

FBU Pensions Bulletin



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New Firefighters Pension Scheme

FBU OPPOSES CONTRIBUTIONS HIKE AND WORKING UNTIL 60

Firefighters in the New Firefighters Pension Scheme (NFPS) face a **big hit** from increased contributions this April and for the rest of your career. The NFPS is the pension scheme for wholetime firefighters who joined the service after April 2006 and is the only current scheme for retained firefighters.

The FBU believes that the government's pension plans are **unfair** for firefighters and **unworkable** for the fire service.

Contribution hike is unsustainable

The government wants all firefighters to pay increased pension contributions now and **for the rest of your career**. For NFPS members, the increase is 1.5% over the next three years, rising from the current 8.5% of salary to 10% of salary. By 2014:

- Wholetime firefighters in the NFPS would pay an extra **£423** a year
- Retained firefighters on £10,000 pensionable pay in the NFPS would pay **£150** a year more

From 2015 the government wants to impose a new scheme. They have said firefighters will pay 13.2% of salary in pension contributions. This means that from 2015, both wholetime and retained firefighters who were in the NFPS would face a massive **jump** in their contributions. From 2015 and for the rest of your career:

- Wholetime firefighters would pay **£1,325** a year extra contributions compared to now
- Retained firefighters on £10,000 pensionable pay would pay **£470** a year more than today

If they get their way, firefighters currently in the NFPS will pay more for the next three years – although less than

firefighters in the Firefighters Pension Scheme (FPS). And then NFPS members will face a huge whack for the rest of your career. The FBU says this is unfair.

Firefighters should **stand together**, defend our existing pensions and campaign for improvements.

Unworkable scheme

The government's new firefighters' pension scheme is also unworkable. They have got their **sums wrong**. Increased contributions will force some members to opt out. It only takes 7% to opt out and no 'savings' are made. More opt outs could crash the schemes completely. They should think again.

The government also expect all firefighters to **work until 60**. This is what the NFPS says already. But the FBU has never accepted that most firefighters can carry on until 60. The government provided no evidence for it in 2006. It has produced **no evidence** this time. That is why the FBU opposed the NFPS back in 2006 and fights for improvements now – most importantly the pension age must be reduced.

If working to 60 is not practical given the demands of the job, then the government's new scheme (which assumes 60) is also unworkable. Occupational pension schemes must reflect the job done. Firefighters know that – and the public does not want an aged fire service.

Support the FBU campaign:

- **No to contribution increases**
- **Bring down pension age for NFPS members**

How firefighters in the NFPS could be hit

Changes to firefighters' pension schemes have been instigated by the Westminster government. However governments in Scotland, Wales and Northern Ireland have indicated they will implement these changes. Firefighters should **stand together** against these changes.

Wholetime firefighters in the NFPS

A wholetime firefighter in the New Firefighters Pension Scheme (NFPS) will face increased pension contributions if the government gets its way.

Wholetime firefighters in the NFPS

	2011-12	2012-13	2013-14	2014-15	2015-
Annual pay (*) £	28,199	28,199	28,199	28,199	28,199
Contribution rate %	8.5	9.1	9.7	10.0	13.2
Annual contribution £	2,397	2,566	2,735	2,820	3,722
Extra annual contribution £		169	338	423	1,325

Your contributions will go up in stages over the next three years to 10.0%. By 2014, it would mean you pay **£423** more than at present. Over the next three years you will pay an extra **£931**.

The government is proposing a new pension scheme for firefighters to start in April 2015. Members of the NFPS face a big jump in one year from 10% to 13.2% – or from £2,820 total pension contributions a year to **£3,722** every year. From 2015, they want an extra **£1,325** a year more until you finish work.

If the government gets its way, a firefighter in development from April 2012 would pay £727 in additional contributions for three years and then 37 x £1,325 until the end of their career. That means the government expects new firefighters to pay at least **£50,000** extra in pension contributions.

Retained firefighters

A retained firefighter on £10,000 pensionable pay in the NFPS will face increased pensions contributions if the government gets its way.

Retained firefighters in the NFPS

£10,000 pensionable pay	2011-12	2012-13	2013-14	2014-15	2015-
Annual pay (*) £	10,000	10,000	10,000	10,000	10,000
Contribution rate %	8.5	9.1	9.7	10.0	13.2
Annual contribution £	850	910	970	1,000	1,320
Extra annual contribution £		60	120	150	470

Your contributions will go up in stages over the next three years to 10.0%. By 2014, it would mean you pay **£1,000** in pension contributions a year or £150 more than at present. In total over the next three years you will pay an extra **£330**.

The government is then proposing a new pension scheme for firefighters to start in April 2015. Members of the NFPS face a big jump in one year from 10% to 13.2% — or from £1,000 total pension contributions a year to **£1,320** every year. From 2015 they want you to pay **£470** extra contributions a year until you finish work.

A retained firefighter in development from April 2012 would pay £330 in additional contributions for three years and then 37 x £470 until the end of their career. That means the government expects new retained firefighters to pay at least **£18,000** extra for your pension.

Working to 60 is unfeasible

The NFPS was introduced from April 2006. It included a new **Normal Pension Age (NPA) of 60** compared with the NPA in the FPS of between 50 and 55. (Some members of the old scheme also have the right to retire earlier than 55 depending on age and length of service). The FBU argued that the new scheme would be unfair for individual members who would be unlikely to reach the higher pension age and still be fit and healthy enough for operational service.

The government officials designing the scheme argued that as firefighters became older they would be gradually re-deployed into 'non-operational roles' – areas such as community safety and would not necessarily be required to undertake operational duties. **The FBU challenged this** and did not accept these arguments. Despite these objections the new scheme was introduced without agreement.

FBU policy: pension age for NFPS must be reduced

Since then the FBU has consistently argued that the **NPA in the NFPS should be reduced**. Alongside this we have produced evidence that there are no such opportunities for redeployment. A central feature of the FBU's current campaign on pensions is our demand that the normal pension age in the NFPS must be reduced. This would be a significant gain for new members in the service.

(*) assumes current pay rates. Some figures are rounded.

For more information see our website:

www.fbu.org.uk