



**NORTH YORKSHIRE
FIRE & RESCUE SERVICE**

LOCAL PENSION BOARD

Report of the Chief Fire Officer

24 April 2025

Pension Update

Status: To note

Purpose of the Report

- 1.1 The purpose of the report is to provide an update on pension remedy, the position of members receiving remedial services statement along with an update on the pension dashboard

Recommendations

- 2.1 That the North Yorkshire Local Pension Board notes:
 - 158 pensioners RSS, 272 active RSS and 132 deferred RSS have not been sent by 31 March 2025 deadline with a revised date of 30 June 2025 for pensioner RSS and as soon after that for active and deferred member RSS to be sent.
 - WYPF, pension administrator, on 17 April 2025 has reported the breach to the Pension Regulator where NYFRS scheme manager will report by 30 April 2025.
 - The matching exercise for the pension dashboards, where members can access their all pension information from different providers and the state pension in one place, will be processed in due course for the deadline date of 31 October 2025.

Pension Remedy – Sargeant

- 3.1 In 2015, the government introduced new laws which resulted in a new pension scheme for firefighters - the Firefighters' Pension Scheme 2015 (FPS 2015). These laws included protection for some members of the existing schemes (FPS 1992 and FPS 2006) who didn't join FPS 2015 either straight away or at all, depending on their age. Following a legal challenge known as the Sargeant judgement, the courts determined that the protections given to members were age discriminatory.
- 3.2 On 15 July 2019, the government accepted the court's decision and confirmed that they would engage with the Employment Tribunal to agree how to fix (remedy) the discrimination. The government confirmed the remedy would apply across all public sector schemes and therefore is known as the 'Sargeant Remedy' for firefighters but also as the 'McCloud remedy' across the public sector and the 'Age discrimination Remedy'.
- 3.3 The Police and Firefighters Pension Scheme regulations 2022 came into force on 1 April 2022. The firefighters Pension Scheme (Remediable Service) regulations 2023 came into force on 1 October 2023. To allow for tax implications of remedy to be rectified two sets of regulations have been published: the Public Service Pension Schemes (Rectification of Unlawful

Discrimination) (Tax) Regulations 2023 (legislation.gov.uk) Tax no.1 and no. 2 with tax no. 3 being issued April 2025.

- 3.4 These regulations, April 2025, are the third set of regulations to amend primary tax regulations to take into account the unlawful discrimination in public service schemes. They have been laid to deal with missing legislation to deal with offsetting new unauthorised amounts that arise due to remedy choices, from previously paid unauthorised amounts.
- 3.5 As a result of remedy, some members will receive top-up payments of lump sum that will be unauthorised. This means the original unauthorised amount (UA) is now overpaid, the new UA needs to be offset from the old UA so the member pays the difference. This is known as offsetting.

Pension Remedy Period

- 4.1 'The Remedy period' is the period from 1 April 2015 to 31 March 2022.
- 4.2 The changes to remove future discrimination were brought into being on 1 April 2022 which means all future service benefit for all members is accrued within the FPS 2015 scheme from that date. Benefits already accrued in either the FPS 1992 or FPS 2006 are fully protected under those schemes.
- 4.3 The changes to remove past discrimination came into force on 1 October 2023. Members who moved into FPS 2015 within the remedy period will have their benefits converted to their legacy final salary scheme (either FPS 1992 or FPS 2006) for the whole of their service in the remedy period.
- 4.4 The complications arise as there are many different scenarios that result in the changes to remove past and future discriminations for active, deferred and pension members. In order to inform individuals, all pension fund members will receive a remedial service statement (RSS).

