



Firefighters' pension scheme – current reforms

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A new pension scheme for firefighters is to be introduced from April 2015. This is as part of the Government's reforms to public service pensions, which started with the establishment of the [Independent Public Service Pensions Commission](#), chaired by former Labour Work and Pensions Secretary, Lord Hutton of Furness, after the 2010 general election.

Following the publication of the Commission's [interim report](#) in October 2010, the Government said it would increase member contribution rates across public service schemes (except for the armed forces) by an average of 3.2 percentage points by 2014/15. Contribution rates increased in April 2012, 2013 and 2014.

Recommendations of the Commission's [final report](#), published in March 2011, included replacing existing schemes with new ones, with pension entitlement based on career average earnings and increasing the normal pension age to 60 for the firefighters, police and armed forces. The Government accepted the Commission's recommendations as a basis for consultation with the trade unions.

In May 2012, the Department for Communities and Local Government (CLG) announced its [proposed final agreement](#) for a new firefighters' pension scheme in England, to be introduced from April 2015. Key features of the new scheme include pension benefits based on career average earnings, a normal pension age of 60, and average member contributions of 13.2%. As with other public service schemes, there will be transitional protection for those closest to retirement. All active scheme members who, as of 1 April 2012, had 10 years or less to their current normal pension age will remain in the current scheme and there will be tapered protection for scheme members between 10 and 14 years of normal pension age on that date.

The Fire Brigades Union (FBU) described the reform proposals as “unacceptable” on the grounds that it proposed “unaffordable and unfair contribution rates”, a “totally unrealistic retirement age” and an “unsustainable scheme for the fire service. It has continued to

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campaign for changes, particularly for firefighters in England. A key concern has been the position of firefighters aged 55 and over who cannot retain the required levels of fitness to age 60 but do not have a permanent medical condition such that they qualify for an ill-health pension – see section 3.5 below.

Legislation to provide the framework for the new scheme was provided for in the [Public Service Pensions Act 2013](#). Regulations to implement the new scheme for firefighters in England - [The Firefighters' Pension Scheme \(England\) Regulations 2014 \(SI 2014/2848\)](#) were laid before Parliament on 28 October 2014. The Opposition tabled [Early Day Motion 454](#) praying against the regulations, which were debated in Parliament on 15 December 2014. The House voted to keep the regulations. Earlier the same day, the Government had announced that it was making an amendment to the Fire and Rescue National Framework. It said this would guarantee that “if there is not an underlying medical condition and [firefighters] cannot pass the fitness test, either they will receive an alternative role or the authority will have to initiate a pension.” ([HC Deb 15 December 2014 c1115](#)). Following the debate, the FBU wrote to fire authorities to ask how this would be implemented. Based on the responses, it argues that the “claims of a ‘guarantee’ are empty and meaningless.” ([Circular 0078MW](#)).

This note looks at the current plans for reform. The development of the schemes is discussed in Library Note SN 3260 [Firefighters' Pension Schemes – background](#).

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1 Background

1.1 The current schemes

There are now two main pension schemes for firefighters in England:

- The Firefighters' Pension Scheme 1992 (FPS), which came into effect on 1 March 1992 which has been amended from time to time since that date. It was closed to new members on 6 April 2006.¹
- The New Firefighters' Pension Scheme 2006 (NFPS) which came into effect on 6 April 2006.

Both schemes are Defined Benefit schemes, providing pension benefits on the basis of final salary. The schemes in England have some 36,000 active members, two thirds of whom are in the 1992 scheme.² The average pension in payment in 2009-10 was £13,804.³

The Secretary of State for Communities and Local Government is responsible for the Firefighters' Pension Schemes in England and sets the rules.⁴ The schemes are administered locally by Fire and Rescue Authorities. Scottish Ministers have the power to make secondary legislation for firefighters in Scotland. In practice, the schemes have tended to mirror each other closely and they face similar structural issues.⁵

Overview of the Firefighters' Pension Scheme (FPS)

The FPS was initially made under section 26 of the *Fire Services Act 1947*. This was repealed by the *Fire and Rescue Services Act 2004*, but section 36 of the 2004 Act allowed the FPS to continue in force. The rules are set out in the [Firefighters Pension Scheme Order 1992 \(S 1992/129\)](#) as amended. The main provisions are summarised in [A Guide to the Firefighters' Pension Scheme 1992 \(England\)](#) (September 2008):

Membership – was open to all firefighters appointed before 6 April 2006

[Member contribution rate – tiered according to pensionable pay, from 11 to 15% from April 2013]

¹ 'A guide to the Firefighters' Pension Scheme 1992 (England)', January 2007; <http://bit.ly/cXkuXW> (UK Govt Web Archive)

² Department for Communities and Local Government, [Statistical Release, 29 November 2012, Firefighters' Pension Schemes Membership Data England 2011-12](#); For earlier figures, see GAD, [Firefighters' Pension Schemes in England. Actuarial valuation as at 31 March 2007](#), 23 October 2009

³ Independent Public Service Pensions Commission: [Interim Report](#), 7 October 2010

⁴ Independent Public Service Pensions Commission: [Final Report](#), 10 March 2011, Table 6A

⁵ Independent Public Service Pensions Commission: [Interim Report, 7 October 2010](#), p23-4. For more information, see Library Standard Note SN 6545 [Public Service Pensions Bill 2012-13: devolved administrations](#).

Additional contributions – can be paid, by election and subject to eligibility, to ‘purchase’ additional benefits

Normal pension age – is 55. However, a firefighter can choose to retire before this with immediate payment of retirement benefits provided he/she is aged 50 or over and has at least 25 years’ service.

Basic principles of assessment of pension – annual pension = $\text{service}^*/60 \times \text{average pensionable pay}$ where:

- each year of service to 20 years = 60th
- each year of service after 20 years = 2/60ths

to a maximum of 40/60ths.

If the firefighter has a period of part-time membership, the pension will be adjusted to reflect the part-time service.

Average pensionable pay as used in the above formula is normally the firefighters’ pay averaged over the last year of service; average pay for one of the two previous years can be substituted if greater. If the firefighter has a reduction in pay before this, the “two pension” option can be used; the first pension would be based on service before the reduction in pay, the second would be based on service accrued after.

Commutation – allows a firefighter to give up part of his/her annual pension to provide a one-off payment of lump sum

Ill-health award – can be payable from any age if the Scheme member is permanently disabled for performance of the duties of his/her role. It can be a lower tier or higher tier award. A lower tier award would be paid where the member is capable of regular employment (other than as a firefighter); a higher tier award would be paid where the member is not so capable. A lower tier pension is normally assessed on deferred benefit principles; the higher tier award uses the same principles but with an enhancement of service.

Early leaver benefits – apply if a firefighter leaves the fire and rescue service before a pension is payable. The options, dependent upon length of service, are:

- a refund of contributions
- a transfer of pension rights to another fire and rescue authority
- a transfer of pension rights to another pension arrangement
- a deferred pension

Additional Pension Benefit (“APB”) is a contributions-based pension benefit. Those who were serving firefighters at the time that the Long Service increment was withdrawn will be entitled to a Long Service Increment Additional Pension Benefit (“LSI APB”). Those who receive Continual Professional Development payments will receive a “CPD APB”. The CPD APB is based on standard pension contributions paid by the firefighter and by the fire and rescue authority on the CPD payments. The contributions are converted to a pension by the use of factors provided by the Government Actuary. An APB is also taken into account for dependants’ benefits.

Death benefits – are provided in the form of a death grant of twice pensionable pay for a member who dies in service, plus benefits for a surviving spouse or civil partner and children’s and dependants’ benefits.

Pension credit member's benefits – provided for the former spouse or civil partner of a Scheme member in the event of a court issuing a pension sharing order on divorce. The benefits are payable from age 60 and comprise a pension and, provided the firefighter had not already commuted part of his/her pension, the option of a lump sum.

Effect of divorce or dissolution of civil partnership – depends upon the decision of the court. If the court issues an "earmarking" order, all or part of the death grant, pension, or lump sum by commutation may be paid to the former spouse or civil partner at the time those benefits would normally be paid to, or in respect of, the Scheme member. If, instead, the court issues a pension sharing order, part of the firefighter's accrued value of pension rights will be deducted from the effective date of the order to provide benefits for the former spouse or civil partner who becomes a "pension credit member" in the Firefighters' Pension Scheme.

Pensions increase helps FPS benefits keep pace with cost-of living increases. Pensions Increase Acts explain how and when it is to be applied and Pensions Increase (Review) Orders – normally issued annually – set out the amount by which benefits should be increased.

Rights of appeal – can be used if dissatisfied with a decision of the fire and rescue authority, or the medical opinion on which certain decisions are based.

State Second Pension – inter-relates with the FPS. The FPS has "contracted out" status and must ensure that benefits payable must meet minimum requirements⁶

Overview of the New Firefighters' Pension Scheme 2006 (NFPS)

The rules for the NFPS are made under section 34 of the *Fire and Rescue Services Act 2004*. The rules are in the *Firefighters' Pension Scheme (England) Order 2006* (SI 2006 No. 3432), as amended. The main provisions are summarised in the Guide to the NFPS 2006. For example:

Membership – is open to all firefighters regardless of duty system or hours of employment.

[Member contribution rates - tiered from 8.5 to 11.1% of pensionable pay from April 2013]

Additional contributions – can be paid, by election and subject to eligibility, to 'purchase' additional benefits

Previous pension rights – as a member of the NFPS or with another pension arrangement (including the FPS 1992), may be transferred to add to current service as a Scheme member

Normal pension age – Age 60

Basic principles of assessment of pension – give a proportion of final pensionable pay according to pensionable service accrued at the date of calculation:

$1/60 \times \text{pensionable service} \times \text{final pensionable pay}$

In the case of a part-time employee, the service would reflect the part-time hours worked (e.g. half-time for two years would give one year of pensionable service) but the final pensionable pay would be based on the whole-time equivalent rate.

⁶ [A Guide to the Firefighters' Pension Scheme 1992 \(England\)](#) (September 2008), p28-9

Commutation – allows a firefighter to give up part of his/her annual pension to provide a one-off payment of lump sum

Ill-health award – can be payable from any age if the NFPS member is permanently disabled for performance of the duties of his/her role. It can be a lower tier or higher tier award. Lower tier would be paid where the member is capable of regular employment (other than as a firefighter); higher tier would be paid where the member is not so capable. A lower tier pension uses the basic principles of assessment; the higher tier uses the basic principles with an enhancement of service.

Early leaver benefits – apply in the event of leaving the fire and rescue service before normal pension age. The benefits, dependant upon length of service, the nature of the termination of employment, the age of the member and/or the choice of the member are:

- a refund
- a transfer of pension rights to another fire and rescue authority
- a transfer of pension rights to another pension arrangement
- a deferred pension
- an authority-initiated early retirement pension
- a member-initiated early retirement pension

Split pension – is a means of protecting the pension rights of a member whose pay is reduced in a final salary scheme. At the point of reduction the first pension would be “closed” and a new pension started. When the member retires, both pensions would be paid or, if more advantageous, the service on which the two pensions are based could be added together and a single pension paid.

Death benefits – are provided in the form of a death grant of three times pensionable pay for a member who dies in service and a five year guarantee where a pension is in payment, plus dependants’ benefit cover for a surviving spouse, or civil partner, or nominated partner or children.

Effect of divorce or dissolution of civil partnership depends upon the decision of the court. If the court issues an “earmarking” order, all or part of the death grant, pension, or lump sum by commutation may be paid to the former spouse or civil partner at the time those benefits would normally be paid to, or in respect of, the NFPS member. If, instead, the court issues a pension sharing order, part of the firefighter's accrued value of pension rights will be deducted from the effective date of the order to provide benefits for the former spouse or civil partner who becomes a “pension credit member” in the NFPS.

Pension credit member’s benefits – are provided for the former spouse or civil partner of a NFPS Scheme member in the event of a court issuing a pension sharing order on divorce. The benefits are payable from age 65 and comprise a pension and, provided the firefighter had not already commuted part of his/her pension, the option of a lump sum.

Pensions increase – i.e. “cost of living” increase, is applied to members’ and dependants’ pensions, usually on an annual basis

Rights of appeal – can be used if dissatisfied with a decision of the fire and rescue authority, or the medical opinion on which certain decisions are based.⁷

⁷ [‘A Guide to the New Firefighters Pension Scheme 2006 \(England\)’](#) (December 2006), p22

Further detail can be found in [A Guide to the New Firefighters Pension Scheme 2006 \(England\)](#) (December 2006).

Some of the key differences between the NFPS and FPS are:⁸

- **Eligibility** - The NFPS is for regular, retained and volunteer firefighters who join the Fire and Rescue Service on or after 6 April 2006. This extends membership from that of the FPS, which was for regular firefighters only. Members of the FPS could elect to become members of the new pension scheme and would have the option of transferring the pension accrued in the existing scheme into the new scheme at an advantageous rate.
- **Normal pension age** - The NFPS has a normal pension age of 60. A member of the NFPS may retire at 55, subject to an actuarial reduction in the pension paid, although there is also provision for the fire and rescue authority to permit a firefighter member to retire early from age 55 on an unreduced pension, having regard to the economical, effective and efficient management of their functions, but in that case the authority, rather than the pension fund, would have to meet the cost of that early payment. Deferred pensions are payable at age 65 in the event of someone leaving the service early.

The FPS has a normal pension age of 55 (50 with 25 or more years' service). The deferred pension age is 60, or earlier if the firefighter becomes permanently disabled for firefighting or performing any other duties appropriate to his/her former role.

- **Accrual rate** - The NFPS has a single accrual rate of 1/60th. Members can accrue more than 40 years' pensionable service should they stay in service up to or beyond age 60. - In the FPS, pension accrues at 1/60th for each of the first twenty years of service and 2/60th for each of the final ten years. Pensionable service is restricted to 40/60^{ths} (after 30 years' service).
- Contribution rates are higher in the FPS than the NFPS, reflecting the higher cost of the scheme. (For further details of member contribution rates, see section 4.1 below).
- **Partners' pensions** - The NFPS extends benefits to nominated partners, including those from same sex couples who choose not to enter into a civil partnership. In the FPS, partners' pensions are payable to a surviving spouse or civil partner.

Further information about the existing [Firefighters' Pension Schemes](#) can be found on the archived Department for Communities and Local Government (CLG) website.⁹

1.2 Costs and funding

Funding arrangements

Like most of the main public service schemes,¹⁰ the Firefighters' Pension Schemes operate on a pay-as-you-go (PAYG) basis, meaning that there is no fund of assets which is invested and from which pension benefits are paid. Employer and employee contributions are paid to the sponsoring government department but these contributions are

⁸ [A Guide to the Firefighters' Pension Scheme 1992 \(England\)](#) (September 2008)

⁹ Ibid

¹⁰ The main exception being the Local Government Pension Scheme (LGPS)

not invested. Instead, the sponsoring government department pays benefits to pensioner members, netting off the contributions received.

A guide to the FPS explains how the now funding works:

Unlike occupational schemes in the private sector, the FPS does not have trustees. Also, it does not have the usual type of pension fund found in the private sector which uses investments to meet its liabilities. Although each fire and rescue authority is required to maintain a pension fund which:

- receives employee and employer contributions and transfer values from other schemes, and
- pays out benefits and transfer values to other schemes

the authority does not have the power to invest money as would normally be the case with a pension fund. If the fund has insufficient money to meet all of its pension liabilities, the Secretary of State will make up the shortfall; if the fund is in surplus, the Secretary of State will take the excess to cover any shortfall in the funds of other authorities.¹¹

Firefighters pensions are administered by fire authorities, so there is no single set of accounts providing regular data about the schemes. However, summary information is provided by the Department for Communities and Local Government.¹²

Valuation

In 2009, GAD published its actuarial valuation showing the position of the Firefighters' Pension Schemes as at 31 March 2007. This was the first formal valuation of the Firefighters' pension arrangements for over 15 years.¹³ It said:

1.2 Under section G2 of the Fireman's Pension Scheme Under 1992 (in connection with the FPA) and Part 13, Rule 2 of the Firefighters' Pension Scheme Order 2006 (in connection with the NFPS), the Secretary of State is required to determine and notify Fire Authorities of the contribution they are required to make towards the discharge of their future liability for the payment of pensions under the Schemes in England.

