

DISCLOSURE REQUIREMENTS

Various sets of legislation require trustees or managers of occupational pension schemes to provide information to scheme members about the structure of the scheme and about accrued pension rights. The Occupational Pensions Regulatory Authority (Opra) is the statutory regulator for pension schemes in the United Kingdom. One of its functions is to monitor compliance with the Disclosure requirements. It can impose civil penalties for non-compliance.

The Disclosure requirements set out the minimum amount of information that must be provided, the persons to whom the information should be given, and the time limits for providing it.

Scheme trustees or managers can provide more than the minimum information if they wish. Also, although the legislation refers to certain information being provided on request, the information could be provided voluntarily as good practice in communication with Scheme members.

The information provided should be accurate and should not confuse or mislead. The purpose of providing information is to increase the interest and involvement of members, thereby enhancing member satisfaction and security.

This Annexe looks at those parts of the Disclosure requirements which relate to the FPS.

The main reference source for the guidance in this Annexe is Opra Note 7: “Pensions Act 1995 – Disclosure of information to members and others” but updated to take account of changes required by the introduction (on 1 December 2000) of pension sharing on divorce.

Responsibility for providing information	<p>Scheme trustees have the responsibility for providing information under the Disclosure requirements. The FPS does not have trustees and so the responsibility rests with the Scheme manager, i.e. the fire authority. The expression “Scheme manager” is used in the following notes. Other expressions used are explained in Annexe 13-Chart 1.</p>
Requests for information	<p>Requests for information should be made in writing to the Scheme manager.</p>
Provision of information	<p>The Scheme manager should provide the information in writing. It can be sent by post. Any information that must be provided automatically to a beneficiary or a member no longer in relevant employment can be sent by post to the last known address.</p> <p>If a fire authority, as Scheme managers, decide to use any alternative methods when providing documentation or information under the Disclosure requirements, they must ensure that everyone entitled to receive the documents or information should do so. For example, in a bulk publicity exercise, information posted on notice boards may be helpful but may not be seen by everyone. Individual mailshots, payslip inserts and use of the brigade’s routine orders may be a more secure way of ensuring mass publicity. Also, those on leave, maternity or parental leave, sick leave, or secondment should not be overlooked during a publicity exercise.</p>
Information about Scheme rules	<p>At a person’s request, the Pension Scheme rules – in the case of the FPS Firemen’s Pension Scheme Orders and Regulations – must be made available:</p> <ul style="list-style-type: none">• at a reasonable location having regard to the circumstances of the request and the person who has made it; this must be free of charge, or• if the person requires it, by providing a copy of the documents; for this the Scheme managers can make a charge not exceeding the cost of copying, posting and packing. In the case of the FPS, however, because the Scheme rules are set out in Statutory Instruments which are available from the Stationery Office (formerly Her Majesty’s Stationery Office – “HMSO”) the person could be given the relevant Statutory Instrument number(s) and told where he/she can purchase a copy. <p>If any document is not written in English, an English translation must be provided.</p> <p><u>Persons who must be given this information</u></p> <p>This information must be given to members, prospective members, the spouse of a member or prospective member, a beneficiary or a trade union (see the definitions in Annexe 13-Chart 1).</p> <p><u>Time limit</u></p> <p>This information must be provided within 2 months of the request being made.</p>

Basic Scheme information

Scheme managers must provide certain basic information about the Scheme. They do not, however, have to supply information which is not relevant to a particular person. Consequently, regular firefighters should receive information about the FPS as it applies to them as a full occupational pension scheme; retained firefighters should receive details of those parts of the FPS which could potentially apply to them; pension credit members should receive details of how the FPS would apply in their case. In some circumstances the information must be provided automatically, in some cases on request – see “Time limit” below.

It is usual for a fire authority to provide this information in the form of a guide to the FPS.

The type of information which has to be provided is quite extensive and is listed at Annexe 13-Chart 2.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Persons who must be given this information

This information must be given to members, prospective members, the spouse of a member or prospective member, a beneficiary or trade union (see the definitions in Annexe 13-Chart 1).

Time limit

The time limit for providing this information is as follows –

- to prospective members
 - the information must be given automatically, before they join the Scheme if possible – if not, within 2 months of becoming a member
- to members, prospective members, the spouse of a member or prospective member, a beneficiary or trade union
 - the information must be given on request, within 2 months of the request being made, BUT it need not be given if the same information was provided to the same person within the previous 12 months.

Changes in basic Scheme information

If there is a material change in the basic Scheme information, this must be automatically notified by the Scheme managers. “Material change” is not defined but Opra suggest that it would be something more than an insignificant alteration. For example, a change in the Scheme’s benefit structure would be a “material change”.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Persons who must be given this information

This information must be given to members and beneficiaries – apart from excluded persons (see the definitions in Annexe 13-Chart 1).

Changes in basic Scheme information (continued)

Time limit

This information must be provided within 3 months of the effective date of the change. However, wherever possible, the information should be given before the change takes effect.

Individual benefit information

When a benefit has become, or is about to become, payable certain information must be provided automatically. The information required is –

- the amount of the benefit
- any conditions for payment of the benefit to continue and the circumstances, if any, under which the amount paid may change, and
- the rights and options (if any) available on death and the procedures for exercising them.

If the circumstances under which the amount of benefit may change are satisfied, details of the altered amount may be notified voluntarily.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Persons who must be given the information

This information must be given to members and beneficiaries (see the definitions in Annexe 13-Chart 1).

Time limit

This information must be provided within one month of the benefit becoming payable (2 months if retirement takes place before normal retirement age). However, where possible, this information should be provided before the benefit becomes payable.

Changes to benefit in payment

If the amount of a benefit payable is to be changed (other than where covered by the terms outlined above in “Individual benefit information”) this must be notified automatically.

The information to be given by Scheme managers is –

- the amount of the changed benefit, and
- the rights and options (if any) available on death and the procedures for exercising them.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Persons who must be given the information

This information must be given to members and beneficiaries (see the definitions in Annexe13-Chart 1).

Changes to benefit in payment (continued)

Time limit

This information must be provided –

- within one month of the date the decision is taken to alter the benefit or, if later
- within one month of the effective date of the change.

However, where possible, the information should be provided before the date of the decision or the effective date of change.

Statement of benefits

Certain information about benefits must be provided by Scheme managers on request. However, they could choose to provide it voluntarily, annually.

The information to be provided is as follows –

- (a) the date on which a member's pensionable service commenced;
- (b) the accrual rate or formula for calculating a member's benefits or a survivor's benefits;
- (c) the amount of a member's pensionable salary on a specified date which is:
 - the date the information is provided, or
 - within one month of that date (active members), or
 - the date pensionable service ended (deferred members);
- (d) details of how any deductions from benefits are calculated;
- (e) the amounts of member's benefits and survivors' benefits payable from normal pension age or death, if pensionable service were to end within one month of the date of the provision of information, ignoring possible future increases in the member's salary;
- (f) the same information as in (e) assuming pensionable service continues to normal retirement age but ignoring possible future increases in the member's salary;
- (g) the amount of any death in service benefits payable if the member were to die on a particular date (specified by the Scheme manager but within one month of the date the information is provided) with details of how those benefits are calculated;
- (h) the date pensionable service ended and the amounts of the member's benefits and survivor's benefits payable from normal pensionable age or death;

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Statement of benefits (continued)

Persons who must be given the information

The persons who must be given this information are –

- active members: the information shown in (a), (b), (c), (d), (e), (f) and (g)
- deferred members: the information shown in (a), (b), (c), (d) and (h)
- pension credit members: the information shown in (b) and (d) plus the amounts of his/her own benefits and of any survivors' benefits payable from normal benefit age or death.

Time limit

This information must be provided as soon as possible within 2 months of the request being made BUT it need not be provided if the same information has been provided to the same person within the previous 12 months.

Information following the death of a member or beneficiary

If a member or beneficiary dies and the Scheme managers know –

- of a person who may have rights or options under the Scheme as a result of the death, and
- that the person is at least 18 years old, and
- the address of that person

they must provide certain information automatically.

Also, if the Scheme managers receive a request from a deceased member's or beneficiary's personal representative, or some other person authorised to act for someone who may have rights and options as a result of the death, the Scheme managers must provide certain information on request.

The information to be given is –

- the rights and options (if any) available and the procedures for exercising them
- a statement whether any pension may or will be increased and, if so, the provisions for doing so and the extent to which increases are discretionary.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries about the Scheme.

Time limit

This information must be provided as soon as possible and –

- within 2 months of the Scheme managers hearing of the death in the case of details which have to be supplied automatically to a person who may have rights and options under the Scheme, or

within 2 months of the request from personal representatives or authorised persons (in this case, however, the information need not be given if it has already been supplied within the previous 3 years to the same person acting in the same capacity).

Information about incoming transfer value from other pension scheme

Information must be given on request about –

- accepting transfer values into the Scheme from a previous pension arrangement
- the credit such a transfer would achieve in the Scheme.

The information must include a written statement that further information about the Scheme is available, along with a contact address for enquiries.

Persons who must be given the information

This information must be given to members and prospective members (see the definition in Annexe 13-Chart 1).

Time limit

The information must be provided within 2 months of the request being made BUT it need not be given if the same information has already been provided to the same person within the previous 12 months.

