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Circular: 2024HOC0253MR

Date: 07 June 2024

To: All Members

Dear Brother/Sister

Pensions update: Remediable Service Statement

Following consultation, the Public Service Pensions and Judicial Offices Act 2022 came into force on 1 April 2022 in order to remedy the discrimination identified in the 2015 Scheme transitional protection arrangements.

Part of the legislation detailed that those eligible under the 2015 age discrimination remedy must be written to informing them that information will be made available to them about their benefit options. The mechanism for this would be through a Remediable Service Statement (RSS) for the remedy period. The legislation informed that the RSS must be sent out by 31 March 2025, however they should be sent sooner if possible.

This circular provides an update and informs that there has been a delay in this process even though pension providers are still within the timeframe originally suggested. The FBU has been involved in the discussions to resolve this delay.

The matter affects retired members awaiting remedy under immediate choice. It is in relation to the application of tax and interest applicable to the pension lump sum payment when that payment was made in part upon retirement. Some of the issues have now been resolved. One matter remains that is preventing some retired members from receiving their RSS and therefore payment of the remining part of the lump sum. The issue relates to the calculation required for top-up lump sums and the offsetting of previous tax paid to HM Revenue & Customs (HMRC).

The issue identified only affects members who have received an unauthorised lump sum, these are members with legacy FPS 1992 membership who when they retired received an unauthorised lump sum and paid a tax charge. This position, if left without a solution, will mean that a member is liable for more tax which is not currently reclaimable either via HMRC or the compensation mechanism in the PSPJOA.

The LGA have been liaising with HM Treasury (HMT) and HMRC on this matter and there is an agreement in principle from all parties to put in place a resolution to address this. It is likely that any resolution will need new legislation which will take time. In the interim, the LGA are in discussions with HMT to establish whether there could be formal assurances issued from central government which will allow this to proceed ahead of any legislation coming into force. These discussions are progressing well, however, as we have now entered the pre–General Election period of Purdah it is unlikely that anything official will materialise before 5 July 2024.

The FBU continue to discuss this matter with the LGA and will closely monitor the situation to ensure that you are kept up to date as things progress.

Compensation Claims

When members are returned to their legacy scheme for the remedy period 1 April 2015 to 31 March 2022, there may be circumstances through the decision-making process or because of the choice you make, where there may be some loss which could be compensated for.

There is very specific criteria required in order to make a compensation claim. The Compensation member factsheet is intended to set out the process for making a compensation claim and is contained within the link below.

Note: These compensation claims are not to be confused with injury to feeling claims which were entirely separate claims submitted on behalf of members by the union solicitors.

Added Pension

Any Added Pension contributions that have been paid during that period into the Firefighters' Pension Scheme 2015 (FPS 2015) must be returned to the member. This is because Added Pension arrangements do not exist in either Firefighters' Pension Scheme 1992 (FPS 1992) or Firefighters' Pension Scheme 2006/Special 2006 (FPS 2006/Special FPS 2006) (the legacy pension schemes) and therefore it is not possible for these types of benefits to form part of the member's pension benefits in the legacy scheme.

These contributions are to be automatically returned to the member by way of a compensation payment so that the Added Pension benefits accrued within the remedy period can be fully extinguished to comply with the legislation upon rollback to the legacy schemes. The Added Pension member factsheet is intended for members to explain how the process will work and how the payment will be made.

https://fpsmember.org/remedy/age-discrimination-remedy-compensation-0

Yours in unity,

Mark Rowe

Mark Rowe
National Officer