1.3 The main purpose of the valuation is to assist the Secretary of State in making the above determinations and, in particular, to:

- review the demographic experience of the Schemes;
- assess the cost of benefit accruing to Firefighters in the future; and
- place a value on the benefit accrued by Firefighters in respect of service up to the valuation date.

1.4 This is the first formal valuation of the Firefighters' pension arrangements for over 15 years. As part of the process of introducing the NFPS, an assessment of Scheme costs was carried out by GAD in 2004 (the "2004 costing exercise").¹⁴

GAD's conclusions on contributions were as follows:

¹¹ *A Guide to the Firefighters' Pension Scheme 1992 (England)* (September 2008)

¹² See, for example, CLG, *Firefighters Pension Income and Expenditure, 2010-11 to 2011-12*

¹³ GAD, *Firefighters' Pension Schemes in England Actuarial valuation as at 31 March 2007*, 23 October 2009

¹⁴ *Ibid*, p3

8.1 Based on the calculation method and assumptions outlined in this report, the ongoing cost of providing benefits to Firefighters under the Firefighters' Pension Schemes, before the deduction of members' contributions, has been assessed to be 37.7% of pensionable payroll for FPS members and 23.7% of payroll for NFPS members.

8.2 Combining these rates over the 4 year following the valuation date, and weighting by the expected payroll in each scheme over that period, would give a combined SCR of 36.5%. All other things being equal, this combined rate can be expected to fall at successive valuations as the number of Firefighters in the NFPS increases.

8.2 We understand that the cost of administering the Schemes is met separately by the Local Authorities, paid for out of operating costs. An amount equal to 0.3% of payroll might be sufficient to cover the administration costs.

8.4 The reduction in the contribution rate to allow for the ill health deduction has been assessed to be 2.3% of pensionable payroll for the FPS and 3.4% of payroll for the NFPS. The ongoing cost of providing benefits after allowing for the ill health deduction (excluding any allowance for expenses) has been assessed to be 35.4% for the FPS and 20.3% for the NFPS. After allowing for members contributions of 11% of pay for the FPS and 8.5% of pay for the NFPS, the employers' contribution rate has been calculated to be 24.4% and 11.8% of pay respectively.

8.5 The total accrued liability for Firefighters' pensions as at 31 March 2007 has been assessed as £13.8 bn.¹⁵

The next valuation of the scheme is expected to show the state of the schemes as at 31 March 2011.¹⁶

2 The Labour Government's reforms

2.1 Reforms

In 2006, following a review, the Labour Government introduced a scheme for new entrants to the armed forces from April 2006 – the New Firefighters' Pension Scheme 2006 (NFPS).¹⁷ Some amendments were also made to the existing scheme – the Firefighters' Pension Scheme 1992 (FPS). Key differences between the two schemes are:

- FPS has a normal pension age of 55 (50 with 25 or more years' service). The NFPS has a normal pension age of 60.
- The NFPS has a single accrual rate (1/60th) whereas in the FPS benefits accrue at 1/60th for the first 20 years service and 1/30th for up to 10 years thereafter.
- Contribution rates for employees and employers are higher in the FPS than the NFPS.

Ill-health pensions were also reformed, with the aim of reducing the rate (and therefore the cost) of retirement on ill-health grounds. Two-tier ill-health pension arrangements were introduced in both schemes, with a lower tier payable where the member is capable of regular employment other than as a firefighter and a higher tier award where the member is not so capable.

¹⁵ Ibid

¹⁶ Evidence from the Fire Brigades union to the Independent Public Service Pensions Commission's call for further evidence

¹⁷ *Firefighters' Pension Scheme (England) Order 2006 (SI 2006/3432); Firefighters' Pension Scheme (Amendment) (No.2) (England) Order 2006 (SI 2006/3433)*

In 2006, the new arrangements in the NFPS were estimated to cost 22.7 per cent of pensionable pay compared with 37.5 per cent from the FPS.¹⁸ The savings were expected to result from the increase in the pension age and the change in accrual rates:

8.2 The impact on the public sector of the new scheme is that it will result in cost savings for firefighters who join the new scheme and for the council tax payer as well as providing some improved benefits for firefighters and their beneficiaries. Members of the scheme will pay a contribution rate of 8.5% compared to 11% for the 1992 scheme. The employers' contribution rate will decrease to 14.2% down from 26.5% for the existing scheme. The savings are found in the main by the change in the normal pension/retirement age (that is from 55 under the 1992 scheme to 60 in the new scheme) and the removal of double accrual of pensionable service after the first 20 years which is a feature of the 1992 scheme. Under the new scheme, pension will accrue at 1/60th per year for the whole of service. The government believes that the new scheme provides firefighters with a good pension scheme tailored to the special needs of the Fire and Rescue Service and is a good deal for the taxpayer.¹⁹

In its 2007 valuation, GAD estimated that the ongoing cost of providing benefits to members of NFPS to be 23.7% of payroll, compared to 37.7% for members of FPS.²⁰ The valuation also showed a fall in the proportion of firefighters retiring on ill-health grounds, possibly due to tighter controls for determining whether a particular case met the eligibility criteria:

5.4 A Firefighter receives an ill health retirement pension if they satisfy the eligibility criteria. There were 1,045 ill health retirements between 2003 and 2007, which represents 26% of the total retirements which occurred during the period and is consistent with a figure of 8.7 ill health retirements per thousand employees reported by DCLG. This is a significant reduction in the proportion of retirements due to ill health compared with the period 2002/03, during which 42% retirements were due to ill health. This reduction might be explained by tighter controls in the process of determining whether a particular case meets the eligibility criteria. [...]

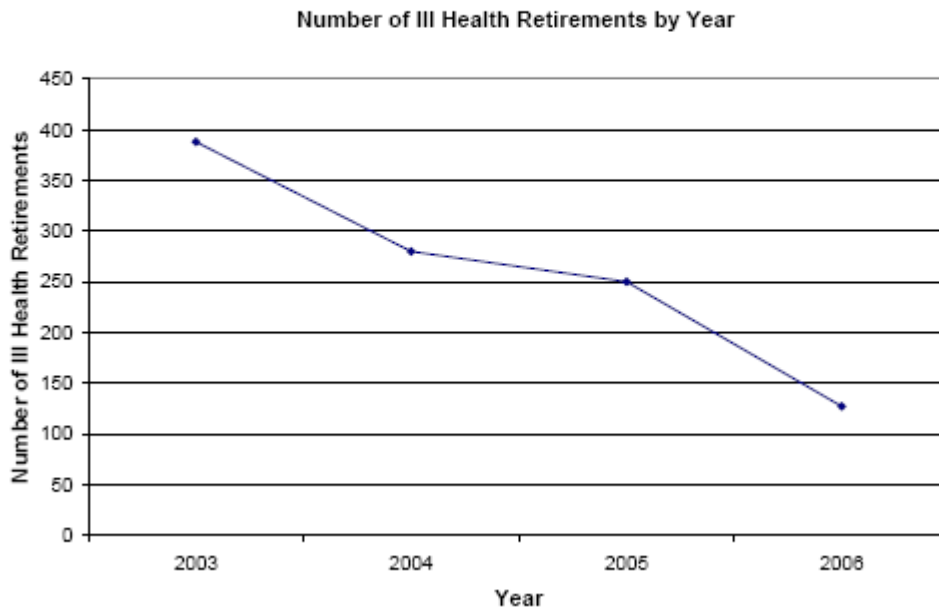
5.5 Figure 4 shows the number of ill-health retirements during each of the 4 years preceding the current valuation date, As can be seen, the downward trend in the number of ill health retirements has continued over the period for which data was made available.

¹⁸ HC Deb, 7 November 2006, c1005W

¹⁹ [Explanatory Memorandum to The Firefighters' Pension Scheme \(England\) Order 2006 \(SI 2006 No. 3432\); The Firefighters' Compensation Scheme \(England\) \(Amendment\) \(Order\) \(SI 2006 No. 3434\) and The Firefighters' Pension Scheme Amendment \(No. 2\) \(England\) Order 2006 \(SI 2006, 3433\)](#); See also: HC Deb, 4 December 2006, c175W

²⁰ GAD, [Firefighters' Pension Schemes in England. Actuarial valuation as at 31 March 2007](#), 23 October 2009, para 8.1

Figure 4



Although it was too early to know whether the downward trend in ill health retirements would continue, CLG had “reported that ill health retirements were less than three per thousand employees during 2007/08, indicating a continuation of the observed trend.”²¹ However, figures released for 2011/12, suggest the downward trend has continued. There were some 74 ill-health retirements across both schemes in 2011-12.²²

3 Current reforms

3.1 Switch to the CPI

In the June 2010 Budget, the Coalition Government announced changes to the indexation arrangements for public service pensions:

1.106 The Government will use the CPI for the price indexation of benefits and tax credits from April 2011. The CPI provides a more appropriate measure of benefit and pension recipients’ inflation experiences than RPI, because it excludes the majority of housing costs faced by homeowners (low income households are subsidised separately through Housing Benefit, and the majority of pensioners own their home outright), and differences in calculation mean it may be considered a better representation of the way consumers change their consumption patterns in response to price changes. This will also ensure consistency with the measure of inflation used by the Bank of England. **This change will also apply to public service pensions through the statutory link to the indexation of the Second State Pension. The Government is also reviewing how the CPI can be used for the indexation of taxes and duties while protecting revenues.**²³

²¹ Government Actuary’s Department, [Firefighters’ Pension Schemes in England. Actuarial valuation as at 31 March 2007](#), 23 October 2009, p13-14

²² [Department for Communities and Local Government, Statistical Release, 29 November 2012, Firefighters’ Pension Schemes Membership Data England 2011-12](#)

²³ HM Treasury, [Budget 2010](#), HC 61, June 2010

The switch to the CPI is discussed in more detail in Library Research Paper RP 13/1 [Welfare Reform Upating Bill](#) (January 2013). The legislative framework is discussed in Library Standard Note SN 05434 [Public service pension increases](#).

3.2 Other reforms to the existing schemes

Communities and Local Government published a consultation on [Amendments to the Firefighters' Pension Scheme \(1992\) and the New Firefighters' Pension Scheme \(2006\)](#). These included proposals on detailed changes to the scheme, including:

- the removal of rule A14, compulsory retirement on the grounds of efficiency
- changes to the indexation of additional pension benefits
- changes to the maximum commutation payment
- proposals to deal with potential age discrimination
- amendments to the medical and non-medical appeals processes
- abatement of pensions
- technical amendments and alignments with tax legislation²⁴

A [summary of responses to the consultation](#) was published in June 2013. Regulations to implement the resulting changes came into force on 1 July 2013.²⁵

In addition, as discussed in section 4.2 below, member contribution rates are being increased over the period 2012/13 to 2014/15.

3.3 Independent Public Service Pensions Commission

In June 2010, the Government set up the Independent Public Service Pensions Commission, chaired by former Labour Work and Pensions Secretary, Lord Hutton of Furness, to undertake a review of public service pensions.²⁶ The Commission was asked to produce two reports – an interim report considering the case for delivering savings on public service pensions within the spending review period – and a final report, on longer-term structural reforms.²⁷

Assessment of recent reforms

In its interim report, published in October 2010, the Commission note that recent reforms, including the switch to the CPI, have reduced the value of benefits for new entrants. As a result of the reforms, benefits provided by the NFPS are worth 20% of salary to members, compared to 27% for members the FPS.²⁸ The reforms are also expected to reduce the costs:

²⁴ [CLG website](#), 26 August 2011

²⁵ [Firefighters Pension Scheme \(Amendment\) \(No. 2\) \(England\) Order 2013 \(2013 No. 1392\)](#) and [Firefighters' Pension Scheme \(England\) \(Amendment\) \(No. 2\) Order 2013 \(2013 No. 1393\)](#)

²⁶ HM Treasury, [Budget 2010](#), HC 61, June 2010

²⁷ [Independent Public Service Pensions Commission: Interim Report](#), 7 October 2010, p133-4

²⁸ *Ibid*, p91 and 96

Over the next 30 years, expected savings under the reforms of the uniformed service schemes range from under a tenth of overall cost for the armed forces to about a fifth for police and a third for firefighters.²⁹

However, the Commission concluded that the reforms introduced so far had not fully addressed the underlying issues of sustainability and fairness:

Although some existing members of some schemes have had increases in their pension ages, to reflect increasing longevity, most have not. Cap and share cannot take account of the increases in cost of pensions over recent decades because people have been living longer. Also, untested, complex cap and share arrangements cannot of themselves, address the underlying issue of structural reforms, nor significantly reduce current costs to taxpayers.³⁰

The FBU argued that current estimates of the long-term costs of the firefighters' pensions might underestimate the effects of recent reforms. It said:

- A higher proportion of firefighters may now be in the less expensive NFPS. In 2007, the Government Actuary's Department (GAD) estimated that 4% of firefighters were in the NFPS. The FBU thinks it is now 16%;³¹
- A reduction in ill-health retirements may have reduced costs further. GAD had said that at the time of its report, that it was unclear whether the downward trend in ill-health retirements between 2003 and 2007 would continue.³² FBU evidence to the Independent Public Service Pensions Commission suggested it had.³³

It argued that no decisions on structural changes should be considered until a further GAD valuation (showing the position of the scheme as at the end of March 2011) has taken place and more information is available.³⁴

Short-term savings

In its interim report, the Commission concluded that an increase in member contribution rates was the most effective way of making short-term savings:

Ex 29 It is a matter for the Government to decide the manner and level of any increases in contributions necessary. However, the Commission feels that any increases should be managed so as to protect the low paid and, if possible, increases in contributions should be staged and need to be considered with a view to preventing a significant increase in opt out rates. The Commission does not recommend introducing contribution rates for the armed forces at this time.³⁵

Furthermore, it said there was a "clear rationale for doing so". The justifying reasons were "increased longevity, the imbalance between employer and employee contributions and the

²⁹ Ibid, p42. See also footnote 8

³⁰ Ibid, p39

³¹ Library Standard Note SN 0 3260 [Firefighters' Pensions](#), p21

³² Ibid, para 5.6

³³ FBU, [Pension Schemes in the Fire Service and the Independent Public Service Pensions Commission](#)

³⁴ FBU, [Pension Schemes in the Fire Service and the Independent Public Service Pensions Commission – A Critical Analysis by Tony Cutler and Barbara Waive](#), October 2011

³⁵ Ibid

fact that total contributions may be too low if the discount rate is too high suggests there is a case to make short-term changes, pending long-term reform.”³⁶

Longer-term structural reforms

In its final report, published in March 2011, the Commission made recommendations for longer-term structural reform of public service pensions. These were summarised in its press release as follows:

The main recommendation of the report is that existing final salary public service pension schemes should be replaced by new schemes, where an employee’s pension entitlement is still linked to their salary (a “defined benefit scheme”) but is related to their career average earnings, with appropriate adjustments in earlier years so that benefits maintain their value.

The report suggests that it should be possible to introduce these new schemes before the end of this Parliament, in 2015, while allowing a longer transition, where needed, for groups such as the armed forces and police.

