



**NEW PENSION ARRANGEMENTS
FOR FIREFIGHTERS
WORKSHOP FOR PRACTITIONERS
1ST NOVEMBER 2005**

WORKSHEETS

- 1.III Health Retirement**
- 2.Retained Duty System and Part-time Firefighters**
- 3.Unmarried Partners**
- 4.Transitional Arrangements**
- 5.Communications**



New Pension Arrangements for Firefighters

A workshop for practitioners

1 November 2005

Ill Health Retirement

- Consider the implications for ill health retirement with the introduction of two-tier ill health retirement benefits.



The points on the next page were mentioned in the morning session. Have you any views on them? Are there any additional points you think should be considered? Use the following pages to set out your thoughts during the Workshop discussion.

If there is anything which does not get raised this afternoon, or which you think about after today, please let ODPM know by e-mailing firepensions@odpm.gsi.gov.uk with the reference "Ill-health retirement".

General Principles

The two tiers will operate as follows, where the scheme member is permanently unfit for any duties appropriate to the role of a firefighter and:

- is able to undertake other regular employment: a lower tier ill-health pension will be paid based on the service accrued in the scheme: without any enhancement.
- is unable to undertake other regular employment, a higher tier ill health pension payable would be paid based on service accrued in the scheme plus an enhancement of service.

Both pensions would be subject to review up to state pension age.

See section B4 and Appendix 3 of the Blueprint.

It is not proposed that there should be any substantive changes to the medical appeal arrangements.

Firefighters' Pension Scheme 1992

Proposals:

Amend the scheme so that:

- higher tier awards are based on existing enhancements for ill health retirement; and
- lower tier awards reflect the pension that would have been awarded as a deferred award, but payable immediately.

New Firefighters' Pension Scheme 2006

Enhancement to be calculated by the use of a moderating fraction. The proposal is that this should be 2%.

Points for consideration

- Should "regular employment" be defined? if so, should FRAs have any discretions?
- If it should be defined, what would be a reasonable definition, e.g. more or less than 30 hours per week?
- On evidence available, we anticipate that only a minority of firefighters will be entitled to a higher tier award. Will this impact on redeployment away from operational duties? For example will scheme members be more interested in moving to non-operational work if a lower tier award is more likely?
- Will Medical Advisers want detailed advice on capability assessments?
- What impact will the changes have on medical appeals and the Internal Dispute Resolution Procedures?
- Although we have not proposed substantive changes to the medical appeal arrangements are there any changes which FRAs would regard as beneficial?

The two tier arrangements will come into force from April 2006 for the FPS 1992;

- How would we avoid the situation where decisions under H1 are delayed in order that the new arrangements would apply?
- Should there be reserved rights for payment of benefits under existing arrangements in some cases? For example, where the outcome is obvious but the decision has been delayed in circumstances outside the control of the scheme member; or a qualifying injury leading to ill health retirement occurred before the change?

New Pension Arrangements For Firefighters

III Health Retirement

Your views:

Your views:



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Retained Duty System and Part-time Firefighters

- Consider how the proposals for the calculation of pensionable service for those on Retained Duty System (RDS) and part-time regular contracts would operate.



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Firefighters' Pension Scheme 1992

- Part-time regular firefighters may already join the existing scheme, there are no proposals to change these arrangements.
- The existing scheme will not be amended to include RDS firefighters.

New Firefighters' Pension Scheme 2006

- Part-time service for pension purposes will continue to be a proportion of whole-time service. In the case of part-time regular firefighters it will still be calculated on the basis of hours worked. For RDS firefighters it is expected to be calculated on the basis of pay as a proportion of the pay of a whole-time regular firefighter of the same role and service.
- The proposal for those on RDS is that pensionable pay should be core pay and any permanent emoluments, including any Retaining Allowance paid to RDS Scheme members.
- Existing RDS firefighters would be able to join the new pension scheme in respect of future service. In addition they would be able to purchase additional service for pension purposes on the same basis as other members of the NFPS.
- Fire and Rescue Authorities who have already set up group personal pension or stakeholder pension schemes for those on RDS will not be required to close those schemes.
- Those on RDS who do not join the new scheme will retain their current injury benefit arrangements, while those who join the new scheme will be subject to new arrangements.

See section A8 and Appendix 1 of the Blueprint for an indication of how pensions will be calculated.

Points for consideration

- Will the different arrangements for paying RDS firefighters across the FRS cause difficulties, in particular is there likely to be different treatment for pension purposes between FRAs and between regular and RDS members?
- What administrative difficulties do you foresee? RDS members will have to be tracked across their whole career. Can satisfactory records be kept?
- Do you foresee problems with regard to the pay arrangements for RDS in your Fire and Rescue Authority?
- What problems do you foresee in the handling of the arrangements for the calculation of RDS pension awards?
- What has been the experience of your Fire and Rescue Authority in dealing with part-time regular firefighters?

