

## **EXPLANATORY MEMORANDUM TO**

### **The New Firefighters' Pension Scheme (Amendment) (No 2) Order (Northern Ireland) 2014**

**SR 2014 No. 168**

#### **1. Introduction**

- 1.1. This Explanatory Memorandum has been prepared by the Department of Health, Social Services and Public Safety to accompany the Statutory Rule (details above) which is laid before the Northern Ireland Assembly.
- 1.2. The Statutory Rule is made under powers conferred by Article 10(1), (3), (4) and (5) of the Fire Services (Northern Ireland) Order 1984 and is subject to the negative resolution procedure.

#### **2. Purpose**

- 2.1. The Order amends Schedule 1 to the New Firefighters' Pension Scheme Order (Northern Ireland) 2007 in order to align with similar changes that were introduced to firefighters' pensions in England in July 2013.

#### **3. Background**

- 3.1. This Department has policy responsibility for Firefighters' pensions, which are administered by the Northern Ireland Fire and Rescue Service (NIFRS). Firefighters' pensions have, in line with other public sector pension schemes in Northern Ireland, operated on the basis of parity with their counterparts in England, Scotland and Wales. In July 2013 England made amendments to current Firefighters legislation, and in order for Northern Ireland to remain in parity similar amendments need to be made to current legislation.

#### **4. Summary of main proposals**

- 4.1. The amendments made by paragraphs 1, 2(a), 4 and 5 of the Schedule are to make minor changes to the Scheme. The amendment made by paragraph 1 is to ensure that those who took up employment as a firefighter before 6<sup>th</sup> April 2006 and were either not eligible to be a member of the Firefighters' Pension Scheme 1992, or made an election not to pay contributions required by that scheme, are treated as a firefighter member of the Scheme when automatically enrolled into that Scheme. This amendment has retrospective effect from 31<sup>st</sup> December 2012.
- 4.2. The amendment made by paragraph 2(b)(i) is to make a correction so that it is clear which pensionable service can count for the additional pension benefit; long service increment in article 17A of Part 3.
- 4.3. Paragraph 3 of the Schedule inserts a new article 17B which extends additional pension benefit so that it covers:

- Payments to reward additional skills and responsibilities outside the

requirements of the firefighter member's duties under the contract of employment but which are within the wider functions of the job;

- Any additional pay received whilst on temporary promotion or whilst carrying out the duties of a higher role;

- Any non-consolidated performance related payment.

- Any payment in respect of a firefighter member's continuing professional development continue to be covered by additional pension benefit.

- 4.4. The amendments made by sub-paragraphs (ii), (iii) and (iv) of paragraph 2(b) and paragraph 3 in relation to paragraphs (3) and (4) of the new article 17B amend the method of uprating additional pension benefit for the long service increment (Article 17A of Part 3) and continuing professional development (Article 17B) from a specific index, retail price index, to an index in accordance with the Pensions (Increase) Act 1971. There is a specific provision to provide that the consumer price index is used for the tax year 2010/2011. These amendments have effect from 11th April 2011.
- 4.5. Paragraph 5(a) of the Schedule amends the definition of pensionable pay to include payments which are pensionable under additional pension benefit (new article 17B) and provide that payments which are not within the definition of pensionable pay in Article 61(1) A as amended, or additional pension benefits payable for long service or in respect of a firefighters' continual professional development should remain pensionable whilst the firefighter continues to receive them. Paragraph (5A) (b) amends the payments treated as final pensionable pay to exclude additional pension benefit payments within Article 17B of Part 6.
- 4.6. The amendments made by paragraph 6 of the Schedule require the Board to transfer into the Firefighters' Pension Fund an amount equal to the amount of pension paid to a person in respect of whom the Board chose not to exercise its discretion to withdraw or abate the permitted part of that individual's pension under Article 52 (withdrawal of pension during service as a firefighter) of Part 9 (review, withdrawal and forfeiture of awards)
- 4.7. The amendments made to Schedule 2 (appeals made to Independent Medical Referee) enable the Board within 28 days of receipt of the report to supply a copy to the Department.

## **5. Consultation**

- 5.1. The proposals, including the draft Order, were available for public consultation from 26 September 2011 until 16 December 2011.
- 5.2. Two responses were received – Fire Brigades Union (FBU), Northern Ireland Fire & Rescue Services (NIFRS)

## **6. Equality Impact**

- 6.1. The Order will have no adverse differential impact on equality of opportunity.

## **7. Regulatory Impact**

- 7.1. As the Order will impose no additional costs on businesses, charities or the voluntary sector a full Regulatory Impact Assessment has not been completed.

## **8. Financial Implications**

- 8.1. The amendments to the FPS and NFPS in respect of additional pension benefit in an additional requirement of approximately £199k for the Northern Ireland Fire and Rescue Service.

## **9. Section 24 of the Northern Ireland Act 1998**

- 9.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

## **10. EU Implications**

- 10.1. Not applicable

## **11. Parity or Replicatory Measure**

- 11.1. This Order will ensure Northern Ireland maintains parity with equivalent schemes across GB.

## **12. Additional Information**

- 12.1. Not applicable