Early leavers' rights and options

Information about the rights and options available to early leavers must be given –

- automatically, where pensionable service ends before normal pension age
- on request, where pensionable service has not ended.

Persons who must be given the information

Information which is required automatically must be given to members; information requested must be given to members and prospective members (see the definitions in Annexe 13-Chart 1).

Time limit

The information must be provided as soon as possible – automatically within 2 months of notification that the employment has ended, or within 2 months of the request for the information. However, in the case of a request for information, it need not be given where it has been provided on request to the same person within the previous 12 months.

Early leavers' refund of contributions

Information about a possible refund of contributions must be given on request. The details required are –

- whether a refund is available or would be available in any circumstances
- an estimate of the amount
- the method used to calculate it.

Persons who must be given this information

This information must be given to anyone who has paid contributions that have not been refunded.

**Early leavers’
refund of
contributions
(continued)**

Time limit

The information must be given as soon as possible, within 2 months of the request being made BUT this information need not be given where –

- it has been provided on request to the same person within the previous 12 months, or
- the person has already been advised that no refund would be available in any circumstances.

**Estimate of
transfer of
Scheme benefits
to another
pension
arrangement**

Information about transfer values must be provided on request. The information to be provided is –

- whether any transfer value is available, or would be available if pensionable service were to end;
- an estimate of its amount based on pensionable service having terminated or terminating on a particular date;
- the accrued rights to which it relates;
- whether any part of the estimated amount reflects additional benefits awarded at the Scheme manager’s discretion (or which will be awarded if their established custom continues unaltered) and, if so, whether that part relates to all or only some of the discretionary benefits;
- if the estimated amount has been reduced this must be stated together with the reason why, and an estimate given of the date, if any, on which an unreduced amount could be paid.

Persons who must be given the information

This information must be given to active members (see the definitions in Annexe 13-Chart 1).

Time limit

The information must be provided as soon as possible and within 3 months of receiving the request BUT this information need not be given where the same information has been provided to the same person within the previous 12 months.

Other

Occasionally, Scheme members must be advised of actions which may have an impact on the pension scheme and may be invited to make representations.

For example, contracted-out final salary schemes had to elect to retain contracted-out status from 6 April 1997. In the case of the FPS, FSC 14/1997 instructed fire authorities to advise members of this intent, and included notes to be issued to all regular firefighters.

**Useful reference
source**

Opra Note 7: “Pensions Act 1995 – Disclosure of information to members and others”.

ANNEXE 13 Disclosure requirements

Explanation of expressions used in Disclosure requirements

active member	a person who is in pensionable service under a scheme
beneficiary	a person, other than a member, who is entitled to payment of benefits under a scheme
deferred member	a person (other than an active, pensioner or pension credit member) who has accrued rights under a scheme
excluded person	a deferred member or pension credit member whose present address is not known to the trustees/managers and where correspondence sent by them to the person's last known address has been returned
member	any active, deferred, pensioner or pension credit member of a scheme
normal pension age	generally the earliest age at which the member has the right to receive benefits (other than a guaranteed minimum pension) on retirement from employment under a scheme
pensionable service	service that qualifies the member (on the assumption that it continues for the appropriate period) for pension or other benefits under the scheme
pension credit member	a person who has rights under a scheme which are attributable to a pension credit (i.e. a former spouse of a scheme member who is entitled to scheme benefits in his/her own right as a result of a pension sharing order made by a court on divorce or annulment of marriage)
pensioner member	a person who is entitled to current payment of a pension or other retirement benefit as a result of pensionable service completed under the scheme or credits received in respect of a transfer
prospective member	any person who, under the terms of their contract of service and the scheme rules – <ul style="list-style-type: none"> • can choose to become a member; • will be able to join if they remain in employment for a particular period; • will join automatically unless they elect not to do so; or • may join the scheme with the employer's consent
trade union	an independent trade union, i.e. a trade union that is not under the employer's control nor liable to interference by the employer; it must be recognised to some extent for collective bargaining purposes in relation to members or prospective members

ANNEXE 13 Disclosure requirements

<p>Basic information that must be provided about a pension scheme (normally by the issue of a guide to the scheme)</p>

