

FIREFIGHTERS' PENSION COMMITTEE

NOTE OF THE 18th MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD ON 18 OCTOBER 2006 AT ELAND HOUSE, BRESSENDEN PLACE, LONDON

(A list of the attendees are attached in Annex A)

1. Introduction

- 1.1 The Chairman welcomed everyone to the meeting. He advised members that this would be Jean Archer's last meeting as she was retiring at the end of October: the Committee wished her the best for the future.

2. Minutes of the 17th FPC meeting

- 2.1 The minutes of the 17th FPC meeting were agreed.

3. Matters arising from the 17th FPC meeting - FPC(06)25

- 3.1 *Workshops:* The Chairman advised members that 10 workshops had been arranged to help prepare for the options exercise. The workshops would cover all regions and were primarily designed to help HR and pension administrators. The workshops would cater for groups of 20 - 30 attendees and would be held on an informal basis. Active participation would be encouraged. There would not be a problem if union representatives wanted to attend.
- 3.2 *Discussion Forum:* Members were advised that the DCLG's discussion forum was now live on the website. The forum could be accessed via a link on the pension's section of the DCLG's website. The Chairman said that he wanted HR practitioners and pensions administrators to get accustomed to using it over the coming months.
- 3.3 *Q&A Briefing:* It was confirmed that no comments were received in response to the action point in paragraph 3.7 of the minutes of the last meeting. DCLG would continue working on the draft Q&A briefing.
- 3.4 *Nomination of dependent partners:* DCLG issued pension circular FPSC 12/2006 on 5 October recommending that FRAs issue the nomination forms to retained and volunteer firefighters.
- 3.5 *GPP Meeting:* The Chairman referred to the meeting that was held on 2 October 2006 to discuss the issue of Group Personal Pension (GPP) schemes that had been set up by some FRAs for retained firefighters. He said with the exception of Gloucestershire, none of the 15 FRAs had considered the future of their GPP schemes. The meeting had provided an ideal opportunity to discuss the options available to them.
- 3.6 The Chairman confirmed that retained firefighters who were in employment prior to 6 April 06 and who did not want to join the NFPS could continue their membership in any GPP scheme. In these cases

FRA would be able to pay any employer's contribution from general funds. Retained firefighters who were recruited on or after 6 April 06, or those who elect to join NFPS would still be able to be members of any GPP scheme provided by their FRA, however the FRA would not be able to pay any employer's contributions.

- 3.7 Derek Chadbon of RFU said that he had found the meeting very helpful, but was concerned to find that pension administrators would not be able to provide retained firefighters, who are members of GPP schemes, with an estimate of how much their GPP would buy in the NFPS until they had opted to take a cash equivalent transfer into the NFPS.
- 3.8 The Chairman said that the value of a GPP was information which was not available to administrators and suggested that members could use their GPP annual benefit statement to determine the monetary value of their pension. This valuation could be used by FRA pension administrators to give an estimate on the amount of NFPS service that could be bought.
- 3.9 *NFPS - Draft Order*. Please refer to section 4 below.
- 3.10 *Transitional Arrangements*: The Chairman advised members that he had not received any comments on the transitional arrangements that were set out in paper FPC(06)24. He said that these arrangements had now been incorporated into the latest draft of the NFPS Order.
- 3.11 *FPS 1992 and FCS - Consequential and other amendments*: The Chairman advised members that he had not received any comments on the consequential and other amendments that were set out in paper FPC(06)23. He said that DCLG's lawyer was currently working on the drafting of these amendments. He confirmed that as soon as an acceptable copy was available it would be circulated to members. He expected this to be before the end of October.
- 3.12 Will Davies of ALAMA asked which of these amendments would apply to injury awards. The Chairman responded by saying that there would be no consequential impact on the injury awards. He also confirmed that the injury awards for the FPS and NFPS would be the same.

4. NFPS - Draft Scheme Order (version 3/10/06) - FPC(06)26

- 4.1 The Chairman introduced paper FPC(06)26 which had been circulated to members. Members were invited to comment on the attached draft Order.

ACTION: Members to comment on draft NFPS Order (version dated 3/10/06)

- 4.2 The committee was advised that a further updated version of the draft NFPS Order was near completion. He said that this version would be circulated to members. The updated version of the draft NFPS Order had addressed drafting issues such as terminology and consistency.
- 4.3 Ivan Walker of Thompson's Solicitors highlighted that the provision on page 2 that relates to the continuation of schemes for retained

firefighters did not make any reference to volunteer firefighters. The Chairman responded by saying that as far as he knew no volunteer firefighters had joined any of the GPP schemes set up by FRAs. He agreed to confirm this and, if necessary a reference to volunteer firefighters would be included.

ACTION: DCLG to check on position of volunteer firefighters in the provision of GPP schemes.

- 4.4 Ivan Walker also made reference to Part 15, paragraph 4 on page 57 of the draft NFPS Order which deals with the provision of information for scheme members. He asked the Chairman what sort of statements/information would be provided for members. The Chairman said that the NFPS would provide members with annual benefit statements. He said that any additional information/statements would be a matter for FRAs to decide.
- 4.5 Ian Hayton of CFOA raised four points. First in relation to the reference in Part 2, paragraph 3(1) of the NFPS Order, why the scheme has a 'normal retirement age' whilst the FPS refers to 'normal pension age'. The Chairman said that the NFPS more accurately reflected the position and the terminology was being used on the advice of the Scheme Actuary.
- 4.6 Secondly, he referred to Part 2, paragraph 4(2) and asked why there was a requirement for the last day of service to be agreed with the FRA. It was explained that this was needed in cases where a member's last day of service was unpaid.
- 4.7 Thirdly, he asked what the question marks in Part 3, paragraph 10(1) represented. The Chairman said that the updated version of the Order would include the intended text.
- 4.8 In a final comment, Ian Hayton referred to Part 4, paragraph 3(1) and asked whether reducing a survivor's pension in cases where the survivor was more than 12 years younger than the member contravened the Employment Equality (Age) Regulations. The Chairman confirmed that this action was exempt and therefore was lawful. It was Government policy for public service pensions.

5. Age Discrimination - Oral Update

- 5.1 The Chairman said that following legal advice the only provision in the FPS that might possibly contravene the Employment Equality (Age) Regulations was Rule B1 which allows a member with at least 25 years service to retire at age 50. This has been referred to Counsel and we await a response.
- 5.2 If Counsel concluded that this provision is discriminatory on age grounds then there will be a number of options to discuss with the FPC.

6. Any Other Business

- 6.1 Tam Mitchell of FBU referred to the ongoing Employment Tribunal case for retained membership of the FPS. He said that increasingly the FBU were receiving questions from retained firefighters who wanted to know how their right to join the FPS would be affected if, after joining the NFPS, the employment tribunal granted them access to the FPS.
- 6.2 The Chairman said that the impact would depend on the ET's decision and any remedy agreed by the parties. If retrospective membership of the FPS was an outcome, then those retained firefighters in service prior to 6 April 2006, who had joined the NFPS, would have the option of transferring any service accrued in the NFPS to the FPS, if they were willing to pay the extra employee contribution costs.
- 6.3 Will Davies of ALAMA wanted the minutes to note that he was still being asked about the guidance for IQMPs. The Chairman said that work on this had been delayed by other more pressing business but he assured Dr Davies that ALAMA's input to the guidance would be sought prior to wider consultation.
- 6.4 Ivan Walker of Thompson's Solicitors made reference to paragraph 7.1 of the minutes of the last meeting. He said that compensation payments made under section 12 of the 5th edition of the Grey Book in cases where a firefighter is killed or permanently disabled as a result of an assault were still included in section 7 of the 6th edition of the Grey Book. He asked the Chairman why these awards had not been transferred into the FCS along with the other compensatory awards that were included in section 13 of the 5th edition of the Grey Book.
- 6.5 The Chairman said that district auditors had determined that payments for death or permanent incapacity in section 13 of the 5th edition of the Grey Book were ultra vires because the Fire Services Act 1947 had provided the basis for statutory provision. As a consequence, Ministers had agreed to place these payments in the FCS. No questions had been raised about the vires of the section 12 provision and the Department had not been asked to transfer these compensatory payments into the FCS.

7. Dates of Future Meetings

21 November 2006
21 December 2006
17 January 2007
14 February 2007
21 March 2007

DCLG
October 2006

18th Meeting of the Firefighters' Pension Committee

Attendees

| | |
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| Martin Hill(Chairman) | DCLG |
| Andy Boorman | DCLG |
| Jean Archer | DCLG |
| Maggie Smith | DCLG |
| Nitin Bhayani | DCLG |
| Anthony Mooney (Secretary) | DCLG |
| Fred Walker | LGA |
| Jim Preston | SPPA |
| Bertie Kennedy | DHSSPSNI |
| Jason Pollard | Welsh Assembly |
| Julia Letton | Welsh Assembly |
| Terry McGonigal | NIFS |
| Ivan Walker | FBU(Thompson's Solicitors) |
| Paul Woolstenholmes | FBU |
| Tam Mitchell | FBU |
| Derek Chadbon | RFU |
| Chris Large | APFO |
| Ian Hayton | CFOA |
| Will Davies | ALAMA |

Apologies

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| Eunice Heaney | Consultant |
| Ray Jennings | LGA |
| David Hosking | RFU |
| Matt Wrack | FBU |
| Andy Dark | FBU |
| Glyn Morgan | FOA |