

# **Warwickshire Fire and Rescue Local Pension Board of the Firefighters' Pension Scheme**

## **Regulatory update Firefighter Pension Schemes**

26 November 2020

### **Recommendation(s)**

1. The Local Fire Pension Board are asked to note and comment on the contents of this report.

### **1. Executive Summary**

- 1.1 This report seeks to update the Board on current developments in the Firefighter pension schemes.

### **2. Financial Implications**

- 2.1 There are likely to be financial implications for the Fire Service as a result of implementation of the McCloud remedy but these are not available at this time. As the financial consequences become clearer, with the implementation of the changes, these will be reported back to the Board.
- 2.2 There will also be financial implications arising from the need to address the “second options exercise” for Special Members of the Firefighters’ Pensions Scheme. These will depend on the outcome of ongoing national discussions, and will be reported to the Board in due course.

### **3. Environmental Implications**

- 3.1 None

### **4. Supporting Information**

- 4.1 **McCloud / Sergeant update:**
- 4.2 Following a review of all public service pension schemes by Lord Hutton the government introduced transitional protections for older members of pension schemes who were within ten years of retirement.

- 4.3 The Court of Appeal later found that the protections afforded to older scheme members were unlawful because they discriminated against younger members of the pension schemes. The Government accepted the Court decision and have issued consultation on how best the schemes can address the changes.
- 4.4 For firefighters the remedy will involve members having the option to choose between receiving legacy or reformed scheme benefits in respect of their service between 1 April 2015 and 31 March 2022. The recent consultation issued by the Government sought views on whether that choice should be made now (in the year or two after implementation in 2022) or deferred until the point the member retires.
- 4.5 The consultation ended on 11<sup>th</sup> October 2020.
- 4.6 **Special Members of FPS 2006 – second options exercise**
- 4.7 Special members were introduced to the Firefighter Pension Scheme (FPS) 2006 in 2014 following *Matthews v Kent and Medway Towns Fire Authority*, which allowed retained firefighters employed between 1 July 2000 and 5 April 2006, to join the FPS 2006 with retrospective effect to 1 July 2000.
- 4.8 Following a ruling by the European Court of Justice on a case concerning whether fee paid judges should have been allowed access to the Judicial Pension Scheme, the UK Government have recognised the right for retained firefighters employed before 1 July 2000 to elect to become a special member of the Firefighter pension scheme from the start of their employment.
- 4.9 This will involve a second options exercise and discussions have started involving central government, the LGA (on behalf of Fire and Rescue Authorities) and trade union representatives to consider who is in scope and details of the settlement exercise.
- 4.10 Once these discussions have been concluded, regulations will be drafted. Unfortunately, no timescales are known at this stage.

## 5. Timescales associated with the decision and next steps

- 5.1 The Board will be updated on both McCloud / Sergeant and Special Members when further developments are available.

### Appendices

None

### Background Papers

None

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The report was circulated to the following members prior to publication:

Local Member(s): None

Other members: