

The report is Not Exempt

The report is for Decision

REPORT TO: LOCAL PENSION BOARD

MEETING DATE: 22/04/24

SUBJECT: PENSION ENTITLEMENTS FOR RETAINED FIREFIGHTERS 2023

PURPOSE OF REPORT AND REASON FOR RECOMMENDATION(S):

To provide an update to Local Pension Board (LPB) Members on the implementation of a second options exercise relating to pension entitlement for Retained Firefighters in Wales.

EXECUTIVE SUMMARY

This report provides Members of the Local Pension Board with an update on the latest activity regarding the implementation of the second pension options exercise for current and former retained firefighters, following the introduction of the Firefighters' Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024 from 01 February 2024.

This exercise will allow in-scope individuals to purchase pensionable service in the Firefighter Pension Scheme (Wales) 2007 as a Special Member. This scheme provides comparable benefits to regular firefighters in the Firefighter Pension Scheme 1992.

This report also brings to Members' attention the Welsh Government's response to the consultation on Pension entitlement for retained Firefighters 2023, which was published on 10 January 2024, attached at Appendix 1, and confirms the next steps in relation to implementation.

RECOMMENDATIONS:

That Local Pension Board Members note the current position regarding the implementation of a second options exercise relating to pension entitlement for Retained Firefighters in Wales.

REPORT APPROVAL	
Clerk / Monitoring Officer:	Comments: Approved
Relevant Director:	Comments: Approved
Section 151 Officer/Treasurer:	Comments: Approved
Chief Fire Officer / Deputy Chief Fire Officer	Comments: Approved

ACCESS TO INFORMATION LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THIS REPORT:
Welsh Government consultation on Pension Entitlements for Retained Firefighters 2023.

Presenting the Report:	Mr Ian Coleman Chair of the Local Pension Board
Report Author(s) and Designation	Mrs Sarah Tillman Pensions Officer
Date original report written	02/03/2024

Mae'r Adroddiad Heb ei eithrio

Mae'r Adroddiad AR GYFER PENDERFYNIAD

ADRODDIAD I'R: BWRDD PENSIWN LLEOL

DYDDIAD Y CYFARFOD:

22/04/24

TESTUN: HAWLIAU PENSIWN AR GYFER DIFFODDWYR TÂN WRTH GEFN 2023

PWRPAS YR ADRODDIAD A RHESWM DROS YR ARGYMHELLION:

Rhoi'r wybodaeth ddiweddaraf i Aelodau'r Bwrdd Pensiwn Lleol (LPB) ar weithredu ail ymarfer opsiynau yn ymwneud â hawl i bensiwn ar gyfer Diffoddwyr Tân Wrth Gefn yng Nghymru.

CRYNODEB: Mae'r adroddiad hwn yn rhoi'r wybodaeth ddiweddaraf i Aelodau'r Bwrdd Pensiwn Lleol am y gweithgarwch diweddaraf ynghylch gweithredu'r ail ymarfer opsiynau pensiwn ar gyfer diffoddwyr tân wrth gefn presennol a blaenorol, yn dilyn cyflwyno Cynlluniau Pensiwn a Chynllun lawndal Diffoddwyr Tân (Diwygio) (Cymru). Gorchymyn 2024 o 01 Chwefror 2024.

Bydd yr ymarfer hwn yn caniatáu i unigolion o fewn y cwrpas brynu gwasanaeth pensiynadwy yng Nghynllun Pensiwn y Diffoddwyr Tân (Cymru) 2007 fel Aelod Arbennig. Mae'r cynllun hwn yn darparu buddion tebyg i ddiffoddwyr tân rheolaidd yng Nghynllun Pensiwn Diffoddwyr Tân 1992.

Mae'r adroddiad hwn hefyd yn tynnu sylw'r Aelodau at ymateb Llywodraeth Cymru i'r ymgynghoriad ar yr hawl i Bensiwn ar gyfer Diffoddwyr Tân Wrth Gefn 2023, a gyhoeddwyd ar 10 Ionawr 2024, sydd ynghlwm yn Atodiad 1, ac mae'n cadarnhau'r camau nesaf mewn perthynas â gweithredu.

ARGYMHELLION: Bod Aelodau'r Bwrdd Pensiwn Lleol yn nodi'r sefyllfa bresennol ynghylch gweithredu ail ymarfer opsiynau yn ymwneud â hawl i bensiwn ar gyfer Diffoddwyr Tân Wrth Gefn yng Nghymru.

CYMERADWYO'R ADRODDIAD

Clerc:

Sylwadau: Cymeradwyd

Cyfarwyddwr berthnasol:

Sylwadau: Cymeradwyd

Swyddog Adran 151/Trysorydd:

Sylwadau: Cymeradwyd

**Prif Swyddog Tân /
Dirprwy Brif Swyddog Tân**

Sylwadau: Cymeradwyd

PAPURAU CEFNDIR A DDEFNYDDIWYD WRTH BARATOI'R ADRODDIAD HWN:

Yn cyflwyno'r Adroddiad:	Mr Ian Coleman Cadeirydd y Bwrdd Pensiwn Lleol
Awdur(on) yr Adroddiad a'u Swyddi	Mrs Sarah Tillman Swyddog Pensiynau
Dyddiad yr ysgrifennwyd yr adroddiad gwreiddiol	02/03/2024

LOCAL PENSION BOARD
22 APRIL 2024
PENSION ENTITLEMENTS FOR
RETAINED FIREFIGHTERS 2023

1 Executive Summary

- 1.1 This report provides Members of the Local Pension Board with an update on the latest activity regarding the implementation of the second pension options exercise for current and former retained firefighters, following the introduction of the Firefighters' Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024 from 01 February 2024.
- 1.2 This exercise will allow in-scope individuals to purchase pensionable service in the Firefighter Pension Scheme (Wales) 2007 as a Special Member. This scheme provides comparable benefits to regular firefighters in the Firefighter Pension Scheme 1992.
- 1.3 This report also brings to Members' attention the Welsh Government's response to the consultation on Pension entitlement for retained Firefighters 2023, which was published on 10 January 2024, attached at Appendix 1, and confirms the next steps in relation to implementation.

2 National/Wales Position

- 2.1 The second options exercise relating to pension entitlement for Retained Firefighters applies to all eligible current and ex-firefighters in the United Kingdom including the three Fire and Rescue Services (FRS) in Wales. Each Service will therefore be required to conduct its own options exercise.
- 2.2 Best practice will be shared between the three Welsh FRS's where appropriate to ensure consistency of approach wherever possible.

3 Mid and West Wales Fire and Rescue Service Current Position

- 3.1 By way of providing some background, for many years, retained firefighters had no access to an occupational pension scheme. This did not change when the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 were introduced as the National Employers held the view that the work of retained firefighters was not sufficiently comparable to that of wholetime firefighters.
- 3.2 This was subsequently overturned following the case of Matthews v Kent and Medway Towns Fire Authority (Matthews) and as a result the Firefighters' Pension Scheme (Wales) Amendment Order 2014 created a "modified scheme" for retained firefighters. Retained firefighters were permitted to join the scheme retrospectively and purchase past service from 01 July 2000 onwards.