Other key recommendations in the report include:

- Linking Normal Pension Age (NPA) in most public service pension schemes to the State Pension Age;
- Introducing a Normal Pension Age of 60 for those members of the uniformed services – armed forces, police and firefighters – who currently have a NPA of less than 60;
- Setting a clear cost ceiling for public service pension schemes – the proportion of pensionable pay that taxpayers will contribute to employees’ pensions – with automatic stabilisers to keep future costs under more effective control;
- Honouring, in full, the pension promises that have been earned by scheme members (their “accrued rights”) and maintaining the final salary link for past service for current members;
- Introducing more independent oversight and much stronger governance of all public service pension schemes;
- Encouraging greater member involvement in consultations about the setting up of new schemes, and in the running of schemes; and
- Overhauling the current legal framework for public service pensions to make it simpler ³⁷

3.4 Taking the reforms forward

In response to the Commission’s final report, the Government said it had accepted Lord Hutton’s recommendations as a basis for consultation:

The Government accepts Lord Hutton’s recommendations as a basis for consultation with public sector workers, trades unions and others, recognising that the position of the uniformed services will require particularly careful consideration. The Government

³⁶ Ibid, para Ex 26

³⁷ [Independent Public Service Pensions Commission press release, 10 March 2011, Lord Hutton publishes his final report on public service pensions](#)

will set out proposals in the autumn that are affordable, sustainable and fair to both the public sector workforce and the taxpayer.³⁸

General Secretary of the Fire Brigades Union, Matt Wrack said:

“This is the great pension’s robbery and is completely unacceptable to firefighters across the UK. “Expecting firefighters to work until they are 60 is wrong. Firefighting is a physically arduous job. Peak fitness is essential where seconds can cost lives. The public will not want an ageing frontline fire and rescue service. “And firefighters will get a reduced pension even if they work longer, with Hutton’s proposal to shut final salary schemes. Alongside the plans already announced by the government to increase contributions by 3.25% and to alter the way pensions are uprated, the whole package will leave firefighters considerably worse off. “These proposals are unacceptable. The Fire Brigades Union has a warning for the chancellor. Reject Hutton’s pension proposals or you’ll be playing with fire. Firefighters simply won’t accept them.”³⁹

In a speech on 17 June 2011, the Chief Secretary to the Treasury, Danny Alexander, said the Government accepted the recommendation that “60 should be the benchmark Normal Pension Age for the uniformed services.”⁴⁰ He also said the Government was proposing that for future pension accruals, the defined benefit would be linked to career average salary, not final salary.⁴¹ There would be protection for accrued rights:

The benefits that you have already secured under the current final salary scheme would be protected. Let me be clear what this means: for what you have accrued, the ‘final salary’ which is used to calculate that pension would be the one you have when you eventually decide to retire or leave the scheme altogether. And again, for what you have accrued, we would not be changing the age at which you can claim those benefits.⁴²

On 19 July 2011, the Chief Secretary announced scheme level discussions, to take place within specified cost ceilings.⁴³ In the case of firefighters, the scheme specific discussions would be conducted with the Firefighters’ Pensions Committee and other sector partners.⁴⁴ A letter setting out the initial and medium term reform context was published by the Department for Communities and Local Government on 28 July 2011.⁴⁵ The FBU said on 28 July 2011 that it was consulting firefighters across the UK and was making “preliminary arrangements for balloting members” on industrial action.⁴⁶

On 7 December 2011, the Government set a cost ceiling for the new firefighters’ pension scheme:

The Government has set a cost ceiling for firefighters based on the Government’s preferred scheme design: an accrual rate of 1/57th of pensionable pay and a Normal Pension Age of 60 (subject to regular review). This sets the cost ceiling at around 27%

³⁸ HM Treasury, [Budget 2011](#), para 1.132

³⁹ [FBU Press release, 10 March 2011, ‘Work longer and still get less – pensions daylight robbery’](#)

⁴⁰ [Danny Alexander, Speech to IPPR, 17 June 2011](#)

⁴¹ NUT factsheet, *Reasons for NUT action – key facts for NUT members*

⁴² [Danny Alexander, Speech to IPPR, 17 June 2011](#)

⁴³ [HC Deb, 19 July 2011, c92-3W](#)

⁴⁴ [HC Deb, 5 July 2011, c1158W](#)

⁴⁵ [Letter from Terry Crossley, CLG, 28 July 2011](#)

⁴⁶ [FBU press release, 28 July 2011, Fire Brigades Union puts Government on notice as it steps up preparations for industrial action ballot over pensions](#)

of pensionable pay which reflects the fact that firefighters pay relatively high employee contributions towards their pension.⁴⁷

Heads of agreement

On 9 February 2012, it published a document setting out its [Heads of Agreement](#) for reform:

This document sets out the Heads of Agreement on the parameters to govern scheme design for the Firefighters' Pension Scheme in England to be introduced from April 2015 ('the 2015 scheme'). This sets out the Government's final position on the main elements of scheme design, provided that agreement can be reached on the core parameters, which unions have agreed to take to their Executives following discussions. To that end, further work will take place over the coming weeks, and Executives can consult their members as appropriate. The Government and the fire service unions remain committed to maintaining a constructive dialogue during discussions over the detailed elements of the scheme design, and whilst members are being consulted. Discussion and analysis will take place through the Pension Reform Group for the Firefighters' Pension Scheme.⁴⁸

The main scheme design parameters included:

- a switch to career average (with a provisional accrual rate of 1/58.7th);
- average member contributions of 13.2% from April 2015 with some protection for new entrants;
- flexible retirement from the scheme's minimum pension age of 55, built around the scheme's normal pension age of 60.

In addition, accrued rights would be protected and there would be transitional protection for those with less than 10 years to normal pension age on 1 April 2012 and tapered protection for those up to 14 years from normal pension age.⁴⁹ The Government produced a document covering [Frequently asked questions](#).

The Fire Brigades Union (FBU) regarded the proposals as "unacceptable" because they included:

- Unaffordable and unfair contribution rates;
- A totally unrealistic retirement age for firefighters;
- An unsustainable scheme for the fire service.⁵⁰

It would consult its members:

[...] The Executive Council recommends that members endorse the view that the proposals are unacceptable and there is a rapid move to prepare a strike ballot based on the position set out previously in writing to ministers throughout the UK that members require the following amendments applicable to pension schemes in the fire service as the only amendments concerning those schemes:

⁴⁷ HM Treasury, [Firefighters' Pension Scheme cost ceiling](#), 7 December 2011

⁴⁸ Department for Communities and Local Government, [Firefighters' Pension Scheme: Heads of Agreement](#), February 2012

⁴⁹ HC Deb, 9 February 2012, c32-3WS

⁵⁰ FBU Pensions Bulletin No. 6, 15 February 2012

- Amendments to ensure that all members covered by the Grey Book are entitled to be members of the relevant Firefighters Pensions Scheme (FPS)/New Firefighters Pension Scheme (NFPS).
- Amendments to ensure that the normal retirement age for firefighter members is that applicable in the relevant firefighters' pension scheme.
- Amendments to secure RPI as the basis for increasing pensions in the fire service.⁵¹

Proposed final agreement

The Government issued its [proposed final agreement](#) for reform of the Firefighters' Pension Scheme in England on 24 May 2012. The main elements of scheme design, as announced in February were confirmed:

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): On 9 February I reported to the House on the Heads of Agreement on the firefighters' pension scheme to be introduced in 2015, which set out the Government's final position on the main elements of scheme design.

My officials have continued discussions with the firefighter unions and the Local Government Association over the remaining details of the firefighters' pension scheme.

The Government pay tribute to the importance of the work undertaken by our fire and rescue service and the bravery, dedication and professionalism of the men and women who work within it. The Government are committed to providing public service pensions that are sustainable, fair and effective.

Building on the proposals brought forward by Lord Hutton, the proposed final agreement aims to strike a balanced deal between public service workers and the taxpayer. They will ensure that public service workers continue to have access to good pensions, while taxpayers benefit from greater control over their costs.

Public sector pensions will remain among the very best available—a guaranteed level and inflation proofed. Only one in 10 private sector workers have access to such schemes.

I can now report to the House that discussions on the design parameters for the firefighters' pension scheme in England to be introduced in 2015 have been concluded. This sets out our final position on proposed scheme design, which we are asking unions to take to their Executives as the outcome of negotiations.

The headline elements of the proposed final agreement are set out below. The Government intend to maintain constructive dialogue with the firefighter unions and the Local Government Association as detailed work goes forward.

There will be full statutory protections provided in the new scheme for the accrued rights of existing scheme members:

- all benefits accrued under final salary arrangements will be linked to the members' final salary, in accordance with the rules of the members' current schemes, when they leave the reformed scheme;
- full recognition of a members' expectation to double accrual for service accrued under the Firefighters' Pension Scheme 1992 ("the 1992 scheme"), so

⁵¹ Ibid

that a member's full continuous pensionable service upon retirement will be used to calculate an averaged accrual rate to be applied to service accrued under the 1992 scheme;

- members to be able to access their 1992 scheme benefits when they retire at that scheme's "ordinary pension" age (i.e. from age 50 with 25 or more years pensionable service), subject to abatement rules for that scheme. Pensionable service for the purpose of calculating the ordinary pension age will include any continuous pensionable service accrued under both the 1992 scheme and the 2015 scheme;
- members of the 1992 scheme will continue to have access to an actuarially assessed commutation factor for benefits accrued under that scheme.

There also will be transitional statutory protections for qualifying, existing members:

- all active scheme members who, as of 1 April 2012, have 10 years or less to their current normal pension age will see no change in when they can retire, nor any decrease in the amount of pension they receive at their current normal pension age. This protection will be achieved by the member remaining in their current scheme until they retire, which could be beyond 31 March 2022.
- there will be a further four years of tapered protection for scheme members. Members who are up to 14 years from their current normal pension age, as of 1 April 2012, will have limited protection so that on average for every month of age they are beyond 10 years of their normal pension age, they gain about 53 days of protection. The last day of protected service for any member will be 31 March 2022.

The core parameters of the new scheme are set out below:

- a. a pension scheme design based on career average revalued earnings;
- b. an accrual rate of 1/58.7th of pensionable earnings each year;
- c. there will be no cap on how much pension can be accrued;
- d. a revaluation rate of active members' benefits in line with average weekly earnings;
- e. pensions in payment and deferred benefits to increase in line with price index (currently CPI)
- f. member contribution rates in the 2015 scheme from 1 April 2015 will average 13.2%, equal to the expected average of contribution rates in the 1992 and 2006 schemes on the 31 March 2015. However, as announced by the Chief Secretary to the Treasury on 20 December 2011, the Government will review the impact of the proposed 2012-13 contribution changes, including the effect of membership opt-outs, before taking final decisions on how future increases will be delivered in 2013-14 and 2014-15, and in the new scheme. Interested parties will have a full opportunity to provide evidence and their views to the Government as part of the review;
- g. without prejudice to the outcome of that review, tariffs for the 2015 scheme are likely to provide for lower rates for new recruits, with some tiered progressive increases for middle, high, and higher income earners;

h. flexible retirement from the scheme's minimum pension age of 55, built around the scheme's normal pension age of 60, with members able to take their pension from the scheme's minimum pension age, as follows:

- for all active members who are aged 57 or more at retirement, 2015 scheme benefits taken before normal pension age will be actuarially reduced with reference to the 2015 scheme's normal pension age, rather than the deferred pension age;
- all other members will have their 2015 scheme benefits actuarially reduced on a cost neutral basis from the scheme's deferred pension age.

i. authority initiated early retirement for members of the 2015 scheme, from age 55, to be in accordance with the arrangements set out in part 3, rule 6 of the new firefighters' pension scheme 2006;

j. the normal pension age will be subject to regular review. These reviews will consider the increasing state pension age and any changes to it, alongside evidence from interested parties, including unions and employers. It will consider if the normal pension age of 60 remains relevant, taking account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, firefighting roles;

k. this regular review will be informed by research to be carried out, within the auspices of the Firefighters' Pension Committee, which will monitor and collate scheme data and experience;

l. late retirement factors for members retiring from active service to be actuarially neutral from normal pension age;

m. a deferred pension age equal to the individuals' state pension age;

n. an optional lump sum by commutation at a rate of £12 for every £1 per annum of pension foregone in accordance with HM Revenue and Customs limits and regulations;

o. abatement in existing schemes to continue;

p. ill-health retirement benefits to be based on the arrangements in the 2006 scheme;

q. all other ancillary benefits to be based on those contained in the 2006 scheme;

r. members rejoining after a period of deferment of less than five years can link new service with previous service, as if they had always been an active member;

s. members transferring between public service schemes would be treated as having continuous active service;

t. an employer contribution cap with a symmetrical buffer.

The scheme actuary has confirmed that this scheme design does not exceed the cost ceiling set by the Government on 2 November. Copies of the proposed final agreement and scheme actuary verification have been deposited in the Library of the House.⁵²

⁵² [HC Deb, 24 May 2012, c77-9WS](#)

The Proposed Final Agreement and a verification report from the Government Actuary are on the Gov.UK website – [here](#).

Again, the Fire Brigades Union (FBU) described the proposals as “unacceptable”:

The Proposed Final Agreement document remains just as unacceptable as the previous Heads of Agreement for exactly the same reasons. It still proposes:

- Unaffordable and unfair contribution rates.
- A totally unrealistic retirement age for firefighters.
- An unsustainable scheme for the fire service.

It is extremely important that we recognise that although the Firefighters Pensions Committee (FPC) has been given assurances about the two reviews (of contributions/opt outs and of Normal Pension Age) they are still only a potential mechanism for trying to influence the Government’s proposals. The Executive Council has been clear throughout recent developments that this campaign is a long way from over.⁵³

3.5 Negotiations on the new scheme for England

Negotiations between the Department for Communities and Local Government and the FBU continued after the publication of the proposed final agreement in May 2012. On 19 June 2013, Brandon Lewis, then Parliamentary Under Secretary of State for Communities and Local Government, wrote to the FBU asking for a response to his latest proposal by 12 July 2013. The FBU responded that, in the light of the Minister’s indication that talks had concluded, it felt it had “little option other than to ballot for strike action.” It listed a number of areas which it considered to be unresolved, including:

- Protection arrangements;
- Member contribution rates;
- Normal pension age;
- Flexible retirement options;
- Commutation arrangements;
- The cost ceiling for the proposed new scheme.

It also said it was waiting for the Government to express a formal position on the Williams Review (see section 4.3 below).⁵⁴ Another issue raised – that of pensions for retained firefighters – is discussed in SN 3260 [Firefighters Pension Scheme – background](#).

On 29 August 2013, the FBU announced that its members had voted for strike action.⁵⁵ Brandon Lewis said industrial action was unnecessary.⁵⁶ Firefighters in England and Wales took part in strike action on 25 September and are scheduled to do so again on 19 October.⁵⁷

⁵³ FBU Press Release, [Government Issues Proposed ‘Final Agreement’ Document, May 24, 2012, CIRCULAR 2012HOC0274MW](#)

⁵⁴ [Letter from FBU to Brandon Lewis, 12 July 2013](#); FBU bulletin, [Vote Yes for a sustainable pension scheme, July 2013](#)

⁵⁵ FBU press release, [Firefighters vote to strike over Government’s unworkable pension scheme proposals, 29 August 2013](#)

⁵⁶ [BBC News, Firefighters back industrial action in pensions row, 29 August 2013](#)

⁵⁷ [FBU website - pensions](#)

On 9 October 2013, Brandon Lewis said he had asked officials to draw up a set of principles on which to seek agreement to resolve the concerns around fitness and capability.⁵⁸ In response, the FBU responded said that its dispute was not just about fitness and capability: other issues at stake included member contribution increases. It remained concerned that the Government had taken a decision on the normal pension age before the Williams review had concluded:

The Williams Review, commissioned by your government, states (Para 12.8.1): *A final decision on the most appropriate NPA can only be made when a decision is made on minimum fitness standard(s).*⁵⁹

As regards the proposed process for reaching an agreement on fitness and capability, it said there were other statements and principles which would need to be included in any such agreement, for example, that firefighters who failed fitness tests would be “provided with a personal fitness training programme and re-tested until they pass.” It referred to eleven principles which it said had assisted in making progress in discussions with the Scottish Government.⁶⁰

On 18 October, the FBU announced that it had postponed a day of strike action after the UK Government had made further proposals affecting firefighters in England:

The FBU received a letter from the fire service employers outlining principles on fitness and capability similar to those proposed in Scotland. The union also received further commitments from the English fire minister to adopt the Scottish principles on ‘no job, no pension’, as well as a review of fitness training, monitoring and application.⁶¹

The postponement was to “enable these guarantees to be firmed up.”

However, on 25 October, the FBU announced that members would take part in strike action on Friday 1 November and Monday 4 November. It said the Government and fire employers had “failed to offer any firm guarantees for firefighters facing ‘no job and no pension’ as a result of pension changes.”⁶²

Brandon Lewis described the announcement as “deeply saddening.”⁶³ On 31 October, he wrote to the FBU to say he was withdrawing an offer of enhanced actuarial reductions for firefighters choosing to retire between the ages of 55 and 57.⁶⁴ A CLG briefing note explains:

1. Following extensive discussions with the trades unions and employers, the Department published a Proposed Final Agreement in May 2012 which included improved early retirement terms for firefighters retiring from age 57.
2. On 19 June 2013, Brandon Lewis MP offered to amend the Proposed Final Agreement to extend the improved early retirement terms. To remain within the cost ceiling set by the Treasury, this meant a corresponding reduction in the rate that a firefighter earns pension in each year in the 2015 scheme.

