

**HERTFORDSHIRE COUNTY COUNCIL**

**FIRE PENSION BOARD**

**FRIDAY 27 MAY 2016 AT 10 AM**

**FIREFIGHTERS PENSIONS SCHEME – DISCRETION POLICIES**

Report of the Director of Resources

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**1. Purpose of Report**

- 1.1 To provide the Fire Pensions Board with the Firefighters Pension Schemes (“the FPS”) discretion policy that covers the Firefighters Pension Scheme 1992, the New Firefighters Pension Scheme 2006 and the Firefighters Pension Scheme 2015. This was approved by Full Council on 23 February 2016.

**2. Summary**

- 2.1 This report sets out the Discretions Policy in relation to discretionary decisions which fall to be taken under the Firefighters Pension Schemes in order that the County Council as Fire Authority can comply with its duties under the Regulations governing the Schemes. From 1 April 2015 a new Firefighters’ Pension Scheme came into force, known as The Firefighters Pension Scheme 2015 (the 2015 Scheme), and the attached discretion policy applies to the 2015 Scheme as well as to the earlier Schemes (the New Firefighters Pension Scheme 2006, referred to as “the 2006 Scheme”, and the Firefighters Pension Scheme 1992, referred to as “the 1992 Scheme”).
- 2.2 On 23 February Full Council agreed that that all matters relating to the policy (in relation to all three schemes) should be the responsibility of Pensions Committee and confirmed that decisions under the policy (in relation to all three schemes and, in relation to the 2015 Scheme, including decisions falling to be taken by both the Scheme Manager and the Scheme Employer) be delegated to the Director of Resources.
- 2.3 Full Council also authorised the Chief Legal Officer to make any necessary changes to the Constitution to reflect these arrangements.

**3. Recommendations**

- 3.1 The Fire Pension Board are asked to note the contents of the FPS discretion policy.

#### **4. Background**

- 4.1 The 2015 Scheme came into force on 1 April 2015. For members of the 2015 Scheme, benefits will accrue on a Career Average Revalued Earnings (CARE) basis, rather than a final salary basis. This means that a member of the 2015 Scheme will accrue pension, rather than service. Members of the 1992 Scheme and the 2006 Scheme will continue to accrue service towards their final salary pension.
- 4.2 Not all Firefighters transfer to the 2015 Scheme and there are protections in place for all those who were within 10 years of Normal Pension Age at 1 April 2012, with an additional 4 years tapered protection depending age.
- 4.3 A fully protected member will continue to remain in their current scheme, the 1992 Scheme or the 2006 Scheme and will never move to the FPS 2015.
- 4.4 This means that the Fire Authority (the County Council) is required to continue to operate three pension schemes to cover protected and taper protected members who remain within either the 1992 Scheme or the 2006 Scheme and non-protected and new members who are within the 2015 Scheme.
- 4.5 A tapered protected member will over the next 7 years transfer into the 2015 Scheme on a relevant date linked to their date of birth, as set out in the transitional regulations for the FPS 2015.
- 4.6 The provisions of the 2015 Scheme, together with the protections for protected and tapered protected members', are contained in The Firefighters' Pension Scheme (England) Regulations 2014, The Firefighters' Pension scheme (England) (Consequential Provisions) Regulations 2015 and The Firefighters' Pension Scheme (England) (Transitional and Consequential Provisions) Regulations 2015.
- 4.7 The discretions are now published on Herts Direct / the Intranet..

#### **5. The FPS Discretions**

- 5.1 The discretions policy is attached as **Appendix 1**. The policy is split into 3 sections covering the 1992 Scheme, the 2006 Scheme and the 2015 Scheme.
- 5.2 Each scheme's discretions vary depending upon the Regulations applicable to the particular scheme.