

Item 3

Retained Firefighters' Pensions

Purpose of report

For discussion and direction.

Summary

This paper is to update members of the ongoing settlement discussions between DCLG and the Fire Brigades Union (FBU) in respect of retained Firefighters' Pensions.

Recommendation

Members are asked to consider and comment on the issue addressed in the paper.

Action

Officers to take forward members' recommendations.

Contact officer: Eamon Lally
Position: Senior Adviser, LGA
Phone no: 020 7664 3132
E-mail: eamon.lally@local.gov.uk

Item 3

Retained Firefighters' Pensions

Background

1. Claims by retained firefighters under part-time workers legislation for pension scheme membership were upheld by the Employment Tribunal. DCLG has been negotiating a settlement with the FBU, on behalf of the claimants, in line with the outcome of the Tribunal.
2. The proposal is that all firefighters with retained service between 1 July 2000 and 5 April 2006 inclusive will be eligible for special membership of the NFPS rather than allow access to the 1992 scheme which they would have been eligible to join up to 01 April 2006.
3. The New Firefighters' Pension Scheme 2006 will be amended to give effect to the agreement when reached. There will be consultation in accordance with the requirements of section 34 of the Fire and Rescue Services Act 2004. The amending order will be subject to agreement by Ministers and Parliamentary approval.
4. We understand that discussions between DCLG and FBU are at an advanced stage. This is likely to mean DCLG bringing forward a consultation shortly, with an amending order being placed before Parliament following the outcome of the consultation.

Key issues

5. Following parliamentary approval for the amending order, retained firefighters employed between 1 July 2000 and 5 April 2006 inclusive will be eligible to purchase service under the terms of the modified NFPS.
6. How the balance of the scheme liability can be addressed still has to be resolved. It is not possible to accurately calculate the additional scheme liability because the settlement details have not been concluded and retained firefighters will have a choice as to whether they buy back past service.
7. Once the order discussed above is in force retained firefighters will be able to backdate service under the terms of an options exercise. The scheme liability could begin to emerge in 2012-13 financial year.

Item 3

8. We have asked DCLG to provide further information, through the Government's Actuarial Department (GAD), on the potential costs to the scheme.