

FIREFIGHTERS' PENSION COMMITTEE (FPC)

NOTE ON THE 8TH MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD IN GREAT MINSTER HOUSE, HORSEFERRY ROAD, LONDON ON 12 DECEMBER 2005.

1. A list of attendees is attached.

2. Introduction

2.1 The Chairman welcomed everyone to the meeting. Doug Christie from Thompson's Solicitors and Tam Mitchell from the FBU were introduced.

3. Minutes of the 7th meeting of the FPC

3.1 The minutes of the 7th FPC meeting were agreed with a correction to the attendee list (Dave Bentley corrected to Dave Beverley).

4. Matters Arising from the 7th FPC meeting - FPC(05)23

4.1 *GAD - Actuarial Assumptions:* The Chairman advised members that a meeting to discuss the actuarial assumptions used by the Government Actuary's Department (GAD) had been arranged for Monday 19 December 2005.

4.2 *Civil Partnerships:* Members were also advised that the Firefighters' Pension Scheme (Civil Partnership Amendments) (England and Scotland) Order had been made and came into effect on the 5th December 2005.

4.3 *Retained Firefighters:* Matt Wrack from the FBU suggested that a separate meeting should be set up to discuss the issue of incorporating 'retained' firefighters into the new pension scheme. The Chairman said that he did not feel that this was necessary because ODPM would be issuing a paper in February '06 outlining how the new scheme would apply to retained members, for discussion by the Committee. This would reflect discussions with the employers and any input from the unions. The RFU had already provided a view on pensionable pay and he invited the FBU to provide some input.

ACTION: FBU to provide note on pensionable pay for retained firefighters.

4.4 *Existing Pension Arrangements:* Matt Wrack highlighted the FBU's concern that a number of changes to the pension scheme were currently being proposed and that there were limited details available. He made reference to the changes to the compensation provisions and ill-health retirement provisions; he asked what consultation was proposed for these changes and what the timescales to these changes would be. He also reiterated the FBU's dissatisfaction with ODPM's approach to discussions.

4.5 The Chairman responded by explaining that Ministers were currently considering a consultation paper on the compensation provisions and that ODPM were awaiting

their approval for publication. Due to time constraints, changes to the compensation provisions would have to be completed in two stages. The first stage would entail removing the existing provisions from the existing pension scheme and forming a free-standing 'Firefighters' Compensation Scheme' which would have to be completed by April '06 in time for the introduction of the new tax simplification rules. The second stage would involve the publication of a consultation paper outlining proposals for amending the compensation provisions. This would be published when ministerial approval was received and would be subject to a three month consultation period. It is expected that changes in the compensation provisions would come into effect in 2007.

- 4.6 The Chairman also advised that ODPM had already outlined changes which needed to be made to the FPS (FPC(05)18) and instructions were now being drafted for ODPM lawyers to enable a draft order to be prepared. The order would also provide for 2 tier ill-health pensions in the existing scheme on the same basis as in the new scheme and this had already been discussed in the Committee. A copy of the instructions would be circulated to the Committee; thereafter there would be consultation on the draft order. These amendments would come into effect in April '06.
- 4.7 The Chairman also informed the Committee that amendments to introduce an age 55 minimum retirement age to the existing scheme would be required before 2013.
- 4.8 The Chairman noted FBU's concerns. He considered that ODPM had given the necessary opportunities for stakeholders to comment, and that the statutory consultation requirements were being satisfied.

5 Part D - Amount of Death Grant - FPC(05)24

- 5.1 The Chairman introduced paper FPC(05)24 which outlined two options for calculating the death grant for a member who has a split pension under rule B7 of the scheme regulations. He advised members that the first option was preferred as this would give the fairest provision for members who had a step down in pay. Further consideration would be given to the handling of cases of part-time members, including those who had a mixture of whole and part-time working.
- 5.2 It was agreed that the first option was not unreasonable.

6 Rule A3 - Unmarried Partners Pensions - FPC(05)26

- 6.1 The FPC were advised that if members wanted the pension scheme to provide benefits for unmarried partners then HM Treasury insisted on the inclusion of a 2 year requirement to demonstrate that a relationship was long-term. The Chairman did highlight that FRAs still had a discretion to pay in exceptional circumstances where the requirements for entitlement were not met.

7 Part E - Qualifying and Pensionable Service - FPC(05)13

- 7.1 E1 - Qualifying Service – The FBU asked for the provision to include periods of unpaid leave as a result of industrial action as qualifying service where the

member had restored the lost pension contributions as a result of the absence. It was already covered by E4.

- 7.2 It was also agreed for E1 to provide FRAs with the discretion to pay the employers' contributions: it was possible that this could form part of the settlement of the dispute.
- 7.3 E2 - Reckoning of pensionable service – the FBU also raised the question of whether the exclusion of periods of unpaid sick leave from reckonable service conforms with the Disability Discrimination Act. The Chairman agreed to check and report back to the Committee.

ACTION: ODPM to check whether the exclusion of periods of unpaid sick leave from reckonable service is consistent with the DDA.

