

Contingent decisions



What is a contingent decision?

A contingent decision is a decision taken by a member, relating to their membership of the firefighters' pension scheme, that would have been different had it not been for the discrimination identified by the courts.

Three categories identified

Opt-out

Transfers

Additional
Service

Opt-out

Which scheme?

- Section 5 of PSPJOA allows for remedy period service to be reinstated but does not provide the power to reinstate any service pre/post remedy period.
- Scheme managers to use 'existing powers', if available, to allow for reinstatement for pre/post remedy period.

Existing powers

- FPS 1992: Once a member opts out, they cannot opt back in. If they want to re-join then they re-join FPS 2006.
- FPS 2015: [Scheme manager discretion](#).

Opt-out continued

Accepting the request

- Scheme managers must accept a request to opt in where the opt out occurred less than 6 months before 31 March 2015
- 'Evidence' is required for cases where the opt out occurred after 12 March 2012 but before 1 October 2014
- Opt-outs prior to 12 March 2012 are not covered by the PSPJOA

Contributions

- Member contributions: Full or periodic over 14 years
- Employer contributions: Valuation

Scenarios – Based on original FPS 1992 member

Assessment criteria	Scenario 1	Scenario 2	Scenario 3
<ul style="list-style-type: none">• Date of opt out• Evidence required?• Access to which scheme	<ul style="list-style-type: none">• 1 August 2014• Yes• FPS 2006	<ul style="list-style-type: none">• 1 January 2015• No• FPS 2006	<ul style="list-style-type: none">• 1 April 2015 (or any date up to 31 March 2022)• No• FPS 1992

Transfers

Transfer in

- No immediate action
- Dealt with under DCU
- Members with legacy benefits in FPS 1992 and no reformed benefits to be offered 'compensation'

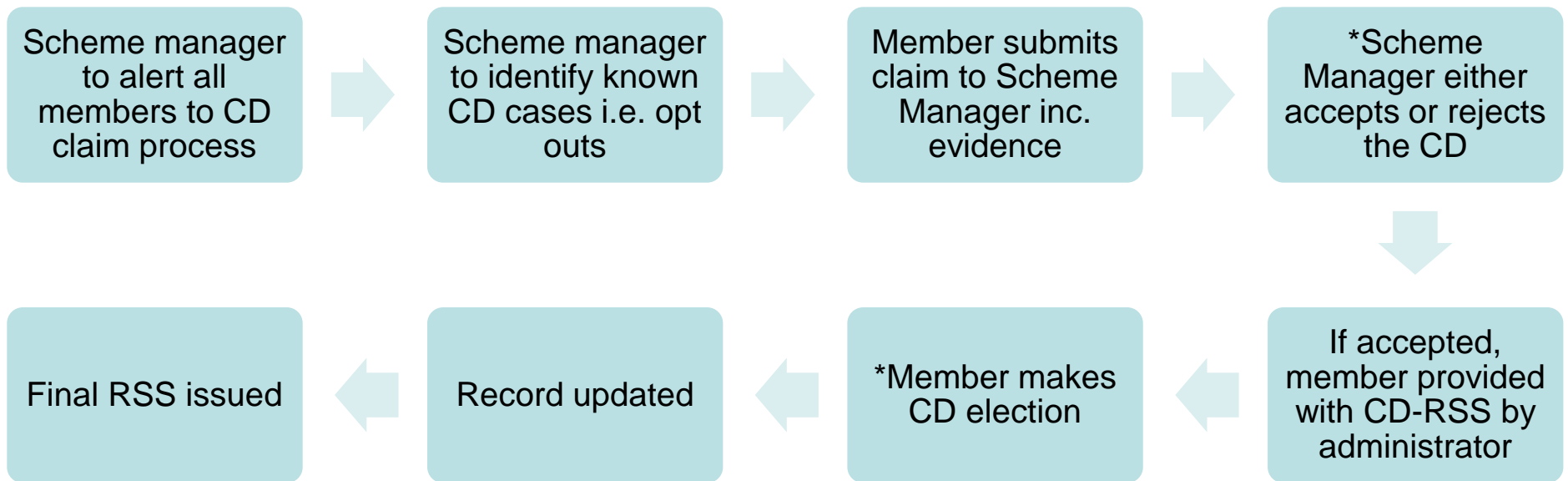
Transfer out

- Re-calc to see if any CETV is necessary

Added Pension

- Legacy schemes allow for members to purchase added service
- Member may argue that they would have done this if they had remained in their legacy scheme – Evidence required
- If a claim is accepted ordinary rules apply i.e. FPS 1992 members can only purchase additional service if they do not attain 30 years by NPA (age 55)

Contingent decision process



*It is recommended that these outcomes are reported to the LPB

Decision making process

- [SAB's open letter to HMT in May 2021](#) highlighted difficulty in consistent decision making:
 - 44 individual scheme managers
 - Interpretation and application
 - Funding position
 - Internal controls/ governance
 - IDRPs > TPO

Decision making

Consistency is paramount

Decisions should be auditable and transparent

Call for evidence should be reasonable

A statement from a member stating that they would have taken different action if not for the reform is acceptable

Types of evidence

Opted out within 6 months

Opt out form states reason for decision is due to the pension reforms

Investigated or requested added years or transfer in while in remedy period

Took out added pension contract under FPS 2015 in remedy period

Any questions



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Thank you for listening!

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