

Welsh Government Consultation on Remedying Age Discrimination in Firefighters' Pensions in Wales 2023.

Response Form

Your name: Mr Michael Prior (Chair of the SABW)

Organisation (if applicable): Firefighters' Pension Scheme Advisory Board for Wales

- Responses to consultations are likely to be made public, on the internet or in a report. If you would prefer your response to remain anonymous, please tick here:

Question 2

How far do you agree with our proposal that all affected members who opted out of 2015 Scheme membership during the remedy period should be entitled to opt back into their legacy schemes retrospectively, without having to show why they originally opted out?

It is the general consensus of the SABW that the proposal appears to be fair, however, further clarification regarding the period that members are able to retrospectively opt back into the pension scheme would be welcomed.

The consultation indicates that members who opted out during the remedy period are eligible to choose to opt back in for any service during the remedy period. Employer Representatives of the SABW have identified a small number of individuals who opted out of their legacy scheme prior to the start of the remedy period (prior to 1 April 2015) and had joined the 2015 scheme just prior to the closure of the legacy schemes in April 2022. The SABW would welcome clarification as to whether such individuals would be eligible to opt back into their legacy scheme retrospectively under the proposed scheme rules, or whether their re-joining the 2015 scheme prior to the closure of the remedy period would disqualify them from opting back in for the whole remedy period.

Question 4

How far do you agree with our proposals that scheme members with a contributions deficit should be allowed to choose whether to repay it as a lump sum or (if the deficit is at least £100) in instalments over a period of up to 10 years?

It is the SABW's view that providing an option to repay contributions via periodic instalments as well as by lump sum is a more equitable option and would help to minimise potential financial hardship to Scheme Members. This approach would also be consistent with that already implemented with regard to buy back of contributions in relation to RDS Service in the modified section of the 2007 Pension Scheme. Employer Representatives do not envisage there being any difficulties in devising a mechanism for periodic contribution repayments.

The SABW notes however, that the proposal differs to the approach adopted by the Home Office, and we suggest that consideration should be given to the impact that the different re-payment approaches may have on cross border transfers.

Question 7

How far do you agree with our proposals that deferred choice elections:

- **must be made in writing;**
- **must be made no later than the later of the date one year before benefits become payable, and the date the member gives notice of a claim for pension benefits; and**
- **can be revoked and remade by the member before benefits come into payment?**

The SABW agrees with the proposals regarding deferred choice elections, however, for administration purposes, clear deadlines for members making choices between legacy scheme or 2015 scheme benefits should be set to ensure adequate timeframes are provided for scheme managers/administrators to implement those choices.

Question 8

How far do you agree with our proposals that deferred choice members who wish to retire shortly after 1 October 2023, and for whom the deadline for making a deferred choice has already passed on that date, should be able to retire on the basis that their remedy period service was in their legacy scheme; and that they should be able to make an immediate choice themselves following retirement?

It is the general consensus of the SABW that this proposal appears to be a fair and effective approach for members retiring shortly after 1 October 2023.

Question 15

How far do you agree with our proposals that:

- **If there is no agreement on the identity of the eligible decision-maker, or if the eligible decision-maker fails to make a decision by the deadline, the scheme manager must deem that an election for remedy period service in the 2015 Scheme has been made; and**
- **If a scheme member makes a valid immediate or deferred choice before s/he dies, that choice will be honoured and that no survivor would be entitled to revisit it.**

The SABW agrees that in the event that a decision has not been reached regarding the identity of the eligible decision-maker, or if the eligible decision-maker fails to make a decision by the deadline, the scheme manager must deem that an election for remedy period service in the 2015 Scheme has been made. Members also fully

support that, where a scheme member has made a valid immediate or deferred choice before s/he dies, that choice should be honoured, and no survivor should be entitled to revisit it.

Question 32

Do you have any other comments on our proposals which are not covered by the other questions in this consultation?

SABW Members agree that clear guidance on age discrimination remedy should be produced to allow administrators to effectively implement the required changes. Scheme administrators have raised concerns regarding resource levels and the importance that the necessary software is developed and installed quickly to ensure administrators are able to complete the necessary calculations.