⁵⁸ [Letter from Brandon Lewis to FBU, 9 October 2013](#)

⁵⁹ [Letter from FBU to Brandon Lewis, 10 October 2013](#)

⁶⁰ [Scottish Government, Firefighters’ Pensions – Scottish proposals](#)

⁶¹ [FBU press release, Firefighters postpone strike to allow government and employers to provide guarantees, 18 October 2013](#)

⁶² [FBU press release, Firefighters announce further strike dates as government fails to offer firm guarantees, 25 October 2013](#)

⁶³ [Brandon Lewis Letter to FBU 25 October 2013](#)

⁶⁴ [Brandon Lewis letter to the Fire Brigades Union – 31 October 2013](#)

3. The extension of improved early retirement terms down to age 55 was conditional on the FBU agreeing to these terms. In line with the terms of the proposal, Ministers withdrew the offer following the further period of strike action on 1 and 4 November.⁶⁵

On 1 November, the Minister proposed consultation on a set of draft principles regarding promoting fitness and managing capability in fire and rescue authorities, with the intention that they would become national guidance. The implementation of these principles would be subject to an independent review after three years.⁶⁶ The consultation, [Firefighter fitness standards and assessments: key principles](#), closed on 6 December.

In response, the FBU argued that proposed guidance did not constitute a guarantee.⁶⁷ It proposed instead, draft regulations, which it said would do so. It also expressed its concern at the removal of the offer affecting firefighters choosing to retire between the ages of 55 and 57. Further strike action took place on Wednesday 13 November 2013. The union also balloted members on action short of strike.⁶⁸

In February 2014, the Government agreed to ask the Government Actuary's Department to cost FBU proposals for enhanced early retirement factors down to age 55 (see section 4.3 below). On 23 April, it said it was "considering the proposals across Government" and was not yet in a position to respond to the suggested changes.⁶⁹ Matt Wrack responded that, frustrated by the lack of real progress, the FBU Executive Council had called further industrial action:

This recent round of discussion has taken a considerable time, almost four months since the latest round of discussions commenced in early January. During that time we have been able to jointly clarify with HM Treasury officials that there is no central government obstacle to your opportunity to make proposals, even if such proposals would require subsequent Treasury approval. During that time there has also been a considerable amount of work on both sides examining actuarial, technical and legal issues.⁷⁰

In response, the Minister said the Government's focus would now be on implementing the Proposed Final Agreement in time to take effect from 1 April 2015.⁷¹ A [second consultation on regulations relating to the membership and benefits in the new firefighters' pension scheme 2015](#) ran from 23 May to 4 July 2014.⁷² The FBU published its response to the consultation on the regulations in July 2014.⁷³ It has also launched a legal challenge against the government's proposals, relating to the actuarial factors used to reduce the pension of firefighters retiring at different ages between age 55 and 60 (see section 4.3 below).⁷⁴

⁶⁵ CLG, [Guidance note on withdrawing the early retirement concession](#), 8 November 2013

⁶⁶ [Brandon Lewis letter on fitness and capability principles for consultation](#), 1 November 2013

⁶⁷ [FBU circular 2013HOC0602MW Pensions developments latest update and next steps](#), 7 November 2013; FBU press release, [Update on pensions: FBU responds to letter from Fire Minister worsening offer to firefighters](#), 7 November 2013

⁶⁸ [FBU press release, Firefighters to strike in England and Wales for fourth time after government worsens pension proposals](#), 12 November 2012

⁶⁹ [Letter from Brandon Lewis to Matt Wrack 23 April 2014](#)

⁷⁰ [Letter from Matt Wrack to Fire Services Minister 24 April 2014](#)

⁷¹ [Letter from Matt Wrack to Fire Services Minister 25 April 2014](#)

⁷² Details of the [first consultation](#) are here

⁷³ [FBU response to the consultation on the regulations to introduce a New Firefighters' Pension Scheme from April 2015](#), July 2014

⁷⁴ FBU website, [Firefighters to join mass strike action on 10 July](#)

Regulations to implement the new scheme in England – the *Firefighters Pension Scheme (England) Regulations 2014 (SI 2014/2848)* were laid before Parliament on 28 October 2014 and are due to come into force on 1 April 2015.

Parliamentary Under Secretary of State at the Department for Communities and Local Government, Penny Mordaunt, said refinements had been made to scheme design to address points made during consultation.⁷⁵ Changes compared to the proposed final agreement published in May 2012 an improvement to the rate of actuarial reduction for firefighters drawing their pension early at age 55 or 56, paid for by a reduction in the accrual rate:

8.6. As a result of the consultation responses, a number of changes to the main scheme design have been introduced. The most significant alterations in the final scheme design arose following comments during the second consultation that firefighters who wished to retire from service at age 55 or 56 could only do so with an actuarial reduction which was considered to be too severe. Therefore, Ministers agreed to alter the final scheme design to provide that actuarial reductions at ages 55 to 57 should use the scheme's Normal Pension Age of 60 in a similar way as was previously available to retirees from age 57. To remain within the cost ceiling, the scheme's accrual rate was varied to 1/59.7th. Also, as a result of consultation, Ministers agreed to reduce the cost for an authority that wished to exercise the authority initiated early retirement process, so that the extra costs incurred as a result of paying an unreduced pension were also calculated by reference to the scheme's Normal Pension Age, rather than deferred pension age. Further detailed changes were made to the regulations, and these are set out in the summary of responses.⁷⁶

Further information was in: *Regulations to introduce a new firefighters' pension scheme from April 2015: summary of consultation responses and government response* (28 October 2014); GAD, *Firefighters' Pension Arrangements – Verification of cost of final scheme design* (22 October 2014) and *Firefighters' Pension Scheme 2015 – Equality Statement* (November 2014).

The FBU announced four days of strike action from 31 October 2014:

The union states that it has negotiated in good faith and has taken up every opportunity to make its case and to seek changes to the government's pension plans, which the union says are expensive and unworkable.[...]

Under government proposals firefighters will have to work until they are 60 instead of 55, pay more into their pensions and ultimately get less in retirement.

Due to the rigorous fitness requirements of the fire service, many firefighters are expected to be unable to work to 60 and therefore risk losing half of their pension.

The public will also be put at risk with every likelihood that increasing numbers of 60 year old firefighters will be attending the most serious of incidents.

⁷⁵ HC Deb 28 October 2014 c16WS

⁷⁶ Explanatory memorandum to the Firefighters Pension Scheme (England) Regulations 2014 No. 2848; CLG, *Regulations to introduce a new Firefighters' Pension Scheme from April 2015 – Summary of consultation responses and Government response*, November 2014, Annex B

The Westminster government now stands isolated as the ONLY government in the United Kingdom which has offered no new proposals, with Northern Ireland, Scotland and Wales all putting forward new proposals for firefighters to consider.⁷⁷

The Opposition has tabled a motion that the regulations to implement the 2015 pension scheme for firefighters should be annulled.⁷⁸ (The regulations are subject to the negative resolution procedure in Parliament which means they become law on the date stated on them but may be annulled by a resolution of either House of Parliament.⁷⁹).

Areas of disagreement

Open letters from Penny Mordaunt and responses from the FBU discuss the key areas of disagreement.⁸⁰ One of these is the extent of actuarial reduction that would apply on 'voluntary' early retirement. Another is whether the position of firefighters without a permanent medical condition (such that they can draw a full pension early on ill-health grounds) but who are not able to maintain the required fitness standards to age 60.

Rate of actuarial reduction

An occupational pension drawn before 'normal pension age' will generally be actuarially reduced to reflect the fact that it will be in payment for longer. There are exceptions – for example, a full pension can be drawn early on ill-health grounds.⁸¹

Initially, the Government intended to set a higher rate of actuarial reduction for people drawing their 2015 pension benefits at age 55 and 56. For example, a firefighter drawing their pension at age 55 would have it reduced by 47.1% compared to 13.9% at age 57.⁸² In June 2013, it offered improved early retirement terms from age 55, to be paid for by a reduction in the accrual rate. However, this offer was withdrawn following a period of strike action.⁸³ In early 2014, Brandon Lewis, agreed to ask the Government Actuary's Department to look at the cost implications of extending enhanced early retirement factors down to age 55.⁸⁴ On 11 June 2014, he published details of the costings of alternative designs, each of which concerned variations on the early retirement factors for firefighters who retired before age 60.⁸⁵ In an open letter to firefighters, the Minister said he had been clear that it was "only possible to consider such proposals during a period when strike action was in abeyance."⁸⁶ The FBU then launched a legal challenge, saying that it has "received legal advice that reducing the pensions available to firefighters by different amounts depending on when they retire after 55 amounts to age discrimination."⁸⁷

⁷⁷ FBU press release, 'Fire strikes escalate: Firefighters in England call four days of strike action to protection pensions and public safety', 28 October 2014.

⁷⁸ Early day motion 454 2014-15

⁷⁹ Parliament – statutory instruments; *Public Service Pensions Act 2013*, s3, 8 and 38

⁸⁰ CLG, Reforms to Firefighters' Pension Scheme – open letter to firefighters, 28 October 2014; FBU, All members circular: Pensions – answer to Penny Mordaunt letter, 30 October 2014; Penny Mordaunt's open letter to firefighters, 24 November 2014; [0691MW] FBU response to DCLG fire minister's open letter to English firefighters 24 November 2014

⁸¹ Firefighters Pension Scheme Order 1992, rules A.14 and A.15

⁸² CLG, *Guidance note on withdrawing the early retirement concession*, 2013; FBU response to Consultation on fitness and capability, November 2013

⁸³ CLG, *Guidance note on withdrawing the early retirement concession*, 8 November 2013

⁸⁴ A letter from Fire Services Minister, Brandon Lewis, to FBU leader Matt Wrack on 25 February 2014

⁸⁵ HC Deb 11 June 2014 c152W; Gov.UK - GAD costings and correspondence (12 June 2014);

⁸⁶ Letter from Brandon Lewis to all firefighters in England, 12 June 2014

⁸⁷ FBU, Firefighters to join mass strike action on 10 July

In October 2014, the Department for Communities and Local Government announced uniform early retirement factors from age 55 - based on the period to normal pension age rather than the period to deferred pension age. This improvement would be paid for with a reduction in the accrual rate.⁸⁸ The FBU argues that the rate should be lower than this:

[...]The FBU has been trying to achieve an improved position for 55 year olds because all the evidence points towards the fact that people will not be able to work beyond that age in the numbers required. There is no point in having a better scheme for 60 year olds if the majority of pension scheme members simply cannot achieve that pension age and instead see their pension actuarially reduced at 55 with huge reductions.

The FBUs preferred approach is simply to get a fairer actuarial reduction for firefighters who have to face a choice at age 55. Our case suggests that the reduction should be around 9% instead of the 21.8% that DCLG is suggesting. The Scottish government has proposed this option already and the Welsh government is consulting on options including our suggested method.⁸⁹

The Minister argues that where this has been proposed – by the Welsh Assembly and Scottish Government – it is being paid for by a slower accrual rate which is “worse for 2006 scheme members, younger firefighters and ill-health retirements.”⁹⁰

Position of firefighters unable to maintain fitness standards

The FBU is concerned that firefighters “without a permanent medical condition who do simply cannot maintain their fitness due to aging” will face an uncertain future “with the real threat of dismissal.” It explains why it thinks there should be a rule guaranteeing an unreduced pension in the event of loss of fitness:

PM: Where there is a permanent medical reason then they will be ill-health retired with an unreduced pension. I further concluded that a regulation in the event of loss of fitness would not guarantee an unreduced pension, as the employer is still required to determine whether a firefighter meets the criteria for the payment of a pension.

*FBU: Our legal advisors have clarified that this is the **only way** to get the guarantee we need. We held a case conference where DCLG solicitors had an opportunity to counter our belief in the presence of our solicitor and they said nothing. We have already secured this guarantee in Scotland using this method.*⁹¹

The Minister argues that a more practical, proportionate and fairer approach is to set out a series of principles for supporting firefighters in their day to day work as they get older:

I decided a more practical, proportionate and fairer approach is to set out a series of principles for supporting firefighters in their day to day work as they get older. **I have today issued a consultation on putting these fitness principles into the statutory Fire and Rescue National Framework for England. This will require fire and rescue authorities to put in place local fitness policies and procedures to support firefighters to maintain their fitness. If a firefighter loses their fitness through no fault of their own, it will also require the authority to consider initiating the process for an unreduced pension.** This delivers the same effect as

⁸⁸ HC Deb 28 October 2014 c15WS; FBU, All members circular: Pensions – Answers to Penny Mordaunt Letter, 30 October 2014

⁸⁹ [0691MW] FBU response to DCLG fire minister's open letter to English firefighters 24 November 2014

⁹⁰ CLG, Difference in firefighter pension schemes across the UK, November 2014

⁹¹ FBU, All members circular: Pensions – answer to Penny Mordaunt letter, 30 October 2014

the regulation as an authority will need to demonstrate that it has fairly considered whether an individual should receive an unreduced pension.⁹²

The FBU says this does not provide a guarantee:

First, the National Framework is a **guidance document** and DCLG have already said that they cannot impose conditions on employers – hence this is only guidance. Second, it says that ‘if a firefighter loses their fitness through no fault of their own, it will also require the authority to **consider** initiating the process for an unreduced pension’. A fire authority can under this directive say ‘we have considered it, we can’t afford it and we are not going to do it’. This is **not a guarantee at all**.

PM: This delivers the same effect as the regulation as an authority will need to demonstrate that it has fairly considered whether an individual should receive an unreduced pension.

FBU: It does not. The national employers have been quite clear they want to retain the discretion to **dismiss firefighters** when they are not fit enough to perform their role. It is simply **not a guarantee**.⁹³

On 15 December 2014, the Government announced that it was publishing an addendum to the Fire and Rescue National Framework which, if implemented effectively, should ensure that “no firefighter faces a situation where they are forced to retire without access to a fair pension where they lose fitness through no fault of their own”:

Firefighter Fitness

The Department is acutely aware that firefighters have concerns over maintaining their fitness as they grow older. Fitness is, and will remain, the responsibility of individual fire and rescue authorities, the employers of individual firefighters. No changes to those requirements are being made with the 2015 Scheme. However, we consider that more work needs to be done to support firefighters in maintaining their fitness and there needs to be a stronger and clearer framework within which fire and rescue authorities make their decisions about fitness. This framework should be fair and transparent, and should provide strong reassurance for firefighters.

Consultation on Amending the National Framework for Fire and Rescue England

To that end, we announced on 28 October, at the same time as the regulations were laid, that we were also consulting on an amendment to the Fire and Rescue National Framework for England. The National Framework has a strong statutory basis. Under section 21 of the *Fire and Rescue Services Act 2004*, fire and rescue authorities must have regard to the Framework in exercising their functions. Section 22 of the Act also provides powers of intervention if the Secretary of State considers an authority is failing, or is likely to fail, to act in accordance with the Framework. Clearly, it is not a document which can be ignored, as the Fire Brigades Union has claimed.

The consultation concluded on 9 December, and we are keen to ensure that firefighters know as quickly as possible the outcome and our final decisions. Having reviewed all the consultation responses, we are pleased that the majority of fire and rescue authorities agree with the principles by which they would be expected to manage fitness and fitness-related issues in their authorities. We have built these clear

⁹² CLG, [Reforms to Firefighters' Pension Scheme – open letter to firefighters, 28 October 2014](#)

⁹³ FBU, [All members circular: Pensions – answer to Penny Mordaunt letter, 30 October 2014](#)

principles around those agreed by the employers and the Union through the National Joint Council for Fire and Rescue Services, and adopted in Scotland.

