


Report to	North Wales Fire and Rescue Authority	
Date	16 October 2023	
Lead Officer	Helen MacArthur, Assistant Chief Fire Officer (Finance and Resources)	
Subject	Firefighters' Pension Scheme Wales – age discrimination	

PURPOSE OF REPORT

- 1 To provide an update to Members on the arrangements to address the age discrimination in the Firefighters' Pension Scheme in Wales.

EXECUTIVE SUMMARY

- 2 The Welsh Government has concluded the legislative process necessary to remedy the age discrimination associated with the firefighter pension schemes in Wales.
- 3 The Firefighters' Pensions (Remediable Service) (Wales) Regulations 2023 (the Regulations) came into force on 1 October 2023 and make provision for the actions necessary by Scheme Managers to address the age discrimination.
- 4 The Regulations create an obligation on the Scheme Manager to fully implement remedy for all eligible members within an 18-month period. Work has commenced to ensure that all affected members are identified and the provisions within the Regulations are complied with.

RECOMMENDATIONS

- 5 Members are asked to:
 - i) note the legislative requirements and timescales established by the regulations; and
 - ii) note the work undertaken to implement the regulations.

BACKGROUND

- 6 The Public Service Pensions Act 2013 (the 2012) introduced comprehensive reforms of public sector pensions across the UK. The overall aim was to reduce the cost of pensions to the public purse through the introduction of higher pension ages with pensions calculated on a Career Average Revalued Earnings basis (CARE), rather than the traditional final salary scheme. Transitional protection was contained within the legislation which was subsequently proved to be discriminatory on the grounds of age.

- 7 Since that time, the UK Government has confirmed that eligible members will be transferred back to their legacy schemes for the period of remedy which is 1 April 2015 – 31 March 2022. The Public Service Pensions and Judicial Offices Act 2022 is the primary legislation to implement the remedy and to empower responsible authorities.
- 8 As the firefighters' pension scheme is devolved in Wales, the Welsh Ministers have responsibility for drafting the underpinning regulations necessary to effect remedy.
- 9 The pension regulations required to address the age discrimination associated with the firefighter pension schemes in Wales came into force on 1 October 2023. The Firefighters' Pension (remediable Service) (Wales) Regulations 2023 (the Regulations) make provision for Scheme Managers to implement the changes necessary and these are required to be completed within an 18-month period.
- 10 The Regulations place all active employee members back into their legacy schemes for the period 2015-22 and offer a choice of legacy scheme or 2015 scheme benefits upon retirement. The Regulations include provision to support Scheme Managers in a range of scenarios including previous opt-out decisions, pension sharing upon divorce, when and how decisions are deemed to have been made and the action to be taken in specific circumstances including ill-health retirements and cases involving bereavement.
- 11 The detailed Regulations can be accessed at <https://www.legislation.gov.uk> and work is ongoing with the administrator, Dyfed Pension Fund, to ensure implementation within the prescribed timescales. A detailed review of each payroll and pension record is required to ensure that each element of pay is correctly treated for pension purposes. The employees' pension contribution will also require adjustment and arrangement is made within the Regulations for the treatment of tax relief on such contributions. The work is concluded through the provision and actioning of a remediable service statement for each eligible member.
- 12 The Regulations not only affect current employees but include former employees who are deemed to be eligible members. North Wales Fire and Rescue Service (the Service) has identified and communicated with all members considered to be in scope.
- 13 The detailed work necessary has commenced and the implementation will be prioritised to ensure that members retiring from 1 October 2023 will be processed in accordance with the Regulations. Priority will also be given to those members who retired during the remedy period without full protection from the previous pension changes.

- 14 Members should be aware that this highly technical work will be carried out by the Service's one Pensions Officer, supported by the ACFO (Finance and Resources), and therefore it may take up to 18 months to complete.

IMPLICATIONS

Wellbeing Objectives	The pension arrangements promote long term stability in the workforce and the remedy addresses age discrimination.
Budget	The requirement to address remedy will impact financially on the Authority's financial position as pensions for those affected will be enhanced. The impact will be addressed via the valuation and setting of future employer contributions.
Legal	The Authority has a legal duty to address the age discrimination and comply with the scheme regulations.
Staffing	The provision of remedy will support staff in their retirement planning and support wellbeing.
Equalities/ Human Rights/Welsh Language	The remedy addresses previous inequalities.
Risks and Uncertainties	The provision of remedy is a complex area which unknown financial consequences.