

Firefighters' Consultees

7 Tweedside Park  
Tweedbank  
GALASHIELS  
TD1 3TE

[www.sppa.gov.uk](http://www.sppa.gov.uk)

Tel: 01896 893000  
Fax: 01896 893214  
firepensionsreform@scotland.gsi.gov.uk

Your ref:  
Our ref:

26 June 2014

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Dear Colleagues

## **Proposals for implementation of the reformed Firefighters' Pension Scheme Scotland with effect from 1 April 2015**

Please find enclosed a consultation on the draft Public Service (Firefighters) Pensions (Scotland) Regulations 2014. The 2014 Regulations make provision for the new Firefighters' Pension Scheme Scotland due to be implemented with effect from 1 April 2015. I would be grateful if you would distribute this letter and attachments as widely as possible.

The Framework Document setting out the terms of the new scheme and a series of Frequently Asked Questions (FAQs) are available on the SPPA's website:

[http://www.sppa.gov.uk/index.php?option=com\\_content&view=article&id=872&Itemid=1559](http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=872&Itemid=1559)

The following documents are attached:

Annex A: Background to the proposed changes  
Annex B: Proposals for Consultation  
Annex C: Link to the draft Regulations  
Annex D: Consultation Response Form

You can respond to this consultation on line via the following link:

[http://www.sppa.gov.uk/index.php?option=com\\_wrapper&view=wrapper&Itemid=1495](http://www.sppa.gov.uk/index.php?option=com_wrapper&view=wrapper&Itemid=1495)

Alternatively you may complete the Consultation Response Form attached at Annex D which can be submitted electronically to [firepensionsreform@scotland.gsi.gov.uk](mailto:firepensionsreform@scotland.gsi.gov.uk) or by post to the following address:

Firefighters' Consultation (2015 Reform)  
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/2014/Firefighters\\_2015\\_reforms\\_response\\_form.doc](http://www.sppa.gov.uk/Documents/Firefighters/Firefighters%20Useful%20Resources/Consultations/2014/Firefighters_2015_reforms_response_form.doc)

The consultation will close on **21 August 2014** 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=716&Itemid=260](http://www.sppa.gov.uk/index.php?option=com_content&view=article&id=716&Itemid=260)

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



Chad Dawtry  
Director of Policy

## **ANNEX A**

### **Background**

In 2010, the UK Government gave a commitment to review the long-term affordability and sustainability of public service pension schemes. Although Scottish Ministers have executive devolved powers to make and amend regulations covering Firefighters' Pension Schemes overall occupational pensions policy remains reserved to the UK Government.

Recommendations made by Lord Hutton of Furness' review of public service pensions were subsequently reflected in the UK Government's Public Service Pensions Act 2013 which provides:

- The end to current final salary pension schemes
- A normal pension age of 60 for firefighters
- Improvements to public sector scheme governance arrangements
- That the reforms must be implemented by April 2015
- Protection against the reforms for scheme members close to retirement

These provisions of the Act must be applied to the main public service schemes in Scotland.

In March 2012, the Minister for Community Safety commenced partnership negotiations to design a reformed Firefighter Pension Scheme for 2015. Those negotiations were required to deliver a new scheme that remained within the set financial cost limits and was a Career Average Revalued Earnings (CARE). Additionally the UK Government's Public Service Pensions Act also required the scheme to have a normal pension age of 60.

The scheme design set out in the framework document differs in two areas from the scheme being introduced by the UK Government. Firstly Scottish Ministers have been able to deliver an improvement on the protections offered to existing Firefighters Pension Scheme (FPS) scheme members. Protections are based on a member's position as at 1 April 2012. Not only will FPS members be provided with full protection if they were within 10 years of age 55 on that date additionally members who on that date were within 10 years of being able to retire on a full pension are also included. The use of both age and age and service conditions also extends to those FPS members who qualify for tapered protection.

Secondly funded by an offset to the scheme's accrual rate the 2015 scheme provides early retirement from age 55 and 56 based on an actuarial reduction from age 60 rather than the later members deferred pension age.

The proposed scheme provides the best possible solution for Scottish firefighters, within the limitations of the current devolved settlement. This has been achieved by the Scottish Government working through ongoing partnership negotiations with firefighter stakeholders. Should further progress on other aspects be made in

negotiations by the UK Government, Scottish Ministers are committed to meeting any resulting improvements to the scheme design.

### Overall Firefighters' Pension Scheme design

- A pension scheme design based on career average re-valued earnings;
- An accrual rate of 1/59.7<sup>th</sup> of pensionable earnings each year
- There will be no cap on how much pension can be accrued
- A revaluation rate of active members' benefits in line with average weekly earnings
- Pensions in and payment and deferred benefits to increase in line with Prices Index (currently CPI)
- Tariffs for the 2015 scheme are likely to provide for lower rates for new recruits, with some tiered progressive increases for middle, high and higher income earners. Any rates introduced by the UK Government will be matched by Scottish Ministers
- Flexible retirement for the scheme's minimum pension age of 55, built around the scheme's Normal Pension Age of 60. Members will be able to take their pension from the scheme's minimum pension age as follows:
  - for all active members who are aged 55 or more at retirement, 2015 scheme benefits taken before Normal Pension Age will be actuarially reduced with reference to the 2015 scheme's Normal Pension Age, rather than the deferred pension age; and
  - all other members will have their 2015 scheme benefits actuarially reduced on a cost neutral basis from the scheme's deferred pension age.
- Scottish Fire and Rescue Service initiated early retirement for members of the 2015 scheme will apply the criteria set out in Part 3, Rule 6 (1) of the New Firefighters' Pension Scheme 2006 for retirements from age 55. The resulting pension will be calculated on the firefighters pension accrued to the date of retirement with any actuarial reduction for the pension being paid before age 60 being met by the Scottish Fire and Rescue Service
- A Normal Pension Age 60 which is set as a result of the UK Government's Public Service Pensions Act 2013. This will be subject to regular review by the UK Government. These UK Government reviews will consider the increasing State Pension Age and any changes to it, alongside evidence from interested parties, including unions and employers. They will consider if the Normal Pension Age of 60 remains relevant, taking account of the economical, efficient and effective management of the fire service, the changing profile of the workforce and the occupational demands of, and fitness standards for, fire-fighting roles
- These regular reviews will be informed by research to be carried out within the auspices of the Firefighters' Pension Committee, which will monitor and collate scheme data and experience. The Scottish Government will closely monitor and where applicable contribute to all research undertaken

- Late retirement factors for members retiring from active service to be actuarially neutral from Normal Pension Age
- A deferred pension age equal to the individuals State Pension Age
- Optional lump sum by commutation at a rate of £12 for every £1 per annum of pension foregone in accordance with HMRC limits and regulations
- Abatement in existing schemes to continue
- Ill-health retirement benefits to be based on the arrangements in the 2006 scheme
- All other ancillary benefits to be based on those contained in the 2006 scheme
- Members re-joining after a period of deferment of less than 5 years can link new service with previous service, as if they had always been an active member
- Members transferring between public service schemes would be treated as having continuous active service

## **ANNEX B**

### **Proposals for Consultation**

#### **Part 1 Preliminary**

This Part establishes the name of both the regulations and the scheme and determines the extent of the regulations.

In this Part:

##### Regulation 1 (Citation and Comment)

- Establishes the name of the regulations and determines the date that they will come into force.