Principles regarding Firefighter Fitness

These principles recognise that firefighting is a physically demanding occupation, and that firefighters need to have appropriate levels of fitness. To this end the National Framework will require all fire and rescue authorities to have a process of fitness assessment and development; ensure that no individual automatically faces dismissal if they fall below fitness standards and cannot be deployed operationally; provide all operational personnel with support to maintain their fitness for the duration of their career; and commit to providing a minimum of six months, development and support for firefighters if they fail a fitness test. It also requires that fire and rescue authorities ensure appropriate reference of firefighters to occupational health providers where necessary, and to identify reasonable adjustment or redeployment in role where it appears the medical condition does not allow a return to operational duties.

We have also included an additional requirement that, should a firefighter fail a fitness test through no fault of their own, the fire and rescue authority will consider suitable alternative employment, and if that is not possible, and the employee is at least aged 55, consider an authority-initiated retirement. It is important that fire and rescue authorities explore fully all options open to them, and ensure that their employees are treated with the fairness and dignity they deserve.

These principles, if implemented effectively through fire and rescue authorities in their fitness policies and procedures, will ensure that no firefighter faces a situation where they are forced to retire without access to a fair pension where they lose fitness through no fault of their own.

Independent Review of Operation of Principles

We have also committed to an independent review in due course to ensure that appropriate fitness standards, training, testing, monitoring and management policies and procedures are in place in each fire and rescue authority, which are in line with the principles set out in the Framework.

A Fair Pension

Additionally, through the improvements we have made to the 2015 scheme, any firefighter who chooses to retire early, between the ages of 55 and 60, will still have access to a pension that is actuarially fairly reduced, in line with both Lord Hutton's and Dr Tony Williams' recommendations. In the 2015 scheme, a firefighter retiring at 55 would see a 21.8% reduction to their pension (and no reduction to benefits earned in the 1992 scheme if the firefighter was a member of that scheme). This compares very favourably with the 40.5% reduction applied in the 2006 scheme.

There is absolutely no prospect, as the Fire Brigades Union has deliberately and misleadingly claimed throughout its dispute, of firefighters who lose fitness having "no job and no pension".

We are today publishing an addendum to the National Framework and making the necessary statutory instrument to bring it into force.

Strong transitional protections

Because of the strong transitional protections built into the 2015 scheme, no firefighter will have to work beyond their current expected normal pension age until 2022. That

provides a number of years for fire and rescue authorities and firefighters themselves to ensure that their approaches to fitness are developed to support firefighters working longer. In addition, there is a considerable amount of experience with regard to working with older firefighters, with over 1,000 firefighters already over 55 years of age in employment.

Fitness Working Group

To further support fire and rescue authorities in meeting their statutory requirements under the revised National Framework, we have set up, along with the Local Government Association and the Fire Brigades Union, a fitness group facilitated by the Chief Fire and Rescue Adviser, Peter Holland. This group will provide an important opportunity for employers, employees and Government to consider the issues around fitness in more depth, and identify good practice to address them. This process, linked with generous ill health arrangements and the opportunity for redeployment, supported by the principles in the Fire and Rescue National Framework for England, will ensure that firefighters continue to receive one of the best pension packages available.⁹⁴

In answer oral questions the same day, Fire Services Minister Penny Mordaunt said:

There is a written ministerial statement today and a statutory instrument will appear tomorrow, and it will guarantee, placing on a statutory footing—obviously firefighters are entitled to ill health retirement—that if there is not an underlying medical condition and they cannot pass the fitness test, either they will receive an alternative role or the authority will have to initiate a pension.⁹⁵

The [Addendum to the fire and rescue national framework for England – firefighter fitness](#) is on Gov.UK. The SI – the [Fire and Rescue Authorities \(National Framework\) \(England\) \(Revision\) Order 2014 \(SI 2014/3317\)](#) - was laid before Parliament on 18 December 2014. This is needed because [section 21](#) of the *Fire and Rescue Services Act 2004* requires that any significant revisions to the national framework must be brought into effect by statutory instrument.⁹⁶

When the regulations to implement the new scheme for firefighters in England - [Firefighters Pension Scheme \(England\) Regulations 2014 \(SI 2014/2848\)](#) - were debated in Parliament the same day.⁹⁷ Shadow Secretary of State for Communities and Local Government, Hilary Benn, said the regulations were unfit because they were based on a claim that firefighters would be able to maintain their fitness to the required standard:

To conclude, the regulations are unfit because Ministers have drawn them up based on the flawed claim that all firefighters can maintain their fitness—it is flawed because Ministers cannot tell us what the fitness standard is and because their assumption on fitness is not safe. The Government claim that they will be able to maintain operational fitness standards for firefighters, and they try to offer reassurances that anyone who falls below those standards will be redeployed, even though by her own admission the Minister cannot say how many redeployment opportunities there are. They have failed to come forward with fairer early retirement actuarial reductions, despite the Government Actuary costing the alternative within the same financial constraints. Ministers have claimed that there is a guarantee that firefighters who cannot be

⁹⁴ [HC Deb 15 December 2014 c69-70WS](#)

⁹⁵ [HC Deb 15 December 2014 c1115](#)

⁹⁶ CLG, [Fire and rescue national framework for England](#), July 2012, para 4.1

⁹⁷ [HC Deb 15 December 2014 c1142-72](#)

redeployed and cannot maintain their fitness will get an unreduced pension, but the documents before the House today show that there is no such guarantee.⁹⁸

In response, the Minister referred to the planned amendments to the Fire and Rescue National Framework:

These principles were designed with the intention of ensuring that no firefighter aged 55 or over was dismissed purely as a result of losing fitness through no fault of their own. If a firefighter loses health, either physical or mental, they will be eligible for ill-health retirement, and under the final regulations these will be better than the union's alternative scheme design for "active factors". If they lose fitness, they must be given the opportunity and support to regain it. If they cannot, again through no fault of their own, they will be offered an alternative role or an unreduced pension. DCLG will audit compliance among fire and rescue services. [...]

The union has argued that the framework is simply guidance that can be ignored, and it has cited legal advice it has received on that point, but that advice is flawed. The national framework is not simply guidance; it is a statutory instrument, and under section 21 of *the Fire and Rescue Services Act 2004* fire and rescue authorities must have regard to it in the exercise of their functions.

To ensure that the fitness principles are being implemented effectively by fire and rescue authorities, I have included in my proposals a review after three years.[...] ⁹⁹

The House voted against the Opposition motion to revoke the regulations by 313 votes to 261.¹⁰⁰

Following the debate, the FBU wrote to fire authorities to ask if they would implement the "guarantee".¹⁰¹ Based on the responses it received, it described the guarantee as "worthless":

The responses are all similar to the one from Buckinghamshire and Milton Keynes Fire Authority dated 26 January, which was blunt. "Dear Mr Wrack," it reads. "I am unable to provide you with the guarantee you seek."

Two days later the London Fire Brigade wrote to the union with news that was even more disturbing. They said they would not honour the guarantee, and added that this was as a result of legal advice.¹⁰²

The FBU continues to argue that "the only route for the guarantee to be delivered was through scheme regulations."¹⁰³

On 2 February 2015, the Minister said the Government would monitor the implementation of the new fitness principles and had powers to intervene:

John Hemming (Birmingham, Yardley) (LD): I was one of the Members who backed the Government given the assurances from the Minister, but the documentation from

⁹⁸ Ibid c1148

⁹⁹ Ibid c1153; See also [Written Answer 221637 28 January 2015](#)

¹⁰⁰ Ibid c1168

¹⁰¹ i.e. the guarantee that "any firefighter aged 55 or over, not permanently unfit, not able to be redeployed but unable to continue in their role through no fault of their own, would be retired on an unactuarially reduced pension".

¹⁰² [FBU circular \[0009MW\] Parliamentary debate on firefighters pension scheme – follow up; Firefighter accuse fire minister Penny Mourdaunt of misleading Parliament with worthless pension guarantee](#)

¹⁰³ [FBU circular \[0078MW\]](#)

the employers indicates something else. What clarification can she give about what the employers are saying?

Penny Mordaunt: Clearly, we can change the law. If fire and rescue authorities decide that they will not follow the law, we will spot that because we have also undertaken to audit this process and their adoption of new fitness principles. The Secretary of State also has powers to intervene. I have no indication that fire and rescue authorities will not adhere to the national service framework. If hon. Members know differently, they should let me know.

Lyn Brown (West Ham) (Lab): On 15 December, the Minister said that if someone fails a fitness test

“through no fault of their own”—

and they do not qualify for an ill-health retirement, they will get

“an alternative role or an unreduced pension.”—[Official Report, 15 December 2014; Vol. 589, c. 1153.]

The Minister further confirmed that that would be put on a statutory footing in the national framework. Will she confirm that the national framework does not guarantee a full pension or redeployed role? It merely requests fire authorities to consider options for redeployment or a full pension. It is a sham guarantee—it is no guarantee. How does the Minister square what she told the House with the ministerial code?

Penny Mordaunt: This is about protecting the firefighters whom the hon. Lady—who was in the Department when the changes were made in 2006—is asking to work until the age of 60. This is an improvement on the previous situation. There are two reasons why we have introduced the new measures: first, those older workers should have those protections; secondly, we recognise that the fear of being in that situation may have an impact on recruitment and retention. This scaremongering by the Opposition is shameful, and I would ask them to put the well-being of firefighters ahead of pandering to the militant wing of the Fire Brigades Union.¹⁰⁴

More information is on the [firefighters' pension scheme reforms](#) section of the Gov.UK website (see, for example, an open letter of 6 November to firefighters setting out the Government's case and the Fire Minister's statement of 5 November 2013).¹⁰⁵ Details of the FBU's position can be seen its website – see [Hands off our pensions](#) and [resources/pensions](#).

3.6 Negotiations in devolved assemblies

In a speech to the Fire Sector Summit on 11 November 2014, Shadow Fire and Communities Minister, Lyn Brown said the pension offer being made for firefighters in England was not the only configuration possible:

We know the pension offer is not the only configuration possible within the amount of money that the Treasury has set aside for the scheme, and devolved administrations are negotiating alternative proposals and managing to avert strikes, which is why we

¹⁰⁴ [HC Deb 2 February 2014 c1](#)

¹⁰⁵ [Brandon Lewis open letter to all firefighters 6 November 2013; Fire Minister's statement ahead of the FBU strike on 13 November 2013](#)

have tabled a 'prayer on the regulations that the Government have put down, to obtain a debate and hold the Government to account.'¹⁰⁶

The Department for Communities and Local Government has produced a [table](#) comparing its proposals with those in other nations.

Wales

In October 2013, the FBU said that, to date, the Welsh Government had not presented an alternative position to that proposed by CLG.¹⁰⁷ Firefighters in Wales took part in strike action, alongside those in England.¹⁰⁸ However, in October 2014, it said the Welsh Government had made an improved proposal. In recognition of this, firefighters in Wales would not join their colleagues in England in taking strike action for four days from 31 October 2014.¹⁰⁹

Between 11 November 2014 and 16 January 2015, the Welsh Assembly consulted on [regulations to introduce a new Firefighters' Pension Scheme in Wales from April 2014](#). The FBU said it would respond to the consultation:

However it is worth noting that this consultation does include a proposal that deviates from the current proposal in England.

It proposes two options for consideration in respect of the actuarial reduction a firefighter would face if they were to retire before age 60.

Option A is the current DCLG proposal with a reduction of around 22% while option B has an actuarial reduction of 9%.

Option B uses the calculation method suggested by the FBU and is the improvement that we have been seeking from DCLG (in regards to this issue). It does not address all our concerns but it is a significant improvement on the current proposal from DCLG. [...]

The FBU welcomes the inclusion of option B in the consultation document and will be responding to indicate that although there are other areas where improvements are necessary, this option is our preference and should be included in the scheme design.¹¹⁰

Scotland

In March 2012, Minister for Community Safety in Scotland started negotiations on the design of a new pension scheme for firefighters in Scotland, within parameters set by the UK Government:

Those negotiations are required to deliver a new scheme that remained within the set financial cost limits and was a Career Average Revalued Earnings Scheme (CARE). Additionally the UK Government's Public Service Pensions Act also requires the scheme to have a normal pension age of 60.¹¹¹

¹⁰⁶ [Speech by Lyn Brown MP to Fire Sector Summit, 11 November 2014](#)

¹⁰⁷ [FBU circular 29 October 2013; FBU, New strikes provoked solely by failure of government, say firefighters, 1 May 2014](#)

¹⁰⁸ [FBU press release, 5 June 2014](#)

¹⁰⁹ [FBU, Latest firefighters' strike averted in Wales – possibility of pension breakthrough means no strike action called for Welsh Firefighters, October 2014](#)

¹¹⁰ FBU circular, All members circular [0661MW] Welsh government consults on firefighter

¹¹¹ [Scottish Public Pensions Agency website – Proposed changes to the Firefighters' Pension Scheme from April 2015 \(viewed 12 December 2014\)](#)

On 8 October 2013, the FBU has said that industrial action in Scotland would not be proceeding at that time as a result of “straightforward discussions” between the FBU, the employer and the Scottish Government.¹¹² It said that while the Scottish Government’s proposals did not satisfy all parts of the trade dispute, significant improvements had been made in three areas:

- The issue of fitness capability and the threat of “no job, no pension”;
- The improved protection arrangements; and
- Improved actuarial reductions for retirements from age 55.¹¹³

A letter from the Scottish Government dated [27 September 2013](#) explained how its offer addressed the following points raised in the trades dispute:

a) Protection arrangements which are a substantial improvement on the Proposed Final Agreement;-

[Scottish Government] “are willing to extend the current transitional protection arrangements proposed for firefighters to match those proposed for the police. This means that, in addition to firefighters who, as at 1 April 2012, were within 10 years of their scheme’s normal pension age of 55, we will include those firefighters who were within ten years of reaching both age 50 and 30 years’ service. This will remove the current anomaly between the proposals for fire and police, and ensure that all firefighters who were within ten years of being able to take an unreduced pension will be fully protected from the current changes. We will fund that additional protection from Government spending, not by asking the remaining firefighters to fund it through higher contributions as has been suggested in England”

[ref – Ms Cunningham’s letter of 29th August]

b) Scheme provision so that any member above the age of 55 who, not being eligible for ill health retirement, is dismissed for reasons of fitness, efficiency or any other reason except misconduct, will receive immediate payment of an unreduced pension amounting to the full pension accrued at the date of dismissal –

Ministers have said that “No firefighter will face dismissal in response to failing a fitness test.” The SFRS have provided the following note to explain how that commitment will be taken forward:

[...]

“Scottish Fire and Rescue Service: Firefighter Fitness Standards and

c. Flexible retirement with members being able to retire and draw their pension from the age of 55 and new scheme benefits taken before 60 being actuarially reduced with reference to the NPA of 60 –

Ms Cunningham’s letter of 29th August confirms that on early retirement options, Scottish Firefighters will not be at a disadvantage compared to their peers in the rest of the UK. FBU sought clarity in particular about the CLG proposal to extend enhanced actuarial reduction arrangements to allow firefighters to retire at 55 with a pension actuarially reduced from 60 rather than from state pension age, and whether this would

¹¹² [Firefighters committed to pension discussions that include every area of concern, says FBU, October 10, 2013](#)

¹¹³ [FBU circular dated 8 October 2013](#)

be retained in the Scottish scheme. As set out in Brandon Lewis' letter to Matt Wrack of 19th June, this change to the "reference scheme" is fully paid for by a matching change in the accrual rate to 1/59.7. In Scotland, SG have therefore offered to continue these enhanced early retirement options, alongside that accrual rate, within the cost envelope, regardless of the final settlement in England – if that is what scheme members would prefer to do.

d. Retained Duty Service part-time firefighters to have backdated scheme membership

On the modified scheme for Retained Firefighters, Scottish Government have now issued draft regulations for consultation – which are available on the Scottish Public Pensions Agency website at the following address:

http://sppa.gov.uk/index.php?option=com_content&view=article&id=716&Itemid=260.

With the FBU's agreement, a reduced consultation period has been used ending on 18th October, and SG would hope to have the regulations in force before the end of the current financial year.