Statutory Requirements and Timetable for Remedial Service Statements (RSS)

- 5.1 Through the Commissioners' Corporate Governance Framework, the Chief Fire Officer holds delegated responsibility in relation to the Firefighters' Pension Scheme Discretions, on behalf of the Scheme Manager, who is the York and North Yorkshire Combined Authority Deputy Mayor. Responsibility for Statutory deadlines and for providing RSS is met by the NYFRS Payroll and Pension team who work closely with the Pension Scheme administrator, West Yorkshire Pension Fund (WYPF). If our statutory deadlines are not met, the pension regulator can impose a charge.
- 5.2 The regulations require that all the pension administrators completed the remedy exercise by 31 March 2025. If the statutory deadlines are not met, then the pension administrator (WYPF) and the scheme manager (NYFRS) report this to The Pension Regulator where the pension regulator can impose a charge.
- 5.3 The timetable for RSS to be provided to pensioners, deferred and active members is as follows.
Pensioner members who retired before 30 September 2023 and have service within the remedy period, will be provided with an RSS as soon as reasonably practicable from 1 October 2023. This is known as Immediate Choice (IC) or IC-RSS
Active and Deferred members should have been provided with their RSS by 31 March 2025.
- 5.4 If possible, Annual Benefit Statement (ABS) (the standard ABS provided by the pension administrator every year) were combined and sent out with RSS at 31 August 2025 however only delivery of the ABS is a statutory requirement at that date.

The ABS/RSS provides:

- current value of both their legacy final salary benefits
- reformed FPS 2015 benefits for the remedy period
- projected benefits to normal pension age for active members. The normal pension age for FPS 2015 is age 60. Members can still retire at the age of 55

if they have links to their old (legacy) scheme membership (transitional members).

- 5.5 **Pensions Saving Statements (PSS)** - this a written summary of the amount of contributions paid into your pension scheme during a particular tax year. Where members have changes in 'pension input amounts', which for example could occur if member benefits exceed the annual allowance, then a Pension Saving Statement (PSS) is usually issued.
- 5.6 For members affected by the remedy, their pension history must be rechecked for the years in the remedy period, including the tax position. If any member exceeded the allowance in any year, they will receive a Remediable Pension Saving Statement (R-PSS). Those members must submit details to HMRC about the R-PSS within three months of receiving it, using HMRC's digital service. HMT legislation permits a deferment of 3 months from receiving data. WYPF are therefore confident for those members affected by the delay in the ABS-RSS not being issued by 31 August 2024 will by WYPF applying this deferment produce within 3 months of receiving that data the PSS.
- 5.7 PSS was expected to be produced by 6 October 2024 and WYPF clarified the position in their report in September 2024 that a breach in issuing the PSS is unlikely to occur even if this after the 6 October deadline. In the March 2025, WYPF conformed they are continuing to work on those PSS cases believed may have breached annual allowance during the remedy period (as well then assessing the position for 2023/24). Therefore, R-PSSs for the remediable period are still being sent. Due to the low number of 2023/24 PSSs that hadn't been issued by 31 January, against the number of cases that we had assessed by that date (5 across the whole client-base), WYPF considered this was not a breach as it was not material. This has not impacted NYFRS to date.
- 5.8 Members who started their service on or after 1 April 2015 will not be affected by WYPF software issues and have received their ABS only (no RSS) by 31 August 2024 – 310 members in total.

NYFRS Pension Remedy Position and Reporting the pension breach to the Pension Regulator

- 6.1 WYPF has previously communicated that they have been unable to issue members with Remediable Service Statements (RSS) by the statutory deadline of 31 March 2025. NYFRS wrote to all members at the end of March 2025 explain the delay. On 3 April 2025 WYPF as pension administrator reported the breach to The Pension Regulator however at that time only active members were reported, therefore a revised report was sent to the Pension Regulator on 17 April 2025 where NYFRS is waiting sight of this revised position.
- 6.2 The breach report from WYPF explains to The Pension Regulator that "...our ability to provide Remediable Service Statements (RSS) is down to Civica update deliveries and their accuracy" where Civica is WYPF software provider.
- 6.3 The table below is NYFRS current position where NYFRS is liaising with WYPF to finalise the position that will be sent from the Scheme Manager to The Pension Regulator by 30 April 2025.

Explanation of RSS not issued by 31 March 2025	Not Issued	ill Health	Pension Sharing Order (PSO)	Pension Breach TBC
Pensioner IC RSS	159	1		158
Active RSS	276		4	272
Deferred RSS	132			132
	567	1	4	562

- 6.4 Every Pensioner, Deferred and Active member received a letter from Payroll & Pension Team explaining why they did not. In five situations, members did not receive a RSS by 31 March 2025, where the regulations under section 29 require “a scheme manager to provide a remediable statement by the ‘relevant date’”.
- 6.5 The ‘relevant date’ under section 29(10b) allows the scheme manager to set a later ‘relevant date’ than 31 March 2025. This means that there is not a pension breach. The regulations state a relevant date is “as the scheme manager considers reasonable in all the circumstances in the case of a particular member or a particular class of member.” Circumstances where a ‘relevant date’ other than 31 March 2025 would be considered reasonable include the following:
- members who have transferred from other forces,
 - ill health reassessment,
 - pension sharing order (PSO) e.g. divorce cases,
 - questions about the accuracy of data that's not within the Scheme manager's control.
- 6.6 The table above shows that section 29(10b) was applicable for one ill health and four pension sharing orders. The final numbers to be report to the Pension Regulator will be in conjunction with WYPF pension administrator. All members who did not receive an RSS by 31 March 2025, where a breach has occurred, WYPF have confirmed on 17/04/2025 “...expect to issue Active Remediable Service Statements, along with the 2023/24 Annual Benefit Statements to the members by 30 June 2025. Deferred and Pensioners will be issued as soon as possible after that date.”

Retained Fire Fighters Remedy - Matthews

- 7.1 A legal settlement under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 allowed certain **retained firefighters** with service between 1 July 2000 and 5 April 2006 to become members of the Firefighters Pension Scheme.
- 7.2 These eligible firefighters were asked whether they wanted to join this scheme in an options exercise (first options exercise) which took place in 2014-2015. Elections to join had to be received by 30 September 2015. This was the ‘first options exercise’.
- 7.3 Matthews judgment was challenged again at the European Court of Justice in relation to fee-paid judges. The Court ruled in that case that service going back to the start of employment must be considered. The government accepted that the same principles apply to certain on-call firefighters, whether they have made a legal claim or not. A second options exercise is currently taking place to allow eligible on-call firefighters to buy pension service as a special member of the FPS 2006, backdated to the start date of their employment. The second options exercise is commonly referred to as Matthews 2.
- 7.4 The Matthews Second Option Exercise is the remedy exercise to allow eligible retained firefighters to buy pension service as a special member of the FPS 2006, backdated to the start date of their employment. ‘Remedy’ is the term used for these pension scheme changes. It can also be referred to as ‘Matthews’, which is after “Matthews and others” fee-paid judges legal judgement. The exercise was supposed to run for a maximum period of 18 months (October 2023 to March 2025) after it began in October 2023. Some FRAs are struggling with the volume of cases they have to deal with and the statutory deadline of 31 March 2025 will be unachievable for some.
- 7.5 All existing claims will be processed and from receipt of the relevant information there is six months to return the completed option election forms, after which the individuals case will be referred to the pension administrators for final processing. As pension calculations can be complex and may require manual adjustments, some cases may take longer to process
- 7.6 The Home Office has consulted on changes to the Firefighters’ Pension Scheme (England) Order 2006. This consultation was closed on 17 February 2025. The consultation looked at a

range of proposed changes to the pension scheme, including extending eligibility for certain pension benefits and extending the 2023 Options exercise deadline to 31 March 2026. Home Office has recently confirmed at the beginning of April 2025 that they are in the process of considering the extension of the closure date for the 2023 Options exercise from 31 March 2025 to 31 March 2026.

