

Question 1: FRAs should have discretion to determine whether or not an allowance or emolument is pensionable

There is no reference to “emoluments” in the 1992 scheme and in regard to the 2006 scheme there is a specific reference to permanent emoluments. If there was discretion to extend pensionability to all cash benefits that would open up the opportunity for a far wider range of cashable benefits to be pensionable. Further any changes to the statutory definitions would require formal consultation and changes to the rules of the schemes.

This proposal could result in major variations between Fire and Rescue Services in terms of what is deemed to be pensionable and what is not.

Question 2: Additional Pension Benefits (APB) arrangements should apply to any pensionable allowances or emoluments which an FRA determines should be pensionable

This is logical in regard to any temporary allowance or payment if that is the approach an individual FRS seeks to adopt. There is a need for CLG to set out how it proposes it will reduce the administrative burden on Pension administrators in order to avoid increased costs due to the complexity of APB arrangements and no decisions should be taken without consideration being able to be given to the impact of the introduction of multiple pension pots.

Questions 3 and Proposal 4: a member of the FPS and NFPS in receipt of any allowance or emolument which has been treated as pensionable before 18th November 2009 should be entitled to have this regarded as part of pensionable pay. Pension benefits accrued on pensionable allowances or emoluments should be protected.

These two questions derive from paragraph 6 of the circular and appear to be mutually contradictory.

Any proposal to change scheme rules must be subject to proper consultation and any protection that may be necessary would normally apply from the date of the scheme rule change and not retrospectively as proposed in the consultation paper.

Proposal 5: arrangements for purchasing additional pension should replace those for purchasing additional service

As CLG’s paper indicates these arrangements are becoming an increasing feature of public sector pension schemes