Other points in the trade dispute were not addressed in the offer:

The Scottish Government does not address the following points in the trade dispute because of Westminster constraints in the current devolved arrangements:

e. No further contribution increases;

f. Commutation arrangements which are a substantial improvement of the Proposed Final Agreement; and, the cost ceiling is set so that there are no reduction in pension benefits consequential upon the above provision; and

g. the cost ceiling is set so that there are no reductions in pension benefits consequential upon the above provisions; and

h. an improved Contribution ratio between employee and employer.¹¹⁴

As explained above, the cost of improved actuarial reductions for retirements from age 55 had been met by a matching reduction in the accrual rate.¹¹⁵ The cost of additional protection for firefighters in the 1992 scheme was funded by the Scottish Government:

5. For the purposes of the reform design process for 2015 the Scottish Government presented the design framework for England to stakeholders for use as a benchmark scheme to help inform discussions. Stakeholders were encouraged to suggest improvements to the benchmark scheme that could be delivered within the same cost envelope as that scheme. Part of the UK Government's reform process requires formal sign-off that any proposed changes are indeed contained within the cost envelope and any amendments out with the cost envelope must be paid for by Scottish Government funding. Following discussions with stakeholders, the Scottish Government has agreed to provide additional protection for firefighters in the 1992 scheme outwith the cost envelope set by HM Treasury therefore the costs of this additional protection will be funded by the Scottish Government.¹¹⁶

¹¹⁴ Scottish Government, [Firefighters' Pensions – Scottish proposals](#), 27 September 2013; For more detail, see [Firefighters' Pension Scheme Scotland 2015](#) (September 2013).

¹¹⁵ Scottish Government, [Firefighters' Pensions – Scottish proposals](#), 27 September 2013

¹¹⁶ Scottish Government, [Firefighters' Pension Scheme Scotland 2015](#), 13 November 2013

The Scottish Government said that should further progress on these aspects be made in negotiations at a UK level, it was “committed to ensuring that Scottish Firefighters also receive the benefit of any national-level changes to the proposed pension scheme.”¹¹⁷

The FBU said these proposals were “sufficient to prevent a strike.”¹¹⁸

The Scottish Government consulted on regulations for the new scheme.¹¹⁹

On 31 October 2014, the FBU said the Scottish Government had further improved its pension proposals “allowing firefighters to retire from age 55 with a much more acceptable pension reduction”:

In the last few hours Scottish government has informed the Fire Brigades Union that it will further improve its pension proposals allowing firefighters to retire from age 55 with a much more acceptable pension reduction. [...] The Welsh government are considering a similar option for early retirement options following extensive discussions with the FBU and now the Scottish government have formally tabled this improvement. Although this proposal is within the rigid cost restrictions set by the Treasury, Penny Mordaunt, the Westminster fire minister, confirmed last week that they will not be making the same offer. This will mean firefighters in England who have to retire early will face a reduction in their pension of more than double that of Scottish firefighters despite paying the same amount in contributions.¹²⁰

On 17 November, it explained that the lower rate of actuarial reduction on early retirement would be paid for by a slower accrual rate:

The Scottish Government has now formally proposed an improvement we have been discussing with them for months. They have confirmed that they will use the method suggested by the FBU for calculating actuarial reductions at age 55 instead of the ones proposed by DCLG. This means that instead of a reduction of 21.8% they are proposing one of 9%. This does worsen the accrual rate to 1/61.6 but the benefits at age 55 for 2015 scheme members are significant. The FBU advisors are currently working on examples to show what this could mean in real terms to scheme members.¹²¹

The website of the Scottish Public Pensions Agency (SPPA) says that the regulations to introduce the new scheme for firefighters have not yet been laid.¹²²

Northern Ireland

Legislation to reform public service pensions in Northern Ireland (NI) - the *Public Service Pensions Act (Northern Ireland) 2014* - received Royal Assent in March 2014. [Section 10](#) provides for the normal pension age for firefighters to be specified in regulations and to be between 55 and 60. This compares to section 10 of the *Public Service Pensions Act 2013* which provides that the normal pension age for firefighters “must be 60.” This difference was the result of an amendment when the legislation was before the NI Assembly. It was welcomed by the FBU.¹²³ On 20 June, the FBU said the NI Executive had “made an offer

¹¹⁷ Scottish Government, [Firefighters’ Pensions – Scottish proposals](#), 27 September 2013

¹¹⁸ [BBC News Scotland, Scottish firefighters vote against strike, 9 October 2013](#)

¹¹⁹ SPPA, [Firefighters Consultations](#) (viewed December 2014)

¹²⁰ FBU press release, [While Scotland improves its pension offer, Westminster carry on pension dispute guaranteeing strike action](#), 31 October 2014

¹²¹ FBU – [updates on developments elsewhere](#)

¹²² [SPPA website – Firefighters Pension Schemes](#)

¹²³ [FBU press release, Firefighters hail value of “real willingness to negotiate” as Northern Ireland government defies Westminster to amend pensions legislation, 22 January 2014](#)

that would allow firefighters to retire at 55 without financial penalty.” In order to accommodate this, firefighters would be expected to pay 12.2% of their salary into the scheme.¹²⁴ In October 2014, the FBU said members in Northern Ireland were being consulted on the proposed 2015 scheme.¹²⁵

4 Debate on the issues

4.1 Contribution rates

Lord Hutton’s interim report, published in October 2010, recommended that “the most effective way to make short-term savings was to increase member contributions and there is also a clear rationale for doing so.” The rationale for this was “increased longevity, the imbalance between employer and employee contributions and the fact that total contributions may be too low if the discount rate is too high suggests there is a case to make short-term changes, pending long-term reform.”¹²⁶ In response, the Government said it intended to increase member contribution rates across the public service schemes (except for the armed forces) by an average of 3.2 percentage points on average by 2014/15. Increases would be phased-in and designed to protect the lower paid.¹²⁷

Contribution rates in 2012/13

In September 2011, the Department for Communities and Local Government (CLG) launched a consultation on proposed increases to employee contribution rates with effect from 1 April 2012. It proposed a higher increase for members of FPS than NFPS:

4.2 Currently, members of the Firefighters’ Pension Scheme pay less than 30 per cent of the total cost of the Scheme. For the New Firefighters’ Pension Scheme, members contribute 37 per cent of the total cost. As the imbalance between employee and employer contributions is less for the New Firefighters’ Pension Scheme, a lower increase for its members compared to the Firefighters’ Pension Scheme seems more appropriate.¹²⁸

A report for the FBU published in October 2011 argued that firefighters already paid a relatively high contribution rate

- The FPS has a member contribution rate of 11% which is over **double** the private sector weighted average member contribution in defined benefit schemes of 5.2%.
- The FPS scheme operates with an employer to employee contribution ratio of 2.2: 1. The NFPS scheme operates with a ratio of 1.4: 1. In the private sector, employer contributions to defined benefit schemes have been consistently in excess of **three times employee contributions** (>3: 1).¹²⁹

¹²⁴ [FBU, N Ireland government offers firefighters retirement age of 55, 20 June 2014](#)

¹²⁵ [FBU circular, \[0570MW\] Pensions – latest discussions with DCLG and others; Action Short of Strike, October 2014](#)

¹²⁶ [Independent Public Service Pensions Commission: Interim Report, 7 October 2010](#)

¹²⁷ [HM Treasury, Spending Review – policy costings, October 2010; HC Deb, 24 May 2011, c589W.](#)

¹²⁸ [Firefighters’ Pension Scheme \(1992\) and New Firefighters’ Pension Scheme \(2006\). Proposed increases to employee contribution rates, effective from 1 April 2012 - consultation](#)

¹²⁹ [FBU, Pension Schemes in the Fire Service and the Independent Public Service Pensions Commission – A Critical Analysis by Tony Cutler and Barbara Waive, October 2011; See also Evidence from the Fire Brigades Union to the Independent Public Service Pensions Commission’s call for further evidence, December 2010, para 50; FBU briefing, Pensions No 1, 8 July 2011](#)

It also raised concerns about the number of firefighters who might opt out if rates increased.¹³⁰

In the event, the Government decided to proceed with a smaller increase in April 2012 than originally proposed:

Ministers have concluded that the case for change still stands but that it is appropriate, in the specific case of the firefighters' pension scheme and in consideration of the responses to the statutory consultation exercise, to proceed with an altered contribution rate increase from April 2012.¹³¹

Contribution rates in 2013/14

In November 2012, CLG launched a consultation on proposed increases to employee contribution rates, effective from 1 April 2013. This set out employee contribution tariffs designed to deliver a 1.28 percentage point increase across the two firefighters' schemes from 1 April 2013. Regarding the impact of the contribution rate increases in 2012, CLG said:

[...] the data suggests that the increase in contribution rates had an impact on members opting out of their pension scheme, but that effect has diminished in the meantime and there does not appear to be an ongoing material opt out effect.

3.5 The separate qualitative research into firefighters' attitudes to their pension scheme showed that older, career firefighters in the 1992 Scheme were strongly wedded to their pension scheme. However, younger 2006 Scheme members were more ambivalent about continuing in a pension scheme, with some considering whether current schemes could be invested elsewhere. When asked at what level firefighters would opt out, the majority said that real consideration to opting out would be given when contributions increased above 2% with a retirement age of over 56.¹³²

Contribution rates in 2014/15

In November 2013, the Government launched a consultation on the proposed contribution rates for 2014. It said the design parameters reflected the increases announced in the previous two years, i.e:

- There should be no increase in employee contributions for those earning less than £15,000
- There should be no more than a 1.5 percentage point increase in total by 2014-14 for those earning up to £21,000
- High earners will pay more, but no more than an additional 6 percentage points (before tax relief by 2014-15).¹³³

The FBU argued that the proposed increases were "unjustified and self-defeating."¹³⁴ In March 2014, the Government said it had decided to proceed with the increase in member

¹³⁰ FBU, [Pension Schemes in the Fire Service and the Independent Public Service Pensions Commission – A Critical Analysis by Tony Cutler and Barbara Waive](#), October 2011, p3

¹³¹ [Communities and Local Government, Firefighters' Pension Scheme 1992 and New Firefighters' Pension Scheme 2006 – Proposed increases to employee contribution rates, effective from 1 April 2012 – consultation. Summary of responses, March 2012](#)

¹³² [CLG, Firefighters' Pension Scheme \(1992\) and New Firefighters' Pension Scheme \(2006\). Proposed increases to employee contribution rates, effective from 1 April 2013, November 2012](#)

¹³³ [CLG, Firefighters' Pension Scheme 1992 and New Firefighters' Pension Scheme 2006. Proposed increases to employee contribution rates, effective from 1 April 2014 – consultation, November 2013](#)

contribution rates proposed in November.¹³⁵ A Parliamentary Written Answer of 13 January 2014 summarised opt-out rates to September 2013:

Prior to April 2012, the Department did not collect information from fire and rescue authorities on the opt out rate among newly recruited firefighters. Between 1 April 2012 and 31 March 2013, excluding firefighters who joined on temporary contracts or were aged over 50 (and therefore likely to be already in receipt of a firefighter pension), 16 whole-time firefighters did not join the scheme, giving a joiner rate of 88%. Between 1 April 2013 and 30 September [2013], excluding firefighters who joined on temporary contracts or were aged over 50 (and therefore likely to be already in receipt of a firefighter pension), 10 whole-time firefighters did not join the scheme, giving a joiner rate of just over 85%.¹³⁶

The contribution rates for the years 2011/12 to 2013/14 are in the table below:¹³⁷

Employee contribution rates: Firefighters Pension Scheme 1992

| FTE pensionable pay | % of pensionable pay | | | |
|----------------------|----------------------|---------|---------|---------|
| | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
| Up to £15,000 | 11 | 11 | 11.0 | 11.0 |
| £15,001 to £21,000 | 11 | 11.6 | 11.9 | 12.2 |
| £21,000 to £30,000 | 11 | 11.6 | 12.9 | 14.2 |
| £30,001 to £40,000 | 11 | 11.7 | 13.2 | 14.7 |
| £40,001 to £50,000 | 11 | 11.8 | 13.5 | 15.2 |
| £50,001 to £60,000 | 11 | 11.9 | 13.7 | 15.5 |
| £60,001 to £100,000 | 11 | 12.2 | 14.1 | 16.0 |
| £100,001 to £120,000 | 11 | 12.5 | 14.5 | 16.5 |
| £120,001 and over | 11 | 13.0 | 15.0 | 17.0 |

Employee contribution rates: New Firefighters' Pension Scheme 2006

| FTE pensionable pay | 2011/12 | 2012/13 | 2013/14 | 2014/15 |
|----------------------|---------|---------|---------|---------|
| Up to £15,000 | 8.5 | 8.5 | 8.5 | 8.5 |
| £15,001 to £21,000 | 8.5 | 8.8 | 9.0 | 9.4 |
| £21,000 to £30,000 | 8.5 | 8.8 | 9.6 | 10.4 |
| £30,001 to £40,000 | 8.5 | 8.9 | 9.9 | 10.9 |
| £40,001 to £50,000 | 8.5 | 9.0 | 10.1 | 11.2 |
| £50,001 to £60,000 | 8.5 | 9.1 | 10.2 | 11.3 |
| £60,001 to £100,000 | 8.5 | 9.3 | 10.5 | 11.7 |
| £100,001 to £120,000 | 8.5 | 9.5 | 10.8 | 12.1 |
| £120,001 and over | 8.5 | 9.7 | 11.1 | 12.5 |

¹³⁴ FBU response to government consultation on 2014 pension contribution increases, Monday 13 January 2014

¹³⁵ CLG, FPS 1992 and NFPS 2006 – Proposed increases to employee contribution rates, effective from 1 April 2014 – consultation. Summary of consultation responses and the Government's response, March 2014

¹³⁶ HC Deb 13 January 2014 c364W

¹³⁷ CLG, Firefighters' Pension Scheme (1992) and New Firefighters' Pension Scheme (2006), Proposed increases to employee contribution rates, effective from 1 April 2013 – Consultation. Summary of consultation responses and the Government's response, March 2013

Contribution rates in the 2015 scheme

The Government has said that the impact of earlier contribution increases will be reviewed before final decisions are taken on contribution rates in the 2015 scheme. The final agreement published in May 2012 said:

f. member contribution rates in the 2015 scheme from 1 April 2015 will average 13.2%, equal to the expected average of contribution rates in the 1992 and 2006 schemes on the 31 March 2015. However, as announced by the Chief Secretary to the Treasury on 20 December 2011, the Government will review the impact of the proposed 2012-13 contribution changes, including the effect of membership opt-outs, before taking final decisions on how future increases will be delivered in 2013-14 and 2014-15, and in the new scheme. Interested parties will have a full opportunity to provide evidence and their views to the Government as part of the review;

g. without prejudice to the outcome of that review, tariffs for the 2015 scheme are likely to provide for lower rates for new recruits, with some tiered progressive increases for middle, high, and higher income earners.¹³⁸

The FBU described the proposed contribution rates as “unaffordable and unfair.”¹³⁹

More recently, the Government indicated that it might be prepared to apply lower contribution rates in the 2015 scheme, so that the 13.2% yield across members of the different schemes would still be in place. In his letter of 29 July 2013, the Minister said:

The Proposed Final Agreement set out that contribution rates in the 2015 scheme will average 13.2%, equal to the expected average contribution rates in the 1992 and 2006 schemes. My letter of 19 June explained that the Government was prepared to apply lower rates in the 2015 scheme, so that the 13.2% yield was to be delivered across members of the different schemes that will still be in place. I provided early, indicative figures about what the average contribution rate would be from 2015 to 2017, with 13.2% as the long term contribution rate once all transitional protection has ended.

The reason why I cannot confirm exactly what the contribution rates are in 2015 is that the Government agreed with the trades unions to undertake a review of contribution increases before future decisions were taken. [...].¹⁴⁰

The FBU continues to argue that there should be no further increases in contribution rates:

We have provided information which supports our concerns that any additional employee contribution rises will increasingly make the scheme unaffordable and unsustainable. Information gathered also indicates that it is becoming increasingly common for new entrants to the fire service not to join the pension scheme. This is worrying as it is a conscious decision requiring them to opt out of the scheme. You have not taken any steps whatsoever to address this extremely serious situation which threatens the future viability of our scheme. The attempts to demonstrate an improved contribution rate for the 2015 scheme in your letter of 19 June 2013 come with a very significant qualification; they are based upon assumptions that the full proposed increases will be applied to the current schemes in 2014. This suggests that you are already reliant on ignoring our evidence in relation to the proposed Year 3 contribution increases. In addition to this you have yet to explain a process for dealing with

¹³⁸ HC Deb, 24 May 2012, c77-9WS

¹³⁹ [FBU circular, \[274MW\] Government Issues Proposed 'Final Agreement' Document, May 24, 2012](#)

¹⁴⁰ Letter from [Brandon Lewis to FBU, 29 July 2013](#)

unprotected members of the NFPS who could be paying 10.4% contributions in 2014 and will be faced with an immediate further increase of up to 2.8% as they join the 2015 scheme. We have raised this matter time and time again in meetings with you or with officials. Unfortunately, to date it has never been addressed.¹⁴¹

The contribution rates to apply from April 2015 are in [SI 2014/2848](#), regulation 110.

