of no later than 1 April 2019, applied. However, WYPF intended to issue those statements by 30 September 2018.

Annual Benefit Statements had been issued to some active members which incorrectly stated their current role. It was understandable that that error would lead to the accuracy of other information in the statements being questioned. Anna Binks confirmed that the statements were correct in terms of the benefits quoted. (It was reported that the error had occurred because, whilst updated information on the current role at the relevant date had been provided to WYPF by NYFRS, this had not been used by WYPF. A decision had been made by WYPF to switch off that part of the system because there were concerns over the functionality and further testing was required. Regrettably that had not been communicated to Anna Binks until after the Annual Benefits Statements had been issued.)

Copies were circulated at the Pension Board meeting of a draft communication which explained how the error had arisen and set out an example of the calculation of the average pensionable pay which was used in the calculation of benefits. Pension Board members' comments were invited on the suitability of the draft communication. Pension Board members commented as follows:-

- The proposed communication should be sent to all members, rather than only to those members affected by the error, because the communication included an example of the calculation of the average pensionable pay which was used in the calculation of benefits and such information would be useful to all members.
- The proposed communication should be sent by letter, rather than by email, because sometimes emails did not get read.
- Any apology included within the communication should come from either NYFRS or the Pension Board, and not from Anna Binks who had done nothing to apologise for.
- The sentence within in the draft communication, which read “The role information will be updated ahead of next year’s Annual Benefit Statement exercise” should be checked with WYPF and amended if necessary.

In response to questions, Anna Binks clarified that the relevant functionality within WYPF’s electronic interface had not yet been switched on as at 14 September 2018.

Anna Binks circulated a suggested Breach Process Tracker document which was intended for completion whenever the Pension Board considered an issue which was a possible breach of the law and which recorded the issue of the 2018 Annual Benefits Statement exercise. Pension Board members expressed support for Breach Process Tracker document and the text included in the draft document.

(g) West Yorkshire Pension Fund Key Performance Indicators

The report set out information concerning WYPF’s latest performance against Key Performance Indicators. Anna Binks advised that there were no issues of significance to bring to Pension Board members’ attention.

WYPF had undertaken to provide updates on progress in carrying out the Guaranteed Minimum Pension Reconciliation exercise which related to the ending of ‘contracting-out’. No update had been provided as at 14 September 2018. WYPF intended to fully complete the Guaranteed Minimum Pension Reconciliation exercise by 31 December 2018.

WYPF had appointed the company Accurate Data to assist with address tracing.

Resolved -

- (a) That the report be noted.
- (b) That Jonathan Foster liaise with Anna Binks to check that NYFRS’s processes ensure that information is provided to an individual at the stage when he/she is first thinking about taking retirement, so that he/she is aware of the tax implications and
Jonathan Foster

the need for him/her to take action, where possible, to avoid a tax charge.

- (c) That the revised version of the Pension Board Training Register be agreed. Anna Binks
- (d) That a Communications Workshop be arranged at which Pension Board members can consider whether to highlight, to Scheme members, the various documents from the national Fire Schemes Communication Group. Anna Binks
- (e) That the progress made on the issuing of Annual Benefit Statements be noted and the draft communication circulated at this meeting be amended in accordance with Pension Board members' comments as recorded at the top of the fifth page of these Minutes, and be sent by letter to all staff. Anna Binks
- (f) That the Breach Process Tracker document be adopted for recording possible breaches of the law and that the issue of the 2018 Annual Benefits Statement exercise be approved for inclusion within the Breach Process Tracker. Anna Binks

40. Other Business – Contribution Rates

Anna Binks reported orally that information might be released shortly about Employer rates and the direction of travel for forthcoming years. She advised that there were suggestions of substantial increases in employer costs.

41. Future Arrangements

It was noted that governance of NYFRS was due to transfer to the Police and Crime Commissioner from 15 November 2018. It was suggested that the next meeting of the Pension Board should be held in mid-January 2019 to consider any issues arising from the transfer.

It was suggested that an additional meeting of the Pension Board might be necessary if any major announcements were made in respect of the current industrial dispute regarding pensions.

Resolved –

- That a meeting of the Pension Board be arranged to take place in mid-January 2019. Anna Binks

42. Other Business – Administration of NYFRA Pension Board

As the meeting was likely to be the last under the administration of NYCC, the Chair, Jonathan Foster, and all Pension Board members collectively thanked Ruth Gladstone for her valued help and support with the administration of the Board since it was formed.

The meeting concluded at 4.10 pm.

RAG/JR