

## **FIREFIGHTERS' PENSION COMMITTEE**

### **NOTE OF THE 12TH MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD ON 10 MARCH AT ELAND HOUSE, BRESSENDEN PLACE, LONDON**

#### **1. Introduction**

- 1.1 The Chairman welcomed everyone to the meeting and advised members that this would be Dennis Musgrave's last meeting before he retires. All members conveyed their best wishes to Dennis. Matt Wrack from the FBU introduced Julie Shuttleworth from Thompson's solicitors.

#### **2. Minutes of the 11th FPC meeting**

- 2.1 The minutes of the last meeting were agreed.

#### **3. Matters arising from the 11th FPC meeting - FPC(06)8**

- 3.1 *Retained Firefighters' Appeal* : Matt Wrack noted that the FBU was pleased with House of Lords judgement on the retained firefighters' appeal and suggested that this would represent a steer for the Employment Tribunal. He asked the Chairman whether ODPM would reconsider their position.
- 3.2 The Chairman responded by saying that ODPM was currently considering the implications of the case and were taking legal advice. ODPM would also be holding discussions with the LG Employers to discuss the position.
- 3.3 Derek Chadbon from RFU asked the Chairman whether the outcome from the appeal would apply to all retained firefighters or specifically to those who had submitted applications. The Chairman gave his assurance that any decisions would apply to all retained firefighters.
- 3.4 *Compensation for accidents on travelling*: The Chairman advised members that the drafting instructions had been amended so that the Firefighters' Compensation Scheme would provide for firefighters who were injured "on duty". This terminology would not impose any restrictions and it would be for the Fire and Rescue Authority to interpret what activities were considered on and off duty.

#### **4. New Firefighters' Pension Scheme : Update - FPC(06)9**

- 4.1 The Chairman introduced paper FPC(06)9 which provided an update on the NFPS. He explained that the paper included draft guidance for new entrants to the NFPS and also outlined the interim arrangements for regular firefighters recruited between 6 April 2006 and the time the NFPS order comes into operation. Ministers had agreed to these arrangements and an amendment to the FPS was being drafted. Members were invited to comment on the paper and accompanying draft order by Friday 17<sup>th</sup> March.

**ACTION:** Members to submit any comments on guidance attached to paper FPC(06)9 by Friday 17th March.

- 4.2 Matt Wrack welcomed the guidance and confirmed that the FBU intended to submit comments.
- 4.3 Glyn Morgan from FOA questioned whether ODPM still intended to have a commutation factor of 12 to 1 for the new pension scheme.
- 4.4 The Chairman said that HM Treasury had agreed to a 12 to 1 commutation factor for all public sector pension schemes and that there was no flexibility to increase this.
- 4.5 Matt Wrack from FBU said that he would expect commutation factors to be greater for pension schemes that had a normal pension age of 60 than those that had a normal pension age of 65. He argued that commutation factors should be higher for those who had the option of retiring earlier.
- 4.6 The Chairman noted that 12:1 was consistent with the factors for the FPS at age 60. He confirmed that ODPM would check to ensure that the commutation factor of 12 to 1 was consistent for pension schemes with normal pension ages of 60 and 65.

**ACTION:** ODPM to check that commutation factors are consistent for public pensions with normal pension ages of 60 and 65.

## **5. Firefighters' Pension Scheme : Amendments - FPC(06)10**

- 5.1 The FBU highlighted their continued concern that members could not be upgraded from a lower tier to an upper tier ill-health award if it was determined that their health had deteriorated. They argued that this was unfair as FRAs were able to downgrade cases where the member's health had improved.
- 5.2 The Chairman explained that ill-health retirements are not linked to the duties of a firefighter and therefore when a member has been awarded a lower tier ill-health pension, and whose health subsequently deteriorates, the (future) liability is transferred to the new employer. It is irrelevant whether or not the member had acquired new employment, the pension scheme would still not be liable as the lower tier ill-health award is based on the member's ability to get regular employment. He pointed out that a person who received an injury would not be affected by the change as this would provide a top up covering the difference between the lower and upper tiers. Compensation awards for duty related injuries can be reviewed and the level of award can be increased or decreased accordingly.
- 5.3 The Chairman agreed to note the FBU's concerns and bring them to the attention of Ministers.
- 5.4 Members were advised that because of the tax simplification changes the amendment order would need to be made as soon as possible. The Chairman apologised for the short time frame and invited members to submit any comments by Friday 24th March.

