



**DORSET & WILTSHIRE
FIRE AND RESCUE
AUTHORITY**

Item 9
Paper B

MEETING	Shadow Dorset and Wiltshire Fire & Rescue Authority
DATE OF MEETING	12 February 2016
SUBJECT OF THE REPORT	Firefighters' Pension Scheme 2015 Discretions Policy
STATUS OF REPORT	For open publication
PURPOSE OF REPORT	For discussion
EXECUTIVE SUMMARY	This report sets out for the Committee the 52 Regulations within the Firefighters' Pension Scheme 2015, some of which are discretions which require a Fire Authority policy/position statement to be agreed. The Fire Authority is required to agree and publish their policy in relation to discretions in relation to this Pension Scheme. The existing discretions policies for both authorities are the same.
RISK ASSESSMENT	There are no new risks associated with this policy statement.
IMPACT ASSESSMENT	No separate impact assessment has been carried out in bringing forward this report.
BUDGET IMPLICATIONS	There are no immediate budgetary implications, although individual discretions may incur a cost to the Service. These will be evaluated by the Chief Fire Officer (or nominated representative) and considered on a case by case basis as they arise.
RECOMMENDATIONS	The Committee is asked to: 1. RECOMMEND the approval of the Discretions Policy, which is unchanged from the current policies, as at Appendix A to the Dorset & Wiltshire Fire and Rescue Authority and to 2. ASK that the Discretions Policy, once approved is forwarded to both Pensions administration teams
BACKGROUND PAPERS	Report to Dorset FA 16 June 2015 Report to Wiltshire & Swindon FA 24 September 2105
APPENDICES	Appendix A - Draft Firefighters' Pension Scheme 2015 Discretions Policy

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1. Introduction

- 1.1 All Fire Authorities are required to agree and publish their discretions policy in respect of the Firefighters' Pension Scheme, and as such, both Dorset Fire Authority and Wiltshire and Swindon Fire Authority agreed their respective discretions policy in 2015. The new Dorset and Wiltshire Fire and Rescue Authority will assume the role of Scheme Manager for the Firefighters Pension Scheme and thus only one discretions policy will be required and therefore consideration now needs to be given to drafting a new policy to take effect 1 April 2016.
- 1.2 As part of the introduction of the 2015 scheme, fire authorities are required to publish and keep under review their policy on certain discretions which they have the power to exercise in relation to firefighters of the 2015 Scheme. The Scheme sets out 52 Regulations in total, some of which are discretions which require a Fire Authority policy/position statement to be agreed and communicated.
- 1.3 This paper relates only to discretions in respect of the Firefighters' Pension Scheme (FPS). A separate paper is being prepared with regard to the discretions policy required within the Local Government Pension Scheme (LGPS).
- 1.4 Professional advice has previously been sought regarding the content of the Discretions Policies from the Pensions departments at both Dorset County Council and Wiltshire Council.

2. Discretions

- 2.1 The discretions policies of both Authorities were produced based on previous practice, and also upon the knowledge that a single discretions policy would be needed for the new Dorset & Wiltshire Fire and Rescue Authority. The existing discretions policies for the Firefighters' Pension Scheme are the same.
- 2.2 Under the 2015 Scheme, there are 52 regulations and/or discretions (see Appendix A), many of which have been listed within the actual main body of statutory regulation of previous schemes. All have been included within Appendix A of this report for reference purposes (bold italic text has been used to differentiate between regulations and ***discretion.***) The following are a summary of the discretions which require a Fire Authority decision:
 - 2.3 **Continued Professional Development (CPD) - Regulation 17(1)(D)**
 - 2.3.1 CPD payments are considered pensionable under the 1992 and 2006 Firefighter's Pension Schemes, as set out in the Regulations. Under the 2015 Scheme, there is a specific

discretion for the Dorset & Wiltshire Fire and Rescue Authority to determine whether continued professional payments are pensionable. In order to provide consistency and parity with the previous schemes, it is recommended that continued professional payments continue to remain pensionable under the 2015 Scheme.

2.4 Employer Initiated Retirement - Regulations 62(1) and (2)

2.4.1 An employer can determine that an active member aged 55 or over but under age 60 who on the grounds of business efficiency is dismissed or has their employment terminated by mutual consent can receive immediate payment of retirement pension without the early payment reduction. As per the 1992 and 2006 Schemes, it is recommended that the Dorset & Wiltshire Fire and Rescue Fire Authority reconfirm its position that it will not normally grant early payment of benefits for business efficiency purposes or waive any actuarial reduction, except in exceptional circumstances, after considering the business case that would apply and with the approval of the Chief Fire Officer (or nominated representative).

2.5 Payment of Contributions - Regulation 111(2), (3) and (4)

2.5.1 Where an active member is absent from scheme employment because of illness or injury and not entitled to receive pensionable pay, or because of trade dispute or authorised unpaid absence, they may pay member contributions. If they do, the scheme employer may require that they should also pay employer contributions.

2.5.2 It is recommended that where an active member is absent from scheme employment because of illness or injury and not entitled to receive pensionable pay, or authorised unpaid short-term absence, the scheme member may pay member contributions and the Dorset & Wiltshire Fire and Rescue Authority will pay the employer contributions.

2.5.3 For absences because of illness or injury which do not attract pensionable pay, it is recommended that members will only be required to pay the employee contributions, up to a maximum of three years, unless in exceptional circumstances and agreed by the scheme manager.

2.5.4 It is recommended that for authorised unpaid absences of 30 days or more, members will be required to pay both the employee and employer contributions, unless in exceptional circumstances and agreed by the scheme manager.

2.5.5 In each case of trade dispute, it is recommended that the scheme manager will confirm whether the scheme member will have to pay the employee and employer contributions if the scheme member wishes to buy back the missed service.

2.6 Transfer Request Time Limits - Regulation 141 (3)

2.7 There is a time limit of one year from becoming an active member in which a person can request a transfer payment from a non-occupational pension scheme. The scheme manager has the discretion to extend this period. As per the 1992 and 2006 Schemes, it is recommended that the Fire Authority reconfirm its position that the member must normally

make the request within 12 months of becoming an active member. Any requests outside of the 12 month limit should be referred to the HR Manager, and will only be agreed in exceptional circumstances.

3. Recommendations

3.1 Members are asked to:

3.1.1 **RECOMMEND** the approval of the Discretions Policy, which is unchanged from the current policies, as at Appendix A to the new Fire Authority; and to

3.1.2 **ASK** that the Discretions Policy, once approved is forwarded to both Pensions administration teams