

FIREFIGHTERS' PENSION SCHEME

REPORT ON THE CONSULTATION ON THE FIREFIGHTERS' PENSIONS (SCOTLAND) (AMENDMENT) REGULATIONS 2025

1. Purpose

1.1 The purpose of this paper is to provide a summary of the feedback received to the Scottish Government's consultation on proposals for amending the Firefighters' Pension Scheme (Scotland) 2015 Regulations. The draft statutory instrument sought to amend regulation 110, to revise the member contribution rates structure to achieve the yield of 13.2% using actual pensionable pay.

1.2 The change will be effective from 1 July 2025.

2. Change to the Member Contribution Rate

2.1 A scheme valuation determines the appropriate employer contribution rate over an implementation period in order to meet future liabilities. In carrying out the latest Firefighters' Pension Scheme (Scotland) valuation as at 31 March 2020, the Government Actuary's Department identified that maintaining the existing employee contribution rates would not deliver the target member contribution yield over the period 2024 to 2027.

2.2 The target yield is 13.2% of pensionable pay, as set out in the scheme design framework. This target yield is consistent with the equivalent schemes in both England and Wales. The current tiered rates approach for the 2015 scheme were set in 2015 and was originally set to reflect the blend of membership across that scheme and the 1992 and 2006 schemes. The 1992 and 2006 schemes closed on 31 March 2022 with all active firefighters moving to the 2015 scheme. The current 2015 scheme contribution structure does not by itself deliver the target yield.

2.3 In consultation with the Firefighters' Pension Scheme (Scotland) Advisory Board (SAB), which comprises representatives of members and the employer, it was agreed that the delivery of the expected yield is fundamental to the scheme's sustainability

2.4 This amendment revises the member contribution rates structure to achieve a yield of 13.2% and will use actual pensionable pay. Previously rates were applied using whole time equivalent pensionable pay. The new rates will be:

	Actual Pay	Rate
Band 1	£0 to £35,000	11.73%
Band 2	£35,001 to £55,000	13.63%
Band 3	£55,001 to £142,500	14.23%
Band 4	£142,501 +	15.23%
	Yield (2025-2027)	13.20%

3. Data Protection Statement

3.1 The Scottish Public Pensions Agency (SPPA) is an executive Agency of the Scottish Government and forms part of the legal entity of the Scottish Ministers (Framework Document).

3.2 This framework of statutory powers and responsibilities, as agreed with the Scottish Ministers, enables SPPA to undertake the role of data controller for the processing of personal data including consultation responses. Responses are seen in full by SPPA staff dealing with the issues which this consultation is about or planning future consultations.

3.3 The process allows informed decisions to be made about how SPPA exercises its public function.

3.4 In order to show that the consultation was carried out properly, the SPPA is publishing this summary of the responses. Although we have not published any responses in full, we reserve the right to do so at a later date if necessary. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the full response except where respondents have expressly stated that they do not want their personal details published. In these cases, we will redact them before publishing.

3.5 You should also be aware of our responsibilities under Freedom of Information legislation.

3.6 If your details are published as part of a consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by SPPA will be kept for no more than three years.

3.7 Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'

- to (in certain circumstances) data portability
- to lodge a complaint with the Information Commissioner's Office (ICO) who is the independent regulator for data protection

3.8 For further details about the information the SPPA holds and its use, or if you want to exercise your rights under the GDPR, please refer to our Privacy Policy in the first instance or contact:

Agency Data Protection Officer
Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
GALASHIELS
TD1 3TE

Tel: 01896 892 469

Website: <https://pensions.gov.scot/>

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: [Information Commissioner's Office \(ICO\)](#)

4. Consultation process

4.1 The Scottish Government consultation document was issued by email to stakeholders on 21 February 2025 and ran from 21 February 2025 to 18 April 2025. The documentation was also published on the SPPA's website. Hard copies of the consultation were available on request.

5. Analysis of responses

5.1 The consultation invited comments on the proposed amendments. The main themes from the comments are summarised in part 6. There were four responses to the consultation.

Respondents can be broken down as follows:

Respondents
Staff side representatives (2)
The Fire Officers' Association Fire Brigade Union
Employer Representatives (1) Scottish Fire & Rescue (SFRS)
Individual Response from Firefighter (1)

6. Summary of Responses

Question 1 - Do you agree to the approach being taken to amend the employee contribution rate - to set contributions in line with actual pay?.

6.1 The majority of respondents accepted that, whilst they would prefer there not to be an increase, the move to actual pay was the preferred approach as it is fairer for part time workers, who previously were required to pay proportionally more than their full time counterparts.

6.2 One respondent did not agree with the proposal as the move to actual pay would have a greater impact on whole-time middle and higher earners.

Scottish Government Response to Question 1

The Scottish Government thanks respondents for all of the comments received to this question. Whilst the move to actual pensionable pay will result in a slight increase in the rate payable by middle and higher earners, the Scottish Government believes this change will be fairer for the workforce as a whole. The former position of rates being assessed on whole time pay were relevant in a final salary scheme (where a pension is calculated based on the whole time pay), which also applied to those firefighters who transitioned into the 2015 scheme after the reforms.

Q2. Do you agree to the proposed approach to index contribution bands in line with pay awards commencing from 1 July 2025 to ensure the yield continues to be met, avoiding future misalignment? Could the timing of pay awards impact on this proposal?

6.3 The majority of respondents agreed with the approach to index contribution bands in line with pay awards, however, they did recognise that the timings of the pay award announcements could have an impact on this proposal and backdated adjustments would be required.

6.4 One respondent was against this approach as they felt since the rate had not been increased since 2018 the new rates and future increases due to pay awards would result in current members paying for previous shortfalls.

Scottish Government Response to Question 2

The Scottish Government thanks respondents for all of the comments received to this question. The proposed changes to amend the contribution rates structure and use actual pensionable pay is to ensure the member contribution yield is met in the future and does not take into account historical shortfalls in member contributions received. The government acknowledges the complications which may arise due to the timings of annual pay awards but believes indexing contribution bands in line with annual pay awards will ensure members remain in the band intended by these amendments.

Q3. Do you agree to the approach being taken to amend the employee contribution rate to maintain a tiered structure in order to meet the required yield of 13.2%?

6.5 The majority of respondents agreed that the employee contribution rates in the tiered structure would need to be amended in order to meet the required yield of 13.2%. Two respondents did support the use of the tiered approach as it protects lower earners and encourages lower earners to participate in the scheme. One member also commented that middle and higher earners would benefit from greater tax relief on pension contributions. One respondent also identified that some members in higher ranks, who receive certain allowances, may as a result be moved into a higher band.

6.6 One respondent did not support the approach as felt their own

pension contributions would substantially increase and that a flat rate approach would be fairer and preferable.

Scottish Government Response to Question 3

The Scottish Government thanks respondents for all of the comments received to this question. The Scottish Government agrees that the member contribution rates will need to be amended to meet the target member contribution yield, as agreed in 2015, of 13.2%. The tiered approach will encourage lower earners to participate in the scheme. SPPA acknowledges the point that lower earners will pay proportionately less than middle and higher earners, but the latter do in some cases benefit from the higher pension tax relief provided for those in higher tax bands.

7 Conclusion

7.1 The Scottish Government has considered the responses to the consultation on the prospective legislation contained in the draft presented and are content to proceed. Regulations will be laid in the Scottish Parliament on 15 May 2025.

7.2 The new amended member contribution rates structure using actual pensionable pay will be effective from 1 July 2025.

Scottish Public Pensions Agency
An Agency of the Scottish Government
15 May 2025