4.2 Switch to CARE scheme

The other main recommendation of the Commission's final report was that "members of the current defined benefit schemes should be moved to the new schemes for future service, but that the Government should continue to provide some form of defined benefit provision as the core design."¹⁴² A new career average revalued earnings (CARE) scheme should be adopted for general use in the public service schemes. The details - such as accrual rates, indexation and contributions - would be a matter for the Government, after consultation with scheme members. The Commission said:

Ex 17 In a career average scheme the level of indexation and the accrual rate determines how different types of members are impacted by the scheme. The Commission favours indexation by average earnings during the accrual phase to maintain the value of the benefits, offset by lower accrual rates for a given cost. Uprating benefits in line with average wage increases ensures that benefit accrual in early years is broadly linked to earnings increases and therefore better relates to a member's level of earnings at retirement. It is a better indexation measure than prices which unfairly benefits the years worked late in a career compared to the years worked at the start and is therefore unfair between younger and older members.¹⁴³

The FBU is opposed to the switch to a CARE scheme for two main reasons:

17 Final salary pension schemes reward those individuals who through self-improvement and professionalism demonstrate the leadership qualities required in the fire service, some of whom may have looked to other industries with a much more lucrative financial package. It cannot be overlooked that high earners do make a considerable employee contribution.

18. Most importantly, we believe that career average schemes are prey to shifting Government policy. We are aware of the detailed negotiations between unions and the Government that led to the creation of the civil service Nuvos scheme, and in particular the debate whether the rate of revaluation in the accrual phase should be in line with retail prices or average earnings. We had a similar debate with the Department for Communities and Local Government when new arrangements were made for pension accrual for fluctuating elements of pay. With one short sentence in the budget speech the chancellor reduced the rate of revaluation by 0.75% per annum, by changing it from RPI to CPI. Similar effects could be imposed by the Office for National Statistics (ONS) if it chooses, for perfectly sensible macro-economic reasons to change the basket of goods used to measure changes in whatever index is used.¹⁴⁴

In the Heads of Agreement announced in December, the Government proposed that the new scheme should be a career average scheme, with a provisional accrual rate of 1/58.7th.

¹⁴¹ [Letter from FBU to Brandon Lewis, 12 July 2013; FBU press release, Firefighters descend on Westminster to lobby MPs over pensions, cuts and flooding, 26 March 2014](#)

¹⁴² [Independent Public Service Pensions Commission – final report, March 2012, recommendation 5](#)

¹⁴³ [Ibid, p11](#)

¹⁴⁴ [Evidence from the Fire Brigades Union to the Independent Public Service Pensions Commission's call for further evidence, December 2010](#)

Active members' career average benefits would be revalued in line with average weekly earnings.¹⁴⁵

The FBU says it "does not believe 1/58.7th is an adequate accrual rate for the firefighters' scheme." It says that while, in the past, average earnings were considered the best index to revalue pensions, this has changed since the recession of 2008 and such long term predictions need careful consideration based on the best expert advice.¹⁴⁶ However, this accrual rate was confirmed in the proposed final agreement in May 2012.¹⁴⁷

4.3 Normal pension age

When the New Firefighters' Pension Scheme was introduced for new entrants from April 2006, it had a normal pension age of 60. The Labour Government justified this on the grounds that non-operational roles would be available for those no longer fit for firefighting duties:

Mr. Laws: To ask the Secretary of State for Communities and Local Government (1) why the new Firefighters' Pension Scheme 2006 is payable from age 60; and if she will make a statement; [101135]

(2) why firefighters' pensions are payable from age 55 under the 1992 scheme; and if she will make a statement. [101146]

Angela E. Smith: The Firefighters' Pension Scheme 1992 originates from 1948 when the role of a firefighter was restricted to firefighting duties and it was considered appropriate because of the risks of the job to have a minimum pension age of 50 with 25 or more years' service and a compulsory retirement age of 55. However, a number of factors including: the extension of the role of a firefighter to cover, for example, fire safety; improved personal protective equipment and clothing; a better understanding of risk management; and good occupational health services, a normal retirement age of 60 is now justified as a firefighter's life expectancy is now the same as that of the wider population.¹⁴⁸

The Fire Brigades Union opposed the introduction of a normal pension age of 60, saying it was unconvinced by claims that sufficient redeployment roles would be available. More recently, it published research arguing that they are not.¹⁴⁹

The Final Report of the Independent Public Service Pensions Commission, published in March 2011, recommended an increase in the normal pension age for firefighters (and other uniformed services) to 60. The report explained that the NFPS already has a normal pension age of 60. For early leavers with deferred pension rights, it is 65:

5.6 There are differences in how approaches to pension design have been applied in practice, reflecting particular scheme characteristics. For jobs with a physical element, particularly in the uniformed services (the armed forces, police and firefighters), pension ages of 55 or less have been used to recognise the effects of ageing and limitations on longevity. Also, pension ages of 40 or less have been used by the armed forces as a device to aid retention and encourage exit. And the uniformed services in

¹⁴⁵ [Department for Communities and Local Government, Firefighters' Pension Scheme: Heads of Agreement, February 2012](#)

¹⁴⁶ [FBU Pensions Bulletin No 6, February 2012](#)

¹⁴⁷ [HC Deb, 24 May 2012, c77-9WS](#)

¹⁴⁸ [HC Deb, 23 November 2006, c214W](#)

¹⁴⁹ [FBU research on redeployment opportunities for English FRAs; FBU, Proposed revisions for the Firefighters Pension Scheme and Proposals for a New Firefighters Pension Scheme, 2005](#)

general have not adopted flexible retirement options, bearing in mind that unreduced immediate pensions have generally been available under their schemes' rules by the age that flexible retirement options would have become available to them.

5.7 However, whilst such factors are still important they are not as significant as they once were. This is, for example, reflected in the increases in longevity seen across all groups and in some of the changes already made to public service pension terms. These include the pension age of 65 that applies to new entrants to professions such as nursing or custody and care of prisoners and the normal pension age of 60 in the Firefighters Pension Scheme 2006 for those who serve until 60. And early leavers in the uniformed services now generally have a NPA of 65.¹⁵⁰

The Commission recommended that:

The Government should therefore consider setting **a new NPA of 60 across the uniformed services**, where the NPA is currently below this level in these schemes, and **keep this under regular review** (Recommendation 14).

The final proposed agreement for the 2015 scheme included a proposal for flexible retirement from age 55 built around the scheme's normal pension age of 60. For active members aged 57 or more at retirement, 2015 scheme benefits taken before normal pension age would be actuarially reduced from age 60:

h. flexible retirement from the scheme's minimum pension age of 55, built around the scheme's normal pension age of 60, with members able to take their pension from the scheme's minimum pension age, as follows:

- for all active members who are aged 57 or more at retirement, 2015 scheme benefits taken before normal pension age will be actuarially reduced with reference to the 2015 scheme's normal pension age, rather than the deferred pension age;
- all other members will have their 2015 scheme benefits actuarially reduced on a cost neutral basis from the scheme's deferred pension age.

i. authority initiated early retirement for members of the 2015 scheme, from age 55, to be in accordance with the arrangements set out in part 3, rule 6 of the new firefighters' pension scheme 2006;

j. the normal pension age will be subject to regular review. These reviews will consider the increasing state pension age and any changes to it, alongside evidence from interested parties, including unions and employers. It will consider if the normal pension age of 60 remains relevant, taking account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, firefighting roles;

k. this regular review will be informed by research to be carried out, within the auspices of the Firefighters' Pension Committee, which will monitor and collate scheme data and experience;

l. late retirement factors for members retiring from active service to be actuarially neutral from normal pension age;

¹⁵⁰ [Independent Public Service Pensions Commission: Final Report](#), 10 March 2011, p109

m. a deferred pension age equal to the individuals' state pension age¹⁵¹

The *Public Service Pensions Act 2013* provides the framework for the new public service pension schemes to be introduced from April 2015. Section 10 (2) provides for there to be a normal pension age of 60 in the new schemes for firefighters, police and armed forces.

The Fire Brigades Union (FBU) has expressed particular concern about the impact of this on those firefighters aged between 55 and 57, who are no longer able to meet the fitness requirements of the job.¹⁵² This is because, where an occupational pension is drawn early (other than where the pension is drawn early on ill-health grounds), it is 'actuarially reduced' to reflect the fact that it will be in payment for longer.

The Firefighters Pension Scheme 2006 includes more generous terms for "authority-initiated early retirement" (i.e. no actuarial reduction) and this is reflected in the proposed final agreement for the 2015 scheme. However, the FBU says it has been told that this option is unlikely to be used by Fire and Rescue Authorities, partly because of the "huge costs" that would be involved.¹⁵³ On 3 July 2014, Brandon Lewis said the Government had offered to work on a common approach to the use of this discretion but that the FBU had announced further strike action.¹⁵⁴

In the absence of this, a firefighter aged 55 or over would have to 'choose' to access an actuarially reduced pension. Initially, the Government intended to set higher rate of actuarial reduction for people drawing their pension at age 55 and 56.¹⁵⁵ In June 2013, it offered improved early retirement terms from age 55, to be paid for by a reduction in the accrual rate: benefits drawn from age 55 would be actuarially reduced with reference to the normal pension age rather than the deferred pension age. However, this was withdrawn following a period of strike action. A CLG briefing note said:

1. Following extensive discussions with the trades unions and employers, the Department published a Proposed Final Agreement in May 2012 which included improved early retirement terms for firefighters retiring from age 57.
2. On 19 June 2013, Brandon Lewis MP offered to amend the Proposed Final Agreement to extend the improved early retirement terms. To remain within the cost ceiling set by the Treasury, this meant a corresponding reduction in the rate that a firefighter earns pension in each year in the 2015 scheme.
3. The extension of improved early retirement terms down to age 55 was conditional on the FBU agreeing to these terms. In line with the terms of the proposal, Ministers withdrew the offer following the further period of strike action on 1 and 4 November.¹⁵⁶

In early 2014, Brandon Lewis, agreed to ask the Government Actuary's Department to look at the cost implications of extending enhanced early retirement factors down to age 55.¹⁵⁷ On

¹⁵¹ CLG, *Firefighters' Pension Scheme: proposed final agreement*, 24 May 2012

¹⁵² [Letter from FBU to Brandon Lewis, 12 July 2013](#); [FBU bulletin, Vote Yes for a sustainable pension scheme, July 2013](#)

¹⁵³ Ibid and CLG, *New Firefighters Pension Scheme – members' guide*, December 2006, page 10

¹⁵⁴ [HC Deb 3 July 2014 c692W](#)

¹⁵⁵ CLG, [Guidance note on withdrawing the early retirement concession](#), 2013; [FBU response to Consultation on fitness and capability, November 2013](#)

¹⁵⁶ CLG, [Guidance note on withdrawing the early retirement concession](#), 8 November 2013

¹⁵⁷ A letter from Fire Services Minister, Brandon Lewis, to FBU leader Matt Wrack on [25 February 2014](#)

11 June 2014, he published details of the costings of alternative designs, each of which concerned variations on the early retirement factors for firefighters who retired before age 60.¹⁵⁸ In an open letter to firefighters, the Minister said he had been clear that it was “only possible to consider such proposals during a period when strike action was in abeyance.”¹⁵⁹ The FBU launched a legal challenge, saying that it has “received legal advice that reducing the pensions available to firefighters by different amounts depending on when they retire after 55 amounts to age discrimination.”¹⁶⁰

In October 2014, the Department for Communities and Local Government announced uniform early retirement factors from age 55 - based on the period to normal pension age rather than the period to deferred pension age. This improvement would be paid for with a reduction in the accrual rate.¹⁶¹ The FBU responded that it had:

[...] submitted a pre-action letter challenging the previous proposal, which had a reduction of 47.1% for a firefighter retiring at age 55. The 21.8% was removed by Brandon Lewis as a punishment when firefighters in England and Wales took strike action in November 2013. We are confident that our potential challenge on age discrimination grounds forced DCLG to reintroduce the 21.8%. It is worth noting 21.8% is still a **huge reduction** and we believe the way it is worked out is unlawful. We are preparing to submit a legal challenge on this issue.¹⁶²

The Williams Review

The Government’s final proposed agreement also said the normal pension age would be “subject to regular review [...] taking account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, firefighting roles”.¹⁶³

As a first step, the Government commissioned a report from Dr Tony Williams, to examine the evidence base for the case that was made about the physical impact of a firefighter’s job and its relation to the retirement age.¹⁶⁴ The terms of reference for the review were as follows:

1.2.1 This is to be an objective review to:

- consider the evidence to support the appropriate NPA for firefighters
- consider the structural implications for the proposed scheme of such recommendations (single age or range, likely numbers across range of ages).
- be mindful of the reasonable expectation that scheme members will be able to work to, and retire at, the NPA.

¹⁵⁸ [HC Deb 11 June 2014 c152W; Gov.UK - GAD costings and correspondence \(12 June 2014\);](#)

¹⁵⁹ [Letter from Brandon Lewis to all firefighters in England, 12 June 2014](#)

¹⁶⁰ [FBU, Firefighters to join mass strike action on 10 July](#)

¹⁶¹ [HC Deb 28 October 2014 c15WS](#)

¹⁶² [FBU, All members circular: Pensions – Answers to Penny Mordaunt Letter, 30 October 2014](#)

¹⁶³ [HC Deb, 24 May 2012, c77-9WS](#)

¹⁶⁴ [HC Deb, 29 October 2012, c85 \[Robert Neill MP\]](#)

- take account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, firefighting roles.¹⁶⁵

The report of the review was published on 13 January 2013. The Executive Summary noted that all previous decisions on the pension age had been based on qualitative assumptions about fitness. No previous reviews had attempted to quantify the numbers expected to be fit leading up to and at the NPA. In terms of firefighters likely to be affected, the report said:

1.4.1 As at 31 March 2011, around 23,500 firefighters in England were members of the Firefighters Pension Scheme 1992 (FPS). Current plans for the scheme are for the 10,500 firefighters in the FPS over the age of 45 to have transitional protection arrangements to keep their NPA of age 55 (which in practice allows most to retire in their early 50s), those 4,800 aged between ages 41 and 45 will receive tapered protection retiring between ages 55 and 60 (some earlier if they have completed 25 years service), leaving around 8,200 firefighters who will be expected to continue working until they are age 60 if they are to have an unreduced pension (Frequently Asked Questions on Reforms to the Firefighters' Pension Scheme, 2012). Most of this latter group joined on the understanding that they would retire at age 55 on a full pension. Any decision on increasing the NPA must also consider the fairness in relation to this group. A YouGov survey in May-June 2011 asked FBU members for their opinions on an increase in NPA to 60, 18 % of FBU members participated, 90% strongly opposed the plans and a further 7 % tended to oppose them (FBU, 2011). The FBU are concerned that, having noted improvement in the quality of the service following good progress in recruiting more women, an increase in NPA could unfairly affect women in the service (Fire Brigades Union, 2012).¹⁶⁶

The report commented that in order to produce definitive answers on the numbers able to maintain physical fitness for the role, Fire and Rescue Services (FRSs) would need to have a definitive fitness standard or standards. Work was underway to develop clear and measurable standard(s). In the meantime, a number of FRSs used an aerobic fitness standard that estimated a firefighters' maximum rate of oxygen uptake (VO₂max). The review had taken 42 mL·kg⁻¹·min⁻¹ for the aerobic fitness benchmark for its recommendations. It said:

Studies show that below an aerobic fitness standard of 42 mL·kg⁻¹·min⁻¹ the risk of sudden catastrophic cardiac events increases, and below the level of 35 mL·kg⁻¹·min⁻¹ the increase is significant, with a risk of sudden death particularly while undergoing high levels of physical exertion. There is a strong argument that FRSs have a duty of care to their firefighters and to the general public to minimise this risk by maintaining an appropriate and safe level of aerobic fitness.¹⁶⁷

It looked at best and worst case scenarios to estimate the number of firefighters that would be unable to meet the minimum aerobic fitness standard as they aged:

In the worst case scenario, where firefighters follow the normal population changes in physical activity levels and body mass index with ageing, 85 % would be unfit for duty at 55 years, increasing to 92 % at 60 years. In the best case scenario, where firefighters maintain their physical activity levels and body mass index as they age, 15

¹⁶⁵ Dr Anthony N. Williams, [Normal Pension Age for Firefighters – A review for the Firefighters' Pension Committee](#), 12 January 2013

¹⁶⁶ Ibid

¹⁶⁷ Ibid, Executive Summary

% would be unfit at 55 years, increasing to 23 % at 60 years. Those who fall below the standard at ages 55 and 60 years are likely to have been close to 42 mL·kg⁻¹·min⁻¹ when joining their FRS. It is up to individual FRSs to decide how to manage individuals who fall below their selected fitness standard. Current practice in many FRSs is to allow them to continue on duty 'at risk' while undertaking remedial training, and the great majority are able to increase their fitness levels to the appropriate standard within a few months.

