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Circular: 2024HOC0344MR

Date: 3 September 2024

Dear Brother/Sister

Age Discrimination Remedy

This circular updates members on two important specific matters arising from the age discrimination remedy.

Annual Benefit Statement (ABS) and Remediable Service Statement (RSS)

The link below to the Local Government Association (LGA) factsheet for Pension Scheme Managers details key dates in relation to the production of ABS and RSS deadlines. The statutory deadlines within the age discrimination remedy process, and the requirements that are needed to meet such deadlines are detailed in the attached factsheet. The 31 August 2024 deadline where it was strongly encouraged that, where possible, a combined ABS-RSS was produced has now passed.

If a combined ABS-RSS was not possible by 31 August 2024 then, to meet disclosure requirements, an ABS should be produced which illustrates the members correct roll back position. This should then be followed by an RSS **no later than 31 March 2025** to meet the requirements of Section 29 of the Public Service Pensions and Judicial Offices Act (PSPOA) and Direction 20 of HMT Directions. Scheme Managers were reminded that failure to comply with providing a rolled back ABS by 31 August 2024 would result in a breach of the law and The Pensions Regulator (TPR) have confirmed that they expect all breaches to be recorded and reported to them, regardless of whether the breach has been deemed material or not. The dates below are for the actions by Scheme Managers to be completed by and are provided for members awareness.

1 October 2023 – Roll back to legacy scheme
31 August 2024 – Annual Benefit Statements (ABS) - Active members
31 August 2024 – Annual Benefit Statements (ABS) – Deferred members
6 October 2024 – Pension Saving Statements (PSS)
31 March 2025 – Remediable Service Statements (RSS)
31 March 2025 – Contingent Decision Remediable Service Statements (CD-RSS)
31 August 2025 – Annual Benefit Statement Remediable Service Statement (ABS-RSS)

Treasury Directions (Tax relief on contributions for active members)

Members will be aware that on the ABS-RSS, the contribution adjustment for an FPS 1992/FPS 2006 (Special) legacy scheme member is quoted as the gross amount with interest having been calculated on this figure. This is because, under the current Treasury Directions active members can only obtain tax relief in the usual way, i.e. through PAYE or self-assessment. This is why the Treasury Directions had to specify that for all non-active members i.e. deferred, pensioners and beneficiaries, any adjustments for contributions would be adjusted for tax relief at source (known as the non-active tax relief method) and paid as compensation.

Following discussion, we now know that HM Treasury (HMT) will be making amendments to these Directions to allow active members to be treated in the same way as non-active members; in other words, the non-active tax relief method can be used.

The amended Directions are not due to be laid before parliament until the Autumn. So, to ensure that this does not delay the production of ABS-RSS', HMT have confirmed that they are content for scheme managers to **implement the amended Directions in advance** of them being laid. The contribution adjustment factsheet has been amended to reflect this change (link below) is for information.

<https://www.fpsregs.org/images/Age-discrimination/Age-discrimination-remedy-Statutory-deadlines-factsheet.pdf>

<https://fpsmember.org/sites/default/files/documents/Age-discrimination-remedy-Member-factsheet-Contribution%20adjustments.pdf.pdf>

Yours in unity,

A handwritten signature in black ink, appearing to read 'Mark Rowe', with a stylized, cursive script.

Mark Rowe
National Officer