



Home Office

RETAINED FIREFIGHTERS' PENSIONS: PROPOSED CHANGES TO THE FIREFIGHTERS' PENSION SCHEME (ENGLAND) ORDER 2006

Government response

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Introduction and contact details

This document is the post-consultation report for the consultation paper 'Retained Firefighters' Pensions: Proposed Changes to the Firefighters' Pension Scheme (England) Order 2006', which was published on 31 March 2023 and closed to responses on 9 June 2023. This report summarises the responses, including how the consultation process influenced the final shape/further development of the policy/proposal consulted upon.

Further copies of this report and the consultation paper can be obtained by contacting at the address below:

**Retained Firefighters' Pension Consultation Response
Police Workforce and Professionalism Unit
Home Office
6th Floor, Fry Building
2 Marsham Street
London SW1P 4DF**

Email: Firepensionspublicservicepensionsremedy@homeoffice.gov.uk

This report is also available at <https://www.gov.uk/government/consultations/retained-firefighters-pensions>

Alternative format versions of this publication can be requested from the Home Office, using the above contact details.

Complaints or comments

If you have any complaints or comments about the consultation process, you should contact the Home Office at the above address.

1. Background

- 1.1 The Home Office launched a consultation on the government's commitment to provide further remedy to those individuals who were employed as retained firefighters between 7 April 2000 and 5 April 2006 inclusive by providing access to the modified section of Firefighters' Pension Scheme (England) Order 2006 (referred to as 'the modified scheme').
- 1.2 The consultation proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 to achieve this outcome. We sought views on whether the proposed amendments achieve this policy intention for all eligible individuals. The proposed changes will apply to any individual who:
- was employed as a retained firefighter at any date during the period 7 April 2000 and 30 June 2000 inclusive (these individuals are 'Cohort 1').
 - was employed as a retained firefighter at any date during the period 7 April 2000 and 30 June 2000 inclusive and also between 1 July 2000 and 5 April 2006 inclusive (these individuals are 'Cohort 2').
 - was employed as a retained firefighter at any date during the period 1 July 2000 and 5 April 2006 inclusive and should have been eligible to join the modified scheme as part of the 2014 Options exercise but was not given an opportunity (these individuals are 'Cohort 3').
- 1.3 The consultation invited views on:
- whether the correct categories of individuals have been identified as being eligible to join the modified scheme as part of the 2023 Options exercise as set out in the MOU.
 - whether the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring individuals in Cohort 1 can purchase their uninterrupted retained service in the modified scheme.
 - whether the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring individuals in Cohort 2 can purchase their uninterrupted retained service in the modified scheme.
 - whether the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring individuals

in Cohort 3 can purchase their uninterrupted retained service in the modified scheme.

- whether any additional changes are required in respect of those individuals who are entitled to both Matthews remedy and McCloud remedy [[Firefighters' Pension Scheme retrospective remedy - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/consultations/firefighters-pension-scheme-retrospective-remedy)] simultaneously.
- whether there are any additional points not covered in this consultation paper that need to be considered as part of the proposed changes to the Firefighters' Pension Scheme (England) Order 2006.

1.4 The consultation period closed on 9 June 2023 and this report summarises the responses, including how the consultation process influenced the final shape/further development of the policy/proposal consulted upon.

1.5 A list of respondents is at Annex A.

1.6 A Glossary of terms is at Annex B.

2. Executive Summary

- 2.1 Apart from when undertaking training sessions and carrying out scheduled duties, retained firefighters are part-time firefighters who only attend a fire station after having received an emergency callout. Retained firefighters may also have other occupations, but, when called upon, they will perform firefighting duties. They provide vital cover from home or their place of work. They undertake an important role, supporting their communities by providing a flexible and effective service.
- 2.2 Historically, retained firefighters did not have any entitlement to membership of the Firefighters' Pension Scheme 1992 (the '1992 Scheme'). Retained firefighters were first given access to a fire service occupational pension arrangement when the Firefighters' Pension Scheme 2006 (the '2006 Scheme') was introduced on 6 April 2006. The 2006 Scheme was established when the Firefighters' Pension Scheme (England) Order 2006 came into force.
- 2.3 A group of retained firefighters brought legal proceedings against the government in the case of "Matthews v. Kent and Medway Towns Fire Authority (2006)" ('the Matthews case') under the Part-time Workers (Prevention of Less Favourable Treatment) Regulations 2000 ('the PTWR'). The claims related to the exclusion from the 1992 Scheme, which was then provided solely to full-time regular firefighters.
- 2.4 The case was heard in the Employment Tribunal (ET), which determined that the denial of access to pension rights for retained firefighters constituted unfavourable treatment which could not be justified.
- 2.5 Following the ET's determination in the Matthews case, a new pension arrangement was introduced through the creation of a modified section in the 2006 Scheme (the 'modified scheme') on 1 April 2014.
- 2.6 The modified scheme currently provides preferential pension terms, similar to those provided by the 1992 Scheme, to retained firefighters who were employed between 1 July 2000 and 5 April 2006 inclusive. It also applies a backstop date, as only service accrued on or after 1 July 2000 can be considered for pension entitlement.
- 2.7 Fire and Rescue Authorities (FRAs) in England undertook an options exercise (the '2014 Options exercise') between 1 April 2014 and 30 September 2015. This gave eligible individuals the opportunity to join the modified scheme and purchase their historic service.

- 2.8 In March 2014, shortly before the modified scheme was introduced, the claimants in a related legal case, *O'Brien v Ministry of Justice* (the 'O'Brien case'), indicated that they were seeking to appeal to the Court of Appeal. Their aim was to ensure service accrued in the Judges' Pension Scheme prior to the PTWR coming into force would be included for the purposes of calculating pension entitlement for part-time judges. This prompted claimants in the *Matthews* case not to withdraw their claims after the introduction of the modified scheme. Instead, they successfully applied to the ET for a stay pending the outcome of the *O'Brien* case.
- 2.9 The relevant legal aspect of the *O'Brien* case was whether a part-time judge could include service from before 7 April 2000 for the purposes of calculating their pension entitlement. This legal point was referred to the Court of Justice of the European Union (CJEU) for a decision.
- 2.10 On 7 November 2018, the CJEU gave its decision that claimants who were in service on 7 April 2000 and retired on or after that date should be able to include their full period of earlier service for pension entitlement.
- 2.11 At present, the modified scheme is restricted to service accrued by affected retained firefighters from 1 July 2000. The CJEU ruling effectively removes the backstop date for any retained firefighters employed on or beyond 7 April 2000. The Home Office will now provide further remedial policy ('the *Matthews* remedy') in respect of the *Matthews* case to reflect this CJEU ruling.
- 2.12 On 9 March 2022, the Home Office, the Local Government Association (LGA), Fire Brigades Union (FBU), and the Fire and Rescue Services Association (FRSA) signed a Memorandum of Understanding (MOU) relating to how the *Matthews* remedy will be delivered. The MOU set out that the remedy would take place through the offering of an 18-month long second options exercise ('the 2023 Options exercise') and that the scope and operation of this exercise would be subject to consultation and the making of secondary legislation.
- 2.13 Additionally, the Home Office has been made aware through stakeholder engagement that some individuals who were entitled to join the modified scheme under the 2014 Options exercise were not given a reasonable opportunity by their employing FRA to join. The Home Office has agreed that it is appropriate for affected individuals to be given an opportunity to join under the 2023 Options exercise.
- 2.14 The scope of the 2023 Options exercise has been agreed between the Home Office, Local Government Association (LGA), Fire Brigades Union (FBU), and Fire and Rescue Services Association (FRSA) in the Memorandum of Understanding ('the MOU') which can be found on the [consultation webpage](#).

3. Consultation

- 3.1 During the consultation period, the Home Office engaged with the Firefighters' Pensions Scheme Advisory Board (England) ('the SAB'), holding several engagement sessions between 2021 and 2023.
- 3.2 The SAB was established under the Firefighters' Pension Scheme (Amendment) (Governance) Regulations 2015 comprising firefighters' employer and member representatives, and part of its role is to provide advice to the Home Secretary on the merits of making changes to the firefighters' pensions scheme.
- 3.3 The aim of the sessions was to ensure stakeholders were given the opportunity to directly engage with the Home Office on the scheme level changes, to ensure the draft order would achieve the stated policy aim. A further aim was to give stakeholders an opportunity to seek clarification on any aspects of the consultation and the draft order.

Policies Home Office consulted on/developed during informal engagement

Eligibility

- 3.4 The 2023 Options exercise will relate to three cohorts of eligible individuals.
- I. Cohort A comprises those individuals who were employed as retained firefighters at any date during the period 7 April 2000 to 30 June 2000 inclusive. They may also have uninterrupted service prior to 7 April 2000.

They will not have any post 30 June 2000 service to purchase, and, as such, will not have fallen within the scope of the 2014 Options exercise.
 - II. Cohort B comprises those individuals who were employed as retained firefighters at any date during the period 7 April 2000 to 30 June 2000 inclusive, and during the period 1 July 2000 to 5 April 2006 inclusive.

They may also have uninterrupted service prior to 7 April 2000 and uninterrupted service after 5 April 2006.
- 3.5 Cohort B eligible individuals will have been given an opportunity to purchase their post 30 June 2000 service as part of the 2014 Options exercise. Where they did elect to join as part of the 2014 Options exercise, they will only be able to purchase any of their post 30 June 2000 service to the extent that it was or is not being purchased as part of the 2014 Options exercise.

