

**FIREFIGHTERS' PENSION SCHEMES
2017/01**

WHO SHOULD READ:	Chief Fire Officer of the Scottish Fire and Rescue Service All HR and Payroll Managers Pensions Administration Staff
ACTION:	Information and Action. Please draw this to the attention of HR and Payroll Managers and scheme members
SUBJECT:	The Firemen's Pension Scheme (Amendment and Transitional Provisions) (Scotland) Order 2016

The purpose of this circular is to:

- To advise of a change to the Firefighters' Pension Scheme 1992 to remove the obligation on firefighters to pay contributions for the period after they have achieved 30 years' service until they reach age 50.

This circular notifies that changes have been made to the Firemen's Pension Scheme Order 1992. The Order comes into force on 6 February 2017 and applies to contributions paid by eligible firefighters from 1 December 2006.

Consultation

SPPA consulted on the draft amendments from 13 September to 11 October 2016. Three responses were received with no objection to the proposed amendments. Scottish Ministers have therefore proceeded with implementing the provisions contained in the proposals, which are briefly outlined below.

The Firemen's Pension Scheme (Amendment and Transitional Provisions) (Scotland) Order 2016

Under the current Firefighters' Pension Scheme 1992 rules, firefighters are eligible to retire with a maximum of 30 years' service from age 50. This provision meant that in some cases, a firefighter could reach the 30 year service limit before reaching age 50 and would therefore need to maintain active membership of the scheme until reaching age 50 although any additional pensionable service over the 30 year maximum would not be taken into account when calculating scheme benefits.

Following discussions, the Department of Communities and Local Government (DCLG - formerly the UK department with responsibility for Firefighters' pensions) and the Fire Brigades Union (FBU) which represented members' interests reached an agreement to address this anomaly which was approved by the High Court. The agreement ensured that firefighters are not required to pay employee scheme contributions between reaching the 30



year limit and their 50th birthday.

The terms of the 1992 scheme in Scotland are identical and Scottish Ministers agreed that the settlement reached between the two parties in England should similarly be applied to affected firefighters in Scotland.

The agreement means eligible firefighters who have retired having paid more than 30 years' service will receive a refund of contributions paid from 1 December 2006, that date has been determined by the Employment Equality (Age) Regulations. Eligible retired firefighters have been identified and SPPA aims to make payments due to them by 31 March 2017.

In addition, serving firefighters who are current 1992 scheme members and who have reached or will reach 30 years' service before age 50 will now be entitled to a "contributions holiday" and refund of any overpaid contributions from the point 30 years' service was reached. The Scottish Fire and Rescue Service (SFRS) will need to automatically apply a "contribution holiday" for individual members when they reach 30 years' service. The employer contribution continues to be due during this period.

Where an eligible firefighter chooses to continue in pensionable service after reaching age 50 following a "contributions holiday" their employee contributions to the scheme will again become due until they either retire from the scheme or elect to opt out of the scheme.

For the avoidance of doubt a "contribution holiday" **only** applies to eligible members of the 1992 Firefighters scheme.

Action Required

Action on the basis of this information is required to ensure that HR/Payroll teams:-

- stop contributions once a 1992 member achieves 30 years' service
- resume contributions again once that 1992 member reaches age 50 and remains in pensionable employment.

SPPA will provide SFRS with details of members approaching 30 years' service prior to age 50.

For those active members who have already reached 30 years' service prior to age 50, action has been taken to ensure:

- employee contributions have ceased for eligible members
- SPPA have calculated and advised SFRS of the refund amount due
- SFRS will make any repayments to eligible members
- SFRS will resume employee contributions once the member reaches age 50 and continues in pensionable employment.



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