##### Regulation 2 (Establishment of the scheme)

- Establishes the scheme for the payment of pensions and benefits to or in respect of firefighters in Scotland.

##### Regulation 3 (Interpretation)

- Provides the interpretation of the definitions in the regulations

#### **Part 2 Governance**

This Part establishes the Scottish Ministers as the scheme manager for the scheme and for the existing final salary firefighters' pension schemes.

In this Part:

##### Regulation 4 (Scheme Manager)

- Establishes that the Scottish Ministers will be the scheme managers for the scheme and will be responsible for the administration of pensions and other benefits under these regulations.

##### Regulation 5 (Delegation)

- Allows for the Scottish Ministers to delegate any of the functions in the regulations.

##### Regulation 6 (Scheme advisory board:membership)

- Establishes a scheme advisory board

## **Part 3 Scheme Membership**

This Part is split into four chapters which covers different aspects of scheme membership.

### **Chapter 1: Eligibility for active membership**

In this Chapter:

#### Regulation 7 (Scheme Employment)

- Provides a definition of scheme employment used throughout this Part and confirms that a firefighter is in scheme employment if they took up employment with an authority and carried out a certain defined role on joining the scheme or if they are protected under the transitional arrangements.

#### Regulation 8 (Eligible Persons)

- Sets out who is eligible to be an active member of the Firefighters' Pension Scheme 2015

#### Regulation 9 (More than one employment)

- Allows for dual membership of the scheme where a person has more than one contract of employment.

### **Chapter 2: Pensionable service**

#### Regulation 10 (Application of Chapter)

- applies in relation to a continuous period of service in a scheme employment

#### Regulation 11 (Interpretation of Chapter)

- Provides definitions used throughout this Chapter in relation to automatic enrolment and opt outs.

#### Regulation 12 (Automatic enrolment)

- Sets out the situations of automatic enrolment

#### Regulation 13 (Opting into this Scheme)

- Makes provision for a person to opt to become a member of the scheme and the date at which this takes effect.

#### Regulation 14 (Automatic re-enrolment)

- Sets out the situation of automatic re-enrolment

#### Regulation 15 (Opting out of this scheme)

- Allows for a person to opt out of the Firefighters' Pension Scheme 2015

#### Regulation 16 (Opting out before the end of the first 3 months)

- allows for someone to opt out of the scheme and sets out that a person who opts out of the scheme within the first 3 months of employment or being automatically re-enrolled will not have been in pensionable service on that occasion.

#### Regulation 17 (Opting out after the first 3 months)

- describes what happens when a person opts out of the scheme after the first 3 months and the point from which the opt out applies.

### **Chapter 3: Pensionable Pay**

#### Regulation 18 (Pensionable pay)

- this regulation follows the approach in the New Firefighters' Pension Scheme 2006.

#### Regulation 19 (Meaning of "assumed pensionable pay")

- introduces the concept of assumed pensionable pay, which means that a member is protected from the effects of certain types of reductions in pay. The intention is that when pay is reduced in certain circumstances defined in this regulation, the actual contribution amount paid by the employee alters accordingly, but the level of benefit being earned continues as before the pay reduction.

### **Chapter 4: Active and deferred membership**

#### Regulation 20 (Active membership)

- provides a definition of active membership

#### Regulation 21 (Deferred membership)

- sets out when a member becomes a deferred member of the scheme. This covers members who have qualified for potential benefits, have ceased to contribute or to be employed in scheme employment and who are not yet drawing pension.

### **Part 4 Pension Accounts**

Part 4 is split into ten chapters which provides for the establishment of pension accounts for different types of members and the information that should be specified in each account .



## **Chapter 1: Preliminary**

### Regulation 22 (Interpretation)

- provides definitions of terms used throughout this Chapter.

### Regulation 23 (Descriptions of pension)

- this provides for a description of each type of pension used within Part 4.

## **Chapter 2: Calculation of accrued pension**

### Regulation 24 (Calculation of amount of accrued pension for purpose of deferment or full retirement)

- sets out the various elements (including the value of pension earned each year, any transferred in pension, and any added pension purchased) that go to make up a scheme member's accrued pension and will be used to calculate a person's deferred pension and/or full retirement pension.

## **Chapter 3: Calculation of "retirement index adjustment"**

### Regulation 25 (Calculation of "retirement index adjustment")

- sets out how indexation will be applied on a pro rata basis when a scheme member leaves the scheme during the financial year.

### Regulation 26 (Calculation of "retirement PIA index adjustment")

- sets out how this adjustment is to be calculated for amounts of accrued added pension.

### Regulation 27 (Determination of "the age addition")

- makes provision for a member's pension account to be further increased, in line with actuarial guidance, for each year that the member continues to accrue pension in the Firefighters' Pension Scheme 2015 after the age of 60 to reflect that the pension is being taken after the Normal Pension Age. It also provides for a vesting period of one year for those members who join the Firefighters' Pension Scheme 2015 after the age of 59 to qualify for this age addition.

### Regulation 28 (Determination of the "assumed age addition")

- makes provision for a member's pension account, where the member continues to accrue pension in the Firefighters' Pension Scheme 2015 after the age 60, to be increased in the last year before the member leaves the

scheme to reflect that the pension is being taken after Normal Pension Age. It also requires that if a member leaves part way through the year then the increase should be calculated on a pro-rata'd basis.

#### **Chapter 4: Pension accounts: general**

Regulation 29 (Establishment of pension accounts: general)

- requires the scheme manager to establish and maintain one or more pension accounts for each member of this scheme.

Regulation 30 (Closure and adjustment of pension accounts on transfer out or repayment of balance of contributions)

- makes provision for a scheme member's account to be closed if the accrued benefits are transferred to another scheme or if contributions are repaid.

#### **Chapter 5: Active member's account**

Regulation 31 (Application of Chapter)

- sets out certain members who have two or more periods of continuous pensionable service in Chapter 5.

Regulation 32 (Establishment of active member's account)

- explains when a pension account must be established for each active member and specifies that each scheme member may have more than one account.

Regulation 33 (Receipt of a transfer value payment)

- sets out that if a transfer value payment is received from another pension scheme (other than a connected scheme) in relation to an active member of the scheme, that on receipt of payment, the scheme manager must credit the member's account.

Regulation 34 (Receipt of a club transfer value payment)

- sets out that if a transfer value payment is received from another club scheme in relation to an active member of the scheme, that on receipt of payment the scheme manager must credit the member's account with an amount of club transfer earned pension.

Regulation 35 (Amount of pension for a scheme year)

- the regulation has been modified clarifying that there is to be no cap on the amount of pension earned under this scheme.

Regulation 36 (Opening balance, index adjustment and age addition)

- confirms, for each year that an active member's account is open, what each account must specify including the opening balance and index adjustment and age addition if necessary.

Regulation 37 (Ill Health award ceases to be payable)

- makes provision for a pension account to be closed and an active member's account to be re-established where an active member who retired with an ill health award, has their pension withdrawn and returns to pensionable service.

Regulation 38 (Closure of active member's account)

- sets out the process for closing an active member's account.

## **Chapter 6: Added pension account**

Regulation 39 (Establishment of added pension account)

- provides for the establishment of an added pension account, where an active member has elected to purchase added pension

Regulation 40 (Account to specify amount of added pension)

- sets out what the added pension account must specify in the year than an added pension election is made

Regulation 41 (Account to specify opening balance and PIA index adjustment)

- confirms, for each that an active member's added pension account is open, what each account must specify including the opening balance and the index adjustment for the year.