- 3.3 More recently, a review took place on the pension's aspect of the Matthews case, following the European Court of Justice's decision in O'Brien v Ministry of Justice concerning fee paid judges in the Judicial Pension Scheme. The judgment held that remedy could extend back before the Part-Time Workers Directive was required to be implemented on 07 April 2000. As a binding judgement, the finding applied across all such claims and therefore the UK Government recognised the right also applied to retained claims.
- 3.4 On 14 July 2023, the Welsh Government, who have devolved responsibility for the Firefighters' Pension Scheme(s) in Wales (except the 1992 scheme), released a consultation on amendments to the Firefighter Pension Schemes in Wales to extend access to pension entitlement for retained firefighters with pre 2000 service. The Service submitted the response to the consultation on 06 October 2023, as agreed at the Local Pension Board at its meeting on 04 October 2023.
- 3.5 The Welsh Government's response to the consultation, attached at Appendix 1, was published on 10 January 2024, followed by the Welsh Government Circular, *W-FRSC(2024) 01 – The Firefighters' Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024*, on 11 January 2024, which was circulated to Board Members via email on 19 January 2024.
- 3.6 The Circular provided guidance, which required Scheme Managers and administrators to implement the changes from 01 February 2024. This will involve the Service having to undertake a 'second options exercise' providing eligible individuals with the relevant options, and to put in place the necessary administrative arrangements to process pension contribution and benefit payments.
- 3.7 Eligible individuals are set out as follows:
- Was employed as a retained firefighter at any date during the period 07 April 2000 and 30 June 2000 inclusive.
 - Was employed as a retained firefighter at any date during the period 07 April 2000 and 30 June 2000 inclusive and also between 01 July 2000 and 05 April 2006 inclusive.
 - Was employed as a retained firefighter at any date during the period 01 July 2000 and 05 April 2006 inclusive and should have been eligible to join the 1st options exercise but was not given an opportunity to do so.
- 3.8 The Service identified 706 eligible individuals in scope for this exercise and they have been notified of their entitlement to join the scheme in line with the necessary timescales.

- 3.9 Whilst not related to the second options exercise, Member's attention is drawn to Points 46 – 60 of the consultation response relating to amendments of the amendments to the Firefighters' Compensation Scheme (Wales) Order 2007 in respect of secondary contracts.

4 Proposal

- 4.1 That Local Pension Board members note the current position regarding the second options exercise relating to pension entitlement for retained firefighters.

5 Service Commitments, Improvement Objectives and Well-being goals

- 5.1 The Service is committed to ensuring that the key principles of the Wellbeing of Future Generations (Wales) Act 2015 are supported.

6 Financial/Procurement Implications

- 6.1 The employer contributions relating to retrospective buy-back of service, where individuals have opted to do so, will be 'rolled up' into a future scheme valuation exercise, which may result in an adjustment to employer contribution percentage rates in the future. Any increase cannot be estimated until the options exercise has been concluded and the valuation process completed.

7 Risk Assessment/Legal and Compliance Implications

- 7.1 The Service will have an 18 month window from 01 February 2024 in which to complete the second options exercise and comply with the legislative requirements of remedy. To support this process, an additional resource has been appointed to the Service Pensions Team.

8 Fire Authority Governance Implications

- 8.1 Pension Scheme Governance is the responsibility of the Fire Authority as Scheme Manager, assisted by the Local Pension Board.

9 Equality and Diversity, including the Socio-economic Duty and Welsh Language Standards implications

- 9.1 All the practices are fully compliant.

10 Data Protection and Privacy Issues

- 10.1 All personal and sensitive information is processed in accordance with the requirements of Data Protection legislation and the Authority's Data Protection Procedures.

11 Consultation and Communication

- 11.1 Local consultation is considered not necessary. The Service will communicate with those affected as part of the second options exercise.

12 Prevention, Protection and Response Implications

- 12.1 Considered, but deemed not relevant to the report.

13 Human Resources and People Development Implications

- 13.1 All correspondence and documentation required to complete the second options exercise and enrol individuals into the pension scheme will be processed by the Human Resources Department.
- 13.2 The number of cases potentially identified as eligible to join is 706.

14 Information and Communications Technology (ICT) / ICT Strategic Advisory Team (ISAT) Implications

- 14.1 Considered, but deemed not relevant to the report.

15 Estates Implications

- 15.1 Considered, but deemed not relevant to the report.

16 Fleet, Engineering and Logistics Implications

- 16.1 Considered, but deemed not relevant to the report.

17 Evaluation

- 17.1 Considered, but deemed not relevant to the report.

18 Recommendations

- 18.1 That Local Pension Board Members note the current position regarding the implementation of a second options exercise relating to pension entitlement for Retained Firefighters in Wales.