

FIREFIGHTERS' PENSION COMMITTEE (FPC)

NOTE ON THE 2ND MEETING OF THE FIREFIGHTERS' PENSION COMMITTEE HELD AT ODPM, ELAND HOUSE ON 14 JANUARY 2005

1. A list of the attendees is attached.

2 Introduction

- 2.1 The Chairman welcomed everyone to the meeting. He introduced Paul Woolstenholmes, of the FBU, who was replacing Dave Patten; and Terry McGonigal, of the Fire Authority Northern Ireland, who was replacing Ken Gibson.

3 Minutes of the 1st Meeting of the FPC

- 3.1 The minutes of the 1st meeting of the FPC were agreed.

4 Matters arising from the minutes of the 1st FPC meeting - FPC(05)1

The Chairman introduced the paper by item:-

- 4.1 *Retained Firefighters' Appeal for membership of the FPS* - The FPC was advised that the FBU had been granted leave to appeal to the House of Lords however a date for the hearing has yet to be confirmed.
- 4.2 *Disability Discrimination Act (DDA)* - ODPM would be meeting with the Government Actuary's Department to ascertain the costs associated with the options identified in paper FPC(05)1.
- 4.3 It was also agreed that the ODPM would provide links to information relating to the Civil Service/Police Pension Schemes and the DDA.

ACTION : ODPM to provide links to information relating to the Civil Service/Police Pension Schemes and the DDA. (Please see Annex)

- 4.4 Dr Davies advised the FPC that his colleagues who were involved with the Police Pension Scheme, had reported that the Police were having problems with the implementation of the DDA. He agreed to talk to his colleagues in order to identify any issues.

ACTION - Dr Davies to provide a summary of the practical problems that the Police Pension Scheme were encountering with implementing the DDA.

- 4.5 *Protection of Pensionable Pay* - Further to the FBU's response referred to in the paper, ODPM would not proceed with this amendment. It was agreed that if, in the future, the need arises ODPM will be prepared to make the appropriate amendments to protect pensionable pay.

- 4.6 *Death and Serious Injury Scheme* - ODPM agreed to send Des Prichard a copy of any assurances on the payment of injury awards that was issued in 2000.

ACTION: ODPM to send Des Prichard a copy of any assurances on the payment of injury awards issued in 2000. (Please see attachment)

5 Consultation on new pension arrangements (oral update)

- 5.1 The Chairman updated members on the consultation responses that had been received to date. He advised members that ODPM would publish a document in March/April that would deal with all the points that had been raised.
- 5.2 Members asked for the responses to the consultation documents to be published on the ODPM website with the exception of those from individuals. RFU, APFO and CFOA requested that their responses not be published until they had got clearance.

ACTION: ODPM to publish approved responses to the consultation on to the website.

ACTION: RFU, APFO and CFOA to advise ODPM whether their responses can be published on the website.

6 Further amendments to the FPS - FPC(05)2

- 6.1 The Chairman introduced paper FPC(05)2 which laid out the instructions to the ODPM legal department for amendments to the FPS. He invited members to make any comments by the end of January.
- 6.2 There was brief discussion regarding Inland Revenue requirements on scheme administration as part of pensions simplification. ODPM had written to the LGA seeking comment. It was noted that the FPS may need to be amended to highlight the need for each Fire and Rescue Authority to nominate a scheme administrator.

7 Any Other Business

- 7.1 The issue of firefighters transferring between England, Northern Ireland, Wales and Scotland was discussed. There was concern that members of the existing scheme who wanted to transfer between the regions after 2006 would be required to transfer into the new pension scheme.
- 7.2 The Chairman suggested that there may have to be an amendment to permit these firefighters to remain in the existing scheme, i.e. that would permit them to transfer into a closed scheme. Further consideration on this matter is needed.

- 7.3 Ivan Walker from Thompsons' solicitors questioned the accuracy of the Government Actuary's Department's actuarial assumptions for the new pension scheme. He requested sight of the assumptions on which the proposals for the new scheme were based.

ACTION: ODPM to provide members with a statement of assumptions from GAD for the next meeting.

8 Next meeting

- 8.1 The next meeting of the FPC will be held on the 13th April 2005.

***ODPM
January 2005***

2nd MEETING OF THE FIREFIGHTERS' PENSION SCHEME

Attendees

Martin Hill (Chair)	ODPM
Andy Boorman	ODPM
Anthony Mooney (Secretary)	ODPM
Eunice Heaney (Consultant)	ODPM
Ray Jennings	LGA
Dennis Musgrave	LGA
Bertie Kennedy	DHSSPSNI
Jason Pollard	Welsh Assembly
Terry McGonigal	FANI
Jim Preston	SPPA
Karen Bradley	SEJD
Paul Woolstenholmes	FBU
Ivan Walker	Thompsons' Solicitors
Des Prichard	APFO
Dr Will Davies	ALAMA
Glyn Morgan	FOA
Derek Chadbon	RFU

Apologies

Fred Walker	LGA
Ian Hayton	CFOA

INFORMATION RELATING TO THE CIVIL SERVICE/POLICE PENSION SCHEMES AND THE DDA

CIVIL SERVICE PENSION SCHEME

Pension scheme health standard

References

PCSPS 1972 Section rules 3.6, 3.7

PCSPS 2002 Section rule D4(10)

PC/73, PC/126

EPN/38, EPN/40, EPN/63

CSMC, Section 1.1

Benefit

2.1 Historically, a new recruit to the Civil Service would not be offered a permanent appointment, which automatically carried full access to the Civil Service pension scheme, if they were thought not to be sufficiently fit to give a full 5 years service. When the Disability Discrimination Act 1995 (the DDA) was introduced the Civil Service relaxed its health standard permitting permanent employment of recruits who could not meet it. But while this relaxation provided access to the Civil Service pension scheme, the arrangements were modified allowing, as permitted by the DDA, occupational pension schemes to exclude those assessed as being at a significantly higher risk of being retired because of ill-health. In this context 'significantly higher risk' means more than 50% higher than for an average employee leaving service on ill-health grounds.

