

## **FIREFIGHTERS' PENSION COMMITTEE (FPC)**

### **NOTE ON THE 9<sup>TH</sup> MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD IN ELAND HOUSE, LONDON ON 21 DECEMBER 2005**

1. A list of attendees is attached.

#### **2. Introduction**

2.1 The Chairman welcomed everyone to the meeting. He apologised for not sending out an agenda for the meeting. He explained that the meeting would work from the minutes of the last meeting and matters arising and a complete consideration of the draft blueprint.

#### **3. Minutes of the 8<sup>th</sup> meeting of the FPC**

3.1 The minutes of the 8<sup>th</sup> FPC meeting were agreed.

#### **4. Matters Arising from the 8<sup>th</sup> FPC meeting.**

4.1 *GAD - Actuarial Assumptions:* The Chairman reported that a meeting with the Government Actuary's Department (GAD) was held on Monday 19 December 2005. He invited those who had attended to raise any points and none were raised.

4.2 *Retained Firefighters:* The Chairman advised that he had not yet received any comments from the FBU regarding pensionable pay. FBU representatives assured the Committee that a note was being prepared.

**ACTION:** FBU to submit comments on pensionable pay for retained firefighters.

4.3 *Unmarried Partners:* The Chairman referred to the question raised at the 8<sup>th</sup> meeting about the reason for specifying 2 years as proof of a long-term relationship and said that the Treasury required public service schemes to provide for proof of a long-term relationship to be established. The view was that 2 years was a reasonable period. The Chairman explained that FRAs would have the discretion to pay an award where the 2 year requirement was not fulfilled.

4.4 *Pensionable Pay and Contributions:* As an action point from the 8<sup>th</sup> FPC meeting, the FBU advised the Chairman that Ivan Walker would e-mail him a copy of the reference of the European Court judgement on the treatment of 'paid' and 'unpaid' maternity leave.

**ACTION:** FBU to forward European Court judgement to ODPM

4.5 *Reckoning of pensionable service:* The Chairman made reference to the action point from the last meeting (see para. 7.3 of minutes of 8<sup>th</sup> meeting) and advised the Committee that ODPM could not find any guidance on the treatment of unpaid sick leave for calculating reckonable service and his view was that the DDA would not impact.

## 5. DRAFT BLUEPRINT

- 5.1 K1 - Review and cancellation of ill health pensions - The FBU and FOA asked for the justification for the proposal that, while ill health awards could be reduced on review, there was no provision for a member to be moved from a lower to a higher ill-health award if their health deteriorated. The Chairman advised that the member would get an ill health pension based upon their condition at the point of ill-health retirement. If their condition was to subsequently improve then it was reasonable for a lower tier to be substituted or cancelled. The FRS' liability would be satisfied at this point. Any future liability would be transferred to the former employee's new employer. If the condition related to a qualifying injury the death and injury compensation scheme would provide appropriate benefits.
- 5.2 The RFU noted that members who had their ill-health pensions reviewed and subsequently withdrawn would not necessarily be offered re-employment and argued that there should be an obligation on the part of the FRA to provide an option for the member to return to work: this would be consistent with the existing scheme. The Chairman took the view that it was important to distinguish between the responsibilities of the pension scheme and the employer. The pension scheme should establish the basis upon which a member became entitled to a pension; it was not for the scheme to require a FRA to re-employ a firefighter. If the scheme member in receipt of an ill-health pension becomes fit enough to work, it was reasonable for the pension scheme to adjust the award as appropriate.
- 5.3 It was also agreed that the words in italics '*There should be a system for reviewing a child's pension*' should be removed from the provision.
- 5.4 K2 - Withdrawal of pension during service as a firefighter - It was explained that if a member who was in receipt of an ill-health award was to be employed in another FRA in a role related capacity, e.g. safety officer, then the pension would be withdrawn.
- 5.5 K3 - Withdrawal of pension on conviction of certain offences - The Chairman advised that the existing provisions had been retained because they related to offences against the State, or bringing the service into disrepute. It was also proposed to add a provision dealing with the murder of the scheme member.
- 5.6 L1 - Payments of Employers' contribution towards pension liabilities (FPC(05)27) - The 2 year service requirement had been changed to 3 months. There was further discussion of the benefits of 3 months vesting against 2 years. It was agreed that the FBU should reconsider their request for 3 months. The FBU thought that the member should have 12 months in which to decide whether to ask for repayment of contributions or a transfer. The Chairman recognised that flexibility should be allowed if HMRC rules permitted and ODPM would check. The choice of 12 months was agreed as an option if flexibility was permitted.