**New Pension Arrangements For Firefighters
RDS and Part-time Regular Firefighters**

Your views:

Your views:



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Unmarried partners

- Consider how the arrangements will operate for the inclusion of unmarried partners for survivor pensions;
- Ensure that rights to an award are recognised; fraud is prevented; and there is sufficient flexibility to allow an FRA to make an award in exceptional circumstances.



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Firefighters' Pension Scheme 1992

- The existing scheme will not be amended to include unmarried partners.

New Firefighters' Pension Scheme 2006

- "Unmarried partner" will be defined as the unmarried partner of a firefighter who together with the firefighter has completed a joint declaration of partnership and registered it with the Scheme Administrator. It will be available to any scheme member who is not married or in a civil partnership. At the time of death:
 - (i) the partnership must be registered with the FRA;
 - (ii) the partner must have been living with the firefighter in an exclusive committed long-term relationship (long term in this context would normally mean for at least 2 years);
 - (iii) the firefighter and partner must both have been free to marry or enter into a civil partnership with each other; and
 - (iv) either the nominated partner was financially dependent on the firefighter or both partners were financially interdependent.

Points for consideration

- What do you consider will be the main issues for those wanting to register their partnership?
- What problems do you foresee with managing the registration process? For example, firefighters would need to be free to marry or enter into a civil partnership, before they can register.
- How would you ensure that registration is cancelled if a relationship ends?
- Do you envisage disputes arising and consideration being part of the Internal Dispute Resolution Procedures?
- What discretions should the FRA have: e.g.
 - if two partners of a deceased firefighter were to claim the survivor pension, and although the first partnership was registered evidence showed that this ended before the second was entered into but registration had not been cancelled.
 - To make payments where a partnership had not been registered, evidence of dependence was provided but the scheme member had not been able to register before death.

New Pension Arrangements For Firefighters

Unmarried Partner Pensions

Your views:

Your views:



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Transitional Arrangements

- Consider the arrangements for transfers from the existing pension scheme to the new scheme.



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Firefighters' Pension Scheme 1992

- The Firefighters' Pension Scheme will be closed to new members, but will remain in operation for existing members.
- Firefighters who transfer from a Fire and Rescue Service in Scotland, Wales and Northern Ireland and who are members of a pension scheme equivalent to the FPS will not be required to join the NFPS [subject to this being permissible].

New Firefighters' Pension Scheme 2006

- Members of the existing scheme will be able to transfer to the new scheme. They will be able to leave preserved their benefits in the existing scheme or transfer those benefits into the new scheme.
- Where a firefighter has accrued pension rights under the FPS and requests that these rights be transferred into the NFPS, the number of years of pensionable service will be calculated in accordance with guidance to be prepared by the Government Actuary.
- Transfer arrangements have still to be discussed.

Points for consideration

- Should there be a cut off point within which people must make their decision about transferring e.g. 3 or 6 months, 1/2/3 years?
- If numbers of FPS members chose to transfer will this cause administrative problems? If so, will it help to have a longer period for transition?
- How many FPS members might join the new scheme?
- What difficulties do you foresee in explaining the options open to existing scheme members?
- What special issues are needed to help retained duty system firefighters make decisions on joining the new scheme?

New Pension Arrangements For Firefighters
Transitional arrangements

Your views:

Your views:



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Communications

- Consider what needs to be communicated, how it should be prepared and how it should be transmitted.



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Firefighters' Pension Scheme 1992

- Amend Scheme guides (have regard to Disclosure of Information Regulations)
- Issue summary of amendments to all members
- Fire Commentary to be amended

Firefighters' Pension Scheme 2006

- Write Scheme guides (have regard to Disclosure of Information Regulations)
 - Basic text prepared by ODPM for personalisation by each FRS?
 - Should content be more detailed than as required by Disclosure of Information Regulations 2006?
- Should there be separate guidance for injury/compensation provisions?
- Second Fire Commentary for FPS 2006?
 - Format? (As current Commentary or new style?)
- Third Fire Commentary setting out injury/compensation provisions?
- Other basic guidance for personalisation by each FRS (leaflets on specific topics, e.g. divorce, maternity leave, etc.)?
- Model forms for personalisation and use by each FRS? What forms in particular?

Transitional arrangements

- Information to those who are members of FPS 1992 about possibility of transfer to new scheme; set out comparison of provisions of 1992 and 2006 Schemes; offer personalised transfer details
- Information to retained firefighters appointed before introduction of FPS 2006 to help them decide if they want to join the FPS 2006 or remain subject to earlier injury provisions
- General information to all about new tax regime and special information to those who can claim transitional protection (higher earners and pension credit members)

Communication systems

- Mail shots?
- Posters?
- Presentations?
- Websites?

New Pension Arrangements For Firefighters Communications

Your views:

Your views: