

NEW FIREFIGHTERS' PENSION SCHEME (NFPS): TRANSFERS BETWEEN ENGLISH AUTHORITIES

- 1.1 Since the introduction of the new financing arrangements for firefighter pensions in April 2006, there has been no requirement to pay a transfer value when a firefighter transfers between English Fire and Rescue Authorities (FRA). Under the arrangements the former FRA supplies the new FRA with a certificate of pensionable service and the new FRA credits the firefighter with the service shown in the certificate.
- 1.2 In the NFPS Order, the rule which provides for transfers between English FRAs (Part 12, Chapter 4, Rule 12) currently includes a pre-condition which requires the firefighter not to have had a break in service. This is incorrect as it could be interpreted that when a firefighter leaves an English FRA and subsequently joins another English FRA after a break in service, a transfer value should be paid in the same way as a transfer value is paid when a firefighter transfers to a Scottish, Welsh or Northern Ireland FRAs. This was not the intention.
- 1.3 We intend to make a correction and remove from Rule 12(1)(b) the words "without a break in service" in the next round of amendments to the NFPS. In the meantime, it should be disregarded and we suggest that when there has been a break in service, the former authority, upon request, should supply the new authority with a certificate not later than six months after the commencement date of the new employment.

ARRANGEMENTS TO RECOVER NATIONAL INSURANCE CONTRIBUTIONS PAID ON EARNINGS WHERE RETAINED AND VOLUNTEER FIREFIGHTERS HAVE BACKDATED THEIR MEMBERSHIP IN THE NFPS TO APRIL 2006

- 2.1 The legislation setting out the terms and provisions of the New Firefighters' Pension Scheme (NFPS) came into force on 25th January 2007 and had retrospective effect from 6th April 2006. Regular firefighters recruited after 5th April 2006 were given temporary membership of the FPS 1992 scheme and automatically transferred into the NFPS during the 'Options Exercise' in January 2007. As the FPS 1992 is a Contracted-Out Scheme it is expected that those firefighters who were given temporary membership and their FRAs would have paid the correct National Insurance contributions (NICs).
- 2.2 Retained and volunteer firefighters did not have an opportunity to join the NFPS until January 2007 when the options exercise was launched but they were given an opportunity to backdate their membership to 6th April 2006 or to the date of their recruitment, whichever was later. As the NFPS was in the process of obtaining its contracted-out status at the time of the options exercise it is likely that those volunteer and retained firefighters who chose to backdate their membership would have paid higher employee NICs than was required as the rate would not have been contracted-out adjusted. This would also be the case for the employer's NICs being paid by the member's employing FRA.

2.3 HM Revenue and Customs has now made arrangements to refund any overpayments in instances where excess NICs have been paid by FRAs and scheme members. They are requesting that FRAs complete the schedule attached at Annex A to provide specified details for all those scheme members affected. Completed schedule/s can be returned electronically to Linda.hume@hmrc.gsi.gov.uk.

Alternatively, if some FRAs prefer they can send their completed schedule/s by post to:

**Employers Refund Team
BP1001
HM Revenue and Customs
National Insurance Contributions Office
Newcastle Upon Tyne
NE98 1ZZ**

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