



PROPOSED REVISIONS TO THE FIREFIGHTERS PENSION SCHEME, AND PROPOSALS FOR A NEW FIREFIGHTERS PENSION SCHEME

SUMMARY OF THE FBU TECHNICAL RESPONSE

- The FBU does not accept the figures given for the cost of funding the FPS. The actuarial assumptions are extreme.
- The Firefighters Pension Scheme (“FPS”) has, historically, been very similar to the Police Pension Scheme. The FBU believes that the current proposals to move away from this position are ill-conceived.
- The FBU does not believe that a new pension scheme is necessary or desirable for new entrants to the service. To have two firefighters doing the same job with different pension benefits is divisive and unfair.
- The FBU welcomes the admission of retained firefighters to the FPS. They are strongly of the view that control room workers should be admitted as well.
- The FBU rejects the proposal to increase the minimum pension age for firefighters to age 55. To do so will create an aging Fire and Rescue Service.
- The Government has still not produced proposals for revisions to the injury benefits arrangements for firefighters. The FBU cannot see why they could not be produced at the same time as pension proposals and cannot see how they can be implemented with effect from April 2006, as the Government proposes, if adequate consultation is to be allowed.
- The FBU strongly rejects the proposal that full ill health pensions will be payable only where the applicant is unfit to perform work of any nature at all. An ill health pension should be paid if a firefighter is unfit to perform the duties of his or her own job.
- The FBU welcomes the proposal to provide survivors’ benefits to unmarried partners in the future but believes that it is unjust and archaic not to do so for the unmarried partners of current firefighters as well.

The Similarity with Police Pensions

The FPS and Police Pension Schemes have historically been very similar. A full pension is built up after thirty years service, and a firefighter or police officer with thirty years service can draw his or her pension at age 50.

Similar arrangements will still be in place for police officers. The FPS will, under the Government’s proposals, be more closely aligned with the Local Government Pension Scheme.

The Government justifies this by downplaying the dangerous nature of a firefighter's job: they say that it is "only" the 23rd most dangerous job in the country. But the police service come 24th on the same list!

They also say that decent pension arrangements must be kept in place for the police service in order to recruit and retain police officers, whereas it is easier to recruit firefighters. That is a deeply cynical manipulation of the pension scheme to discourage applicants to the service, at the expense of current firefighters. The FBU does not seek to downgrade the difficult and stressful nature of the work of local government officials but they think that the nature of a firefighter's job is radically different, and their likely career span is much more like a police officer's.

The Funding of the FPS

The FBU has sought actuarial assistance with the Government's costing of the provision of pensions and other benefits under the FPS. Actuarial expertise comes down to matters of opinion, but within acceptable ranges. The life expectancy assumptions made by the Government are at the extreme end of the acceptable range. They over-state the life expectancy of firefighters, making the FPS look more expensive than it really is.

The Government complains that the level of ill-health retirements is, in their view, unacceptably high. Each case is considered on its own merits by the Fire Authority concerned. Is the Government saying that the Fire Authorities are letting through undeserving cases? That is certainly not the FBU's experience.

A New Pension Scheme

The Government's proposal is to introduce a brand new scheme for firefighters who join the service after 1st April 2006. The proposed new scheme will be cheaper to join, with contributions of 6%, but will provide much worse benefits: it would take 40 years to build up a full pension, normal retirement age would be 60 or even 65, ill health benefits will only be paid if the firefighter concerned is unfit for any work at all, and incredibly, widow's and widower's benefits would be reduced.

No-one asked us if we wanted to reduce our own pension contributions. We would rather pay the current 11% and get a better pension scheme. To have two firefighters working side by side earning different pensions or, even worse, suffering the same injury and getting different pensions or no pension at all is divisive.

Control Room Staff.

At present, control room staff are entitled to join the Local Government Pension Scheme, but not the FPS. We believe that they should be admitted to the FPS: they have incredibly stressful jobs. They have to hang on to the line to members of the public who are in danger of their lives. They save lives - commendations are awarded to control room operators - and they will also attend big firegrounds. It is time to recognise that this is a career which a person cannot be expected to continue for 40 years.

Retirement Age.

The Government proposes that in the new scheme, the normal retirement age will be 60 or even 65. In the existing scheme, they propose that the normal retirement age will go up from 50 to 55 with effect from 2013.

The older members of the Fire and Rescue Service which this will mean will still have to be paid, and that means fewer new recruits. The Government seems to think that there are desk and community liaison jobs available for all of these older firefighters who are not fit enough to do the job they joined up for - fighting fires - unless the establishment numbers increase then the salaries being paid to these older workers will mean less money to recruit younger men and women.

Increasing the retirement age will also mean more ill-health retirements. This is a physically stressful job and the older you get, the more likely you are to suffer from the chronic illnesses such as osteo-arthritis which prevent a person from performing any active job, never mind fighting fires.

Injury Benefits

The current FPS includes arrangements for paying pensions to firefighters who are injured on the job. The Government proposes to create a different injury benefit scheme, on the basis that Inland Revenue restrictions prevent such benefits being paid by a pension scheme.

But this new injury benefit scheme has not even been produced for consultation. It is inextricably linked with the ill-health pensions which the FPS will continue to provide and the (much worse) benefits which the proposed new scheme will contain. This new scheme will be in force, according to the Government, from April 2006. How can they consult properly on that timescale? If they have been working on proposals then where are they? If they can't be produced now then the new injury benefit scheme, and the proposals for new pension arrangements, should be delayed until we have been given a proper opportunity to consider them and discuss them with the Government.

Ill-health Pensions

The Government proposes that, in the new scheme, and potentially in the existing scheme as well, there will be a two tier ill-health pension arrangement: if a firefighter is unfit to perform a job within their role as a firefighter they would get an immediate pension but without the enhancements which are currently provided. They would only be paid if the firefighter was unfit to perform any work at all for any employer.

Firefighting is a physically demanding job. It is not surprising that the number of ill-health retirements is greater than elsewhere. If a firefighter is cast out of the service in their fifties it is not realistic to expect them to walk into another job. That is why enhancements were paid in the first place: to make up for the working life that an injured firefighter would not be able to complete. That justification is still there.

Unmarried Partners

The proposed new scheme will provide survivor' pensions to unmarried partners in a stable relationship. The same provision will not be made available to existing firefighters under the Government's proposal.

It is high time that the FPS recognised that society has changed since 1948 when the FPS was first introduced. It is almost universal practice for private sector pension schemes to pay benefits to unmarried partners and the Government should be following best practice.