Recent data collected from four FRSs found at 50-54 years of age, 51 % (n=417/822) of firefighters were below 42 mL·kg⁻¹·min⁻¹. At 55-60 years, 66 % (n=70/106) of firefighters were below this minimum standard.

Fitness in women is significantly lower than for men at all ages; however the decline in fitness follows a similar rate when activity levels and body mass index changes are similar. The same model can therefore be used for both sexes for the decline in aerobic fitness. There will however be fewer women with a substantially higher starting fitness than the minimum standard required, so more women are likely to drop below the required aerobic fitness standard as they age.[...].¹⁶⁸

The review concluded that there would be significant numbers of firefighters who had expected to retire at age 55 and would have difficulty maintaining fitness beyond this age. It suggested that allowing them to leave after age 55 on a pension that is actuarially reduced from age 60 could be considered reasonable:

There will be a significant number of firefighters who expected to retire at age 55 and will have difficulty maintaining fitness beyond this age. Among those who have joined on the 2006 pension scheme there will also be some who will have difficulty maintaining fitness, and there are likely to be around 2.5 % who are medically unfit above age 55 but who do not meet the criteria for IHR. There is likely to be a substantially larger proportion of women firefighters who are physically and/or medically unfit over age 55. Allowing firefighters to leave after age 55 on a pension that is actuarially reduced from age 60 without any additional penalty could be considered a reasonable way to manage expectations, and to manage any potential discriminatory issues.¹⁶⁹

Debate on the review's findings

The FBU and the Government continue to disagree about the review's findings and their implications. The Government says that "for those few firefighters who could not maintain operational fitness", fire and rescue authorities should consider ill-health retirement or remedial training:

Dr Williams' assessment of how many firefighters would be fit at different ages was based on a VO₂max fitness standard of 42 mL·kg·min⁻¹ being adopted across fire and rescue authorities. As you know, fitness is a local matter and the Government has no intention of introducing a national fitness standard. Not all fire and rescue authorities have adopted a VO₂max fitness standard, London being the most notable.

A review of 20 fire and rescue authorities' fitness policies found that each fire and rescue authority kept their firefighters on operational duties at a VO₂max of 35 mL·kg·min⁻¹ or above. This is why Dr Williams stated that 100% of firefighters would remain operationally fit until age 60. It is worth quoting the relevant paragraph:

¹⁶⁸ Ibid

¹⁶⁹ Ibid

"Based on current practices of setting a standard of 42 mL.kg.min⁻¹ VO₂max but allowing firefighters to remain operational at a 35 mL.kg.min⁻¹ VO₂max would ensure that 100 % of firefighters who remain physically active will still be operational at age 60 assuming they remain free from injury and disease."¹

It is worth re-iterating that the Government is not proposing changes to fitness or capability procedures and therefore current practices remain in force. As you know, there are already currently 500 firefighters who are aged 55 or over and who remain available to undertake firefighter roles.

For those few firefighters who cannot maintain operational fitness, there will be an assessment by the fire and rescue authority about why that may be the case. If firefighters cannot maintain operational fitness for a medical reason and that reason is permanent, then they will be considered for ill-health retirement. Where there is no medical reason, or the reason is not permanent, Dr Williams established that fire and rescue authorities provide remedial training and the great majority of firefighters are able to increase their fitness levels within a few months.¹⁷⁰

The FBU argues that even in Dr William's best case scenario, which it says is "not based on reality", significant numbers will be unable to meet the cardiorespiratory fitness standards required by their role":

Your letters claim that most, if not all Firefighters, will be fit enough to work to 60. However this is simply not what Dr Williams' report states. The report estimates that, even in the "best case," significant numbers will be unable to meet the cardiorespiratory fitness standards required by their role. This "best case" scenario, suggests 15% are currently unable to meet the fitness standard at 55 years of age, and this would rise to 23% by the age of 60 i.e. precisely as a result of increasing NPA. This is almost a quarter of all Firefighters.

The additional problem is that the best case is not based on reality. It is not based on the real fitness standards for entry into the Service. It is clear from the report (see Figure 4.8 p.51) that this scenario assumes Firefighters are recruited at a fitness level 47 mL.kg.min⁻¹ – well above the actual current figure of 42 mL.kg.min⁻¹ (or equivalent in the National Firefighter Selection Tests) adopted in most Fire and Rescue Services. In addition, the rate of decline assumed by Dr Williams for this scenario has several unrealistic assumptions – for example that the individual will have a BMI of 20, a standard not attained by many athletes. It also assumes a level of physical activity that has not been tested for Firefighters.

Dr Williams' report, commissioned by your predecessor and backed by DCLG resources, also had a worst case scenario, which you ignore. This holds that 85% of Firefighters would be below the standard for duty by 55 years of age, rising to 92% by 60 (4.4.4 p.49). Other data quoted in the report (4.4.5 p.50) suggests two-thirds (66%) of Firefighters between 55 and 60 years would not be fit enough. This is not the "few" Firefighters you suggest in your letter.

You claim that 100% of Firefighters will be fit enough to work to 60 if the standard is 35mL.kg.min⁻¹, from your survey of 20 Fire and Rescue Services. The FBU is well aware that most Fire and Rescue Services already take Firefighters off the run at 35mL.kg.min⁻¹ and we made that point in our evidence to Dr Williams. However if the standard is dropped to this level, then some Firefighters will simply not be fit enough to

¹⁷⁰ [Letter from Brandon Lewis to FBU 29 July 2013](#)

meet the physical demands of the job. This means they will put themselves at risk of over-exertion and may not be able to perform the duties the public requires.¹⁷¹

The FBU says it is still waiting for the Government to express its “formal position on the Williams Review and an indication of what will be done to progress the issues and recommendations contained within it.”¹⁷²

In April 2013, the Minister said he was considering the Government's response to the report, and that this will be published on the Department's website shortly.¹⁷³ However, in his letter to the FBU of 29 July, he said:

I have always been clear in our discussions that the majority of the recommendations in Dr Williams' report are for fire and rescue authorities, not Government. For the avoidance of doubt, the recommendations for the fire and rescue authorities are those that deal with fitness standards, fitness assessments and fitness training.¹⁷⁴

The FBU responded that:

Significantly, more than six months after its publication, you have not yet responded formally to the Williams review, set up by the previous Fire Minister, Bob Neill precisely to address issues of fitness and the requirements of firefighting. If fitness is not in any way a matter for national discussion, it is hard to see why a Central Government department commissioned a report that addresses precisely this issue.¹⁷⁵

The ongoing negotiation on this issue is covered in section 4.1 above.

The FBU said a further academic study published in June 2014 supports its case.¹⁷⁶

In October 2014, the Department for Communities and Local Government responded to the Williams Review, Parliamentary Under Secretary of State, Penny Mordaunt said:

Alongside the pension regulations, the Department is also responding to the “Normal Pension Age for Firefighters” review prepared by Dr Williams who made three recommendations to deal with the design of the pension scheme and a further seven recommendations on supporting firefighters who remain operationally fit until age 60. We have accepted two of the three recommendations on the pension scheme design, and the 2015 scheme reflects this. However, the Department could not accept the recommendation to reduce the pension of firefighters who are permanently unable to undertake the role of a firefighter.

The remaining recommendations concern fitness standards, assessments, training and data collection, all of which will be considered by the fitness group to be chaired by the chief fire and rescue adviser. Finally, the Department is content to commission subsequent reviews to further consider the impact of a normal pension age of 60 on firefighters.¹⁷⁷

¹⁷¹ [Letter from FBU to Brandon Lewis, 6 August 2013](#); See also, [FBU Pensions Bulletin Number 8, Normal Pension age review, January 2013](#)

¹⁷² [Ibid](#)

¹⁷³ [HC Deb, 17 April 2013, c415W](#)

¹⁷⁴ [Letter from Brandon Lewis to FBU, 29 July 2013](#)

¹⁷⁵ [Letter from FBU to Brandon Lewis, 6 August 2013](#)

¹⁷⁶ [FBU, 'New academic report shows government's attempts to lower fitness standards puts lives at risk, firefighters say', 17 June 2014](#); Dr AG Sidall et al, [Enhancing the Health, Fitness and Performance of UK Firefighters: an Interim Report, March 2014](#)

¹⁷⁷ [HC Deb 28 October 2014 c15WS](#)

4.4 Transitional protection and protection for accrued rights

The proposed final agreement includes protection for accrued rights:

Accrued rights protection guarantee

1. There will be full statutory protection for accrued rights for all members as follows:
 - a. all benefits accrued under final salary arrangements will be linked to the members' final salary, in accordance with the rules of the members' current schemes, when they leave the reformed scheme
 - b. full recognition of a members' expectation to double accrual for service accrued under the Firefighters' Pension Scheme 1992 ('the 1992 scheme'), so that a members' full continuous pensionable service upon retirement will be used to calculate an averaged accrual rate to be applied to service accrued under the 1992 scheme
 - c. members to be able to access their 1992 scheme benefits when they retire at that scheme's 'ordinary pension' age (i.e. from age 50 with 25 or more years pensionable service), subject to abatement rules for that scheme. Pensionable service for the purpose of calculating the ordinary pension age will include any continuous pensionable service accrued under both the 1992 scheme and the 2015 scheme
 - d. members of the 1992 scheme will continue to have access to an actuarially assessed commutation factor for benefits accrued under that scheme.¹⁷⁸

There will also be transitional protection for those closed to retirement:

2. There will be statutory based transitional protections for certain categories of members, as follows:
 - a. all active scheme members who, as of 1 April 2012, have 10 years or less to their current Normal Pension Age¹ will see no change in when they can retire, nor any decrease in the amount of pension they receive at their current Normal Pension Age. This protection will be achieved by the member remaining in their current scheme until they retire, which could be beyond 31 March 2022.
 - b. there will be a further 4 years of tapered protection for scheme members. Members who are up to 14 years from their current Normal Pension Age, as of 1 April 2012, will have limited protection so that on average for every month of age they are beyond 10 years of their Normal Pension Age, they gain about 53 days of protection. The last day of protected service for any member benefiting from the tapered protection will be 31 March 2022. At the end of the protected period, they will be transferred into the new pension scheme arrangements. Further details on how the tapered protection will apply can be found at **Annex A**.

The full protection arrangements apply to FPS members aged 45 and over on 1 April 2012 and NFPS members aged 50 and over on that date. The tapered protection arrangements apply to FPS members of between 41 and 45 on 1 April 2012 and NFPS members aged between 46 and 50 on that date.¹⁷⁹

¹⁷⁸ CLG, [Firefighters' Pension Scheme – Proposed final agreement, May 2012](#)

¹⁷⁹ CLG, [Firefighters' Pension Scheme: Proposed Final Agreement, May 2012, page 5 and Annex A](#)

Some MPs have been contacted by FPS members asking why, given that members can retire from age 50 with 25 years' service, the full protection arrangements only apply to those aged 45 or over on 1 April 2012. The Government has addressed this question as follows:

5. Why do the transitional protection arrangements not take into account length of service?

The approach taken to public service pension schemes is to provide 10 years of transitional protection from a scheme's Normal Pension Age. The Normal Pension Age in the Firefighters' Pension Scheme 1992 is 55, although firefighters are eligible to retire from age 50 with 25 or more years' service. This is why the 10 year transitional protections for the 1992 scheme apply from age 45. The Proposed Final Agreement provides 4 years of tapered protection for firefighters; this is longer tapered protection than is available for many other public service pension schemes which only provide 3.5 years of tapered protection.

It is not appropriate to use 30 years' service for the transitional protections for the Firefighters' Pension Scheme 1992 as 30 years' service does not provide a firefighter with an absolute right to retire as because the firefighter must also be over the age of 50. This is unlike the police where in the Police Pension Scheme 1987, if an officer has 30 years' pensionable service, they have a right to retire with an immediate pension before age 50.

The transitional protections available to firefighters still mean that that a greater proportion of firefighters are protected than any other large workforce – even more than the police.¹⁸⁰

It has explained the retirement options for those FPS members who transfer to the 2015 scheme as follows:

Q1: What are my options for the age at which I choose to retire?

You have a number of options, the three most likely are given below. As you have transferred from the 1992 scheme to the 2015 scheme, you will be entitled to a "two-part" pension. The first part will be based on your pension benefits earned in the 1992 scheme before you transferred to the 2015 scheme and the second part will be based on pension benefits earned in the 2015 scheme.

Where there is a reduction to an element of your 2015 scheme pension benefits because you have chosen to retire before age 60, this is because your pension benefits will be paid to you for longer than has been costed.

The Department has published pension calculators which are designed to work out how the new firefighters' pension scheme 2015 design will affect you. These can be found at

<https://www.gov.uk/government/publications/firefighters-pension-scheme-reforms-pension-scheme-calculator>

Option 1: You can retire at age 50 if you have 25 or more years combined, continuous, pensionable service in the 1992 and 2015 schemes. This means:

- The 1992 scheme pension benefits will be paid immediately, and there will be no reduction to these benefits.

¹⁸⁰ CLG, [Firefighters' pension scheme: further guidance for firefighters](#), July 2012

- The 2015 scheme benefits will be deferred. You can choose to receive these benefits in full from your State Pension Age or take these benefits from age 55 (ie before your State Pension Age) at a reduced level.

Option 2: You can retire from age 55 up to age 60. This means:

- The 1992 scheme pension benefits will be paid immediately, and there will be no reduction to these benefits.
- The 2015 scheme benefits will be paid immediately with a reduction to your pension benefits to reflect the fact that they will be in payment for longer.

Option 3: You could retire at age 60. This means:

- The 1992 scheme pension benefits will be paid immediately, and there will be no reduction to these benefits.
- The 2015 scheme benefits will be paid immediately and with no reduction to these benefits.¹⁸¹

Estimates of the numbers covered by the transitional protection arrangements are in the Equality Statement for the [Firefighters Pension Scheme 2015](#) produced by CLG in November 2014.

The FBU has called for improved protection arrangements. In its letter to the Minister of 12 July 2013, it said:

Improved protection arrangements – This is an area that remains unresolved. You are suggesting that a greater proportion of firefighters are protected compared to other public sector workforces. This does not recognise the need for protection which was also identified in the report you commissioned (Williams report) which outlines the difficulty firefighters will have in maintaining operational fitness and suggests that more protection for 1992 scheme members is an option. Unfortunately, despite this supporting evidence you have not chosen to make any improvements in this area.¹⁸²

In his response, the Minister said:

The Firefighters' Pension Schemes have the greatest proportion of members protected from changes out of all of the large public service workforces. The Government does not intend to extent this further.¹⁸³

¹⁸¹ Ibid

¹⁸² [Letter from FBU to Brandon Lewis, 12 July 2013](#)

¹⁸³ [Letter from Brandon Lewis to FBU, 29 July 2013](#)