- 7.7 NYFRS reviewed all the data from the first options exercise and has identified:
- **609 retained fire fighters** identified as in scope for the second options exercise and received notification letters by 31 December 2023, then chased again in May-June 2024 when tracing agency ITM located "lost contact" members.
 - **308** retained firefighters responded; **268** members have not returned the forms; **9** firefighters expressed no interest; **24** deceased cases are on hold pending further clarity from the LGA on how to proceed with these cases.
 - **By 30 June 2024 the data has been collated** to start the calculations process using GAD calculator for **294** expression of interest forms received. The Matthews remedy is ongoing. As of now, 265 out of 302 quotes have been completed. The deadline for all cases was 31 March 2025 where members have been communicated with regarding any delay at the end of March 2025.
- 7.8 If a deferred member has chosen to make a pension buyback under Matthews remedy (and they retire immediately; if aged 60 or above) they can choose for any buyback amount owed to be deducted from any pension lump sum (if applicable).
- 7.9 Pensioners who are in receipt of pension and are due pension arrears:
- If pension arrears and tax payments are due because of Matthews, they will be handled through the normal pensioner payroll process.
 - Members who want to pay arrears another way should note that they'll need to complete a self-assessment to HMRC.
- 7.10 The Scheme Advisory Board (SAB) provided the sector with a priority order. This is to ensure that the most urgent cases are dealt with in the first instance. The agreed priority is as follows:

Priority 1 – Immediate entitlement i.e. Special Pensioners or potential to be a Special Pensioner

Individuals who currently have no benefits in payment but would be immediately entitled to a backdated award should they elect for Matthews.

Individuals who currently have a pension in payment and would be due a top-up if they elected for Matthews

DBs into payment i.e. an individual who is over age 60 and has a DB entitlement under Matthews

Potential ill health cases

These could either be active FFs who are known to be suffering from ill health or individuals who have left the FRS and are either currently a deferred member or are entitled to be a deferred member under Matthews.

Deceased cases

Priority 2 – Imminent entitlement

Special FF or Special Deferred but entitled to become a Special Pensioner before 31 March 2025

Priority 3 – Not immediate/imminent

Special FF or Special Deferred but not entitled to become a Special Pensioner before 31 March 2025

Pension Dashboards

- 8.1 A pensions dashboard is an online tool for people to access information about their pensions. In the UK, these dashboards will show information about pensions from different providers and the State Pension in one place.
- 8.2 Pensions Dashboards Programme (PDP) “Pensions dashboards will enable individuals to access their pensions information online, securely, and all in one place, thereby supporting better planning for retirement”.
- 8.3 The Pension Schemes Act 2021 introduced the legal framework for Pensions Dashboards, making it mandatory for schemes to connect. This is so all savers can see their pension information online. The deadline to connect is 31 October 2025.
- 8.4 In January 2024 Local Pension Board, NYFRS formerly nominate WYPF, and their Integrated Service Provider (ISP), Bravura, as NYFRS preferred choice to join with the Pension Dashboard ecosystem. All scheme managers will be issued with a code to join the ecosystem expected to be received 2 to 3 months prior to your staging date, 31st October 2025.
- 8.5 In order for each individual pension member to be able to access their information on the dashboard a ‘matching policy’ has to be confirmed by NYFRS with WYPF to ensure accurate and complete data of each pension member is include on the pensions dashboard. This is so scheme members pension records match an individual requesting pension scheme information through the ecosystem. Scheme managers need to set a policy for how they will match and what criteria they will use.
- 8.6 The latest information provide by WYPF is that matching criteria options and methodology is still changing. WYPF expect this to be refined by PDP in the coming weeks.
- 8.7 Currently matching criteria are 3 matching pieces of data, such as: Surname, National Insurance number, and Date of Birth. If all three criteria match the member will have access to their data, which initially, will only be the pension values shown on their last Annual Benefit Statement (ABS)
- 8.8 If they do not match further criteria will be requested, such as: address, marital status, first name etc. There is a “matrix” of possible matching criteria that can be used and if a match is found access to Dashboard data will be allowed. If there is only a partial match, one or two matching criteria, WYPF will make contact with the member to verify and validate.
- 8.9 WYPF will develop their policy on how matching will occur when clarity has been received.

Louise Branford-White
Head of Finance and S151 Officer to Chief Constable