III. Cohort C comprises those individuals who were employed as retained firefighters at any date during the period 1 July 2000 to 5 April 2006 inclusive and should have been eligible to join as part of the 2014 Options exercise but were not given the opportunity to.

3.6 Cohort C eligible individuals will be those that have exclusively all post 30 June 2000 service and should have been offered the opportunity to join the modified scheme as part of 2014 Options exercise but were not.

Cohort C eligibility

3.7 As set out in the [MoU](#), FRAs should apply the following principles to determine whether an individual is included or excluded in Cohort C.

3.8 FRAs have the initial responsibility to identify those retained firefighters they believe were given an opportunity to take part in the 2014 options exercise and providing the evidence set out below.

3.9 According to the agreed terms of the MOU, the relevant FRA will have applied rules 5A(4), 5A(13) and 6C(4) of Chapter 2, para 1, Schedule 1 of SI 2006/3432 either:

- I. Where they can produce a file copy of the letter, substantially in the form of the letters set out in the memorandum agreed between the FBU/FRSA/LGA and Home Office ([Retained firefighters' pensions - GOV.UK \(www.gov.uk\)](http://www.gov.uk)), which was individually addressed to the individual concerned, at their correct, most recently notified home address.
- II. Where the FRA can establish that:
 - the correct name and most recently notified home address was included at the time of sending the letters on a relevant mail merge database.
 - the mail merge was created before it is claimed the letters were sent, allowing the FRA to cite other evidence that the letter was sent.
 - where an individual retained firefighter had consented in writing to communication by email, references to 'letters' include emails, and references to 'most recently notified home address' include most recently notified email address.

Purchase of historic retained service

3.10 Those individuals who are eligible to join the modified scheme under the 2023 Options exercise will have the opportunity to purchase their past service as follows:

3.11 Cohort A individuals will be able to purchase:

- all their retained service between 7 April 2000 and 30 June 2000 inclusive; and
- all uninterrupted retained service prior to 7 April 2000.

3.12 Cohort B individuals will be able to purchase:

- all their retained service between 7 April 2000 and 5 April 2006 inclusive;
- all uninterrupted retained service prior to 7 April 2000; and
- all uninterrupted retained service after 5 April 2006 (up to 31 March 2015).

3.13 All these individuals will have been given an opportunity by their FRAs to purchase their post 30 June 2000 retained service as part of the 2014 Options exercise. Where they did elect to join as part of the 2014 Options' exercise, they will only be able to purchase any of their retained service post 30 June 2000 service to the extent that it was not or is not being purchased as part of the 2014 Options exercise.

3.14 Cohort C individuals will be able to purchase:

- all their retained service between 1 July 2000 and 5 April 2006 inclusive; and
- all uninterrupted retained service after 5 April 2006 (up to 31 March 2015).

Extended Limited period

3.15 The 'extended limited period', which represents the full period that an individual is entitled to purchase in the modified scheme, will be as follows:

- I. For Cohort A – The extended limited period is from the start of an individual's retained employment and the date they left their retained employment (this would have to be between 7 April 2000 and 30 June 2000 inclusive).
- II. For Cohort B – The extended limited period is from the start of an individual's retained employment (which would have to be before 1 July 2000) and the earliest of:
 - the date they joined the 2006 Scheme as a special firefighter member or as a standard member in respect of service that could otherwise be treated as special pensionable service.

- the date, if applicable, on which they ceased to be employed as a retained firefighter or regular firefighter.
 - 31 March 2015.
- III. For Cohort C – The extended limited period is from the start of an individual's retained employment (which would have to be between 1 July 2000 and 5 April 2006 inclusive) and the earliest of:
- the date that they joined the 2006 Scheme as a standard member in respect of service that could otherwise be treated as special pensionable service.
 - the date, if applicable, they ceased to be employed as a retained or regular firefighter.
 - 31 March 2015.

Mandatory special service period

3.16 The mandatory special period, which is the period during the extended limited period that an individual elects to purchase in the modified scheme, is the following.

3.17 For Cohort A, the mandatory special period is:

- the date that an individual was first employed as a retained firefighter, or another date between that date and 30 June 2000 inclusive, which a person had elected to start their modified scheme membership from.
- without a break of service, the date that they left service.

3.18 For Cohort B, the mandatory special period is:

- the date that an individual was first employed as a retained firefighter, or another date between that date and 30 June 2000 inclusive, which the individual had elected to start their modified scheme membership from.
- without a break of service, the date that they join the modified scheme as a special firefighter member or, in the case of a person who joins the modified scheme as a special deferred or special pensioner member, the date on which they left service.

3.19 For Cohort C, the mandatory special period is:

- the date that each eligible person was first employed as a retained firefighter between 1 July 2000 and 5 July 2006 inclusive, or another date within that

period from which the individual has elected to start their modified scheme membership.

- without a break of service, the date that they join the modified scheme as a special firefighter member or, in the case of a person who joins the modified scheme as a special deferred or special pensioner member, the date on which they left service.

Historic pay and service data

3.20 The 2014 Options exercise provided individuals with the opportunity to purchase their historic retained service back to 1 July 2000. Some FRAs raised concerns about the accessibility/availability of historic data that would allow a fire and rescue authority to determine the service that an individual would be able to purchase. To mitigate the risks of this, where there was a lack of reliable historic data available FRAs could use:

- the relevant employee and pay records that it holds.
- any relevant documentation provided by the employee where the fire and rescue authority does not hold historic pay records; or
- recent pay data and/or turnout rates for retained firefighters at the specific fire stations that each eligible member was located to determine average pay rates.

3.21 The 2023 Options exercise will provide eligible individuals with the opportunity to purchase historic service from before 1 July 2000. This raises further complications with regards to the availability of employee records. To resolve this, the following assumptions will be applied:

- For service from 1 July 2000 onwards, this will continue to apply as it did during the 2014 Options exercise.
- For service prior to 1 July 2000, where there is no robust historic data FRAs will apply the following assumptions/principles:

Service

- A start date must be evidenced in some way by the FRA i.e. payroll or HR records would be needed.
- A member can challenge this should they be able to provide robust evidence i.e. pay slip, P60 or contract of employment.

- If no evidence is available, either from the perspective of the FRA or member, there is no entitlement to join the modified scheme.

Pay

- FRAs are to use the same data as per the 2014 Options exercise for pay from 1 July 2000 – 5 April 2006.
- For cases with service pre-July 2000, FRAs are to use the data that they have on record.
- In the absence of data for pre-July 2000 membership FRAs can determine the average pay rates from their own local experience or records, where this provides an assumption that the average retained pay is greater than 25% of a whole-time regular firefighter. Where this is not possible, the FRA should apply the default assumption that retained firefighters earn on average 25% of a whole-time regular firefighters' pay.

Rank

- In the absence of evidence/data, FRAs are to assume that the individual was a firefighter.

Application of Interest

3.22 Interest is applicable on contributions owed by a member to the scheme and pension owed by the scheme to a member. The interest rates will apply to the 2023 Options exercise in the same way as they applied to members who joined the modified scheme during the 2014 Options exercise.

Adjustments for loss of tax relief on employee contributions

3.23 Individuals who join the modified scheme as part of the 2023 Options exercise will also be entitled to tax relief on their historic employee contributions. It is expected many of those individuals will not be able to claim this from HMRC via established processes (PAYE or self-assessment).

3.24 To avoid any tax relief complications from implementing the 2023 Options exercise, eligible individuals will be compensated by means of reducing the costs of purchasing their past service in the modified scheme to reflect an assumed tax relief entitlement for each member. For the purposes of this, the tax relief entitlement will be based on the member being a basic rate taxpayer for each of the years that they purchase and the basic rate of taxation that applied in those years will be used to calculate the member's tax relief deduction.

- 3.25 Where a member can provide robust evidence to show that they were a higher rate taxpayer during the period that they were employed then that higher rate will be used to calculate the deduction. For any member who receives tax relief on their contributions through PAYE then this will be deducted from the tax relief entitlement so that only the loss of tax relief is deducted from the cost of purchasing past service.
- 3.26 Members who benefit from this will not be permitted to submit any claims to HMRC to seek further tax relief on any contributions paid.

Retrospective ill-health awards

- 3.27 The policy on retrospective ill-health awards is the same as it was during the 2014 Options exercise. That is, any former retained firefighters who are eligible to join the modified scheme and who were medically retired (with no pension entitlement as they were excluded from the 1992 Scheme) before 6 April 2006 will be entitled to receive the retrospective pension payments associated with a higher tier ill-health retirement (to include both lower tier and higher tier elements). This will be calculated in accordance with the standard 2006 scheme provisions and based on their special pensionable service up to the point of medical retirement.
- 3.28 This entitlement will be subject to the certification by an Independent Qualified Medical Practitioner that a person was permanently disabled for undertaking the role of a firefighter at the date of their dismissal and that the permanent disablement had continued to the date of the medical assessment. Where entitlement has been confirmed, the payment of the ill-health pension would take effect from the date of a member's dismissal or retirement and would be conditional on the payment of all historic contributions and interest by a member. The FRA will also pay a member a lump sum for any backdated ill-health pension payments. This would include interest.
- 3.29 There are individuals who will have joined as part of the 2014 Options exercise and will have received a retrospective ill-health pension based on their pensionable service from 1 July 2000 (as this was the backstop date). For these cases, the 2023 Options exercise will provide further opportunity to purchase pre-July 2000 service which will be reflected in their retrospective ill-health award and recalculated from the point that they left employment.
- 3.30 The recalculation of this award will be complex as it will require some intricate interest calculations. These cases will be referred to the Scheme Actuary by the FRA so that they can calculate the adjusted ill-health pension, and the rectification payment for any ill-health pension paid to the member to date.

