

Freedom of Information request reference number: 9214.1

Date of response: 17/12/2024

Request:

Can please supply the following information
How many ill health / widower Immediate Choice Statements / RSS have been provided to affected pension members since the legislation change. Can you include those members that took an unauthorised payment at retirement and were subject to the tax complications.

Response:

Further to your request, please see below for data on the number of pension members affected since the legislation change. These are the reported figures as of 6 December 2024.

Ill Health Immediate Choice Remediable Service Statements (IC-RSS)

The table below details the progress LPPA have made in issuing the required Ill Health IC-RSS documents, by category, by 31 March 2025.

91% of IC-RSS documents have now been issued for those that they are in a position to do so.

The "Red" cases are unable to be progressed as these require the provision of a calculator from the Government Actuary's Department.

	Green	Red	No Consent	Total
Issued	29	0	0	29
Remaining	3	43	10	56
Total	32	43	10	85

At the time of this report 29 Green Ill Health Immediate Choice Remediable Service Statement (IC-RSS) have been issued by our pension administrators.

The pension legislation informed that the IC-RSS must be sent out by 31 March 2025, but that they should be sent sooner if possible. LFB officers are working closely with our pension administrators, the LPPA, to ensure that we meet the statutory deadlines for providing the Remedial Service Statement (RSS)

Aside from the significant challenges with the implementation of the McCloud/Sergeant pensions remedy, largely caused by delays in the government legislation and the provision of systems (GAD calculator) required to manage remedy, including calculate of contributions and interest adjustments, there are further delays in the process identified. This regards the application of tax and interest applicable to the pension lump sum payment when that payment was made on the member's

retirement. 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 remaining 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 to resolve this issue but guidance has only recently been received for some cases that fall into the Amber category and the taxation guidance is still expected for the Red category.

We have dealt with your request under the Freedom of Information Act 2000. For more information about this process please see the guidance we publish about making a request on our website:

<https://www.london-fire.gov.uk/about-us/transparency/request-information-from-us/>