1	The categories of people who are eligible for membership
2	Whether membership is by application or whether entry is automatic, unless the person elects not to join, or is subject to the employer's consent
3	The eligibility conditions
4	The period of notice required (if any) if a member wants to end their pensionable service
5	Whether a member whose pensionable service has ended before normal pensionable age may re-enter the scheme and, if so, any conditions that apply
6	How members' normal contributions (if any) and employers' contributions are calculated
7	What arrangements exist for members to pay AVCs
8	Whether the scheme has tax approval or, if not, whether the Inland Revenue is considering an application for tax approval
9	Which employments covered by the scheme are, and which are not, contracted out and the basis of contracting out (e.g. in the case of the FPS, the fact that it is a contracted out salary related scheme)
10	The scheme normal pension age
11	What benefits are payable and how they are calculated, including the definition of pensionable earnings and the scheme accrual rate
12	Whether the scheme rules contain a power to increase pensions in payment (other than on a statutory basis) and if so, what it is, who may exercise it and whether, and to what extent, it is discretionary
13	Whether survivors' benefits are payable and, if so, the conditions (if any) attaching
14	The conditions for paying benefits other than survivors' benefits
15	Which benefits, if any, are discretionary
16	The name of the legislation which sets up the Scheme and determines its benefits
17	For members whose pensionable service ends before normal pension age, the arrangements made, and in what circumstances, for – <ul style="list-style-type: none"> • estimates of cash equivalents • statements of entitlement to a guaranteed cash equivalent • preserved benefits or transfers • refunds of contributions
18	Whether, and in what circumstances, the trustees/managers will accept cash equivalent transfer values and provide transfer credits and whether acceptance is at the trustees'/managers' discretion

ANNEXE 13 Disclosure requirements

Basic information that must be provided about a pension scheme (continued)

19	Where the trustees/managers have directed that cash equivalent transfer values will not take account of discretionary benefits, a statement to this effect
20	A summary of how transfer values are calculated
21	Whether information about the scheme has been given to the Registrar of Occupational and Personal Pension Schemes appointed in accordance with regulations made under section 6 of the Pension Schemes Act 1993 (Opra encourages trustees/managers to include the scheme's pension scheme registration number and to mention the availability to members and others of the Registry's tracing service)
22	Details of the scheme's internal dispute resolution procedure and the address and job title of the person to be contacted to use the procedure
23	A statement that the Pensions Advisory Service (OPAS) is available at any time to assist members and beneficiaries with any pension scheme query they may have, or any difficulty which they have failed to resolve with the trustees/managers – a contact address for OPAS must be given. The address is – 11, Belgrave Road, London SW1V 1RB: telephone 0845 6012923
24	A statement that the Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to an occupational pension scheme made or referred in accordance with the Pension Schemes Act 1993 and a contact address for him. The address is – 11, Belgrave Road, London SW1V 1RB: telephone 020 7834 9144
25	A statement that Opra is able to intervene in the running of schemes where trustees/managers, employers or professional advisers have failed in their duties, giving a contact address. The address is – Invicta House, Trafalgar Place, Brighton BN1 4DW. Opra's own recommended statement for this purpose is "Opra is a pension scheme regulator. Opra's purpose is to make members' benefits more secure. To do this, it makes sure that pension schemes are run in a way which complies with the law. Opra can become involved in the running of a scheme if trustees, employers or professional advisers do not carry out their duties properly."
26	The address to which people should send enquiries about the scheme generally or about an individual's benefit entitlement.

This list excludes items which would not apply to the FPS, e.g. a statement that a scheme annual report is available on request – unfunded public service pension schemes do not have to produce such reports.

ANNEXE 13 Disclosure requirements

Summary of Disclosure requirements

INFORMATION	TO WHOM	AUTO- MATICALLY OR ON REQUEST	TIMING
Scheme documents	Member, prospective member, their spouses, beneficiary, trade union	On request	Within 2 months of request being made
Basic scheme information	Prospective member	Automatically	Within 2 months of joining the scheme
	Member, prospective member, their spouses, beneficiary, trade union	On request	Within 2 months of request being made
Changes in basic scheme information	Member, beneficiary	Automatically	Within 3 months of effective date of change
On a benefit becoming payable	Member, beneficiary	Automatically	Within 1 month following date benefit becomes payable (2 months if retiring before normal pension age)
Changes to benefit in payment	Member, beneficiary	Automatically	Within 1 month of taking the decision to change benefit or, if later, before or within 1 month of effective date of change
Statement of benefits	Active member, deferred member	On request	Within 2 months of request being made
Death of member or beneficiary	Adult with rights or options	Automatically	Within 2 months of receiving notification of death
	Legal personal representative or other representative of person with potential rights	On request	Within 2 months of request being made
Acceptance of transfer values/cash equivalents	Member, prospective member	On request	Within 2 months of request being made
Early leavers' rights and options	Member whose pensionable service ends before normal pensionable age	Automatically	Within 2 months of trustees receiving notification that pensionable service has ended
	Member, prospective member	On request	Within 2 months of request being made
Early leavers' contribution refund	Anyone who has paid contributions that have not been refunded	On request	Within 2 months of request being made
Estimate of a transfer value/cash equivalent	Active member	On request	Within 3 months of receiving the request