2.2 Medical re-assessment of exclusion cases takes place after 18 months and 10 years, although the member may ask for a re-assessment at any point so long as they are able to produce fresh medical evidence for consideration by the scheme medical adviser. Following medical re-assessment a member may become eligible to be considered for medical retirement benefits. When this happens they cannot later be excluded from ill-health provisions. Full admittance takes place from the date of scheme entry, and all service qualifies for contingent ill-health benefits.

2.3 The medical adviser's assessment concerns the future risk of early retirement for medical reasons by virtue of a pre-existing condition and the potential impact on life expectancy. On the basis of this assessment and the application of actuarial factors the employer uses a table provided by the Government Actuary in deciding whether or not the member is excluded from contingent ill-health benefits. The tables referred to have been circulated to employers under cover of PC/73 (**classic**) and EPN/63 (**premium**).

2.4 In **classic** those aged 50 or over on joining were admitted to the full benefits of the scheme regardless of their health condition (Appendix A of

PC/73 refers). A health declaration form was therefore *not* required for this group.

2.5 In **premium** and **partnership** those aged 55 or over on joining *are not* required to complete the pension scheme health declaration form. See EPN38. Casuals are not required to complete a health declaration.

The criteria for potential ill-health exclusion

2.6 The assessment at scheme entry aims to identify pre-existing health problems which give rise to ***a significantly increased risk of developing incapacity from the proposed employment because of permanent ill health***. The assessment further aims to estimate when this is likely to occur and whether the ill health is associated with a normal or reduced life expectancy.

Interpretation

2.7 The assessment relates only to pre-existing conditions and consideration is given to the likelihood of disease progression, increased functional incapacity over time and the impact on the type of employment being undertaken. Lifestyle risk factors for disease are not assessed and information on features such as weight, smoking status or dangerous pursuits is not collected as part of the process. Similarly other risk factors for the development of conditions such as family history of disease, genetic testing and cholesterol/lipid levels are neither collected nor assessed.

2.8 The “test” applied to determine whether there are identified health problems that might be expected to prevent service to normal retirement age is a balance of probabilities. Cases which “fail” initial screening are investigated further, usually by obtaining reports from medical carers but sometimes by examination of the member. All cases still deemed to represent a significant risk are assessed by a specialist panel set up by the scheme medical adviser which considers each case on its merits in relation to published morbidity/mortality data and past pension scheme experience.

Process

2.9 Health declaration forms (HD4/00N must be used - no other form is acceptable and alternative documentation will be rejected) for **premium** and **partnership** members are sent by employers to BMI as the scheme medical adviser on the same basis as they have done for **classic**. Failure to complete and return the form means the individual will be automatically excluded from the ill-health retirement provisions of their scheme. Individuals should therefore be encouraged to complete and return the form as soon as possible. The completed form only needs to be sent to BMI where:

- There is a positive response to any question in Section 1; or
- Where two or more of the questions in Section 2 are answered positively.

2.10 The following material must be sent to BMI:

- The original completed health declaration form;
- Job description;

- Any medical evidence gathered as part of assessment of fitness for employment (where the employers' occupational health adviser has not been approached please say so)
- Written permission from the member to disclose the information held by the occupational health adviser to BMI as scheme medical adviser.

2.11 Providing any fitness for employment medical material prevents duplication of effort and the cost of seeking additional medical evidence that may already have been obtained.

2.12 Completed forms sent to BMI for **premium** and **partnership** members will be processed in the same way as for **classic**, with a certificate being provided either giving an "all clear" or a broadly banded assessment of when ill-health retirement might occur. Medical evidence needs to be sufficiently robust so that the assessment can be made and, where an "all clear" is not given, the certificate will be accompanied by a Medical Opinion.

Incomplete applications will not be processed, but returned by BMI to the employer contact shown on the form (see EPN/40).

Form HD4/00N may be found on the Cabinet Office website at <http://www.civilservicepensions.gov.uk>

2.13 Requests for health standard assessments on entry to the Civil Service pension schemes should be directed to:

BMI Health Services
10 Queen Victoria Road
COVENTRY
CV1 3PJ

2.14 On completion of the process a medical certificate will be issued either giving clearance or quantifying the assessed risk.

2.15 Those excluded from the ill-health provisions of the pension scheme receive either a taxable pay uplift of 1.5% (typically in **classic**) or a reduction in their scheme contribution (**premium**).

POLICE PENSION SCHEME

The link for the Police scheme is:
www.homeoffice.gov.uk/docs3/dda_pensions.pdf