**ACTION:** FBU to reconsider their position on the 3 months vesting period rather than 2 years.

**ACTION:** ODPM to check with HMRC if there is flexibility to provide a 12 months decision period.

- 5.7 L2 - Fire and Rescue Authorities responsibility for payment of pensions awards - No comment.
- 5.8 L3 - Pension account/fund - No comment.

- 5.9 L4 - Reporting - No comment.
- 5.10 L5 - Payments of Awards - It was agreed that payment of awards should be made in arrears in order to correspond with salary payment arrangements. It was also agreed that the 4<sup>th</sup> bullet point should be removed and for its content to be included in italics at the end of the provision.
- 5.11 L6 - Duplication of benefits under scheme - No Comment.
- 5.12 L7 - Payment of awards - supplementary - No Comment.
- 5.13 L8 - Payment without probate - No Comment.
- 5.14 L9 - Stakeholder pensions – The RFU questioned why the provision was limited to stakeholder/group personal pension schemes that were set up prior to 6 April 2006: stakeholder/GPPs provided a third option for retained firefighters. The Chairman explained that this provision was intended to protect retained firefighters who had previously joined stakeholder/GPP pensions set up by their FRA and that after April 2006 retained firefighters would still have the option to invest in personal stakeholder pensions outside the FRS. The Chairman said that he would note the RFU concerns and report back to Ministers.
- 5.15 M1 - Pensions Credit member's entitlement to pension - No Comment.
- 5.16 M2 - Application of general rules for Pension Credit Members - No Comment.
- 5.17 M3 - Commutation of pension credit benefits - It was agreed that the ability of a FRA to commute for a lump sum the pension of a pension credit member should be with the agreement of the member.
- 5.18 M4 - Death Grants - No Comment.
- 5.19 M5 - Deduction of tax from pension credit member pensions - No Comment.
- 5.20 N - Child/Children - It was agreed to include a requirement for the mother to be pregnant at the time of firefighter's death so as to exclude frozen embryos.
- 5.21 N - Independent qualified medical practitioner - the definition of 'independent' needed to be carried through into definition of IQMP.
- 5.22 N - Nominated Partners - The provision needed to be amended to include civil partner.
- 5.23 The Chairman said that the Blueprint would be amended to reflect changes agreed and a revised draft would be circulated in advance of the next meeting on 10<sup>th</sup> January 2006. He invited members to highlight any further points they would want to discuss at that meeting by 6<sup>th</sup> January.

**6. Any Other Business**

6.1 There were no other items raised.

**7. Dates of next meetings**

- 10 January 2006
- 13 February 2006
- 10 March 2006
- 12 April 2006

*ODPM  
January 2006*

## 9<sup>th</sup> Meeting of the Firefighters' Pension Committee

### Attendees

Martin Hill(Chairman)	ODPM
Andy Boorman	ODPM
Jean Archer	ODPM
Maggie Smith	ODPM
Nitin Bhayani (Secretary)	ODPM
Anthony Mooney (Secretary)	ODPM
Eunice Heaney	ODPM (Consultant)
Jim Preston	SPPA
Karen Bradley	Scottish Executive
Bertie Kennedy	DHSSPSNI
Terry McGonigal	NIFB
Fred Walker	LGA
Ray Jennings	LGA
Dennis Musgrave	LGA
Paul Woolstenholmes	FBU
Tam Mitchell	FBU
Doug Christie	FBU (Thompson's Solicitors)
Derek Chadbon	RFU
Ian Hayton	CFOA
Glyn Morgan	FOA
Chris Large	APFO

### Apologies

Jason Pollard	Welsh Assembly
Matt Wrack	FBU
Ivan Walker	FBU (Thompson's Solicitors)
Des Prichard	APFO
Will Davies	ALAMA