Regulation 42 (Closure and transfer of added pension account)

- sets out the process for the closure and transfer of added pension accounts.

Regulation 43 (Ill-health pension ceases to be payable)

- sets out that an added pension account must be re-established if a person becomes an active member following the cessation of an ill health award.

## **Chapter 7: Deferred member's account**

Regulation 44 (Application of chapter)

- sets out certain members who have two or more periods of continuous pensionable service in Chapter 5.

#### Regulation 45 (Establishment of deferred member's account)

- provides for the establishment of a deferred member's account when an active member becomes a deferred member and specifies that the active membership account should be closed.

#### Regulation 46 (Provisional amount of deferred pension)

- confirms the elements that must be included in the deferred account for each financial year. The pensions increase is applied each year whilst the individual is in deferred membership.

#### Regulation 47 (Account established after ill-health award ceases to be payable)

- makes provision for a deferred account to be re-established where an active or deferred member who retired on ill health, has their pension withdrawn and does not return to pensionable service.

#### Regulation 48 (Closure of deferred member's account after gap in pensionable service not exceeding 5 years)

- makes provision for a scheme member who returns to pensionable service after a break of not more than 5 years. In this case the scheme member's deferred benefits return to the active account and the break in service is re-valued in line with the revaluation rate for active members (ie average weekly earnings). It allows for a member to choose which deferred account is to be closed, if they previously had more than one deferred account. If the member doesn't choose within 3 months of re-entering pensionable service then it will be for the scheme manager to decide.

### **Chapter 8: Full retirement account**

#### Regulation 49 (Establishment of full retirement account)

- provides for the establishment of a pension account when an active member becomes entitled to immediate payment of a full retirement or an ill health award.

#### Regulation 50 (Account to specify amount of full retirement pension)

- sets out what elements must be included in the description of a full retirement pension or a full retirement added pension. Adjustments are made to the account in relation to any early payment of pension, allocation of pension, and lump sum commutation. The age addition will also apply if someone remains in pensionable service more than a month after reaching Normal Pension Age.

## **Chapter 9: Pension accounts for survivor members**

### Regulation 51 (Establishment of survivor member's account)

- provides for the establishment of a pension account where an active member, deferred member, or pensioner member has died and a surviving partner or eligible child is entitled to a pension. A pension account is established for each surviving partner and eligible child.

### Regulation 52 (Amount of pension payable to survivor member)

- sets out that the annual rate of pension payable to a survivor member should be calculated in accordance with the appropriate regulation in Chapter 2 (pensions for surviving partners) or Chapter 3 (pensions for eligible children) of Part 6 (death benefits).

## **Chapter 10: Pension accounts for pension credit members**

### Regulation 53 (Establishment of pension credit member's account)

- sets out that a pension account must be established for each pension credit member and more than one account is permissible.

### Regulation 54 (Other pension accounts)

- The account will be in addition to any other account established if that person is also a member of the scheme in another capacity.

## **Part 5: Retirement benefits**

### **Chapter 1: Interpretation**

#### Regulation 55 (Qualifying service)

- sets out what periods of membership could count as qualifying service and what will not count as qualifying service.
- For transitional members, qualifying service under a previous/existing scheme shall also be included. The policy intention will be to ensure that where there is one type of employment (and therefore one membership) in the existing scheme and one type of employment (and therefore one membership) in the Firefighters' Pension Scheme 2015 then these employments should be linked. However, there may be multiple employments, and therefore multiple memberships in both existing and the Firefighters' Pension Scheme 2015. In these instances, qualifying service should be linked appropriately to those employments that have the most similar characteristics across the two schemes. However, if this is not obvious then it will be for the scheme

member to select which service under the 1992/2006 scheme should be added to the service in the 2015 scheme.

## **Chapter 2: Full retirement benefits**

### Regulation 56 (Entitlement to full retirement benefits)

- sets out the conditions that need to be met for a member to receive immediate payment for life of a full retirement pension (from age 55), and that the claim for this pension must be made to the scheme manager and notice must be given before the date on which the full pension is claimed, in the format determined by the scheme manager. If a person exercises the partial retirement option they will be entitled to a full retirement pension.

### Regulation 57 (Annual rate of full retirement pension (active members and deferred members))

- sets out how the annual rate of a full retirement pension payable to an active member should be calculated.

### Regulation 58 (Early payment reduction)

- makes provision for a reduction to be applied for those active members who choose to take their pension before the Normal Pension Age. The reduction will be calculated from Normal Pension Age for those members who take their pension between the ages of 55 and up to age 60. Deferred members who take their pension before the Deferred Pension Age can do so but the reduction will be calculated from the member's State Pension Age.

### Regulation 59 (Employer initiated retirement)

- makes provision for an authority to pay a retirement pension to an active member who retires early or is dismissed by reason of business efficiency from age 55. The pension paid to the member would not be reduced for early payment.
- If a member is retired on employer initiated grounds then the authority will be required to meet the costs of the early payment of pension under the employer initiated retirement.

## **Chapter 3: Partial Retirement Benefits**

### Regulation 60 (Exercise of partial retirement option)

- allows for active members aged over 55 to exercise a partial retirement option so that if a person has more than one active member account they can exercise the option in respect of some or all of these accounts and can take their full retirement benefits accrued under the Firefighters' Pension Scheme 2015 and commence new active membership of the Firefighters' Pension Scheme 2015. Members who have benefits under the Firefighters' Pension

Scheme 1992 and New Firefighters' Pension Scheme 2006 will not be able to take those benefits accrued under those schemes unless they fully retire from the service to reflect the current provisions of those schemes – the partial retirement option will only apply to benefits in the Firefighters' Pension Scheme 2015.

Regulation 61 (Annual rate of full retirement pension)

- entitles members who exercise the partial retirement option to have immediate payment of their full retirement pension.

#### **Chapter 4: Ill-health benefits**

Regulation 62 (Entitlement to lower tier ill-health pension and higher tier ill-health pension)

- sets out when an active member will be entitled to immediate payment of a lower and higher tier ill health pension. The principles of ill health retirement provisions in the New Firefighters' Pension Scheme 2006 regulations have been carried across to the 2015 Scheme.

Regulation 63 (Annual rate of ill-health awards)

- provides detail on how the lower tier ill health pension and the higher tier ill health pension should be calculated. The lower tier ill health pension will be pension accrued in the 2015 scheme without an actuarial reduction for early payment.
- For those transitional members the intention is that payment of the lower tier ill health pension will be the aggregate of the pension accrued in the Firefighters' Pension Scheme 1992 or the New Firefighters' Pension Scheme 2006 and the pension accrued in the Firefighters' Pension Scheme 2015 up to the point of retirement (i.e. a "two pot approach"). The pension accrued in the Firefighters' Pension Scheme 1992 or New Firefighters' Pension Scheme 2006 will be based on the member's final salary at the point of ill-health retirement, provided that continuity of service (i.e. less than a gap of 5 years in pensionable service) applies. For former Firefighters' Pension Scheme 1992 members, their lower tier ill health pension under that scheme will also be calculated on an element of double accrual which will reflect total pensionable service across both schemes. Further details on the lower tier ill health pension to be calculated for former Firefighters' Pension Scheme 1992 and the New Firefighters' Pension Scheme 2006 members will be set out in the transitional regulations which will be consulted on separately.
- The higher tier ill health pension will be based on a one pot approach under the Firefighters' Pension Scheme 2015. The higher tier ill health pension will be a proportion of the lower tier ill health pension (and for transitional members this will be the sum of lower tier ill health pensions accrued in both

schemes) projected to the Normal Pension Age of 60. Any amount commuted under the lower tier ill health pension will not be taken into account when calculating the higher tier ill health pension.

