

FIREFIGHTERS' PENSION COMMITTEE

MATTERS ARISING FROM 40th MEETING

This paper updates members on the items discussed at the 40th meeting of the Firefighters' Pension Committee on 13th April 2011.

1. Restricting Pension Tax Relief: 'Scheme Pays' (paragraph 3.2)

The Department has met with GAD and draft proposals for a Scheme Pays mechanism are currently under consideration by HM Treasury. The Department will bring forward and consult on any changes required to the Scheme rules to comply with Scheme Pays shortly, and will provide FPC with a more detailed proposal for the mechanism to be used.

2. Future arrangements for management of Committee (paragraph 3.4)

Further to the discussion at the last meeting on the future make up of the FPC, Richard Hornby, the Executive Director of Finance and Performance at West Sussex County Council, will take up the permanent role as representative member for the Society of County Treasurers.

In addition, the devolved administrations in Scotland, Wales and Northern Ireland will continue to attend future meeting as observers.

3. Firefighters' Pensions: Pension Contributions (section 4)

On 28 July the Chief Secretary to the Treasury announced that scheme specific discussions should proceed on the proposed increase in contribution rates, and on the wider pension reforms. The Chief Secretary also announced that consultations should shortly begin on the proposed increases to employee contribution rates for 2012-13 only. The Department announced its intention to consult in its letter of 28 July, a copy of which is available at:

<http://www.communities.gov.uk/publications/fire/consultfirefighterspension>.

Following this announcement, the formal consultation on the proposed increase in employee contribution rates for 2012-13 for both firefighters' pension schemes will be published imminently. The consultation will be open for 12 weeks.

4. Draft FPS 1992 Amendment Order (section 6)

The formal consultation document on the proposed amendments to the FPS 1992 was issued on 3 August 2011. The consultation will be open for 12 weeks until Wednesday 26 October. Responses to the consultation may be sent by email to firepensions@communities.gsi.gov.uk, or by post to the Firefighters' Pensions Team, 5/F6 Eland House, Bressenden Place, London, SW1E 5DU.

5. Review of the FPS 1992 commutation factors (paragraph 9.3)

On the 19th April DCLG issued pension circular 6/2011 to advise Fire and Rescue Authorities about the revised commutation factors prepared by GAD for the purpose of calculating the lump sums payable under Rule B7 of the Firefighters' Pension Scheme 1992 (FPS). The new factors apply to any member who retires on or after 19th April 2011.

***Department for Communities and Local Government
September 2011***