ODPM would issue a circular early next week advising FRAs of the amendments.

**ACTION:** Members to submit any comments on paper FPC(06)10 by Friday 24th March.

**ACTION:** ODPM to issue circular advising FRAs of the FPS amendments.

## **6 Firefighters' Compensation Scheme - FPC(06)11**

6.1 The Chairman introduced paper FPC(06)11 which included the draft order for the Firefighters' Compensation Scheme Order 2006. He explained that this process was no more than lifting the compensation provisions as they exist in the FPS and placing them in a separate scheme of their own. The compensation awards for death or permanent incapacity while on duty currently in the Grey Book would be incorporated into the Compensation Scheme.

6.2 Members were advised that the timetable of the Firefighters' Compensation Scheme would be similar to that of the FPS amendment order. Members were invited to submit any comments on paper FPC(06)11 by Friday 24th March.

**ACTION:** Members to submit any comments on paper FPC(06)11 by Friday 24th March.

6.3 The FBU expressed their frustration at the length of time taken to get sight of the Firefighters' Compensation Scheme Order. Matt Wrack enquired as to whether any details could be given regarding the proposed future amendments to the compensation provisions.

6.4 The Chairman assured members that when clearance had been received from HM Treasury, ODPM would publish the consultation paper and it was hoped to be able to do this in late spring/early summer. Once published, there will be a three month consultation period after which Ministers would consider the proposals. A new scheme order would then be prepared.

6.5 Fred Walker from LGA wished the FPC to note that whilst central government was underwriting the cost liabilities of the FPS, FRAs remained liable for costs associated with compensation awards.

## **7 Any Other Business**

7.1 The FBU made reference to the significant reduction in the number of ill-health retirements within the Fire and Rescue Service as a whole. They questioned whether ODPM had considered the corresponding reduction in costs and its impact when calculating the overall cost of the FPS.

7.2 The Chairman agreed that this issue would need to be considered. ODPM would want to see the latest ill-health retirement figures which should be published in August/September '06 in order to determine whether the downward trend was continuing. Ministers would not want

to make decisions on data unless it was gathered over a wider time frame. The next valuation of the scheme was due in 2008/9.

## **8 Dates of Future Meetings**

12 April 2006

17 May 2006

13 June 2006

19 July 2006

16 August 2006

21 September 2006

***ODPM***

***March 2006***

## 12<sup>th</sup> Meeting of the Firefighters' Pension Committee

### Attendees

Martin Hill(Chairman)	ODPM
Andy Boorman	ODPM
Jean Archer	ODPM
Maggie Smith	ODPM
Nitin Bhayani	ODPM
Anthony Mooney (Secretary)	ODPM
Eunice Heaney	ODPM (Consultant)
Jim Preston	SPPA
Karen Bradley	Scottish Executive
Bertie Kennedy	DHSSPSNI
Ken Gibson	NIFS
Jason Pollard	Welsh Assembly
Fred Walker	LGA
Ray Jennings	LGA
Dennis Musgrave	LGA
Paul Woolstenholmes	FBU
Matt Wrack	FBU
Tam Mitchell	FBU
Julie Shuttleworth	FBU(Thompson's Solicitors)
Derek Chadbon	RFU
Ian Hayton	CFOA
Glyn Morgan	FOA

### Apologies

Will Davies	ALAMA
Andy Dark	FBU
Des Prichard	APFO