

## **POLICY NOTE**

### **THE FIREMEN'S PENSION SCHEME (AMENDMENT) (SCOTLAND) ORDER 2013**

**SSI 2013/128**

**AND**

### **THE FIREFIGHTERS' PENSION SCHEME (SCOTLAND) AMENDMENT ORDER 2013**

**SSI 2013/129**

The above instrument was made in exercise of the powers conferred by the preserved section 26 (1) to (5) of the Fire Services Act 1947 (a) and sections 34 and 60 of the Fire and Rescue Services Act 2004 (a) and all other powers enabling them to do so. Functions under that Act as regards Scotland have been executively devolved to the Scottish Ministers. The instrument is subject to negative procedure.

#### **Policy Objectives**

The Firefighters' Pension Order 1992 (SI 1992/129) and the Firefighters' Pension (Scotland) Order 2007 (SSI 2007/199) require members of both firefighter pension schemes to pay contributions to the relevant scheme as a condition of membership. Although the Scottish Ministers have responsibility for the fire schemes, wider policy for occupational pensions is reserved to the UK Government.

The 2010 UK Spending Review set out the UK Government's intention to increase members' contribution rates in public service pension schemes by an average of 3.2 per cent of pay by April 2014 with the increases spread across three years. The first increase was applied with effect from 1 April 2012 and also introduced "tiered" contribution rates which reflect that higher earners generally receive larger scheme benefits from final salary defined benefit schemes. Following further consideration of this policy and whether there were any viable alternatives, Scottish Ministers determined to apply the second round of increases. The above instruments makes provision to apply the second stage of increases to the members' contributions from 1 May 2013.

#### **Consultation**

A formal consultation was undertaken from 20 December 2012 to 1 February 2013. The consultation was issued to representatives of firefighters and employers and relevant Scottish and UK Government Departments. Unions remain opposed in principle to any increases to members' contributions. 79 responses were received to the consultation and a summary of the consultation responses will be made available on the Scottish Public Pensions Agency website [www.sppa.gov.uk](http://www.sppa.gov.uk).

## **Impact Assessments**

An equality impact statement is being finalised for this instrument which builds on the assessment undertaken for the first year of members' contribution increases and will be published when finalised.

## **Financial Effects**

The increases, as designed, are expected to raise in the region of an additional £2 million a year from 1 May 2013. This will add to the additional yields arising from the increases introduced from April 2012.

No Business and Regulatory Impact assessment has been prepared because no impact on the private or voluntary sector is foreseen.

**Scottish Public Pensions Agency**  
**An Agency of the Scottish Government**  
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