

**FIREFIGHTERS' PENSION SCHEME
1/2012**

WHO SHOULD READ: Chief Fire Officers, Clerks to the Joint Boards, Chief Executive of Dumfries and Galloway and Fife Councils

ACTION: For information and action. Please draw this to the attention of pensions managers and superannuation sections and scheme members.

SUBJECT: Increase in employee contributions

The purpose of this circular is to:

- Inform Scottish Government's decision to increase firefighter pension contributions payable by firefighters, with effect from 1 April 2012. This concerns contributions made under the Firefighters' Pension Scheme 1992(FPS) and The New Firefighters' Pension Scheme 2006 (NFPS)

SSI 2012/106: The Firemen's Pension Scheme Amendment (Scotland) Order 2012 (FPS)

SSI 2012/107: The Firefighters' Pension Scheme (Scotland) Amendment Order 2012 (NFPS)

Earlier consultations confirmed the Scottish Government's intention to introduce increases in employee contribution rates to the FPS and NFPS via new, tiered member contribution rates with effect from 1 April 2012. The consultation outlined the initially proposed contribution rates and in meeting the Scottish Ministers aim that Scottish firefighters should not pay more than their counterparts in the UK the increases were based on the rates proposed by the Department of Communities and Local Government (DCLG) for the firefighter schemes in England.

The first consultation provided an explanation of the policy background to the new contribution rates and the recent consultation on draft regulations provided detail on the rates which would take effect from 1 April 2012. It also alerted employers to the need to prepare systems and processes so that the new rates are fully operational from that date.

Discussions between DCLG and stakeholders have continued around finalising the increases to be applied from 1 April. The commitment to apply these rates in Scotland has meant a delay in advising stakeholders of the final rates to be applied from 1 April. We recognise the inconvenience and uncertainty this will have caused to both members and employers but to ensure parity with the rates being applied in England the delay has been unavoidable.

Earlier this week DCLG confirmed the rates they will be applying from 1 April 2012 and these rates are set out in Annex A. **Please note these rates differ from those originally consulted on but are still applicable from 1 April 2012.** The new tiers are based on applying the member's whole-time equivalent pay when determining the contribution rate



due.

To help individual scheme members understand what this will mean pension contribution calculators for each scheme are available on the SPPA website via the following link [Fire Calculators](#) or on the Fire Pension page of the website under calculators. These will show members how their monthly contributions to the FPS or NFPS will be affected after tax.

The relevant scheme rules in the FPS and NFPS are being amended by the two Scottish Statutory Instruments shown at the head of this circular. Copies of these SSI's will be available on the Legislation.co.uk website from Monday and links will also be put onto the SPPA website.

Please bring the information contained in this circular to the attention of the relevant staff to ensure that the necessary arrangements are in place for the correct contributions to be deducted from members as appropriate and in line with the revised contribution rates when the scheme amendment Orders come into force on 1 April 2012.

In accordance with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996, please ensure that all members who are affected by this change are notified individually in writing.

You may wish to use wording as follows in your notification:

'This is to inform you of an increase in the contribution rate to your pension which is effective from 1 April 2012. The increase will depend on which scheme you are in, and on your basic annual salary, and will be as set out in the attached table at Annex A'.

Employee contribution increases for 2013/14 and 2014/15 are still to be decided and will be subject to further consultation in the coming months.

Please note that the employer contribution rate is **not** affected by these changes.

Annex B provides a short Q&A brief on how the tiers should be set.

**JENNY COLTMAN
POLICY MANAGER
30 March 2012**

Contact Information:

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ANNEXE A

PROPOSED REVISED TARIFFS FOR FIREFIGHTERS' PENSION SCHEMES

Firefighters' Pension Scheme 1992

Pensionable pay band	Proposed Increase 2012-13 (%)	Total contribution rate 2012-13 (%)
Up to and including £15,000	0.0	11.0
More than £15,000 and up to and including £30,000	0.6	11.6
More than £30,000 and up to and including £40,000	0.7	11.7
More than £40,000 and up to and including £50,000	0.8	11.8
More than £50,000 and up to and including £60,000	0.9	11.9
More than £60,000 and up to and including £100,000	1.2	12.2
More than £100,000 and up to and including £120,000	1.5	12.5
More than £120,000	2.0	13.0

Firefighters' Pension Scheme 2006

Pensionable pay band	Proposed Increase 2012-13 (%)	Total contribution rate 2012-13 (%)
Up to and including £15,000	0.0	8.5
More than £15,000 and up to and including £30,000	0.3	8.8
More than £30,000 and up to and including £40,000	0.4	8.9
More than £40,000 and up to and including £50,000	0.5	9.0
More than £50,000 and up to and including £60,000	0.6	9.1
More than £60,000 and up to and including £100,000	0.8	9.3
More than £100,000 and up to and including £120,000	1.0	9.5
More than £120,000	1.2	9.7



Annexe B

Q & A ON FIREFIGHTER'S PENSIONS INCREASE IN CONTRIBUTIONS EFFECTIVE FROM 01/04/12

Q. Is the new contribution rate based on the employee's pensionable pay at 31 March 2012 to include flexi duty allowance, continual professional development and other pensionable payments or on their whole time annual salary at 31 March 2012?

A The new rates will apply from April 2012 therefore their annual salary from that date should be used. It should be noted that CPD payments are excluded when considering the relevant annual pensionable pay band as set out in Annexe A. Having set the contribution rate, this is then applied to pensionable pay which will include the CPD payments.

Q If a firefighter is promoted or reverted and the salary changes midway through the year, do we modify the employees' pension contribution rate accordingly even if the change is temporary?

A Where there is a material change to the firefighters' terms and conditions which affects the firefighters' pensionable pay, his contribution rate should be reviewed and if applicable adjusted from the date of that change.

Q Will the contribution rate for a retained employee be based on their reference pay (whole-time equivalent annual salary) or their pensionable pay at 31 March 2012?

A The contribution rate for a retained or volunteer firefighter will be the firefighters' reference pay at 1 April 2012. For any part time regular firefighter, the pensionable pay will be their whole -time equivalent at 1 April 2012.

