

## Retained Duty System Settlement Scheme

### Report of the Chief Fire Officer

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### 1 Purpose of Report

This report provides an update on the progress of the Retained Duty System Settlement Scheme

### 2 Recommendations

The Standards and Human Resources Committee is asked to note the contents of this report.

### 3 Background

Following the introduction of the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 ("the Part Time Workers Regulations"), retained firefighters, supported by the Fire Brigades Union and Retained Firefighters' Union, made a claim for equal treatment with wholetime regular firefighters on their terms and conditions of service, including pension benefits.

The Department for Communities and Local Government and Fire Brigades Union concluded that it was preferable to provide access through a 'modified' section of the New Firefighters' Pension Scheme (England) 2006 as opposed to modifying the Firefighters' Pension Scheme 1992. This is because the New Firefighters' Pension Scheme 2006 already makes legislative provision for retained firefighters and is the more modern Scheme.

### 4 Who is Eligible?

Retained firefighters employed by the Fire Authority between 1 July 2000 and 5 April 2006 are allowed access to a Pension Scheme, thus providing them with comparable pension rights to those enjoyed by wholetime firefighters during the same period.

This will include:

- Current firefighters;
- Firefighters, who have left the Service;
- Firefighters, who have left the Service and are in receipt of a pension; and
- Firefighters, who have left the Service and are in receipt of ill-health retirement benefits.

The total numbers who are eligible to be access the Pension Scheme are:

- 229 current employees; and
- 102 leavers.

There could potentially be one individual, who retired on ill-health grounds, but, because of his length of membership in the Pension Scheme (less than five years), he was not eligible to receive his pension benefits early. If he chose to join retrospectively, this could allow him early access.

## **5 Implications for Shropshire Fire and Rescue Service**

All of those affected and identified as eligible to join the Scheme need to be notified and given the option to join. The letter will need to give clear guidance and an information leaflet will be enclosed, together with an application form. Individuals will be asked to complete the form as an expression of interest and return it to Human Resources. A calculation of costs to the individual will then be sent to the individual to decide whether to proceed with the application.

Standard documents will be issued to the Service and it is understood that an online calculator will be available to calculate the costs.

## **6 Financial Implications**

Actual costs are difficult to determine.

It is expected that a high volume will request costs but the costs to individuals are likely to be high and may prove prohibitive.

There may be additional administration costs payable to Shropshire Council for the calculations of costs requested by employees, although, at this stage, it is difficult to estimate, as it will be dependent on numbers. There will be an on-line calculator available, which is expected to minimise time spent on this exercise.

Individuals will be given ten years, or until they become entitled to receive payment of their pension, to pay their past service contributions. This arrangement will ensure that access to the modified Scheme will not be limited by an individual's ability to pay an upfront lump sum.

The introduction of the modified Scheme will create a scheme deficit, as employees purchase past service rights and the employee contributions paid do not match the full liability created in the Scheme. The size of the Scheme deficit will be established by valuations and will be recovered from employers over the long term.

Any employer contribution increase, arising from this settlement, alongside other relevant matters, will form part of the Government's considerations for fire resources at the next spending review.

## **7 Legal Comment**

The Retained Duty System Settlement Scheme provides retained firefighters with comparable pension rights to those enjoyed by regular firefighters, employed during the period 1 July 2000 and 5 April 2006. These proposals comply with the Firefighters' Pension Scheme (England) (Amendment) Order 2013, which amends the New Firefighters' Pension Scheme (England) set out in Schedule 1 to the Firefighters' Pension Scheme Order 2006.

## **8 Initial Impact Assessment**

This report contains merely statements of fact / historical data. An Initial Impact Assessment is not, therefore, required.

## **9 Appendices**

There are no appendices attached to this report.

## **10 Background Papers**

There are no background papers associated with this report.