#### Regulation 64 (Early payment of pension to deferred member)

- makes provision for a deferred pension to be paid early, and without reduction, if the deferred member is incapable of undertaking regular employment due to an incapacity which is expected to last until deferred pension age.

#### Regulation 65 (Review of ill-health award or early payment of pension)

- allows for the scheme manager to consider to review whether a person is still entitled to an ill health award or early payment of a deferred pension if that person has been in receipt of that ill health pension for less than 10 years and is younger than the State Pension Age.

#### Regulation 66 (Consequences of review)

- sets out the consequences of the outcome of the review and the circumstances where entitlement to the payment of the ill health pension shall cease.

### **Chapter 5: Payment of retirement benefits**

#### Regulation 67 (Commencement of pensions)

- sets out when payment of pension will commence in certain circumstances including payment of pensions to active or deferred members and those persons in receipt of an ill-health pension.

#### Regulation 68 (Option to commute part of pension)

- Provides the facility for members to receive a lump sum in lieu of part of their pension. A maximum of quarter of the pension may be commuted, provided that it doesn't exceed the permitted lump sum under the tax legislation at a rate of £12 for every £1 of annual pension given up by the member.

### **Chapter 6: Allocation of part of pension**

#### Regulation 69 (meaning of beneficiary)

- Provides for the meaning of a beneficiary of an allocation election.

#### Regulation 70 (Allocation election)

- Provides for an active or deferred member to elect to allocate up to one third of their annual pension to certain persons as defined and clarifies that the



allocated portion of a member's pension must not exceed that portion of pension retained by the member.

Regulation 71 (Making an allocation election)

- Sets out the procedure to be followed in order for part of a member's pension to be allocated.

Regulation 72 (Effect of allocation)

- Sets out that an allocation will see a member's pension reduced, the limits to apply and how the allocation will be calculated. It also explains that when a beneficiary dies before the pensioner member, the failed allocation pension is paid to the pensioner member.

Regulation 73 (Adjustment of allocated benefit (members who have reached 75))

- Allows for the adjustment of benefits, in certain circumstances, where members die over age 75 to comply with tax legislation.

## **Part 6: Death Benefits**

### **Chapter 1: Interpretation**

Regulation 74 (Meaning of surviving partner)

- provides for a definition of a surviving partner which includes the spouse or civil partner of a member and a co-habiting partner, where certain conditions have been met.

Regulation 75 (Meaning of "initial period")

- provides for a definition of the initial period during which a bereavement pension is payable.

### **Chapter 2: Pensions for surviving partners**

Regulation 76 (Surviving partner's pension payable on death of active member)

- makes provision for half of a higher tier ill health pension to be paid to a surviving partner of an active member.

Regulation 77 (Surviving partner's pension payable on death of deferred member)

- makes provision for half of a deferred member's pension to be paid to their surviving partner.

Regulation 78 (Surviving partner's pension payable on death of pensioner member)

- sets out that half of the pension (after commutation) that a pensioner member was in receipt of will be paid to their surviving partner, and that any reduction previously made will be ignored.

#### Regulation 79 (Bereavement pension: surviving partner)

- makes provision for a bereavement pension to be paid for 13 weeks following the death of an active or pensioner member and should be calculated using the person's pensionable pay or assumed pensionable pay (if applicable) at the date of their death.

#### Regulation 80 (Reduction in pensions in cases of wide age disparity)

- sets out that any pension payable to a surviving partner, who is more than 12 years younger than the member, will be reduced by 2.5% each year up to a maximum of 50% reduction.

### **Chapter 3: Pensions for eligible children**

#### Regulation 81 (Eligible child's pension)

- states that an eligible child's pension and, depending on the member's circumstances, a bereavement pension is to be paid to an eligible child on the death of a member.

#### Regulation 82 (Meaning of "eligible child")

- sets out the meaning of an eligible child

#### Regulation 83 (Eligible child's pension on death of active member)

- makes provision for the specified proportion of half of a higher tier ill health pension to be paid to an eligible child of an active member.

#### Regulation 84 (Eligible child's pension payable on death of a deferred member)

- makes provision for the specified proportion of half of a deferred member's pension to be paid to an eligible child.

#### Regulation 85 (Eligible child's pension payable on death of pensioner member)

- sets out that the specified proportion of half of a pension (after commutation) that a pensioner member was in receipt of will be paid to an eligible child, and that any reduction previously made will be ignored.

#### Regulation 86 (Specified proportion)

- defines a "specified proportion" which is used to divide pension benefits amongst eligible children. Where there is more than one eligible child the

amount will be divided equally amongst the eligible children. However, where there is only one eligible child 25% of the pension will be paid.

Regulation 87 (Increase in eligible child's pension where there is no surviving partner)

- sets out that the amount of an eligible child's pension is increased if at the date of the member's death there is no surviving partner.

Regulation 88 (Increase in eligible child's pension where member was pension debit member)

- sets out that any pension payable to an eligible child shall not be reduced by a pension sharing order if the member's benefits had been reduced due to them being a pension debit member.

Regulation 89 (Bereavement pension: eligible child)

- makes provision for a bereavement pension to be paid for 13 weeks to an eligible child, in the event that there is no surviving partner.

#### **Chapter 4: Lump sum death benefits**

Regulation 90 (Meaning of "final pay")

- provides for a definition of final pay to be used in the calculation of lump sum death benefits. This is the pensionable pay that the member received in the last year or the average pensionable pay over the last three years, whichever is the greater.
- Under the current arrangements for lump sum death benefits in the New Firefighters' Pension Scheme, a member who has suffered a reduction in pay will have their lump sum death benefit calculated on a proportion of their pay before the salary reduction and a proportion of pay after salary reduction. This proportion is based on the length of service that a person has in the scheme. The proposals for the Firefighters' Pension Scheme 2015 are slightly different in that a lump sum death benefit will only take into account a reduction of pay over the last three years before death.

Regulation 91 (Meaning of "annualised final pay")

- provides for a definition of annualised final pay to be used in the calculation of death grant where a member was in service for less than a year.

Regulation 92 (Person to whom lump sum death benefit payable)

- provides that the scheme manager may pay the lump sum death benefit to the member's nominee, personal representatives or person appearing to the scheme manager to have been a relative or dependent of the member.

#### Regulation 93 (Lump sum payable on death of active member)

- sets out that on the death of an active member the lump sum death benefit payable is three times the member's final pay. If a person has more than one active account, a lump sum death benefit is payable in respect of each of these accounts.

#### Regulation 94 (Lump sum payable on death of pensioner member)

- makes provision for the payment of a lump sum to a pensioner member, who is not an active member, who dies within 5 years of the pension coming into payment.

#### Regulation 95 (Lump sum payable on death in certain cases)

- sets out that if a person was a pensioner member and an active member of the scheme then the lump sum payable is the greater of the total amount of lump sum payable on the death of an active member compared with the lump sum payable on the death of a pensioner member.

#### Regulation 96 (Lump sum payable on death of pension credit member)

- gives the power for a lump sum death benefit to be paid in the event that a pension credit member dies before any benefits derived from a pension credit have been payable to him/her.

