



SCOTTISH PUBLIC PENSIONS AGENCY

Firefighters' Pension Scheme Stakeholders

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Your ref:
Our ref:

6 August 2018

Dear Colleagues

Proposals for Amendments to the Firefighters' Pension Scheme (1992), the New Firefighters' Pension Scheme (Scotland) 2006 and the Firefighters' Pension Scheme (Scotland) 2015

Please find enclosed a consultation on the draft amendment orders which seeks views on a range of proposed changes to the Firefighters' Pension Scheme (1992), the New Firefighters' Pension Scheme (Scotland) 2006 and the Firefighters' Pension Scheme (Scotland) 2015. I would be grateful if you would distribute this letter and attachments as widely as possible.

The following documents are attached:

- Annex A: Background to the proposed changes
- Annex B: Proposals for Consultation
- Annex C: Consultation Response Form

You may complete the attached Consultation Response Form at Annex C which can be submitted electronically to Claire.McGow@gov.scot or by post to the following address:

Firefighters' Consultation
SPPA Policy
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

A printable Consultation Response Form is available via the following link:

[http://www.sppa.gov.uk/Documents/Firefighters/Firefighters%20Useful%20Resources/Consultations/2018/Firefighters Response Form Aug 2018.docx](http://www.sppa.gov.uk/Documents/Firefighters/Firefighters%20Useful%20Resources/Consultations/2018/Firefighters%20Response%20Form%20Aug%202018.docx)

The consultation will close on 29 October 2018 and we ask that anyone wishing to respond does so by then.

A copy of the consultation documentation is also available on the Agency's website at:

http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=1197&Itemid=1817

We intend to publish a summary of consultation responses in due course and would like to be able to include any response you make in that summary. However, if you ask us not to publish your response to this consultation, we will regard it as confidential, and we will treat it accordingly.

Respondents should also be aware that the Scottish Government is subject to the provisions of the Freedom of Information (Scotland) Act 2002 and will have to respond appropriately to any relevant request made to the SPPA under that Act for information concerning this consultation exercise.

Yours faithfully

Claire McGow
Policy Manager

ANNEX A

Background

Survivor Benefits

Nominated partner benefits were introduced to public service schemes between 2006 and 2009. As part of entitlement to those benefits it was a mandatory requirement that a nomination form had to be completed. This requirement was in addition to meeting the underlying conditions which must be satisfied for a continuous period of at least 2 years for a nominated partner pension to be paid.

Broadly these are:

- The scheme member is able to marry, or form a civil partnership with their partner;
- The scheme member and partner are living with each other as if they were a married couple or civil partners;
- Neither the scheme member nor the partner is living with a third person as if they were a married couple or civil partners; and
- The member and partner are financially interdependent or the partner is financially dependent on the member.

Nominated partner benefits were not introduced to the Firefighters 1992 scheme. However, members were given the opportunity to transfer to the 2006 scheme on preferential terms.

What's changed?

On 8 February 2017, the Supreme Court decided that refusing a claim on the grounds that nomination form had not been completed despite the underlying conditions being met is incompatible with Article 14 of the European Convention on Human Rights and was therefore unlawful.

The Supreme Court's decision also applies to other public service schemes, and since February SPPA has removed the mandatory requirement to complete a nomination form, although a form can still be completed on a voluntary basis. However, the underlying conditions have not changed and must still be met for a claim to succeed.

ANNEX B

Proposals for Consultation

Survivors' Benefits

Of the three firefighter's pension schemes, only the 2006 scheme requires amendment, as that is only one to require that unmarried partners should be nominated by the member. This necessitates that a number of rules be amended and, in particular, the insertion of a new Part 2 rule 1(5A) to give a definition of the term "cohabiting partner" to replace the term "nominated partner". The new definition retains as many elements as possible of the previous term, whilst making it clear that there is no longer a need for a nomination to be made. It is proposed that the term "cohabiting partner" be used, as that is the term already used in the 2015 Fire Scheme.

If a member expressly wishes to make their intentions relating to survivor benefits known, the scheme manager can continue to accept a nomination form to enable them to do so, even though there will be no such express provision in the rules.