- 7.4 It was also agreed to rewrite the first bullet point of E2 to reflect what is written in the Grey Book (Section 5, Part B).
- 7.5 E3 - Service that will not count as Pensionable Service - It was agreed to delete the italics '*To include 'misconduct' as a limiting factor because a firefighter can only work if 'fit'* ' from the provision. It was also agreed to rewrite the penultimate bullet point in E3 so that it reflects what is written in Section 5, Part B of the Grey Book.
- 7.6 E4 - To reckon an unpaid period of absence - No comments
- 7.7 E5 - Maternity, paternity and adoption leave - No comments

8 Part F - Transfers into and out of the Scheme - FPC(05)25

- 8.1 F1 - Transfers out of the Scheme – the FBU asked why a scheme member who was also a pension credit member would not be allowed to transfer their entitlement out of the scheme. The Chairman advised that the pension credit membership was a separate membership and transfers were not permitted.
- 8.2 F2 - Application for statement of entitlement - It was agreed to provide the FRA with a discretion to charge in cases where more than two statement of entitlements are requested by a member in any one year.
- 8.3 F3 - Application for the payment of a transfer value - It was agreed to provide the FRA with the discretion to extend time limits.
- 8.4 F4 - Ways in which transfer value payments may be applied - No comments
- 8.5 F5 - Calculating amounts of transfer value payments - No comments
- 8.6 F6 - Transfer into the Scheme - reference was made to the exclusion of pension credit members (please refer to para. 8.1 above).
- 8.7 F7 - Procedure of transfers into the Scheme - No comments

- 8.8 F8 - Acceptance of a transfer value - No comments
- 8.9 F9 - Calculation of transferred-in pensionable service - No comments
- 8.10 F10 - Miscellaneous Provisions - No comments

9 Part G - Pensionable Pay and Contributions - FPC(05)13

- 9.1 G1 - Pensionable Pay – the FBU questioned the exclusion of flexible duty allowances (FDA) from pensionable pay. It was argued that the FDA was permanent because once a firefighter received it it could not be withdrawn, except in cases where the firefighter was being disciplined.
- 9.2 The Chairman explained that Ministers took the view that FDA should not be pensionable. It was not for the Conditions of Service to determine what was or was not pensionable as it was a statutory scheme. Section 4, Part A, paragraph 15 of the Grey Book said “In view of the pension implications, employees will not be transferred from the flexible duty system against their will”. ODPM had raised the issue with the Employers Organisation and were awaiting a response. The matter would need to be discussed further.
- 9.3 It was noted that there remained uncertainties about continuous professional development (CPD) payments and whether these would be permanent. If they were temporary, they should not be regarded as pensionable. Additional responsibility allowances were time bound and temporary and would not be pensionable.
- 9.4 G2 - Pension Contributions - reference was made to the possibility that the second bullet point may need to be amended/deleted depending on final decisions regarding rule A5.
- 9.5 G3 - Optional pension contributions during maternity and adoption leave – the FBU advised the committee of a recent European court case where the judge gave an opinion that all 'paid' and 'unpaid' maternity leave should be treated equally. He agreed to e-mail the Chairman a copy of the reference for ODPM's consideration.

ACTION: Doug Christie to e-mail the Chairman a copy of the judgement.

- 9.6 G4 - Election not to pay pension contributions - No comments
- 9.7 G5 - Election to purchase additional service - No comments
- 9.8 G6 - Purchase of additional service - No comments
- 9.9 G7 - Payment of periodical contributions for increased benefits - No comments
- 9.10 G8 – Effect of ceasing payment of periodical contributions – It was considered that scheme members would need to have an option to purchase additional service at either the higher or lower level if that could be allowed.

9.11 G9 – Discontinuance of periodical contributions – Contributions should be at the rate of pensionable pay which would have been paid.

10 Part H - Determination of Questions and Appeals - FPC(05)25

10.1 H1 - Determination by Fire and Rescue Authority – There was discussion about the questions set out in H1. Some of the issues covered should more properly be covered in guidance. It was agreed that bullet points 3 and 5 were not required and that bullet point 4 should be amended by removing 'also'.

10.2 H2 - Appeal against opinion on a medical issue – The Chairman said that some changes were required to time limits for appeal to allow the appellant a further period to set out the grounds for the appeal.

10.3 H3 - Appeal to the FRA disputes under the Internal Disputes Resolution Procedures - No comments

10.4 H4 - IDRP - It was agreed to remove reference to 'Appeals Committee'.

11 Parts I and J – No comments.

12 Any Other Business

12.1 There were no other items raised.

13 Dates of next meetings

- 21 December 2005
- 10 January 2006
- 13 February 2006 (Rescheduled)
- 10 March 2006 (Rescheduled)
- 12 April 2006

***ODPM
December 2005***

8th 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
Ray Jennings	LGA
Fred Walker	LGA
Dennis Musgrave	LGA
Matt Wrack	FBU
Paul Woolstenholmes	FBU
Tam Mitchell	FBU
Doug Christie	FBU (Thompson's Solicitors)
Derek Chadbon	RFU
Ian Hayton	CFOA
Glynn Morgan	FOA
Chris Large	APFO

Apologies

Ivan Walker	Thompson's Solicitors
Des Prichard	APFO
Will Davies	ALAMA