



Firefighters' Pension Scheme Circular

Circular Number:	FPSC 8/2010	Date Issued:	7 December 2010
Action:	For Information		
Title:	<i>Firefighter Pension Scheme</i>		
Issued by:	Martin Hill Workforce Pay and Pensions Division		

Summary:	This circular informs FRAs about: (i) future pension indexation; (ii) Valuation of both firefighter pension schemes; (iii) Age discrimination; (iv) changes to DCLG's website and (v) changes to the current structure of the Firefighters Pension Team.
-----------------	---

Addressed to:	Please Forward to:
The Clerk to the Fire and Rescue Authority	Pension and human resources managers
The Chief Fire Officer	Treasurers
	Finance Directors
	Pension Scheme members

Enquiries:

Pensions Team Leader:

Martin Hill	martin.hill@communities.gsi.gov.uk	030344 42185
Andy Boorman	andy.boorman@communities.gsi.gov.uk	030344 42186
Anthony Mooney	anthony.mooney@communities.gsi.gov.uk	030344 42188

Medical Appeals

Philip Brown	philip.brown@communities.gsi.gov.uk	030344 42187
--------------	--	--------------

General Enquiries: firepensions@communities.gsi.gov.uk

Firefighters' Pension Scheme Website: www.communities.gov.uk/firepensions

1. PENSION INCREASES

- 1.1 The Chancellor of the Exchequer announced in the Budget on 22 June 2010 the intention to switch the basis of uprating public service pensions from the Retail Prices Index (RPI) to the Consumer Prices Index (CPI) with effect from April 2011.
- 1.2 Pensions in payment and deferred awards for members of the Firefighters' Pension Scheme 1992 and the New Firefighters' Pension Scheme 2006 are index-linked under the Pensions (Increase) Act 1971 and the rate is set by HM Treasury in an Order under the Act. Thus, the change in indexation of pensions in payment will occur automatically without any amendment to the 1992 and 2006 Schemes.
- 1.3 However there are references to the RPI in the schemes rules and these will need to be amended to reflect the change to CPI from 3 April 2011.
- 1.4 The relevant references are:
 - (i) Firefighters' Pension Scheme 1992: Rule B5B(3) (Additional pension benefit: long service increment) and Rule B5C(3) (Additional pension benefit: continual professional development); and
 - (ii) New Firefighters' Pension Scheme 2006: Part 3, rule 7A(3) (Additional pension benefit: long service) and rule 7B(3) (additional pension benefit: continual professional development).
- 1.5 It is the intention to bring forward amendments to these provisions shortly. The amendments will not refer to CPI but will provide that the amount of any additional pension benefit accrued at the end of any financial year shall be increased by any increase under the Pensions (Increase) Act 1971.
- 1.6 Fire and Rescue Authorities will need to review any guidance or other material which is issued to or made available to members of the two schemes and ensure that any references to RPI are replaced by appropriate references to the Pensions (Increase) Act.

2. VALUATION OF THE FIREFIGHTERS' PENSION SCHEMES

- 2.1 As authorities may be aware, the Government Actuary will carry out a valuation of the two Firefighters' Pension Schemes as at 31st March 2011.
- 2.2 The Government Actuary's Department (GAD) are currently writing specifications for the valuation and these will be provided by mid-January so that authorities will be able to commission any software in time to extract the data and submit to GAD by 30th June 2011.

- 2.3 Authorities will wish to ensure that relevant data is up to date in advance of the 31st March, and during the Spring GAD will provide a spreadsheet to assist authorities to carry out a basic check on the validity of their data.
- 2.4 It is important that authorities adhere to the timetable for return of data by 30th June as the data and the outcome of the valuation are expected to be an important component in any development of pension arrangements following the outcome of the Hutton Commission's review of public service pensions.

3. AGE DISCRIMINATION

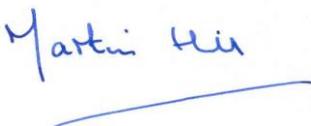
- 3.1 Authorities will be aware from paper FPC(10)1 on Age Discrimination presented to the Firefighters' Pension Committee that the Department are considering the amendment of Rule G2 of the FPS to provide for members to stop paying contributions when they complete 30 years' reckonable service before age 50 and to recommence payment when they are 50.
- 3.2 We are currently drafting an order making a number of amendments to the FPS. The amendments will have to go out to consultation before Ministers are asked to agree to the changes and seek Parliamentary approval. We expect to go out to consultation early in the New Year.

4. WEBSITE INFORMATION

- 4.1 Users of the DCLG website will have noted that no new pension information (circular/guidance notes/Pension Committee papers etc.) has been posted for some time. This is due to restrictions following the re-design and re-launch of the site that followed the change in Government. We are currently exploring alternative arrangements for posting information on the internet and will provide details as soon as possible.

5. STAFF CHANGES

- 5.1 All those with whom the Firefighters' Pension Team have dealings will wish to be aware that as a consequence of decisions to restructure the Department, three members of the Team have decided to take early retirement (or in my case to retire). This means that Andy Boorman, Philip Brown and myself will be leaving by the end of January.
- 5.2 Andrew Cornelius will be taking my place and consideration is currently being given to who will support him, in addition to Anthony Mooney.
- 5.3 It is clear that working practices will change and that some of the support that the Team has been able to give to administrators will no longer be available. Partly because it takes time to gain the experience which we had built up and partly because it is unlikely that in the new environment the Team will have the capacity. Further information will be issued in due course.



Martin Hill