All qualifying cohabiting partners are being given the equivalent rights as spouses. In common with other public sector schemes being reformed, the amendment is being backdated to the inception of the scheme.

2015 Firefighters' Pension Scheme consequential amendments

Split Pensions

Members of the final-salary pension schemes are permitted to split their pension in the eventuality of a reduction in salary, so as to preserve the value of pension which has already been accrued. The policy intention is that the first part of a split pension in the 1992 and 2006 schemes should be subject to indexation. The rules concerned do not specifically provide for this. It is therefore proposed that equivalent amendments to rule B5A in the 1992 Order and Part 3 Rule 7 of the 2006 Order are made. The pensions concerned would be up-rated, as if subject to the

Pension Increase Act 1971, from the time of the reduction in pay until retirement.

Pension Sharing on divorce

On divorce from a pension scheme member, under pension sharing provisions, spouses or civil partners of scheme members can be awarded part of their pension as a credit. Current scheme rules do not take account of changes to the related legislation on pension sharing. Amendments are therefore proposed to both the 1992 and 2006 schemes, so as to ensure that pension credit members can continue to commute their benefit as permitted by the overarching legislation.

Cross Border transfers to the 1992 Fire Scheme

The 1992 Fire Scheme closed to new membership in 2006. For this reason, The Firefighters' Pension Scheme (Scotland) (Transitional and Consequential Provisions) Regulations 2015 made it clear, in amending Schedule 2 to the 2015 Scheme, that club transfer payments from other public service final salary pension schemes should be paid into the 2006 Fire Scheme and not into the 1992 Fire Scheme. However, it would be inequitable if existing members of the 1992 Firefighters' Schemes in England, Wales and Northern Ireland were not to be permitted to join the Scottish 1992 Fire Scheme on transferring to the Scottish Fire and Rescue Service (SFRS). The proposed amendment would permit such scheme transfers to take place.

ANNEX C

CONSULTATION RESPONSE FORM - FIREFIGHTERS' PENSION SCHEME 1992, NEW FIREFIGHTERS PENSION SCHEME (SCOTLAND) 2006 AND THE FIREFIGHTERS' PENSION SCHEME (SCOTLAND) 2015 CONSULTATION ON DRAFT REGULATIONS –

1. Name/Organisation

Organisation Name

Title

Surname

Forename

2. Postal Address

Postcode

Phone

Email

3. Permissions - I am responding as... (please complete either sections (a), (b) and (d) **or** sections (c) and (d):

Individual

or Group/Organisation

(a) Do you agree to your response being made available to the public (in Scottish Government library and/or on the Scottish Government web site)?

Please state yes or no: _____

(b) Where confidentiality is not requested, we will make your responses available to the public on the following basis

Please state yes to one of the following:

Yes, make my response, name and address all available

or

Yes, make my response available, but not my name and address

or

(c) The name and address of your organisation **will be** made available to the public (in the Scottish Government library and/or on the Scottish Government web site).

Are you content for your **response** to be made available?

Please state yes or no:

Yes, make my response and name
available, but not my address

(d) We will share your response internally with other Scottish Government policy teams who may be addressing the issues you discuss. They may wish to contact you again in the future, but we require your permission to do so. Are you content for Scottish Government to contact you again in relation to this consultation exercise?
Please state yes or no:

ABOUT YOU

I am responding ...

- as a member of the 1992 scheme
 - as a member of the 2006 scheme
 - as a member of the modified 2006 scheme
 - as a member of the 2015 scheme (CARE scheme)
 - on behalf of an Employer Organisation
 - on behalf of a Trade Union/Staff Association
 - other (please specify)
-

What is your gender?

- I am female
- I am male

I am employed as...

- a firefighter
 - a retained firefighter
 - a volunteer firefighter
 - a crew manager
 - a watch manager
 - a station manager
 - a group manager
 - an area manager
 - I'm retired
 - other (please specify)
-

What is your working pattern?

- I work part-time
- I work full- time
- Not applicable

Please use this space to provide any comments.

Comments:

Please e-mail your response to Claire.McGow@gov.scot

or

Please post your response to:

Firefighters' Consultation
Policy Branch
SPPA
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

The closing date for this consultation is 29 October 2018.