### **Chapter 5: Payment of death benefits**

#### Regulation 97 (Payment of pensions under this part)

- sets out that a survivor or eligible child's pension is payable from the day after the member's death and the payment arrangements that apply when an eligible child is under 18.

#### Regulation 98 (Dependants' pensions and eligible child's pensions: suspension and recovery)

- makes provision for the scheme manager to recover a pension from a person who has been paid a survivor or eligible child's pension where payment has been made following a false declaration.

#### Regulation 99 (Provisional awards of eligible child's pensions: later adjustments)

- makes provision for a scheme manager to make later adjustments to pensions paid to eligible children where new evidence suggests that the number of eligible children has changed.

#### Regulation 100 (Adjustment of eligible child's awards consequent on re-instatement of pension benefits)

- allows for the adjustment of child's awards in certain circumstances

Regulation 101 (Adjustment of benefits to comply with the Finance Act 2004 where members die over 75)

- allows for the adjustment of benefits, in certain circumstances, where members die over age 75 to enable for the tax legislation to be complied with.

## **Part 7: Benefits for pension credit members**

Regulation 102 (Entitlement to pension credit members' pension)

- sets out the conditions when a pension (or pensions if there is more than one pension credit) may be paid to a pension credit member.

Regulation 103 (Annual rate of pension credit member's pension)

- sets out how the annual rate of the pension credit member's pension is to be calculated.

Regulation 104 (Pension credit member's rights)

- states that pension credit benefits are not to be aggregated with other benefits that are payable to the pension credit member under the Firefighters' Pension Scheme 2015.

Regulation 105 (Commutation of part of pension)

- sets out when a pension credit member is able to commute part of their pension for a lump sum.

## **Part 8: Contributions**

This part is divided into three chapters. Chapter 1 deals with contribution rates payable by members, Chapter 2 makes provision for the deduction and payment of these contributions, while Chapter 3 deals with employer contributions.

### **Chapter 1: Members' contributions**

In this Chapter:

Regulation 106 (Members' contributions)

- The contribution rates have been set by the Department for Communities and Local Government (DCLG) for the English scheme. The rates have still be discussed in Scotland and will be set out in due course.

Regulation 107 (Contributions during absence from work due to illness, injury, trade dispute or authorised absence).

- sets out the contributions to be paid when a member is away from work other than on child-related leave or reserve forces leave, due to an illness or injury, trade dispute or authorised unpaid absence.

Regulation 108 (Contributions during absence from work on reserve forces service leave)

- sets out that the contribution payable when an active member is on reserve forces special leave should be based on the member's assumed pay or where the total of the actual pay received and any amount payable by the authority is less, that amount.

Regulation 109 (Contributions during child related leave)

- sets out the contributions to be paid where a member is on child related leave.

Regulation 110 (Deduction and payment of contributions)

- sets out how contributions are to be paid by the member, including in the circumstances where a member is on reserved forces special leave or has opted to pay contributions while on a period of unpaid leave.

Regulation 111 (Deduction of payments for extra pension under schedule 1)

- sets out that Schedule 1 has effect for the purpose of enabling deductions of payments for added pension.

## **Chapter 2: Refund of member's contributions**

Regulation 112 (Member leaves all pensionable service before qualifying for retirement benefits)

- sets out that a refund of contributions must be made to a person if they leave pensionable service before they have qualified for benefits in respect of that service.

Regulation 113 (Member opts out after automatic re-enrolment date)

- sets out that if a member opts out within 3 months of being automatically re-enrolled in the pension scheme then any contributions made since the period of automatic re-enrolment will be refunded.

## **Chapter 3: Employer's contributions**

Regulation 114 (Employer's contributions)

- sets out that employers will need to pay contributions based on a member's pensionable earnings or, where applicable, based on a member's assumed pensionable pay. The actual employer contribution will not be specified in the

regulations, but the regulations set out that the Scottish Ministers will notify the authority of the employer contribution rate, as determined by the valuation.

Regulation 115 (Employer additional contribution: ill-health award)

- sets out the charges and contributions that an employer will need to make when a member is retired on ill-health grounds.

Regulation 116 (Refund of employer additional contribution for ill health award following review)

- makes provision for contributions to be repaid to the employer, in certain circumstances, following the cessation of a member's higher or lower tier ill health pension.

Regulation 117 (Employer additional contribution: employer initiated retirement)

- sets out the charges and contributions that an employer will need to make when a member is retired through an employer initiated retirement.

## **Part 9: Transfers**

### **Chapter 1: Preliminary**

Regulation 118 (Application of Part)

- sets out that this part supplements the rights detailed by or under Chapter 4 of Part 4 of PSA 1993 (transfer values) and Chapter 5 of that Part (early leavers: cash transfer sums and contribution refunds).

Regulation 119 (Interpretation of Part)

- provides definitions of terms used throughout this part.

### **Chapter 2: Transfers out**

Regulation 120 (Transfer payments made to other schemes or pension arrangements)

- provides the right for a deferred member, to whom the relevant provisions of the Pension Scheme Act 1993 apply and an additional right for a deferred member to whom these provisions do apply, to request the payment of a transfer value in respect of benefits accrued under the Firefighters' Pension Scheme 2015.

Regulation 121 (Application for a statement of entitlement)

- makes provision for active and deferred members who wish for a transfer value payment to be made to apply to the scheme manager for a statement of entitlement.

#### Regulation 122 (Statement of entitlement)

- sets out the specifications the authority must adhere to in the statement of entitlement.

#### Regulation 123 (Request for transfer payment to be made)

- sets out the process to be followed when a member wishes to apply for a transfer value payment.

#### Regulation 124 (Calculating the amount of a transfer value )

- makes provision for an increase to be made to the transfer value where it is paid 6 months after a timescale set out in the Pension Act 1993. It also ensures that the transfer value is no less than a minimum, as defined.

#### Regulation 125 (Effects of transfers-out)

- provides that a member's accrued rights in the Firefighters' Pension Scheme 2015 are extinguished once a transfer has been made.

### **Chapter 3: Transfer in**

#### Regulation 126 (Application of Chapter)

- applies in relation to an active member of this scheme who has accrued rights under another pension scheme.

#### Regulation 127 (Interpretation of Chapter)

- provides for definitions of terms used within this Chapter

#### Regulation 128 (Request for acceptance of a transfer payment)

- provides that an active member may request that the scheme manager accept a transfer payment request.

#### Regulation 129 (Transfer statement)

- sets out the process that a scheme manager should follow before making a transfer payment request.



#### Regulation 130 (Amount of transferred pension)

- sets out that the amount to be transferred in will be calculated in accordance with actuarial guidance.

#### Regulation 131 (Club transfer value statement)

- sets out the process that a scheme manager should follow before making a club transfer payment request.

#### Regulation 132 (Amount of club transfer earned pension)

- sets out that the amount of club transfer earned pension to be credited to an active members account is the amount specified in the club transfer value statement or an amount calculated by the scheme manager in accordance with actuarial guidance.

### **Chapter 4: Transfer of pension account entries to another scheme manager**

#### Regulation 133 (Requirement for scheme manager to provide a certificate)

- makes provision for a scheme manager to provide a certificate to members who have ceased employment with that authority and taken up employment with another authority.

#### Regulation 134 (Request to confirm details on certificate)

- makes provision for a member to ask the scheme manager to confirm the accuracy of a certificate, where the member is dissatisfied with it.

#### Regulation 135 (Appeal concerning entries on the certificate)

- makes provision for a member to appeal to the scheme manager against the entries on the certificate.

#### Regulation 136 (Transfer of pension account entries)

sets out the process to be followed when a member has been provided with a new certificate and the obligations of the new employer and the previous scheme manager in relation to the establishment and closure of pension accounts.

### **Part 10: Actuarial valuations and employer cost cap**

#### Regulation 137 (Appointment of scheme actuary)

- sets out that a scheme actuary must be appointed by the Scottish Ministers to carry out work.

#### Regulation 138 (Actuarial valuations)

- sets out that a scheme actuary must be appointed by the Scottish Ministers to carry out valuations

#### Regulation 139 (Designated person)

- sets out that the scheme manager is responsible for providing the scheme actuary any data that is required in accordance with the Valuations and Cost Cap directions.

#### Regulation 140 (Employer cost cap)

- introduces the employer cost cap

#### Regulation 141 (Implementation date)

- sets out when the implementation date becomes effective

#### Regulation 142 (Procedure for agreeing steps to achieve the target cost)

- makes provision for a procedure for reaching agreement where the costs of the scheme fall at a certain margin (currently 2% as specified in Treasury regulations) above or below the cost cap, so that the costs of the scheme are returned to the level of the employer cost cap.

### **Part 11: Appeals and determinations**

#### **Chapter 1: Determination and role of IQMP**

##### Regulation 143 (Determinations by the scheme manager)

- sets out that the scheme manager must determine whether a person is entitled to an award or to retain an award.

##### Regulation 144 (Role of IQMP in determinations by the scheme manager)

- sets out that the scheme manager must obtain the written medical opinion of an IQMP before determining whether a member is entitled to payment of an ill health award or reviewing payment of the award, unless certain circumstances apply.

##### Regulation 145 (Review of medical opinion)

- sets out the circumstances in which a medical opinion can be reviewed and the process to be followed.

#### **Chapter 2: Appeals to Board of Medical Referees**

##### Regulation 146 (Appeals against determinations based on medical evidence)

- makes provision for a member to appeal against the scheme manager decision on a medical issue and sets out the process to be followed once a decision has been reached.

#### Regulation 147 (Notice of Appeal)

- sets out the timescales in which a member can appeal against the scheme manager's decision on a medical issue and the processes to be followed by the appellant.

#### Regulation 148 (Reference of appeal to the board)

- sets out the process to be followed by the authority, the Scottish Ministers and the board of medical referees once a notice of appeal has been received.

#### Regulation 149 (Procedure where appeal to be pursued)

- makes provision for the procedures to be followed if an appeal is to be pursued.

#### Regulation 150 (The board's report)

- sets out that the Board of Medical Referees should provide a written report to the Scottish Ministers on the board's decision.

#### Regulation 151 (Reconsideration by the board)

- makes provision for the Board of Medical Referees to reconsider its decision where all parties agree that an error of fact has materially affected the board's initial decision.

#### Regulation 152 (Fees and allowances payable to the board)

- makes provision for fees and allowances to be paid to the board.

#### Regulation 153 (Expenses of each party)

- sets out that expenses in relation to an appeal should be borne by each party unless certain provisions in the regulations allow otherwise.

#### Regulation 154 (Notices etc)

- sets out that the appellant is treated as having received any notices under the review and appeals procedures if the documents had been posted, unless this can be proved otherwise.

### **Chapter 3: Appeals on other issues**

#### Regulation 155 (Appeals on other issues)

- makes provision for a member to appeal against the scheme manager's decision, which does not relate to a medical issue.

## **Part 12: Supplementary**

### **Chapter 1: Payment of pensions**

This part provides for supplementary provisions and is separated into 4 chapters. Chapter 1 makes provision for allowing small pensions to be commuted to a lump sum; Chapter 2 deals with forfeiture provisions and sets out when the authority should cease payment of pension benefits; Chapter 3 deals with the payment and deduction of tax; and Chapter 4 deals with general provisions.

#### Regulation 156 (Payment of retirement index adjustment)

- sets out that a retirement index adjustment payable in respect of the last active scheme year does not need to be paid during that year of retirement.

#### Regulation 157 (Recovery of overpayment of benefits)

- sets out the procedure the scheme manager must follow to recover any overpayment of benefits that has occurred as a result of the application of the retirement index adjustment for that year.

#### Regulation 158 (Guaranteed minimum pension)

- sets out the circumstances to apply in terms of pensions payable, and the postponement of pensions, and the interaction with the guaranteed minimum pension.

#### Regulation 159 (Survivor's guaranteed minimum pensions)

- sets out the circumstances to apply in terms of pensions payable to a surviving partner, and the postponement of pensions, and the interaction with the guaranteed minimum pension.

#### Regulation 160 (Commutation of small pensions)

- provides that what would be only very small ongoing pension payments can be commuted into a single lump sum. The regulation cites the various areas of legislation under which this is permitted.

#### Regulation 161 (Payments for persons incapable of managing their affairs)

- sets out that where a person, other than an eligible child, is incapable of managing their affairs then the scheme manager may pay benefits to another person as the authority determines or apply them for the benefit of the person incapacitated.

#### Regulation 162 (Payments due in respect of deceased persons)

- allows for the scheme manager, following the death of a person, to pay to that person's personal representatives, or a beneficiary under the estate, the whole or part of the amount due to them under the scheme, providing that the amounts do not exceed the amounts specified in the Administration of Estates (Small Payments) Act 1965.

Regulation 163 (Limitation on assignment of benefits)

- prevents payment of an award, unless any part of the Firefighters' Pension Scheme 2015 or other over-riding legislation allows otherwise, to anyone else apart from a member of a member's dependant.

## **Chapter 2: Forfeiture**

Regulation 164 (Forfeiture: offences committed by members, surviving partners or eligible children)

- gives the power to a scheme manager to withhold pensions payable under the Firefighters' Pension Scheme 2015 to a member or any person in respect of that member when the member has been convicted of a relevant offence. The regulation sets out the relevant offences that apply and allows for the scheme manager to restore any pension that has been withdrawn, as they see fit.

Regulation 165 (Forfeiture of pensions: offences committed by other persons)

- makes provision for the scheme manager to withhold pensions payable to a survivor or an eligible child, where the survivor or eligible child has been convicted of murder or manslaughter. It also allows for pensions to be reinstated when the conviction has been quashed on appeal.

Regulation 166 (Forfeiture of lump sum death benefit: offences committed by other persons)

- makes provision for the scheme manager to withhold all of a lump sum death benefit payable to a survivor or an eligible child, where the survivor or eligible child has been convicted of a relevant offence. It also allows for all or part of the benefit to be restored when the conviction has been quashed on appeal.

Regulation 167 (Forfeiture: relevant monetary obligations and relevant monetary losses)

- gives the power to the scheme manager to withhold the payment of benefits to a member under the Firefighters' Pension Scheme 2015 if the member owes a relevant monetary obligation or has caused a relevant monetary loss to the authority. The regulation defines relevant monetary obligation or relevant monetary loss. The withholding of benefits will be subject to certain provisions.

#### Regulation 168 (Set-off)

- makes provision for the scheme manager to set off a relevant monetary obligation against a member's entitlement to benefits under this scheme. The regulation defines the types of a relevant monetary obligation. The application of set off will be subject to certain provisions.

#### Regulation 169 (Forfeiture and set off: procedure)

- sets out the procedure that the scheme manager must follow if they propose to withhold benefits or apply a set off.

### **Chapter 3: Payment and deduction of tax**

#### Regulation 170 (Scheme administrator for the purposes of the Finance Act 2004)

- provides for the appointment of the scheme manager as the scheme administrator under the Finance Act 2004.

#### Regulation 171 (Payment on behalf of members of lifetime allowance charge)

- sets out the process to be followed when a member requests a scheme administrator to pay an amount that the member owes in respect of the lifetime allowance charge, under the Finance Act 2004.

#### Regulation 172 (Reduction of benefits where lifetime allowance charge payable)

- allows, where the member hasn't requested a scheme administrator to pay an amount in respect of the lifetime allowance charge, for a scheme administrator to pay an amount that a member owes in respect of the lifetime allowance charge, and for the administrator to reduce the member's benefits.

#### Regulation 173 (Information about payment of annual allowance charge)

- sets out the process that the scheme manager must take to notify a member where the member's pension accrued for that year exceeds the annual allowance for that year.

#### Regulation 174 (Reduction of benefits where annual allowance charge paid by scheme manager)

- sets out the process to be followed by the scheme manager where the member has given valid notice to the scheme manager of joint and several liability for an annual allowance charge, the scheme manager has paid the charge and must reduce the benefits payable to the member under the pension scheme.

## Chapter 4: General

### Regulation 175 (Calculation of periods of membership and service)

- sets out how periods of membership and service are to be expressed and calculated.

### Regulation 176 (Annual benefit information statements)

- sets out that a scheme manager must provide annual benefit statements to each member before 31 August each year and that active members' statements should be provided in accordance with the Public Service Pensions Act 2013. HM Treasury will be making directions under that Act which set out the information which should be provided.

### Regulation 177 (Evidence of entitlement)

- provides powers allowing the scheme manager to request evidence from a scheme manager who is in receipt of benefits to ensure that that member is still eligible for those benefits.

### Regulation 178 (Information to be provided to a member before reserve forces service leave)

- sets out the information that must be provided to a member by a scheme manager before they go on a period of reserve forces special leave.

Those firefighters who are members of the reserve forces may be both members of the Firefighters' Pension Scheme 2015 and also the Armed Forces Pension Scheme 2015. However, pension benefits will not be able to accrue in both schemes simultaneously in respect of the same service.

If a firefighter reservist is only a member of the Firefighters' Pension Scheme 2015 then during a period of reserve forces service leave, this person will continue to accrue pension benefits under the Firefighters' Pension Scheme 2015. However, if the Ministry of Defence is paying the salary of that person during the period of reserve forces service leave then it will be for the Ministry of Defence to pay the employer contribution rate for the 2015 scheme. The scheme manager will need to provide the member with certain scheme information so that this can be passed to the Ministry of Defence in order that they can make the necessary arrangements to pay the contributions.

If a firefighter is both a member of the Firefighters' Pension Scheme 2015 and the Armed Forces Pension Scheme 2015 then during a period of reserve special forces this person will only accrue benefits under the Armed Forces Pension Scheme 2015. No contributions will be payable to the Firefighters' Pension Scheme 2015 during that period, although that person will continue to be an active member of that scheme.

### Regulation 179 (Transitional provisions)

- gives effect to Schedule 2 which sets out how transitional provisions apply to members of the existing firefighters' pension schemes in relation to membership of the Firefighters' Pension Scheme 2015.

## **Schedule 1: Contributions for added pension**

This Schedule provides for members to purchase an amount of added pension and the limits that will apply. Part 1 provides for definitions of terms used within this Schedule. Chapter 1 of Part 2 sets out the process that needs to be followed by the member in order to exercise this option. Chapter 2 of Part 2 sets out the process to be followed where a member elects to purchase added pension contributions by periodical contributions and Chapter 3 the process where the member elects to purchase through a lump sum.

### **Part 1: Interpretation**

#### Paragraph 1 (Interpretation)

- provides for an interpretation of the terms used throughout this schedule.

#### Paragraph 2 (Meaning of "overall amount of extra pension")

- provides for the meaning of amount of added pension.

#### Paragraph 3 (Limit on elections)

- sets out that an added pension election can not be made if it would exceed the overall amount of extra pension.

#### Paragraph 4 (Amount of accrued added pension may not exceed overall amount of extra pension)

- sets out that the amount of added pension in all of the active member's accounts must not exceed the limit on added pension.

#### Paragraph 5 (Actuarial advice)

- sets out that the scheme manager must have regard to actuarial guidance before determining amounts under this schedule.



## **Part 2 – Payments for added pension**

### **Chapter 1: Exercising the added pension election**

Paragraph 6 (Added pension election exercisable by member)

- provides that active members may elect to pay additional pension contributions, through periodical payments or lump sum arrangements, to increase their retirement and death benefits.

### **Chapter 2: Periodical payments for added pension**

Paragraph 7 (Application of Chapter)

- sets out that Chapter 2 relates to members who purchase added pension by periodical payments.

Paragraph 8 (Member's election to make periodical payments for added pension)

- sets out what the election notice for a member to pay added pension contributions by periodical payments should include. Members will have the choice to purchase via a fixed amount or a percentage of their pensionable earnings.

Paragraph 9 (Periodical payments)

- makes provision for periodical payments to be made by deductions from a member's earnings, and sets out when payments should commence, or by an alternative method as agreed with the scheme manager.

Paragraph 10 (Discontinuance of periodical payments)

- allows for periodical payments to cease if the member chooses

Paragraph 11 (Periodical payments during periods of assumed pensionable pay)

- sets out the contributions to be paid when a member is on a period of assumed pay or reduced pay and only allows members to pay contributions on their actual pay when they are on statutory maternity pay or on paid ordinary maternity leave, paid ordinary adoption leave or paid paternity leave.

Paragraph 12 (Amount of added pension for a scheme year)

- sets out that the amount of added pension to be credited to an active members account each year will be determined by the scheme manager, using actuarial guidance.

## **Chapter 3: Lump sum payments for added pension**

### Paragraph 13 (Application of Chapter)

- sets out that Chapter 3 relates to members who purchase added pension by lump sum

### Paragraph 14 (Member's election to make a lump sum payment for added pension)

- requires the member to specify the amount of the lump sum notice of election and provides that if this sum is not paid within 3 months the notice of election is void.

### Paragraph 15 (Amount of added pension to be credited to added pension account)

- sets out that the amount of added pension to be credited to an added pension account will be determined by the scheme manager, using actuarial guidance.

## **Schedule 2: Transitional provisions**

### **Part 1: General**

This schedule has three parts. Part 1 provides for definitions of terms used within this schedule, including definitions of active members of an existing scheme, persons who were eligible to be active members of existing schemes and continuity of service. Part 2 explains the definition of a full protection member and sets out that while a person is a full protection member they are not eligible to be a member of the Firefighters' Pension Scheme 2015. Part 3 provides for a definition of tapered protection members and sets out that while a person is a tapered protection member they are not eligible to be a member of the Firefighters' Pension Scheme 2015.

#### Paragraph 1 (Interpretation)

- provides for an interpretation of the terms used throughout this schedule.

#### Paragraph 2 (Meaning of "tapered protection closing date")

- sets out the closing date for a tapered protection member of an existing scheme.

#### Paragraph 3 (Meaning of "eligible to be an active member" of the NFPS)

- provides for the meaning of "eligible to be an active member" of the New Firefighters' Pension Scheme 2006. This will be a person, at a given date, who is not an active member of the New Firefighters' Pension Scheme 2006 but was eligible to be an active member of the New Firefighters' Pension Scheme 2006, or was on a gap in pensionable service of less than 5 years. The regulation also defines when a person, who is eligible to be a member of

the New Firefighters' Pension Scheme 2006 at 31 March 2015, ceases to be an eligible member of that scheme.

#### Paragraph 4 (Active membership of an existing scheme)

- provides for the meaning of an active member of an existing scheme. This will be a person, at a given date, who is an active member of the Firefighters' Pension Scheme 1992 or the New Firefighters' Pension Scheme 2006, or was on a gap in pensionable service of less than 5 years. The regulation also defines when a person, who is an active member of an existing scheme, ceases to be an active member of that scheme.

#### Paragraph 5 (Active membership of an existing public body pension scheme)

- provides for the meaning of an active member of an existing public service scheme. This will be a person, at a given date, who is an active member of that scheme, or was on a gap in pensionable service of less than 5 years.

#### Paragraph 6 (Active membership of an existing public body pension scheme)

- provides for the meaning of an active member of an existing public body pension scheme. This will be a person, at a given date, who is an active member of that scheme, or was on a gap in pensionable service of less than 5 years.

#### Paragraph 7 (Continuity of service)

- sets out that a transition member (a person who has membership of an existing scheme and membership of the Firefighters' Pension Scheme 2015) will have continuity of service unless they have a gap in pensionable service which is greater than 5 years.

#### Paragraph 8 (Transition members without continuity of service)

- sets out that a transition member ( a person who has membership of an existing scheme and membership of the Firefighters' Pension Scheme 2015 will become an active member of this scheme when the person re-enters pensionable service on or after the transition date.

### **Part 2: Exceptions for full protection members of the existing scheme**

#### Paragraph 9 (Meaning of "full protection member" (an existing scheme))

- provides for the meaning of a full protection member of an existing scheme. Where a person was an active member of the Firefighters' Pension Scheme 1992 and an active member, or eligible to be a member, of the New Firefighters' Pension Scheme on 31 March 2012 and 31 March 2015, and would have reached Normal Pension Age as defined in the existing schemes (55 for the Firefighters' Pension Scheme 1992 and 60 for the New

Firefighters' Pension Scheme 2006) before 2 April 2022 then that person will be a full protection member. The paragraph also sets out when a person ceases to be a full protection member.

Paragraphs 10, 11 and 12 (Active member of an existing scheme, existing public service scheme and existing public body pension scheme)

- sets out that someone who is fully protected in their existing public service scheme or an existing public body pension scheme, transfers to the fire service, and would meet the criteria for full protection in the New Firefighters' Pension Scheme 2006 would continue to be a full protection member.

Paragraph 13 (Exception for full protection member during protection period)

- sets out the protection period for a full protection member, and gives the power for pensionable service to continue under an existing scheme during that protection period.

Paragraph 14 (Full protection member not eligible to join this scheme)

- sets out that while a person is a full protection member they are not eligible to join the Firefighters' Pension Scheme 2015.

### **Part 3: Exceptions for tapered protection members of the existing scheme**

Paragraph 15 (Meaning of "tapered protection member")

- provides for the meaning of a tapered protection member. Where a person was an active member of the Firefighters' Pension Scheme 1992 and an active member, or eligible to be a member of the New Firefighters' Pension Scheme 2006 on 31 March 2012 and 31 March 2015, and would have reached Normal Pension Age as defined in the existing schemes between 2 April 2022 and 31 March 2026 (inclusive) then that person will be a tapered protection member. The regulation also sets out when a person ceases to be a tapered protection member.

Paragraphs 16, 17 and 18 (Active member of an existing scheme, existing public service scheme and existing public body scheme).

- sets out that someone who has tapered protection in their existing scheme, existing public service scheme and existing public body scheme, transfers to the fire service, and would meet the criteria for tapered protection in the New Firefighters' Pension Scheme 2006 would continue to be a tapered protection member.

Paragraph 19 (Exception for tapered protection members during protection period)

- sets out the protection period for a tapered protection member and gives the power for pensionable service to continue under an existing scheme during that protection period.

Paragraph 20 (Tapered protection member not eligible to join this scheme)

- sets out that while a person is a tapered protection member they are not eligible to join the Firefighters' Pension Scheme 2015.

## **ANNEX C**

The Public Service (Firefighters) Pensions (Scotland) Regulations 2014

As these regulations run to approximately 86 pages, please see link below to the Firefighters' consultation page of the SPPA website.

[http://www.sppa.gov.uk/Documents/Firefighters/Firefighters%20Useful%20Resources/Consultations/2014/The Public Service \(Firefighters\) Pensions \(Scotland\) Regulations 2014.pdf](http://www.sppa.gov.uk/Documents/Firefighters/Firefighters%20Useful%20Resources/Consultations/2014/The%20Public%20Service%20(Firefighters)%20Pensions%20(Scotland)%20Regulations%202014.pdf)

## ANNEX D

### CONSULTATION RESPONSE FORM - FIREFIGHTERS' PENSION SCHEME SCOTLAND 2015. CONSULTATION ON DRAFT REGULATIONS –The Public Service (Firefighters) Pensions (Scotland) Regulations 2014.

#### 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*

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

**(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: .....*

**(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 (old scheme)
- as a member of the 2006 scheme (new scheme)
- on behalf of an Employer Organisation
- on behalf of a Trade Union/Staff Association
- other (please specify)

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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)

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What is your working pattern?

I work part-time

I work full- time

Not applicable

## CONSULTATION QUESTIONS

Question 1: Do the draft regulations meet the design parameters of the Firefighters' Pension Scheme as set out in the Firefighters' Pension Scheme Scotland 2015 Framework document?

Yes

No

Comments:

Question 2: Do the benefits (including the ill-health retirement benefits and other ancillary benefits) in the draft regulations sufficiently match those in the New Firefighters' Pension Scheme 2006, with sufficient adaptations for a career average revaluation earnings arrangement?

Yes

No

Comments:

Question 3: Do the proposals for the employer additional contributions for ill health awards and the employer additional contributions for a member who has been “employer initiated retired” sufficiently match the existing arrangements in the New Firefighters’ Pension Scheme 2006?

**Yes**

**No**

Comments:

Question 4: Are the benefits for part-time, retained and volunteer firefighters in line with the benefits for these firefighters as contained in the New Firefighters' Pension Scheme 2006?

**Yes**

**No**

Comments:

Question 5: Can you foresee any administrative challenges with the draft regulations?

Yes

No

Comments:

Question 6: Can you foresee any challenges with the proposals for the procedure for ensuring the cost of the scheme is returned to the level of the cost cap as set out at regulation 152?

Yes

No

Comments:

Question 7: Do you consider that there are any equality issues, which will result in individual groups being disproportionately affected by the reforms? If so, what do you consider to be the nature and scale of that disproportionate effect?

**Yes**

**No**

Comments:

**Other comments: please use this space to provide any further comments.**

**Yes**

**No**

Comments:

Please e-mail your response to [firepensionsreform@scotland.gsi.gov.uk](mailto:firepensionsreform@scotland.gsi.gov.uk)

or

Please post your response to:

Firefighters' Pension reform (2015) Consultation  
Policy Branch  
SPPA  
7 Tweedside Park  
Tweedbank  
Galashiels  
TD1 3TE

The closing date for this consultation is 21 August 2014.