

Freedom of Information request reference number: 8751.1

Date of response: 28/06/2024

Request:

Please provide the following information in respect of progress in dealing with legislative requirements for remedy of pension age discrimination for the 1640 affected LFB retired members: The number of Remediable Service Statements issued by LFB pension administrator from 1st March 2024 - 31st May 2024 by year of member's retirement.

Response:

Our Finance team have confirmed the following.

The short answer to the question is that currently no Immediate Choice Remediable Service Statement (IC-RSS) have been issued to members that retired before 30 September 2023 by our pension administrators but we are working with them to progress matters as quickly as possible.

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)

There have been significant challenges with the implementation of the McCloud/Sargeant pensions remedy, largely caused by delays in the government legislation and the provision of systems (Government Actuary's Department calculator) required to manage remedy, including calculation of contributions and interest adjustments. There are further delays in the process, regarding 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. Whilst some of the tax 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 Public Service Pensions and Judicial Offices Act 2022 (PSPJOA 2022).

The Local Government Association have been liaising with HM Treasury (HMT) and HMRC to resolve this tax issue and these discussions are progressing well, however, as we have now entered the pre-General Election period it is unlikely that anything official will materialise before 5 July 2024.

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/>