Special Death Grant

- 3.31 As part of the 2014 Options exercise, any individuals who would have had an option to join the modified scheme but had died during the period 1 July 2000 to 5

April 2006 were given a special death grant of 2.5 times their pensionable pay at the time of death – payable to the surviving spouse.

- 3.32 As part of the 2023 Options exercise, the special death grant provision will be extended to include those who would have been entitled to join during the 2014 Options exercise but died during the period 7 April 2000 to 30 June 2000 inclusive.
- 3.33 As part of further remedy, the Scheme will provide an additional special death grant in respect of an individual's pre-7 April 2000 retained service. This extended special death grant will provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased member had prior to 7 April 2000.
- 3.34 In summary, the policy is:
- anyone who died between 7 April 2000 and 5 April 2006 with no pre-7 April 2000 service will receive a special death grant of 2.5 times their pensionable pay at the time of the death;
 - anyone who died between 7 April 2000 and 5 April 2006 with pre-7 April 2000 service will receive a special death grant of 2.5 times their pensionable pay at the time of the death; and
 - anyone in receipt of a special death grant will receive an additional top up to the special death grant in relation to their pre-7 April 2000 service.

Additional death grant

- 3.35 There are individuals who will have joined the modified scheme as part of the 2014 Options exercise and purchased their past service to 1 July 2000 and would also have been entitled to purchase pre-July 2000 service as part of the 2023 Options exercise but for the fact that they have died prior to having the opportunity to make a positive election.
- 3.36 Anyone who joined the modified scheme as part of the 2014 Options exercise and who has pre-July 2000 service (which they would have been able to purchase under the 2023 Options exercise but for the fact that they have died) will receive an additional death grant in relation to their pre-July 2000 service.
- 3.37 The additional death grant will provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased had prior to 1 July 2000.

Employee contribution rates

- 3.38 The contributions payable during the 2023 Options exercise for purchasing historic service in the modified scheme would be the same rate as those that were paid by members who joined as part of the 2014 Options exercise. This would effectively be at the same employee rate that they would have paid had an individual been a member of the 1992 Scheme during the period of service that they would be purchasing.

Right to transfer special service

- 3.39 Individuals will have a right to request a transfer value in respect of their special service under the modified scheme.

Transferring accrued 1992 Scheme service into the modified scheme

- 3.40 Any individuals who are eligible to join the modified scheme as connected special member and who currently have accrued uninterrupted service in the 1992 scheme (in the form of a deferred pension) may be eligible to transfer this service into the modified scheme. The transfer would be undertaken under the terms of the Public Sector Transfer Club. Any election by a member to transfer this service would need to be made to the employing FRA within one year of receiving notice of details of the costs of purchasing their past service pension rights.
- 3.41 The modified scheme's pensionable service cap of 30/45ths of a member's average pensionable pay would still apply even if the total of a member's special pensionable service exceeds 30 years at retirement. The modified scheme does not provide for special deferred or special pensioner members to transfer in accrued service from the 1992 scheme.

Converting special service to standard service – connected special members

- 3.42 Any individuals who joined the standard 2006 Scheme from 6 April 2006, and who are also eligible to join the modified scheme as connected special members, will be able to convert their special membership to standard membership, in accordance with the scheme regulations.
- 3.43 This conversion would be undertaken by direct reference to guidance and bespoke actuarial factors produced by the Scheme Actuary (in line with the 2014 options exercise) which would reflect the preferential 2007 transfer terms on offer to 1992 scheme members who transferred to the standard 2006 scheme.

Converting standard service to special service – connected special members

- 3.44 Any persons who join the modified scheme as part of the 2023 Options exercise as a connected special member will be able to convert standard membership accrued in the 2006 Scheme (which they would be entitled to treat as special service) to special service.

Converting standard service to special service – special pensioner members

- 3.45 Any persons who join the modified scheme as special pensioner members as part of the 2023 Options exercise may be able to convert standard membership accrued in the 2006 Scheme (which they would be entitled to treat as special service) to special service.

Conversion decisions made during the 2014 Options exercise

- 3.46 During the 2014 Options exercise some members who joined the modified scheme had the option to convert any uninterrupted standard 2006 Scheme service (where they joined the standard 2006 Scheme) to special service; or vice versa.
- 3.47 Those members who elected to join and purchase their service in the modified scheme will now have the opportunity to purchase further service from before 1 July 2000. This further option could have a material impact on the 'conversion' decisions that the member made/did not make during the 2014 Options exercise.
- 3.48 All individuals who joined during the 2014 Options exercise and who make an election to purchase pre-July 2000 service under the 2023 Options exercise can decide to reverse any conversion decision made (be that from standard to special service or vice versa).
- 3.49 Any adjustment to the contributions paid from an individual's decision to reverse their earlier conversion decision will be applied to the cost of purchasing their service under the 2023 Options exercise. These individuals will be able to make a new election to convert under the provisions of the 2023 Options exercise, subject to the scheme rules.
- 3.50 Any decisions to convert service from standard to special service (or vice versa) will be applied across all service purchased under both the 2014 and 2023 Options exercises.

Payment of employee contributions for historic service

Post 30 June 2000 service

- 3.51 Those individuals who join the modified scheme as a special pensioner member will have the option to pay the cost of historic contributions by means of lump sum only. The lump sum would have to be paid to the employing FRA within six months of electing to join the modified scheme and before the pension comes into payment.
- 3.52 These individuals will have the option of purchasing their past service rights from any commuted lump sum. This is the lump sum members can choose to receive in exchange for giving up part of one's annual pension payable from retirement. Where this option is made, the employing FRA would deduct the past service costs from the commutation lump sum prior to being paid to a member. If the value

of the commuted lump sum is not sufficient to pay the full balance of historic contributions, an individual would be required to pay any outstanding balance at the time of becoming entitled to receive payment of their pension.

- 3.53 Where a member had elected this option and the lump sum had not been received by the FRA before the expiration of this six-month period, the election to join the modified scheme would be revoked.
- 3.54 Those individuals who join the modified scheme as a special deferred member would also have the option to pay the historic contributions by means of lump sum. Under this option, any lump sum would need to be paid within six months from the date of giving notice to pay for service during the limited period by lump sum.
- 3.55 Where a member had elected this option and the lump sum had not been received by the FRA before the expiration of this six-month period, the election to join the modified scheme would be revoked.
- 3.56 Alternatively, those individuals who join as special deferred members would have the option of purchasing their past service rights by means of making periodic contributions, which would include interest, over the earlier of 10 years or up to the point where they become entitled to receive payment of their deferred pension. Upon becoming entitled to receive payment of their deferred pension, any outstanding balance could be paid at that time from a member's commuted lump sum, or from another source, if a member so elects.
- 3.57 As with those persons who join as special pensioner members, if the value of the commuted lump sum is not sufficient to pay the full balance of historic contributions, a member would be required to pay any outstanding balance at the time of becoming entitled to receive payment of their pension. The total level of commuted lump sum, for tax purposes, would be the amount of lump sum, prior to the payment of contributions, not the residual lump sum after contributions have been paid.
- 3.58 Those persons who join the modified scheme as a connected special member would have the option of paying the historic contributions by means of a lump sum payment or periodic contributions. A member who elects to pay by lump sum would have six months from the date of electing to join the modified scheme to pay the lump sum. Where a member had elected this option and the lump sum had not been received by the FRA before the expiration of this six-month period, the election to join the modified scheme would be revoked.
- 3.59 Alternatively, members would either have a period of 10 years or until they retire, whichever is shorter, to pay the historic contributions by means of periodic contributions which would include interest. Upon retiring, any outstanding balance could be paid from a member's commuted lump sum or from another source if a member so elects. The balance should be paid within three months. The total level of commuted lump sum for tax purposes would be the amount of lump sum prior to

the payment of contributions, not the residual lump sum after contributions have been paid.

- 3.60 If the special connected member were to opt out, cancel the periodic contributions, or not pay the balance due, then a member would receive a prorated service credit for the service purchased during the limited period. They would become entitled to a deferred pension in the modified scheme. There would be no ability for a member to restart the periodical payment of contributions.
- 3.61 If the special connected member died during the spreading period and before becoming entitled to receive payment of the special pension, then their special pensionable service would be credited with the full amount of service that they elected to purchase. However, if the special connected member commenced ill-health retirement during the spreading period, then they would have the option to pay any outstanding amount for the past service they elected to purchase by lump sum. If they were to choose not to pay an outstanding balance, then the past service credit would be prorated to reflect the past service contributions actually paid.

Pre-July 2000 service

- 3.62 The same rules for purchasing past service in the modified scheme will apply to the 2023 Options exercise as they did for the 2014 Options exercise. However, as part of the 2014 Options exercise, members who chose to purchase their past service by means of periodical contributions were given 10 years to discharge their liability.
- 3.63 However, the 2023 Options exercise may involve members paying historic contributions in respect of a longer period – potentially going back to 1960s and 1970s, when compared to the period of service individuals were purchasing during the 2014 Options exercise (which was a maximum of 15 years' service). As such, having a spreading period of only 10 years may act as an impediment to taking up their entitlement to join the modified scheme.
- 3.64 Individuals who join the modified scheme as part of the 2023 Options exercise and who have the option to pay for their service by periodical contributions will have the option to purchase post 1 July 2000 service by means of spreading over 10 years, which is the same arrangement available to those who joined during the 2014 Options exercise. For any historic service from before 1 July 2000, the member's periodical contributions will be spread over 20 years. For both options, if the member retires prior to the expiration of the periodical contributions spreading period they will have the option to pay any outstanding amount from their commutation lump sum payment.
- 3.65 As with the 2014 Options exercise, all members will also have the option to pay the full costs by means of an upfront single lump sum payment.

