

Helen Fisher
Head of Police and Firefighters' Pensions
Public Safety Group
Home Office
2 Marsham Street,
London SW1P 4DF

Helen.fisher1@homeoffice.gov.uk

Joanne Livingstone Chair of the Firefighters' Pensions (England) Scheme Advisory Board

(Sent via Email)

21 February 2024

Dear Joanne,

Consultation on amendments to the Firefighters' Pension Scheme (England) Regulations 2014

Thank you for your letter dated 15 December 2023 in response to the recent consultation where we sought the Firefighters' Pensions SAB views on the draft S.I. amending the Firefighters' Pension Scheme (England) Regulations 2014.

We have carefully reviewed your response to our consultation questions, and these have been taken into consideration when concluding our approach.

Question 1

We are aligned in our view for the intended use and execution of this policy as well as the expectations on scheme members and scheme managers. This being that members are expected to pay their relevant scheme contributions in line with the treatment of other elements of unpaid leave within the scheme regulations.

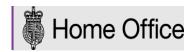
Our policy intention is that when the <u>Carer's leave Act 2023</u> comes into force in 2024, our amending Regulations will come into force at the same time thereby removing any potential discretion that might have potentially occurred.

We are happy to support the sector with the introduction of these changes.

Question 2

As you are aware, the Home Office has already provided a clear recommendation to scheme managers to proceed with providing the revalued 2015 scheme pensions in 2021 and 2022 in advance of these changes coming into force and this has been shared with the LGA and Firefighters' Pensions SAB (Annex A).

Alongside the Written Ministerial Statement (WMS) published on 6 July 2023, there will be an accompanying Explanatory Memorandum that will be released



with the Statutory Instrument which will outline the policy intention behind the changes. As this document is published it is possible for this document to be used by scheme managers alongside any informal guidance document that we issue. Both documents will stipulate the specific years in question. The Home Office is content that this provides sufficient clarity for FRAs.

Question 3

We recognise the concern raised in your response to Question 3 regarding raising awareness amongst the receiving Club transfer schemes to ensure they update their systems accordingly.

We believe that the WMS published on 6 July 2023, the accompanying Explanatory Memorandum to the Statutory Instrument, as well as the informal guidance note to all FRAs, clearly sets out the correction required. The Home Office does not hold any transfer data and it would be for the FRAs to identify any club transfer members that occurred at any point between 1 April 2020 and 31 March 2022

Discussions are continuing with HM Treasury about the best method to publicise and ensure entitlements are corrected for those members affected. We are not of the view that any further amendments to the Firefighters' Pension Scheme (England) Regulations 2014 are required.

Question 4

We are aligned in our view on expectations, and we expect FRAs to hold the relevant records for the period between 1 April 2020 and 31 March 2022 to ensure that affected members are identified and their pension entitlements corrected, as set out in the WMS.

Point to note

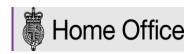
Thank you for your point to note on the HMT Directions and drawing our attention to the referenced published revaluation orders for 2021 and 2022 which are incorrect in relation to the Firefighters' Pension Scheme. This is understood and noted to prevent any errors in future valuations.

We are grateful for the time that the SAB has taken to review and respond to the Consultation.

Yours sincerely

Helen Fisher

Head of Police and Firefighters' Pension Team



Annex A

To: Fire and Rescue Authorities, England

From: Peter Spreadbury

Re: HMT Written Ministerial Statement in Parliament on 6 July 2023 outlining the identified error in the Treasury Revaluation Orders for 2021 and 2022.

Written statements - Written questions, answers and statements - UK Parliament

Dear Colleague

Treasury Revaluation Orders are used to revalue in-service benefits for members of the 2015 Firefighters' Pension Scheme, under the Firefighters' Pension Scheme (England) Regulations 2014 (SI 2014/2848).

In the statement, HM Treasury made clear that during the work leading up to the laying of the Treasury Revaluation Order published in 2023 an error had occurred. The 2021 and 2022 Treasury Revaluation Orders had used a provisional increase figure in November of that year rather than a revised figure in December, which was used in the previous Orders from 2015 to 2020.

Whilst the legislation setting out how the revaluation is applied does not specifically state how a figure of Average Weekly Earnings growth is obtained for the purposes of revaluation, the Government intends to correct the position to align the Treasury Revaluation Orders for 2021 and 2022 with those of the previous years. This will result in an increase of 0.2% for 2021 and 0.4% for 2022. Scheme Managers will be required to correct this error retrospectively.

We do not anticipate any change to the increase to member benefits of 0.2% for 2021 and 0.4% for 2022, as set out in HM Treasury Written Ministerial Statement. That said, the Home Office intends to consult on amendments to the Firefighters' Pension Scheme (England) Regulations 2014, to ensure regulation changes achieve the desired outcome. In the meantime, HO asks all fire and rescue authorities in England to apply the below with immediate effect.

In respect of correcting the affected years for any member that is impacted, with immediate effect:

 Scheme managers should apply the necessary administration changes needed to correct the error that occurred in the 2021 and 2022 revaluation orders for affected members' benefits in advance of the regulatory changes being made, as set out in the Written Ministerial Statement from HM Treasury.