

Re-Engagement Following Retirement Service Order

Warwickshire Fire and Rescue Service Information Delivery System

Summary: This Service Order describes the policy and procedure adopted by Warwickshire Fire & Rescue Service (WFRS) on the re-employment of a Firefighter following retirement.

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Key Information

1.1 Policy Introduction

Members of the Firefighters' Pension Scheme (FPS) receive special treatment under the Registered Pension Schemes (Prescribed Schemes and Occupations) Regulations 2005 (SI 2005 No. 3451) which allows them to retain a right to payment of a pension from age 50, i.e. before reaching the statutory normal minimum pension age, which is age 55.

Increased longevity and general improvements in health and well-being inevitably mean that many firefighters may wish to remain in the Fire and Rescue Service. The rules of the FPS and NFPS do not prevent a firefighter remaining in employment after the normal pension/retirement age specified in the relevant schemes but a member cannot access benefits before he/she retires.

WFRS is under no obligation to re-employ firefighters who have retired. Nor have the rules of the FPS and the NFPS been amended to provide for "flexible retirement" (apart from the NFPS provision which allows for member-initiated early retirement from age 55).

Pensions are intended to provide income in retirement. Therefore where a retired firefighter is re-employed in any capacity by WFRS, we will abate the member's pension to the point where the aggregate of the pension in payment and the salary received on re-employment, does not exceed the level of earnings directly prior to their retirement. The substantive pay at the last day of service comprised of all permanent elements of pensionable pay, expressed as an annual rate, will be the level of earnings used for the comparison.

1.2 Abatement

Abatement is the process whereby a member's pension can be reduced or stopped if a member retires and then returns to work and their earnings on re-employment (including pension) exceed their earnings before they retired.

Government policy, set by HM Treasury, requires public sector pensions to be abated in certain circumstances when a public servant is re-employed following retirement. The purpose of abatement is to protect public funds. It limits the remuneration payable at any one time in respect of a particular job preventing both the cost of pay and pension falling to the public purse; it ensures that those who receive early pensions have that taken into account should they seek re-employment within the public sector and it generally protects public funds from abuse.

There are two forms of abatement. In-service abatement occurs where re-employment is in a post covered by the same scheme which is paying the individual's pension. This would cover cases that would fall under Rule K4 of the FPS 1992 where a FRA responsible for paying a pension can reduce it, or withdraw it altogether, during any time where a retired member is re-employed as a regular firefighter. This would still apply in cases where the retired member was re-employed with another FRA. Different groups of employees within a FRA may belong to different pension schemes and it is possible, therefore, that a retired member of the FPS could be re-employed by a

FRA in a post covered by, say, the Local Government Pension Scheme. Under Part 9, rule 3 of the NFPS 2006, a FRA responsible for paying a pension can reduce it, or withdraw it altogether, during any time where a retired member is re-employed in any capacity by any FRA.

In addition to in-service abatement, government policy requires the abatement of public sector pensions in cases where retired public servants are re-employed to any employing public sector organisation without going through an open competition. This form of abatement is termed as Inter-service abatement and its application is required up to the point where the public servant reaches the normal pension age of the scheme that is paying their pension. Prior to re-employment the person declares the source of the pension and either the pension is reduced by the paying authority or pay is reduced by the new employer.

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Primary Information

2.1 Policy Application

FRA's are under no obligation to re-employ firefighters who have retired and WFRS policy is that there is no automatic re-engagement of pensioners.

If through a competitive process a pensioner is re-employed; in line with "the Firefighters Pension Scheme 1992 – Abatement of Pension on the Re-employment of a Firefighter Circular FPSC 10/2009", WFRS will enact the following procedures:

- Retirement will constitute a break in service so that active members of the FPS will be terminated and no further pensionable service in the scheme can be accrued.
- Abate a member's pension where the cumulative pension in payment and the salary received on re-employment exceeds the level of earnings received directly prior to their retirement.
- If any re-employed pensioner was employed subject to uniformed terms and conditions, i.e. back to their previous role, they may be eligible to join the New Firefighters Pension Scheme (NFPS) provided that their role includes a requirement to engage in fire fighting or attendance at other emergencies.
- If access to the NFPS is not possible, then consideration would be given on whether the person was eligible to join the Local Government Pension Scheme (LGPS).
- The substantive pay at the last day of service comprised of all **permanent** elements of pensionable pay, expressed as an annual rate will be the level of earnings used for the comparison.
- Abatement will continue until the person retires permanently.

The process to be followed by an individual would be:

- Anyone seeking to take their pension and then be re-employed would first need to have formally resigned and accepted their pension, then have a break in service of at least one month before being re-employed.
- Individuals would need to apply for a post that was advertised by WFRS and comply with the requirements above in order to be eligible for selection.
- There is no restriction on applications for Green Book posts from former Grey Book employees, provided that the post has been advertised externally and has therefore been available for the general public to see.
- WFRS will impose restrictions on former Grey Book employees (who are in receipt of a pension from the FPS or NFPS) applying for another Grey Book role. Only those roles which are deemed to be hard to fill will be open to former Grey Book employees. Examples of hard to fill roles may be those in a highly specialist area or where a post is offered on reduced hours to accommodate a flexible working request.

- In all cases, those applying for employment following retirement must meet the requirements of the post and undergo the full selection process. In addition, WFRS will take into consideration the conduct of the individual whilst in employment. This will include reference to their absence record and performance.

Note: The financial implications of re-employment following retirement are the concern of the individual and independent financial advice should be sought in all cases. WFRS cannot and will not provide financial advice to any individual.

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Support Information

3.1 Bibliography

Firefighters' Pension Circular 10/2009 – “Firefighters’ Pension Scheme 1992 – Abatement of Pension on the Re-employment of a Firefighter”
25th September 2009

3.2 Responsible Officer

HR Manager