Disputes Resolution

- 3.66 Where there is a dispute between the retained firefighter and the relevant FRA in relation to their pension entitlement, then the matter will be dealt with in accordance with the Independent Dispute Resolution Procedure (IDRP) provided for in the modified scheme. The IDRP will be applicable to such disputes notwithstanding section 50(9)(a) of the Pensions Act 1995.
- 3.67 If the IDRP does not resolve the matter, then the retained firefighter would retain the ability to pursue the matter with the Pensions Ombudsman, subject to the provisions of section 146(6) of the Pension Schemes Act 1993.

Financing arrangements

- 3.68 The implementation of the 2023 Options exercise is likely to create a scheme deficit as members purchase past service rights for which no employer contributions have been paid. The extent of this deficit will be established in actuarial valuations of the Firefighters' Pension Schemes.
- 3.69 Government policy is that any scheme deficit will be recovered by adjusting the employer contribution rates (assuming repayment of the deficit over a period of 15 years from the implementation date). Employer pensions cost pressures will be considered as part of wider funding agreements.

4. Summary of responses

- 4.1 In total, 43 responses to the consultation paper were analysed. 27 responses were sent on behalf of organisations and 16 were sent by individuals. 29 of the responses were submitted through an online survey, while the remaining 14 were received via email or letter which did not necessarily follow the same format as the online survey or indicate which questions were being answered by the comments provided. Where possible, the content of these responses has been distributed across the open response questions, to where they fitted best. These responses may have indicated agreement or disagreement but to avoid error in interpretation, responses to closed questions have not been interpreted from open responses unless they had been formatted to fully replicate the survey.
- 4.2 A total of 50 responses to the consultation paper were received. 1 response was a duplicate and was removed. Out of the remaining 49 responses, 6 responses did not respond directly to the consultation questions and were instead individual queries from members with either a statement or question about their own individual situations. These 6 responses did not form part of the consultation response. They will be reviewed separately and will be actioned accordingly.
- 4.3 Each question contained a closed question with respondents invited to indicate one of two responses: Yes or No. Each question was followed by an open question (either 'if yes, please explain why' or 'if no, please explain why'), each accompanied by an open text box. This enabled respondents to respond to the open question but also acted as an opportunity for respondents to add any additional comments. The open responses were analysed for common themes and levels of support for proposed measures.
- 4.4 Respondents were not required to answer all the questions in the consultation. Accordingly, not all 43 responses answered every question and there were no questions that were answered in all 43 responses. This is reflected in the analysis below.
- 4.5 For most questions, respondents were asked to indicate whether they felt different aspects of the policy proposals achieved what they aimed to achieve. In the analysis of these questions, responses for 'yes' have been grouped to be described as those who agreed with the proposals. Similarly, responses for 'no' have been grouped as those who disagreed with the proposals. We have also grouped those who did not answer yes or no as 'nil responses'.

5. Responses to specific questions

Q1. Are the categories of individuals that have been identified as being eligible to join the modified scheme as part of the 2023 Options exercise as set out in the MOU correct?

5.1 We received 39 responses to question 1: 32 responded yes that the proposed amendments identified the correct categories of individuals as being eligible to join the modified scheme as part of the 2023 Options exercise and 7 said no, they were not. Others may have provided commentary without a clear 'yes or no' response.

Q2. Do the categories of individuals that have been identified as being eligible to join the modified scheme as part of the 2023 Options exercise include everyone who ought to be included?

5.2 We received 39 responses to question 2: 33 responded yes that the proposed amendments identifying the categories of individuals as being eligible to join the modified scheme as part of the 2023 Options exercise, included everyone who ought to be included and 6 said no, they were not. Others may have provided commentary without a clear 'yes or no' response.

Summary of responses to questions 1 and 2.

5.3 A few of the responses highlighted concern that retained firefighters who had left their employment on or before 6 April 2000 will not benefit from the remedy and suggested that this may lead to potential future discrimination claims.

5.4 5 responses referred to individuals who were employed as retained firefighters prior to 7 April 2000 before transferring to employment as a whole-time regular firefighter and had uninterrupted service during the period 7 April 2000 to 5 April 2006. They suggested that these individuals should have an entitlement to join the modified scheme for their retained service. They also referred to the Memorandum of Understanding, agreed between the HO, LGA, FRSA and FBU on the principles for implementing the 2023 Options exercise, and argued that it does not preclude this group.

5.5 Some responses welcomed the fact that individuals who were not given the opportunity to join the modified scheme during the 2014 Options exercise will now be given the opportunity to join as part of the 2023 Options exercise.

5.6 9 responses also welcomed the proposed flexibility to allow individuals who are not identified during the 2023 Options exercise to join the modified scheme after the exercise deadline has concluded.

- 5.7 A number of responses agreed that correct categories of individuals have been identified in the consultation paper as being eligible for Matthews remedy, whilst at the same time raising concerns about employers' ability to identifying all those who have should have an entitlement to join.
- 5.8 Some responses also suggested that an extension to the options exercise beyond the 18 months would be very helpful for those cases where the employing authority has not identified an eligible member. This will help avoid potential future legal challenges.
- 5.9 A number of responses referred to the indicative timetable and suggested that if fire authorities are only required to write to those individuals who express an interest in joining the modified scheme to provide them with details of their pension entitlement, then this could lead to future claims from individuals that they were not given an opportunity to join. Additionally, clarification was sought on how an individual who was not notified by the relevant fire authority would know to declare an interest in joining the modified scheme.

Government response to questions 1 and 2

- 5.10 It is the government's view that individuals who left their employment as a retained firefighter prior to 7 April 2000 are not entitled to join the modified pension scheme, regardless of whether they have uninterrupted service as whole-time regular firefighter during the period 7 April 2000 and 5 April 2006.
- 5.11 The Matthews remedy proposals consulted on already provide some flexibility which allows individuals who have not been identified prior to the expiration of the 18 months deadline to join after the closure of the 2023 options exercise. The government has also agreed to extend this flexibility to those individuals that were sent notification letters about their entitlement to join the modified scheme by the relevant fire authorities but where it can be demonstrated that the notification letter was sent to an incorrect address.
- 5.12 On the point about the ability of individuals who have not been notified by fire authorities being aware of the need to declare an interest in joining the modified scheme, there will be other avenues where an individual can become aware of Matthews remedy in addition to communications from fire authorities. For example, someone may become aware through their relevant trade union, or from others who have been contacted by their fire authority.
- 5.13 The three cohorts, as identified in the consultation paper, that will have an entitlement to join the modified scheme are those individuals:

[Government Response to Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) Order 2006]

- employed as retained firefighters at any date during the period 7 April 2000 to 30 June 2000 inclusive, and who do not have post 30 June 2000 service;
- employed as retained firefighters at any date during the period 7 April 2000 to 30 June 2000 inclusive, and between 1 July 2000 to 5 April 2006 inclusive; and
- employed as retained firefighters at any date during the period 1 July 2000 to 5 April 2006 inclusive and who were not given the opportunity to join during the 2014 Options exercise.

5.14 After considering the responses to the consultation questions 1 and 2, and informal engagement with stakeholders, the government is content that the proposed changes clearly define those individuals who are eligible for the Matthews remedy.

Q3. Do the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 1 can purchase any of their uninterrupted retained service in the modified scheme?

5.15 We received 37 responses to question 3: 29 responded yes that the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieves the policy intention of ensuring all individuals in Cohort 1 can purchase any of their uninterrupted retained service in the modified scheme and 8 said no, they did not. Others may have provided commentary without a clear 'yes or no' response.

Q4. Do the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 2 can purchase any of their uninterrupted retained service in the modified scheme?

5.16 We received 36 responses to question 4: 26 responded yes that the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieves the policy intention of ensuring all individuals in Cohort 2 can purchase any of their uninterrupted retained service in the modified scheme and 10 said no, they did not. Others may have provided commentary without a clear 'yes or no' response.

Q5. Do the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieve the policy intention of ensuring all individuals in Cohort 3 can purchase any of their uninterrupted retained service in the modified scheme?

5.17 We received 37 responses to question 5: 28 responded yes that the proposed amendments to the Firefighters' Pension Scheme (England) Order 2006 achieves the policy intention of ensuring all individuals in Cohort 3 can purchase any of their uninterrupted retained service in the modified scheme and 9 said no, they did not. Others may have provided commentary without a clear 'yes or no' response.

Summary of responses to questions 3, 4 and 5

- 5.18 A number of responses referred to decisions made by individuals who joined the modified scheme during the 2014 Options exercise which they may now want to reverse given that they are now able to purchase additional pre-July 2000 service. The decisions identified were converting special to standard service (and vice versa), trivial commutations and purchase of added service which takes the member beyond the maximum 30 years pensionable service limit.
- 5.19 One response highlighted that retained firefighters with secondary employments as whole-time regular firefighters currently are unable to aggregate their periods of service under a single membership in the 1992 Firefighters' Pension Scheme. They expanded on this to say that members who are eligible for Matthews remedy would have had access to the 1992 Firefighters' Pension Scheme. The pension structures of both the 1992 Scheme and the modified scheme are different with regards to retirement ages and accrual rates. These issues would need to be resolved to place the individuals in the position they should have been in had they not been precluded from the 1992 Scheme.
- 5.20 Some respondents also highlighted that, due to the passage of time, many individuals who have an entitlement to join the modified scheme may not be contactable due to outdated employee records, and that there is a risk that these individuals will only get an opportunity to join the modified scheme if they are made aware of the 2023 Options exercise from external sources.
- 5.21 A number of respondents made reference to 'annual allowance' (AA) tax and suggested that AA charges incurred as a consequence of joining the modified scheme should be treated in the same way as 'tax relief of contribution' in that it should be deducted from the cost to the individual of purchasing their past service.
- 5.22 Some respondents also referred to outstanding tax issues from the 2014 Options where individuals who joined the modified scheme have not been able to claim tax relief on the contributions that they paid to purchase their historic service back to 1 July 2000.

Government response to questions 3, 4 and 5

- 5.23 References to reversing certain decisions made by individuals who joined the modified scheme as part of the 2014 Options exercise can only be relevant to cohort 2. Essentially that will be those individuals who have already joined the modified scheme and have also retained service prior to July 2000. Cohorts 1 and 3 comprises individuals who didn't have an opportunity to join during the 2014 Options exercise and, therefore, will not have made any decisions that will need to be revisited.

[Government Response to Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) Order 2006]

- 5.24 With regards to decisions made by cohort 2 individuals during the 2014 Options exercise, the government accepts that the ability to purchase additional historic service prior to July 2000 may have a material impact on previous decisions made in respect of converting their service between standard and special, and the purchase of additional special service.
- 5.25 The Home Office has agreed that affected members will have the opportunity to revisit earlier conversion decisions made during the 2014 Options exercise.
- 5.26 Any individual who joined during the 2014 Options exercise and who makes an election to purchase pre-July 2000 service under the 2023 Options exercise and decides to reverse their original conversion decision (be that from standard to special service or vice versa), will have the opportunity to also make the alternative conversion decision in respect of the service they purchased under the 2014 Options exercise i.e. where they made an election to convert special to standard they can now reverse that decision and convert standard to special OR where they made an election to convert standard to special they can now reverse that decision and convert special to standard.
- 5.27 Any conversion decision made by the member in respect of the service purchased under the 2014 Options exercise will also apply to service purchased under the 2023 Options exercise.
- 5.28 Any adjustment to the contributions paid from an individual's decision to reverse their earlier conversion decision will be applied to the cost of purchasing their pre-July 2000 service under the 2023 Options exercise. This adjustment will be undertaken in accordance with guidance provided by the Scheme Actuary.
- 5.29 Where an individual did not make any decision to convert service during the 2014 Options exercise and purchases service pre-July 2000 service under the 2023 Options exercise, they will have an opportunity to make a conversion decision in respect of all the service purchased under the 2014 Options exercise and 2023 Options exercise, subject to the scheme rules.
- 5.30 Any decisions to convert service from standard to special service (or vice versa) will be applied across all service purchased under both the 2014 and 2023 Options exercises. For example, any individual who retains their original decision to convert special service purchased under the 2014 options exercise to standard 2006 Scheme service will also have to convert any additional service purchased under the 2023 Options exercise to standard service.
- 5.31 Additionally, it is important to note that conversion decisions made by members who have post 31 March 2015 service may affect which firefighters' pension scheme is the individual's legacy scheme for the purposes of McCloud remedy. Individuals who elect to convert special service to standard service will be members of the legacy 2006 Scheme for the purposes of McCloud remedy,

whereas those who convert standard service to special service will be members of the legacy modified scheme for the purposes of McCloud remedy.

5.32 On the point about elections made by the member to purchase added years (1/45ths) during the 2014 Options exercise, the government has also agreed that any individual who:

- joined the modified scheme during the 2014 Options exercise and made an election to purchase added service;
- elects to purchase pre-July 2000 service under the 2023 Options exercise; and
- their total service exceeds the 30 years maximum service cap by age 55

will have their election to purchase additional service revised retrospectively so that their total service does not exceed 30 years (or 30/45ths) by age 55. Any added years contributions paid by the member in relation to service that exceeds the 30-year service cap by age 55 will be netted off the cost of purchasing their past service under the 2023 Options exercise. Where the cost to the member of purchasing their pre-July 2000 service is insufficient to net off the excess added years contributions then the member will receive any remaining contributions as a refund payment.

5.33 With regards to decisions made about trivial commutations, any pension entitlement purchased by an individual under the 2014 Options exercise and converted to a trivial commutation cannot be reversed. The individual will already have received the value of their pension in the form of a lump sum payment. Any further service purchased by the individual under the 2023 Options exercise will be treated as a recurring pension or, where it satisfies the necessary HMRC criteria, a separate trivial commutation payment.

5.34 The government is aware of the 'aggregation' issue regarding individuals who have uninterrupted concurrent and simultaneous retained and regular service during the period 7 April 2000 and 5 April 2006. As stated in the consultation paper, the government is currently considering this complex issue and will respond when a final position has been reached.

5.35 On the point about the 1992 Scheme and modified scheme having different accrual rates and retirement ages, it is worth noting that the terms of the modified scheme were agreed with the claimants' legal representatives prior to being introduced on 1 April 2014. The 2023 Options exercise does not intend to revisit the fundamentals of this pension benefit structure but rather to extend the opportunity to those individuals who did not get a proper opportunity to join the modified scheme in 2014, and to those impacted by the ruling in O'Brien v Ministry of Justice.

- 5.36 On the point about tax relief on contributions paid by individuals who joined during the 2014 Options exercise, this sits outside the scope of this consultation as it does not relate to the 2023 Options exercise. Notwithstanding this, the Home Office understands that individuals who joined the modified scheme during the 2014 Options exercise did receive tax relief on the employee contributions they paid where they submitted a self-assessment claim direct to HMRC or through PAYE. If there are any outstanding cases where the individual did not receive tax relief on the contributions paid, then the Home Office will consider these on a case-by-case basis. Further details on the process of how these cases will be considered will be provided in due course.
- 5.37 On the suggestion that tax charges relating to breaches in the Annual Allowance should be deducted from the costs to the member of purchasing past service, the Government does not consider this as a viable option. Annual Allowance is affected by an individual's total pension growth across all their pension arrangements and not just the modified scheme and therefore it is not a straightforward matter. Additionally, Annual Allowance charges can only be generated once an individual has paid for their service in the modified scheme. The government will consider any claims from individuals that have suffered financial detriment because of Annual Allowance tax charges on a case-by-case basis. Further details on the process of how these cases will be considered will be provided in due course.
- 5.38 After considering the responses to the consultation questions 3, 4 and 5, and informal engagement with stakeholders, the government is content that the proposed changes, and additional changes in respect of the certain decisions made by individuals during the 2014 Options exercise, achieve the policy intention of ensuring all cohort 1, 2 and 3 individuals can purchase their uninterrupted retained service in the modified scheme.

Q6. Are there any changes to the proposals required for those individuals who are entitled to both the Matthews remedy and McCloud remedy simultaneously?

Summary of responses

- 5.39 We received 29 responses: 15 responded yes, that there were changes to the proposals required for those individuals who are entitled to both the Matthews remedy and McCloud remedy simultaneously and 14 said no, there were not. Others may have provided commentary without a clear 'yes or no' response.
- 5.40 There was a difference in views amongst respondents with regards to the end of the 'extended mandatory period' for those who are subject to both Matthews remedy and McCloud remedy. Some responses suggested that the discrimination

would not be fully remedied if individuals were restricted under Matthews remedy to purchasing service to 31 March 2015.

- 5.41 A number of other responses agreed that if primary legislation restricted the purchase of legacy scheme service to 31 March 2015, then any service on or after 1 April 2015 can be dealt with under McCloud remedy but highlighted the impact of timelines and resource running the McCloud and Matthews Remedies simultaneously.
- 5.42 Many responses highlighted the need to amend the draft order accordingly if the final Government position is to restrict the service a member can purchase under the 2023 Options exercise to 31 March 2015, rather than to 31 March 2022.
- 5.43 A number of responses suggested that if the extended mandatory period is restricted to 31 March 2015 it will be imperative that individuals who have service on or after 1 April 2015 will be able to purchase this service under McCloud remedy, in particular those who did not join membership of the reformed 2015 Firefighters' Pension Scheme.
- 5.44 One respondent questioned whether there would be unexpected consequences or disadvantages to the member where the fire authority implemented Matthews remedy before McCloud remedy.

Government response

- 5.45 In the consultation paper, the government proposal was to allow individuals to purchase any eligible service under Matthews remedy up to and including 31 March 2022 i.e. the date that the modified scheme closed to future accrual. It is now the Government's view that the purchase of post 31 March 2015 service in a member's legacy scheme is prohibited under the Public Services Pensions Act 2013. The final approach to this is that those who are entitled to the Matthews remedy under the 2023 Options exercise will be able to buy their historic service up to the earlier of (i) the date they left employment; (ii) the date they joined the 2006 Scheme as a standard member; or (iii) 31 March 2015.
- 5.46 For those eligible for the Matthews remedy who have service during the period 1 April 2015 to 31 March 2022 inclusive, under the McCloud remedy, they will be eligible to make an election in relation to this service (opted out service election), in which case the service during the period 2015 to 2022 will be eligible for "roll back" to the modified scheme service under the McCloud remedy.
- 5.47 Section 1 of PSPJOA 2022 allows for the third condition of "remediable service" to be met where the person "was, on 31 March 2012, in service as a firefighter which entitled the person to be an active member of a relevant firefighters' legacy scheme", and therefore it is not necessary for a person to have been a member of

the modified scheme in order to have remediable service. This will ensure that individuals who are entitled to Matthews remedy and who also have post 31 March 2015 service are placed in the correct position.

