

Addressed to:

The Chair of the Fire and Rescue Authority
The Chief Executive of the County Council
The Clerk to the Fire and Rescue Authority
The London Commissioner
The Chief Fire Officer

Summary of contents in this issue

(The title below is a link to the bulletin page)

[Title: Firefighters' Pension Schemes: Government's response to the consultation on increases to employee contributions from April 2012](#)

This bulletin highlights the publication of the Government's response to the consultation paper on increases to employee contributions in the firefighters' pension schemes from April 2012.

Firefighters' Pension Schemes: Government's response to the consultation on increases to employee contributions from April 2012

1. Background

1. In 2010, the Government commissioned Lord Hutton to chair the Independent Public Service Pensions Commission to review public service pensions and to make recommendations on how they can be made sustainable and affordable in the long term, and fair to both public sector workers and the taxpayer.
2. In his interim report, Lord Hutton explained that the value and cost of a public service pension has increased by around a third because of longer life expectancy over the last fifty years, and that these costs had generally fallen to the taxpayer.
3. Lord Hutton recommended that if the Government wished to make short term savings, then raising contribution rates would be the most effective way to achieve that objective. This would also make for a fairer balance between what employees pay and what other taxpayers have to pay. At the Spending Review the Government accepted Lord Hutton's rationale and announced the intention to increase employee contributions by 3.2% on average by 2014-15.
4. On 9 September 2011, the Department published a consultation paper setting out proposals to increase the level of employee contribution rates in the Firefighters' Pension Scheme and New Firefighters' Pension Scheme for the financial year 2012/13 <http://www.communities.gov.uk/publications/fire/firefighterpensioncontributions>. The consultation sought views on the following key proposed changes to the firefighters' pension schemes in England:
 - Increased levels of employee contribution rates, effective from 1 April 2012
 - The introduction of tiered contribution levels, so that high earners pay a higher rate of contribution
 - Different levels of increase for the Firefighters' Pension Scheme (1992) and New Firefighters' Pension Scheme (2006)
 - The specific handling of contributions for retained and part-time firefighters.
5. The proposal was to increase contributions in the firefighters' pension schemes by 1.28 percentage points, on average, from April 2012.
6. The consultation closed on 2 December 2011.

2. Outcome of consultation

1. Since the statutory consultation on contribution increases closed, the Department has considered the responses and evidence received and has continued to listen to representations made in ongoing discussions with trade unions and employers.
2. The Department has today (29 March) published its response to the consultation. This can be found at <http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/>
3. Ministers, in the light of the statutory consultation responses, have decided that it is appropriate, in the specific case of the firefighters' pension schemes, to proceed with an altered contribution rate increase from April 2012. This approach now seeks to generate an increased yield of 0.64 percentage points from the two firefighters' pension schemes, rather than the originally proposed 1.28 percentage points. The new proposed tariffs are set out at Annex B of the Government's response.
4. The necessary amending legislation has also been made. The relevant statutory instruments are:
 - The Firefighters' Pension Scheme (Amendment)(England)Order 2012 (SI No 953), and
 - The Firefighters' Pension Scheme (England)(Amendment) Order 2012 (SI No 954).
5. Fire and Rescue Authorities will need to notify, in writing, all members who are affected by this change in accordance with the Occupational Pension Scheme (Disclosure of Information) Regulations 1996.
6. Please note that the employers' contribution rate is not affected by these changes.

For further information please contact:

Andrew Cornelius	Telephone	0303 444 2171
Workforce Pay and Pensions	Email	Andrew.cornelius@communities.gsi.gov.uk

Department for Communities and Local Government
Eland House
Bressenden Place
London
SW1E 5DU
Telephone: 0303 444 0000
Website: www.communities.gov.uk

© Crown Copyright, 2011

Copyright in the typographical arrangement rests with the Crown.

This publication, excluding logos, may be reproduced free of charge in any format or medium for research, private study or for internal circulation within an organisation. This is subject to it being reproduced accurately and not used in a misleading context. The material must be acknowledged as Crown copyright and the title of the publication specified.

You may re-use this information (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk.

Email: licensing@opsi.gov.uk

If you require this publication in an alternative format please email:
alternativeformats@communities.gsi.gov.uk

Department for Communities and Local Government Publications
Tel: 0300 123 1124
Fax: 0300 123 1125
Email: product@communities.gsi.gov.uk
Online via the Department's website: www.communities.gov.uk

29 March 2012

ISBN: 978-1-4098-3421-2