



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Nottinghamshire and City of Nottingham
Fire and Rescue Authority
Policy and Strategy Committee

RETAINED FIRE FIGHTERS PENSION SETTLEMENT

Report of the Chief Fire Officer

Date: 25 April 2014

Purpose of Report:

To present the Committee with a report on the settlement of the long running issue in relation to retained fire fighters' admission to the fire fighters pension scheme.

CONTACT OFFICER

Name : John Buckley
Chief Fire Officer

Tel : (0115) 967 0880

Email : john.buckley@notts-fire.gov.uk

**Media Enquiries
Contact :** Bridget Aherne
(0115) 967 0880 bridget.aherne@notts-fire.gov.uk

1. BACKGROUND

- 1.1 Members may be aware that since 2006 retained fire fighters have been able to join the new fire fighters pension scheme. Prior to this however, retained duty system (RDS) staff were unable to join the 1992 scheme as entry was restricted to wholetime staff only.
- 1.2 Following a series of legal challenges a settlement has been reached which has resulted in the laying of Statutory Instrument 2015 No. 445 The Fire Fighters' Pension Scheme (England) (Amendment) Order 2014, which sets out the terms under which RDS personnel may retrospectively access the 1992 scheme.
- 1.3 This paper sets out for Members the impact of this Order on the Fire Authority.

2. REPORT

- 2.1 The Part-Time Workers (Prevention of Less Favourable Treatment) Regulations which were introduced in 2000 called into question the exclusion of RDS staff from the fire fighters pension scheme. Various arguments were put forward as to why RDS staff were or indeed were not part time workers, which eventually resulted in a determination that they are in fact part time workers for the purposes of the above Act.
- 2.2 As a result, The Fire Fighters' Pension Scheme (England) (Amendment) Order 2014 was laid before Parliament on 6 March 2014 and came into force on 1 April 2014. This Order gives access to the pension scheme to all RDS employees who were employed between 1 July 2000 (the date of the Part Time Workers Act) and 5 April 2006 (the commencement date of the new fire fighters pension scheme to which RDS staff were admitted).
- 2.3 There are various categories into which employees and former employees have been classified such as:
 - A retained fire fighter who joined the Service prior to 6 April 2006 and continues in employment beyond the four month offer period.
 - A retained fire fighter who joined the Service prior to 6 April 2006 and then after 2006 transferred to the wholetime service and continues in employment beyond the four month offer period.
 - Fire fighters who have left the Service between July 2000 and April 2006 whether to retire or for any other reason
 - Fire fighters who have died since April 2006

- 2.4 There are also various provisions around ill health and injury awards which will require to be worked through in detail.
- 2.5 The costs of the admission of RDS and former RDS employees falling on the Fire Authority will initially be met by charges to the pensions account. These will be taken into account later as part of the actuarial valuation of the notional fund and any subsequent changes to employers' contribution rates.
- 2.6 The biggest impact by far will be on the administration of the scheme with the biggest workload falling on the human resources and finance departments. Guidance notes received from Communities and Local Government run to some 23 pages and set out a large number of requirements for letters, means of tracing former employees, methods of estimating service, interest rates to apply etc. This will have resource implications, particularly as it is driven by a number of statutory deadlines and is focussed on departments that are already dealing with significant workloads. It is likely therefore that temporary support may be required to enable this task to be completed within the deadlines without impacting other essential activities.
- 2.7 RDS staff who wish to join the scheme may opt to pay their "back" contributions over any period up to ten years or their retirement date whichever is the soonest. This will potentially involve setting up a system to record and administer these payments over the ten year period required.
- 2.8 In addition, it is likely that an appeals process may need to be devised in order that employees have an opportunity to appeal about the way that calculations have been carried out or the assumptions that have been made.

3. FINANCIAL IMPLICATIONS

Financial implications in the short term are limited to the appointment of any temporary staff that may be required to undertake the implementation of this settlement, however in the longer term there may be some impact upon employer pension contributions.

4. HUMAN RESOURCES AND LEARNING AND DEVELOPMENT IMPLICATIONS

Implications of this scheme will have a significant impact upon the work of both the human resources and finance departments both in terms of implementation and going forward. This will require some temporary support to deal with correspondence, calculations and appeals. The appointment of temporary staff is of course at the discretion of the Chief Fire Officer and this issue will be dealt with in due course.

5. EQUALITIES IMPLICATIONS

There are no specific equalities implications arising from this report.

6. RISK MANAGEMENT IMPLICATIONS

The key risks arising from this report relate to the impact that the work required to implement this scheme will have on other areas, some of which are statutory. The employment of temporary resources will help to manage this risk.

7. CRIME AND DISORDER IMPLICATIONS

There are no specific crime and disorder implications arising from this report.

8. LEGAL IMPLICATIONS

The requirement to implement this scheme is statutory.

9. RECOMMENDATIONS

That Members note the contents of this report.

10. BACKGROUND PAPERS FOR INSPECTION (OTHER THAN PUBLISHED DOCUMENTS)

None.

John Buckley
CHIEF FIRE OFFICER