

The Chief Executives, Fife Council and Dumfries & Galloway Council
Clerks to the Joint Boards
Firemasters

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20 December 2006

Dear Colleague

SCOTTISH FIRE SERVICE CIRCULAR No 27/2006

FIREFIGHTERS PENSION SCHEME (FPS)

1. NEW FIREFIGHTERS' PENSION SCHEME

- 1.1. The New Firefighters' Pension Scheme (Scotland) Order 2006 will be submitted to Ministers in the New Year with the intention that it will be made and laid before Parliament towards the end of February at the latest, having back dated effect to 6 April 2006.
- 1.2. To keep in line with the rest of the UK the Options Exercise will run from the beginning of January as planned.

2. CONDUCT OF THE OPTIONS EXERCISE

- 2.1. The conduct of the exercise has been discussed by the Department of Communities and Local Government (DCLG) with representatives of fire and rescue authorities at a series of workshops in November 2006. As was explained there are five groups of employees who are affected by the exercise:

- Group A: Regular firefighters appointed before 6th April 2006, who are members of the Firefighters' Pension Scheme 1992 (FPS), and will have the option to remain a member of the FPS or join the NFPS with effect from 6th April. If a member decides to join the NFPS he can transfer service accrued in the FPS into the NFPS; or take deferred benefits in the FPS and join the NFPS for future service only;
- Group B: Regular firefighters appointed on or after 6th April 2006, who will be officially members of the NFPS from the first day of service but will have the opportunity to opt out;
- Group C: Retained firefighters appointed before 6th April 2006, who will have the option to join the NFPS with effect from 6th April if they pay arrears of contributions, or otherwise with effect from a later date;
- Group D: Retained firefighters appointed on or after 6th April 2006, who will have automatic membership either from the date of appointment if they pay arrears of contributions, or otherwise with effect from a future date. They will have the opportunity to opt out; and
- Group E: Firefighters who had opted out of the FPS and may wish to elect to join the NFPS.

2.2 DCLG has prepared the documentation necessary to enable the Options Exercise to take place, in consultation with representatives from fire and rescue authorities, the FBU and the Fire Officers' Association which is being used in this exercise. The documentation is set out in Annex 1.

2.3. Copies of the documents have been placed on the SPPA website.

2.4. We are expecting the options exercise to run from the beginning of January and it will end on 31st March 2007. The special transfer terms which will be available to members of the FPS transferring to the NFPS will only apply in that period and will not be available for any person who applies for a transfer after 31st March. Normal transfer terms will then apply.

2.5. The information packs should accordingly be distributed as early as convenient after 1st January.

2.6. Authorities should ensure that option packs, and any reminders, are sent to staff who are absent on leave, sick leave, maternity, adoption or paternity leave, secondment, training or for any other reason.

3. KEY ISSUES

Transfer Factors

- 3.1 The following factors have been agreed should apply during the period to 31st March 2007. This will be covered by paragraphs 2 and 3 of Schedule 2 (Transitional arrangements) of the Firefighters' Pension Scheme (Scotland) Order 2007: i.e. The NFPS Order.

Age at entry	Up to age 55	age 56	age 57	age 58	age 59	age 60
25 and below	140%	139%	138%	136%	135%	133%
26	138%	139%	138%	136%	135%	133%
27	136%	137%	138%	136%	135%	133%
28	133%	135%	136%	136%	135%	133%
29	130%	132%	133%	134%	135%	133%
30	127%	129%	130%	132%	133%	133%
31	124%	126%	128%	129%	130%	131%
32	120%	123%	125%	126%	127%	129%
33	116%	119%	121%	123%	125%	126%
34	112%	115%	118%	120%	122%	123%
35	107%	111%	114%	116%	118%	120%
36	107%	106%	109%	112%	115%	117%
37	107%	106%	105%	108%	111%	113%
38	107%	106%	105%	103%	106%	109%
39	107%	106%	105%	103%	102%	105%
40 and above	107%	106%	105%	103%	102%	100%

These factors recognise the fact that a member of the FPS who opts to transfer to the NFPS is expecting to work on to 60 rather than take pension between 50 and 55. For those at age 55 or over at 6th April 2006, the factors taper out the additional benefits.

- 3.2. A table setting out an exemplification of the factors is appended.

Limits on benefits

- 3.3. The benefits which may be transferred where notification of intention has been given on or before 31st March 2007, plus prospective service may not exceed 45 years by the time the person reaches age 60 under the provisions of paragraph 2(4) of Schedule 2 to the draft Order. In such circumstances, the person may take deferred benefits in the FPS, which would be payable at age 60, and join the NFPS for future service.

Eligibility for membership of the NFPS

- 3.4. Whilst members of the FPS may transfer to the NFPS whatever their role at the time of transfer, eligibility to join the new scheme for those taking up employment on or after 6th April 2006 is limited to those whose role on taking up employment as a firefighter includes:

- (i) resolving operational incidents,

- (ii) leading and supporting others in the resolution of operational incidents.

This wording, which was discussed and agreed with the Firefighters' Pension Committee, is specifically designed to restrict membership to those whose role on joining the Fire and Rescue Service is that of firefighter, crew manager or watch manager. Any person who joins the Service in any more senior role is not eligible to join the NFPS. The LGPS would be the appropriate pension scheme for them to join.

EMPLOYMENT TRIBUNAL CLAIM

- 3.5. Whether or not a retained firefighter employed before 6th April opts to join the New Firefighters' Pension Scheme will not prejudice their position in regard to the outcome of the Employment Tribunal reconsideration of the case brought under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations and any option that might become available as a consequence of that reconsideration.

4. SUPPORT FROM DCLG DURING OPTIONS EXERCISE

- 4.1. We will offer advice and support to HR and pension administrators during the period of the exercise, in addition to the guidance and information which will be available on our website. We would also encourage use of the Discussion Forum so that exchanges are given the widest possible circulation. The Forum can be accessed at <http://forum.communities.gov.uk/firepensionsimplementation>
- 4.2. To this end, DCLG have introduced a second firefighters' pension topic relating to the 'options exercise' which will run to the end of March 2007, inviting HR and pension administrators **“to raise and discuss issues that arise when preparing for and during the options exercise”**.
- 4.3. The DCLG Forum is an open access site so that any comments posted on it can be read by anyone who accesses it; however, contributors to any of the discussion threads are required to register online and all comments that are submitted are read by moderators to ensure that they comply with the forum discussion rules before they are placed in the relevant discussion thread.
- 4.4. As previously advised, for firefighters' pension topics, DCLG have decided that only HR and pension administrators should be able to comment. This means that when registering we expect contributors to provide relevant information about their position and contact details. Contributions when posted will not need to identify the person or their authority, this will be a matter for individual choice.

5. RECORDING/REPORTING

5.1. We recommend that authorities should keep records of actions taken in case of any questions being raised at a later stage by firefighters.

5.2. At the conclusion of the Options Exercise, we would be grateful to receive a report using the pro forma at Annex 2.

Yours sincerely



Jim Preston
Policy Manager

**INFORMATION TO BE GIVEN TO FIREFIGHTERS WHEN
THE FIREFIGHTERS' PENSION SCHEME (SCOTLAND) ORDER 2006
COMES INTO FORCE**

In the following notes:

"retained firefighter" means a retained duty system firefighter, a day-crewing firefighter while undertaking retained duties, or a volunteer firefighter;

"NFPS" means the New Firefighters' Pension Scheme (i.e. the 2006 Scheme);

"FPS" means the Firefighters' Pension Scheme (i.e. the 1992 Scheme).

"FCS" means the Firefighters' Compensation Scheme

Where an item is marked [FRA] it means that the document must be written and designed by the Fire and Rescue Authority.

Where an item is marked [DCLG] it means that the Department for Communities and Local Government have a version on their website available for FRAs to download and personalise - see <http://www.communities.gov.uk/index.asp?id=1164954>. These forms will shortly be available on the SPPA website.

1. **All regular firefighters appointed on or after the date the Scheme Order comes into force** should automatically be admitted to the NFPS unless they opt out before taking up their appointment.

With their letter of appointment they should be given a Pension "Starter's Pack" containing-

- a covering letter explaining –
 - automatic admission to the NFPS,
 - the right to opt out,
 - the right to transfer in pension rights from some other pension arrangement within 12 months of first becoming a member,
 - the cover for compensation and injury offered by the Firefighters' Compensation Scheme whether or not they choose to be a member of the NFPS [FRA]
- a copy of the Guide to the NFPS [DCLG]
- a copy of the Guide to the FCS [DCLG]
- an opting-out form [DCLG]
- a New Starter Form/Pensions History Form [FRA]

2. **All retained firefighters appointed on or after the date the Scheme Order comes into force** should automatically be admitted to the NFPS unless they opt out before taking up their appointment.

With their letter of appointment they should be given a Pension "Starter's Pack" containing-

- a covering letter explaining –
 - automatic admission to the NFPS,
 - the right to opt out,
 - the right to transfer in pension rights from some other pension arrangement within 12 months of first becoming a member,
 - the cover for compensation and injury offered by the Firefighters' Compensation Scheme whether or not they choose to be a member of the NFPS [FRA]
- a copy of the Guide to the NFPS [DCLG]
- a copy of the retained firefighters' supplement to the Guide [DCLG]
- a copy of the Guide to the FCS [DCLG]
- an opting-out form [DCLG]
- a New Starter Form/Pensions History Form [FRA]

3. **Those firefighters who are serving on the 1st January 2007** must be contacted as part of the Options Exercise. The Scheme Order will be in force by the end of the Exercise. They can be divided into 5 Groups for the Exercise –

GROUP A: Regular firefighters appointed before 6 April 2006 and who are members of the FPS on the date the order comes into force.

GROUP B: Regular firefighters appointed on or after 6 April 2006

GROUP C: Retained firefighters appointed before 6 April 2006

GROUP D: Retained firefighters appointed on or after 6 April 2006

GROUP E: Regular firefighters who before date the order comes into force had opted out of the FPS and who would be eligible to apply for membership of NFPS

Each member of Groups A to E must receive an Information Pack as follows:

GROUP A INFORMATION PACK

Front cover [DCLG]
Letter to firefighter [DCLG]
Acknowledgement and Decision Form [DCLG]
Guide to NFPS [DCLG]
Comparison Chart [DCLG]
Your Choice leaflet [DCLG]
Personalised statement (FPS to NFPS service credit on transfer) [FRA]
Explanation of personalised statement [DCLG]*
Death Grant Nomination Form [DCLG]
Nominated Partner Form [DCLG]
Pre-paid envelope [FRA]

*This leaflet has been prepared on the basis of the statement which will be produced by the Class-AX/Se system. It will require modification if you operate another system.

GROUP B INFORMATION PACK

Front cover [DCLG]
Letter to firefighter [DCLG]
Guide to NFPS [DCLG]
New Starter Form/Pensions History Form [FRA]
Death Grant Nomination Form [DCLG]
Nominated Partner Form [DCLG]
Opting-out Form [DCLG]
Pre-paid envelope [FRA]

GROUP C INFORMATION PACK

Front cover [DCLG]
Letter to firefighter [DCLG]
Acknowledgement and Decision Form [DCLG]
Guide to NFPS [DCLG]
Retained supplement to Guide to NFPS [DCLG]
New Starter Form/Pensions History Form [FRA]
Death Grant Nomination Form [DCLG]
Nominated Partner Form [DCLG]
Information about in-house Group Personal Pension (if relevant) [FRA]
Pre-paid envelope [FRA]

GROUP D INFORMATION PACK

Front cover [DCLG]
Letter to firefighter [DCLG]
Guide to NFPS [DCLG]
Retained supplement to Guide to NFPS [DCLG]
Opting-out Form [DCLG]
Backdating Form [DCLG]
New Starter Form/Pensions History Form [FRA]
Death Grant Nomination Form [DCLG]
Nominated Partner Form [DCLG]
Pre-paid envelope [FRA]

GROUP E INFORMATION PACK

Letter to firefighter having regard to NFPS Part 2 Rule 6 [FRA]
Guide to NFPS [DCLG]

OPTIONS EXERCISE: FIREFIGHTERS' PENSION SCHEMES

Please complete at the end of the Options Exercise with relevant numbers and return by 30th April 2007 to

Dorothy Hamilton, SPPA, 7 Tweedside Park, Tweedbank, Galashiels TD1 3TE or e-mail
dorothy.hamilton@scotland.gsi.gov.uk

[Complete]..... Fire and Rescue Authority

1. How many option packs were issued in each Group A to E?

A	B	C	D	E

2. How many responses were received in each Group A to E?

A	B	C	D	E

3. How many firefighters in Group A elected to transfer to the NFPS? What did they do with service accrued in the NFPS?

	Age 18 to 29	Age 30 to 39	Age 40 to 49	Age 50 or over
Took deferred benefits in FPS				
Transferred to NFPS				

4. How many firefighters in Groups B and D opted out of the NFPS?

	Age 18 to 29	Age 30 to 39	Age 40 to 49	Age 50 or over
Group B				
Group D				

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5. How many firefighters in Groups C and E opted to join the NFPS?

	Age 18 to 29	Age 30 to 39	Age 40 to 49	Age 50 or over
Group C				
Group E				

SignedDate

Name and post

Contact address

Contact telephone number



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