- 5.48 The government fully recognises the importance of the interaction of Matthews and McCloud remedies. The Matthews remedy will deal with an individual's service up to and including 31 March 2015 whereas the McCloud remedy deals with service accrued between 1 April 2015 and 31 March 2022 inclusive. It is envisaged that the Matthews remedy will be implemented first by scheme administrators to ensure an individual is placed in the correct legacy firefighters' pension scheme as on 31 March 2012 which will provide them with eligibility to the McCloud remedy for any remedial service.
- 5.49 Additionally, special provision has been made to allow firefighters who elect to purchase service under the Matthews remedy and who were not members of the 2015 Scheme on 1 April 2015, to have an entitlement to buy back their service in the 2015 Scheme from 1 April 2015 under a Contingent Decision. This will provide them with the ability to include any service during the remedy period in the modified pension scheme when the rollback stage of McCloud remedy has been implemented.
- 5.50 Both the McCloud/Sargeant remedy and the Matthews remedy are designed to work together to place individuals subject to both remedies in the correct position. All those who elect to purchase their service under the Matthews remedy, which subsequently makes them eligible for the McCloud remedy, will where they had previously opted out of the 2015 scheme, be able to retrospectively purchase the period of opted out service in the 2015 Scheme. Where this happens the period of remedial service will be rolled back into the member's legacy modified scheme.
- 5.51 After considering the responses to the consultation question 6 and informal engagement with stakeholders, the government is content that the proposed changes achieve the policy intention of ensuring those individuals that are subject to both Matthews and McCloud remedies are placed in the correct position.

Q7. Do the proposed changes to the special death grant and additional death grant sufficiently address the scenario where the deceased member had pre-2000 service?

- 5.52 We received 36 responses to question 7: 35 responded yes, that the proposed changes to the special death grant and additional death grant sufficiently addresses the scenario where the deceased member had pre-2000 service, and 1 said no, they did not. Others may have provided commentary without a clear 'yes or no' response.

Q9. The scheme will also provide an additional top up to the special death grant in respect of an individual's pre-7 April 2000 service. The Special death grant will

provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased member had prior to 7 April 2000. Do you agree with this policy?

5.53 We received 32 responses to question 9: 32 responded yes that they agreed with the proposed policy regarding additional top up to the special death grant in respect of an individual's pre-7 April 2000 service and 0 said no, they did not.

Q10. Members who joined the modified scheme as part of the 2014 Options exercise and who have pre-July 2000 service but have subsequently died will receive an additional death grant in relation to such members' pre-July 2000 service. The additional death grant will provide eligible survivors with a single lump sum payment equal to 0.1 times the deceased member's pensionable pay for each full qualifying year of service that the deceased member had prior to 1 July 2000. Do you agree with this policy?

5.54 We received 33 responses to question 10: All 33 responded yes that they agreed with the proposed policy regarding members who joined the modified scheme as part of the 2014 Options exercise and who have pre-July 2000 service but have subsequently died will receive an additional death grant in relation to such members' pre-July 2000 service and 0 said they did not.

5.55 The responses to questions 7, 9 and 10 have been combined.

Summary of responses to questions 7, 9 and 10

5.56 The clear majority of responses confirmed that they agree with the policy of providing a special death grant in respect of those individuals who would have had an entitlement to join the modified scheme but for the fact that they died between 7 April 2000 and 30 June 2000.

5.57 Many responses also confirmed that they agree with the policy of providing an additional death grant in respect of those who joined the modified scheme during the 2014 Options exercise and would have had the opportunity to purchase additional pre-July 2000 service but for the fact that they have died.

5.58 Some responses explained that further information on the underpinning data and assumptions would be needed before being able to give a view on whether these additional payments provide sufficient redress to the survivors of deceased members.

5.59 A number of responses highlighted that the draft order provides that only a spouse, civil partner or child can make an application and receive the payments and felt that eligibility should be extended to include co-habiting partners.

- 5.60 One response highlighted that the proposal does not address the issue where the employer has determined that the person has relevant retained service and is deceased but neither the fire authority nor claimant making the application has pay data to enable a calculation.
- 5.61 One respondent highlighted that the draft order states that where the deceased was not married, or a member of a civil partnership at the time of the deceased's death, or where their spouse or civil partner has died since the deceased's death, a child of the deceased may apply in writing to the authority for a death grant, however, it was unclear how this interacts with Rule 5 of Part 14 of the 2006 Regulations "Payments for minors and persons incapable of managing their affairs".
- 5.62 One response also noted that due to the passage of time it is likely that individuals who may have been a child at the time of the deceased's death may no longer be a child. It is also possible that a beneficiary is incapable of managing their affairs and therefore unable to apply in writing. It was suggested that employers should be able to pay the award or any part of it to a person having the care of the person entitled, or such other person as they may determine.
- 5.63 Some responses suggested that hard deadlines for applying to receive these payments should be avoided due to the difficulty of tracking down some of the beneficiaries to these payments. Some responses also highlighted that the deadline for survivors to make an application for an additional death grant is not workable for cases where an eligible individual dies between 30 September 2024 and 31 March 2025 before having the opportunity to make an election to purchase their service under the 2023 Options exercise.
- 5.64 One response referred to the differences in determining the deceased member's pensionable pay when assessing the additional death and special death grant and asked for an explanation as why these different approaches have been taken.

Government response to questions 7, 9 and 10

- 5.65 As set out in the consultation document, when setting the level of the additional death grant, the government has had regard to the capital value of benefits net of member contributions available under the 2023 Options exercise in addition to those available under the 2014 Options exercise. The benefits considered are the additional amount of survivor pension eligible survivors would have received had the deceased individuals been able to purchase their full pensionable service in the modified scheme at the time of their previous election. The member contributions are those the deceased would have made in respect of that additional period of pensionable service.

- 5.66 Also, as set out in the consultation document, when setting the level of special death grant, the government has had regard to the capital value of benefits net of member contributions available under the 2023 Options exercise. The benefits considered are the death grant and survivor pension eligible survivors would have received had the deceased individuals been able to reckon their retained employment as pensionable service in the modified scheme. The member contributions are those the deceased would have made in respect of that period of pensionable service.
- 5.67 The government is content to extend the deadline for submitting applications for a special death grant and additional death grant to 31 March 2025, rather than the proposed deadline of 30 September 2024. This recognises that some individuals may now be more difficult to contact, and, in respect of the additional death grant, some scheme members may die between 30 September 2024 and the end of the options exercise (31 March 2025) before having the opportunity to make an election to purchase their pre-July 2000 service under the 2023 Options exercise.
- 5.68 On the point about the start date of the 'additional death grant', this payment is expected to be made to those individuals who have already joined the modified scheme during the 2014 Options exercise where they had the opportunity to purchase their service back to 1 July 2000, and have also pre-July 2000 service which they could purchase under the 2023 Options exercise but for the fact that they are deceased. The additional death grant is intended to provide the eligible survivor with an additional death grant in relation to the deceased member's pre-July 2000 service. As such, we are content that the date of 1 July 2000 is correct.
- 5.69 On the point about extending eligibility of these payments to co-habiting partners, the additional special death grant and additional death grant payments are intended to compensate the survivors of deceased individuals who died during the period 7 April 2000 to 5 April 2006 before having the opportunity to join the modified scheme, or before having the opportunity to purchase their pre-July 2000 service under the 2023 Options exercise. These payments can only be made to an eligible surviving spouse, civil partner, or child to reflect the benefits that would have been paid had the deceased been a member of the 1992 Firefighters' Pension Scheme.
- 5.70 For the purposes of both the special death grant and additional death grant, the fire authority can determine the deceased's pensionable pay based on information provided by the person making the application or, if no information is available, from the authority's records. The government recognises that there may be some instances where there are no longer any available records to help the authority determine the deceased individual's pensionable pay and is, therefore, content to add an additional option where the fire authority can apply an assumption that deceased individual retained pensionable pay for the period was 25% of the

pensionable pay of a whole-time regular firefighter employed in a similar role with equivalent qualifying service.

- 5.71 After considering the responses to the consultation questions 7, 9 and 10, and informal engagement with stakeholders, the government is content that the proposed changes, and additional changes as above, achieve the policy of ensuring that the appropriate survivors of deceased members obtain sufficient recompense through the special death grant and additional death grant.

Q8. Are there any additional points not covered in this consultation paper that need to be considered as part of the proposed changes to the Firefighters' Pension Scheme (England) Order 2006?

Summary of responses

- 5.72 We received 31 responses: 24 responded yes that there were additional points not covered in the consultation paper that need to be considered as part of the proposed changes to the Firefighters' Pension Scheme (England) Order 2006 and 7 said no, there were not. Others may have provided commentary without a clear 'yes or no' response.
- 5.73 Some responses referred to the requirement for FRAs to use 'reasonable endeavours' to locate former employees who have an entitlement to join the modified scheme under the 2023 Options exercise and requested clarification on what that actually meant. One respondent went further to suggest that employers should be required to engage the services of HMRC or tracing firms to locate former employees, where necessary.
- 5.74 A number of responses referred to the deduction of tax relief on contributions from the cost of purchasing past service and questioned why a marginal rate of taxation of 20% is the default position for basic rate taxpayers. It was noted that the basic rate of taxation was higher in the past and was suggested that these rates (which are published) should be used when calculating the deductions. It was also suggested that the same principle should apply where some can demonstrate that they were a higher rate taxpayer during the period that they purchase in the modified scheme.
- 5.75 Many responses also referred to the options exercise timetable highlighting that there is insufficient time for fire authorities to undertake certain stages, especially where an individual's case is complex. They also suggested providing eligible individuals with six months to decide whether they are interested in joining the modified scheme was excessive and should be reduced to 3 months. There was also confusion how individuals who are not contacted by their former employer would know of their entitlement to join the modified scheme to be able to declare their interest in joining.

- 5.76 Some responses referred to the low take up rate in the 2014 Options exercise and suggested that this was likely related to poor communications to those individuals with an entitlement to join and lack of promotion of the remedy. These risks are likely to be higher for the 2023 Options exercise. Some responses also suggested that the order include flexibilities for processing eligible individuals who are difficult to identify or locate.
- 5.77 A few responses pointed out the policy to allow certain individuals who joined the modified scheme during the 2014 Options exercise to revisit decisions made in regard to the purchase of added service and converting special to standard service (and vice versa) and highlighted that this has not been reflected in the draft order.
- 5.78 Some responses referred to the financial pressures on fire authorities of having to pay the employer costs of Matthews remedy and asked for clarity on the funding arrangements.
- 5.79 Some responses highlighted the potential financial detriment that some individuals will suffer by incurring additional Annual Allowance charges as a consequence of purchasing their past service by a lump sum payment. The consultation paper did not clarify the process on how and by whom these cases will be assessed, or the method of redress. It was suggested that a similar process should be introduced as that introduced for McCloud remedy. Additionally, it was unclear how the purchase of past service by means of a periodical contributions arrangement would be treated for the purposes of Annual Allowance.
- 5.80 One response suggested that there should be a requirement for fire authorities to report their progress of implementing the 2023 Options exercise to the Home Office to ensure that it has been fully implemented by all fire authorities within the 18-month timeframe.
- 5.81 One response referred to the government's approach to 'Guaranteed Minimum Pensions' and the proposal to compensate individuals who can show that they had suffered financial detriment as a consequence of not being able to contract the modified scheme out of the State Second Pension beyond 1 July 2000 and requested further information on the compensation arrangement.
- 5.82 One response made reference to Additional Voluntary Contributions made by retained firefighters during the period that they were not permitted to join an occupational pension scheme i.e. pre-July 2000. They said that had the individual had access to the 1992 Scheme during this period the AVCs would have been paid towards the purchase of additional service in the 1992 Scheme but this is no longer an option. They asked for clarity on how the government proposes to address this issue.

- 5.83 A number of responses suggested that individuals who join the modified scheme and elect to pay their historic contributions by means of periodical contribution should have an option to pay off the outstanding balance owed at any time.
- 5.84 Some responses also highlighted that implementing Matthews remedy is complex and requested clear guidance for employers and employees to help make the process more straightforward and to avoid inconsistent approaches amongst fire authorities.
- 5.85 Many responses referred to the outstanding 'aggregation' issue where some firefighters with uninterrupted periods of employment as a whole-time regular firefighter and a retained firefighter prior to 6 April 2006 claim they should have been afforded the ability to combine these periods of service under the 1992 Firefighters' pension scheme but for the discrimination. The inability to combine these periods of service can have a significant impact on an individual's pension accrual rights and retirement age. These responses suggested this would need to be addressed to put these individuals in the same position as they should have been had they been allowed to join the 1992 Scheme.
- 5.86 One response highlighted that some individuals who join the modified scheme will become entitled to an immediate payment of backdated pension and that this could potentially place them in a higher income tax than they would have been had they received the pension payments annually over their allocated years.
- 5.87 One response referred to retrospective ill-health retirements and asked for clarity on whether fire authorities were required to pay an associated ill-health charge to their firefighters' pension fund account for each new case.
- 5.88 One response also highlighted that the draft amending order refers to cases needing to be referred to the scheme actuary and requested clarity on whether the references simply mean that fire authorities should refer to GAD guidance, or whether specific scenarios needed to be referral.

Government response to Question 8

- 5.89 FRAs are required to make reasonable endeavours to identify those individuals who are eligible to join the modified scheme as part of the 2023 Options exercise. This follows the same approach taken during the 2014 Options exercise. The legislative changes do not set out what reasonable endeavours means for each employer as this will need to be considered by each individual employing fire authority. The changes also do not prohibit employers from using external sources to locate individuals who are entitled to join the modified scheme under the 2023 Options exercise.
- 5.90 The government's expectation is that the vast majority of individuals who are entitled to join the modified scheme as part of the 2023 Options exercise should

already have been identified as part of the 2014 Options exercise. The only additional firefighters to be identified would be those individuals employed as retained firefighters between 7 April 2000 and 30 June 2000 inclusive and who do not have any retained service after 30 June 2000 (please refer to cohort 1 below).

- 5.91 The government recognises that members would have received tax relief on their historic employee contributions had they been allowed to join the membership of the 1992 Scheme. To avoid the same tax issues that occurred during the 2014 Options exercise, the government's revised proposal is to deduct the tax relief entitlement for an individual from the cost of purchasing their historic service under the 2023 Options exercise.
- 5.92 Whilst the original proposal was to apply a default basic tax rate of 20% when calculating the deduction, the government is now content to apply the basic taxation rates that applied during the historic periods that the member is purchasing. Additionally, where an individual can provide robust evidence to show that they were a higher rate taxpayer during the period that they were employed then that higher rate will be used to calculate the deduction.
- 5.93 We understand that some individuals will receive some tax relief on the contributions they pay through Pay As You Earn (PAYE). Where tax relief has been received via PAYE then this will be deducted from the tax relief amount that is deducted from the cost to the individual of purchasing their past service.
- 5.94 To benefit from this, all individuals will have to provide a written declaration confirming that they will not seek additional tax relief on their contributions direct from HMRC. The Government Actuary's Department will provide a calculator to facilitate this calculation.
- 5.95 On the point about funding the employer costs of Matthews remedy, these costs will be captured in the normal Scheme Valuations and reflected in future employer rates. The Government Actuary's Department are aiming (noting various dependencies) to complete the 2020 valuations in time to allow funding to be considered at the 2024/25 Local Government Finance Settlements.
- 5.96 As is normally the case, costs that fall after the end of this Spending Review period will be considered in the round as part of the negotiations for the next Spending Review period. This will enable HM Treasury to consider funding decisions in the round, and to ensure these costs are manageable for the sectors within their overall funding envelope.
- 5.97 The scheme changes provide an indicative timetable for fire authorities to follow that will ensure the 2023 Options exercise is fully implemented within 18 months, although fire authorities have discretion to follow their own timetable. Notwithstanding this, it is essential that all eligible individuals are notified of their

entitlement to join the modified scheme and to make the necessary elections before 1 April 2025.

- 5.98 On the point about Annual Allowance (AA) breaches where an individual purchases their historic service in the modified scheme in a single tax year, the government has set out in the consultation paper that there is already some mitigation where an individual has unused AA from the previous tax years. Notwithstanding this, where an individual is able to demonstrate that they have suffered additional AA tax charges as a direct result of joining the modified scheme then the Home Office will consider such claims on a case-by-case basis. The Home Office is still considering how any tax liabilities that occur that would not have occurred if the service had been accrued at the time will be managed and will discuss with fire sector stakeholders in due course.
- 5.99 The government recognises the administrative complexities of implementing the 2023 Options exercise and the challenges that this presents to fire authorities. The Home Office will work with fire sector stakeholders to ensure that the progress of implementing the 2023 Options exercise is monitored and any issues are identified and resolved.

Q11. It is proposed that where there is an absence of pay data for pre-July 2000 membership, FRAs can assume that the retained firefighter earns 25% of the pay of a WT firefighter, and that they will be employed at the rank of a firefighter. Do you agree with this policy?

Summary of responses

- 5.100 We received 36 responses: 25 responded yes that they agreed with the proposed policy that where there is an absence of pay data for pre-July 2000 membership, FRAs can assume that the retained firefighter earns 25% of the pay of a WT firefighter, and that they will be employed at the rank of a firefighter, and 11 said no, they did not. Others may have provided commentary without a clear 'yes or no' response.
- 5.101 One response sought clarity on whether a fire authority could use partial data of a firefighters' pensionable pay and service where records are available and apply the central assumptions for the remaining period where no records are available.
- 5.102 One response highlighted that there are no firefighter pay scales for the period prior to 1977 as they did not exist at this time.
- 5.103 Whilst many responses viewed a central assumption of 25% of whole-time regular firefighter pay as reasonable and fair, a number of responses suggested that a central assumption was lower than what they would have expected. They suggested that the central assumption should be increased or that a local assumption can be used where the fire authority determine that the average rate

of pay for a retained firefighter is higher than the default assumption of 25% of a WTE regular firefighter

- 5.104 Some responses requested clarity on the elements of the pay scales should be used. The 1977 pay scales, for example, splits the firefighter role into Firefighter, Long service Firefighter, Leading Firefighter, Firefighter (age 18 years). This is to ensure consistency across the sector.
- 5.105 A number of responses suggested that fire authorities should be able to use their own local assumption on retained firefighter pay where it is available in their records. Where no records are available, they can use the central assumption of 25%.
- 5.106 One response suggested that the process should allow an individual sufficient time to obtain their historic pay data from HMRC whilst noting that this can be a protracted process.

Government response

- 5.107 The government is content to make additional provision to allow fire authorities to determine the average pay rates for retained firefighters from their own local experience or records, where this demonstrates that the average retained pay is greater than 25% of a WTE regular firefighter. Otherwise, the fire authority should apply the default assumption that retained firefighters earn on average 25% of a WTE regular firefighters' pay.
- 5.108 On the point about partial data, the intention is that assumptions on pay should only be used where no reliable data is held by the employer or the individual who has an entitlement to join the modified scheme. Where there is pay data available, albeit for only part of the period that an individual elects to purchase, then this should be used. For these cases, the default assumptions should be used to fill in any periods where no data is available.
- 5.109 On the point about allowing sufficient time to obtain historic pay data from HMRC, the government has set out an indicative timetable to help fire authorities implement the 2023 Options exercise within the 18 months provided. Fire authorities have discretion to follow their own timetable as long as any elections to purchase their past service are made by the member on or before 31 March 2025.
- 5.110 After considering the responses to the consultation question 11, and informal engagement with stakeholders, the government is content that the proposed changes, and additional changes as above, achieve the policy of ensuring that fire authorities can process cases where they have determined that an individual has entitlement to purchase service under the 2023 Options exercise, but no pay data is available.

6. Impact Assessment and Equalities

Impact Assessment

Equalities

- 6.1 The Public Sector Equality Duty (PSED) is set out in section 149 of the Equality Act 2010 and requires public authorities, in the exercise of their functions, to have due regard to the need to:
- eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the 2010 Act;
 - advance equality of opportunity between people who share a protected characteristic and those who do not; and
 - foster good relations between people who share a protected characteristic and those who do not.
- 6.2 This involves having due regard to the need to:
- I. remove or minimise disadvantages suffered by people due to their protected characteristics; and
 - II. Take steps to meet the needs of people from protected groups where these are different from the needs of other people.
- 6.3 The equality duty covers the nine protected characteristics: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (gender) and sexual orientation.
- 6.4 Stakeholder engagement and informal consultation have supported the Home Office in identifying any potential risk of adverse impacts in relation to the protected characteristics. Such stakeholder engagement includes engagement with fire sector employer and employee representatives, other government departments and devolved administrations. Through fire pension scheme membership, all members in scope for the remedy will have equal access to the remedy, irrespective of any protected characteristic that may apply to them. The Home Office has produced an Equality Impact Assessment that is published alongside this response.
- 6.5 The Home Office has considered the impact of the changes in the context of the PSED in the Equality Impact Assessment. The PSED is an ongoing duty, and we will continue to consider and amend this assessment. More information on the

[Government Response to Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) Order 2006]

PSED can be found here: <https://www.gov.uk/government/organisations/home-office/about/equality-and-diversity>

7. Conclusion and next steps

How will the 2023 Options exercise be implemented?

- 7.1 The 2023 Options exercise will be implemented via legislation amending the 2006 Scheme. The Home Office intends to introduce this legislation to come into force in October 2023. FRAs will be expected to commence the 2023 Options exercise as soon as is reasonably practicable after the legislation comes into force. The exercise will run for a period of 18 months.

What are the aims of the 2023 Options exercise?

- 7.2 The Home Office will make the necessary legislative amendments to enable FRAs in England to undertake a 2023 Options exercise. This will give eligible individuals the opportunity to purchase additional service in the modified scheme as set out in the MoU.
- 7.3 Once the necessary legislative amendments have been made, FRAs in England will be required to undertake an 18-month options exercise. This will give eligible individuals the opportunity to join the modified scheme or to purchase further service where they already joined under the 2014 Options exercise.

Timetable

- 7.4 FRAs will be required to undertake a '2023 Options timetable' to give all those eligible an opportunity to join the modified scheme. The legislative changes provide an indicative timetable to support FRAs to effectively implement the options exercise within 18 months. However, FRAs have discretion to implement this according to their own workplans.
- 7.5 The indicative timetable sets out the following:

Stage 1 - FRAs would be required to use reasonable endeavours to notify all persons eligible to join the modified scheme within three months of the enabling legislation coming into force. It would be the FRAs that employed the eligible person between 7 April 2000 and 5 April 2006 inclusive that would be expected to provide the notification.

Stage 2 - Eligible persons would indicate their interest in joining the scheme before submitting information, where possible. This information would confirm their eligibility, details of service during the limited period, levels of historic pay, brigade location and other relevant details. This would take place within six months of receiving notification from the FRA.

Stage 3 - Eligible members who would have not been notified of their entitlement to join the modified scheme by the relevant FRA would have nine months from the date that the legislation would come into force to declare their initial interest in joining the scheme. Within this time limit, they would also be able to submit information, where possible, to confirm their eligibility, details of service during the limited period, levels of historic pay, brigade location and other relevant details.

Stage 4 - FRAs would write to each eligible person who indicated an initial interest in joining the modified scheme within three months of the date of receiving their notification. FRAs would set out the amount of special service that eligible individuals have entitlement to purchase during the limited period and the associated costs of purchasing those past service rights.

Stage 5 - The eligible person would confirm to the appropriate FRA, within six months of receiving this information, that they wish to take up membership of the scheme and pay the required historic contributions. They would also be required to elect the date that they wish their service in the modified scheme to begin (the 'mandatory special period').

- 7.6 An additional flexibility will allow FRAs to give individuals the opportunity to join the modified scheme after the closure of the 2023 Options exercise where they had not been identified prior to the expiration of the 18 month deadline.
- 7.7 This will apply only in exceptional cases where the FRA was not aware of an individual's entitlement and, as such, had not notified them of their entitlement to join the modified scheme during the 18 month options exercise period. It will not apply to cases where an individual has been notified by the relevant FRA but they did not respond in good time.

8. Information and Data Handling

- 8.1 The Home Office will process personal data in accordance with the applicable data protection legislation. More information on what data we are collecting, why and how it will be looked after can be found here: [Privacy notice - GOV.UK \(www.gov.uk\)](https://www.gov.uk/privacy-notice)
- 8.2 This published consultation response may include extracts from any submission made by an individual or organisation. Comments made by individuals will normally be non-attributable, but respondents should be aware that information provided during the course of this consultation may be released, on request, in accordance with the provisions of the Freedom of Information Act 2000. Personal data will likely be exempt. Comments submitted by an organisation are likely to be attributed to that organisation.

How long will we retain your data?

- 8.3 Data protection law requires that personal data shall be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are collected. The Home Office will retain a record of the statistical analysis of returns, including the number of respondents, but personal information, including names, will not be retained after the Home Office Pension Scheme (Amendment) Regulations 2023 are published.

Annex A – List of respondents

- Bedfordshire Fire & Rescue Service
- Cambridgeshire and Peterborough Fire & Rescue Service
- Chief Manager at the Channel Tunnel
- Essex Fire & Rescue Service
- Fire and Rescue Services Association
- Fire Brigades Union
- Hampshire and Isle of Wight Firefighters'
- Heywood Pension Technologies
- Lancashire Fire & Rescue Service
- Local Government Association
- National Fire Chiefs' Council
- North Yorkshire Fire & Rescue Service
- Firefighters' Pensions Scheme Advisory Board
- Royal Berkshire Fire & Rescue Service
- South Wales Fire & Rescue Service
- Surrey Fire & Rescue Authority
- Tyne and Wear Fire & Rescue Service
- West Yorkshire Pension Fund
- XPS Pension Group
- Others include individual members such as retired and serving Firefighters, joint scheme managers and administrators, Channel Tunnel.

Annex B: Glossary of terms used in the consultation document

Term	Meaning
2014 Options exercise	The exercise that FRAs undertook to give eligible individuals the opportunity to join the modified scheme and purchase their historic retained service in 2014/15.
2023 Options exercise	The exercise that FRAs will undertake in 2023/24 to give eligible individuals the opportunity to join the modified scheme and purchase their historic retained service in the modified scheme.
Annual Allowance (AA)	The AA is how much can be saved towards a pension each tax year without a tax charge applying. For Firefighters' Pension Schemes this is determined by the capitalised value of the increase in the accrued benefits over the tax year (that is, the growth of the pension in the tax year). The standard annual allowance since 6 April 2016 has been £40,000.
Firefighters' Pension Scheme 1992	The Pension Scheme for Firefighters introduced in 1973 and closed to new entrants on 6 April 2006.
Firefighters' Pension Scheme 2006	The Pension Scheme for Firefighters, introduced in 2006 and closed to new entrants on 31 March 2015.
Firefighters' Pension Scheme 2015	The Pension Scheme for Firefighters who join the force from 1 April 2015, and those members who were already in employment on that date and did not qualify for (unlawful) transitional protection. Since 1 April 2022 it is the only pension scheme available to Firefighters.
Tax relief on contributions	The amount of tax relief an individual obtains when they pay pension contributions to a registered pension scheme.
McCloud remedy	Changes to the pension scheme to remove the discrimination identified by the courts in McCloud/Sargant cases. These changes will be implemented from 1 October 2023.

[Government Response to Retained Firefighters' Pensions: Proposed changes to the Firefighters' Pension Scheme (England) Order 2006]

Ill-health retirement	When a scheme member receives immediate access to their pension due to being permanently disabled for continuing in their role as a firefighter.
Retained firefighter	A part-time firefighter responding when required during their 'on-call' hours
Special member	An individual who elects to join the modified scheme and purchase their past service as a retained firefighter
Special Service	The historic retained service that an individual purchases in the modified scheme.
Modified Scheme	The modified section of the Firefighters' Pension Scheme 2006 that provides pension entitlement for individuals who are eligible for Matthews remedy.

Consultation principles

The principles that government departments and other public bodies should adopt for engaging stakeholders when developing policy and legislation are set out in the consultation principles.

<https://www.gov.uk/government/publications/consultation-principles-guidance>



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This publication is available at <https://www.gov.uk/government/consultations/retained-firefighters-pensions>

Any enquiries regarding this publication should be sent to us at:
Firepensionspublicservicepensionsremedy@homeoffice.gov.uk