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Welsh Government
Consultation Document

**Consultation on amendments to firefighters' pension schemes in
Wales 2021**

Date of issue: 25 October 2021

Action required: Responses by 20 December 2021

Mae'r ddogfen yma hefyd ar gael yn Gymraeg

This document is also available in Welsh

Overview

We are consulting on amendments to the Firefighters' Pension Scheme (Wales) Regulations 2015 which will require all current members of the firefighters' pension schemes dating from 1992 and 2007 to join the 2015 Scheme on 1 April next year.

These changes will be required by the Public Service Pensions and Judicial Offices Bill, which is currently before Parliament. They are part of a package of measures which the UK Government is overseeing to address the age discrimination in public sector pension schemes which the Courts have found to exist.

While the Welsh Ministers have functions in relation to firefighters' pensions, occupational pensions in general are a reserved matter outside the powers of Senedd Cymru. The Welsh Ministers are thus obliged to implement the policy which is reflected in the Bill.

How to respond

To respond to this consultation, please complete the online form which can be accessed here:

[Amendments to firefighters' pension schemes in Wales 2021 | GOV.WALES](#)

Alternatively, respondents may use the separate response form provided, which can be emailed to fire@gov.wales or sent to the address below.

The closing date for responses is 20 December 2021.

Further information and related documents

Large print, Braille and alternative language versions of this document are available on request.

Contact details

For further information:

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General Data Protection Regulation (GDPR)

The Welsh Government will be data controller for any personal data you provide as part of your response to the consultation. Welsh Ministers have statutory powers they will rely on to process this personal data which will enable them to make informed decisions about how they exercise their public functions. Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about or planning future consultations. Where the Welsh Government undertakes further analysis of consultation responses then this work may be commissioned to be carried out by an accredited third party (e.g. a research organisation or a consultancy company). Any such work will only be undertaken under contract. Welsh Government's standard terms and conditions for such contracts set out strict requirements for the processing and safekeeping of personal data.

In order to show that the consultation was carried out properly, the Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response. If you do not want your name or address published, please tell us this in writing when you send your response. We will then redact them before publishing.

You should also be aware of our responsibilities under Freedom of Information legislation.

If your details are published as part of the consultation response then these published reports will be retained indefinitely. Any of your data held otherwise by Welsh Government will be kept for no more than three years.

Your rights

Under the data protection legislation, you have the right:

- to be informed of the personal data held about you and to access it
- to require us to rectify inaccuracies in that data
- to (in certain circumstances) object to or restrict processing
- for (in certain circumstances) your data to be 'erased'
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For further details about the information the Welsh Government holds and its use, or if you want to exercise your rights under the GDPR, please see contact details below:

Data Protection Officer
Welsh Government
Cathays Park
CARDIFF
CF10 3NQ

e-mail:

Data.ProtectionOfficer@gov.wales

The contact details for the Information Commissioner's Office are:

Wycliffe House
Water Lane
Wilmslow
Cheshire
SK9 5AF

Tel: 01625 545 745 or
0303 123 1113

Website: <https://ico.org.uk/>

Background

1. The Public Service Pensions Act 2013 (“the 2013 Act”) introduced comprehensive reforms of all public sector pensions in Great Britain. The overall aim was to reduce the cost of such pensions to the public purse, by introducing new schemes with a higher normal pension age (NPA) for all public servants, and providing that benefits in those schemes were to be calculated on the basis of career average revalued earnings (CARE) rather than final salary. The 2013 Act required the UK or (as appropriate) devolved governments to make regulations establishing such new schemes with effect from 1 April 2015, at which point existing schemes were closed, so that members could no longer accrue any pension in them (but with exceptions which we describe below).
2. Firefighters’ pensions in Wales are, uniquely, devolved to the Welsh Government. It therefore fell to the Welsh Ministers to make regulations establishing a new scheme for firefighters employed in Wales. The Firefighters’ Pension Scheme (Wales) 2015 (“the 2015 Scheme”) is governed by the Firefighters’ Pension Scheme (Wales) Regulations 2015¹ (“the 2015 Regulations”), which came into force on 1 April that year, as the 2013 Act required.
3. Prior to 2015 there were two pension schemes for firefighters in Wales, both with benefits calculated on a final salary basis:
 - a. The scheme established by the Firemen’s Pension Scheme Order 1992² (“the 1992 Scheme”), which was open to anyone commencing employment as a firefighter before 1 January 2006. This scheme has an NPA of 55 and a maximum accrual of 30 years’ service, although many firefighters are able to retire from age 50 as the scheme allows for *double accrual* of service after 20 years.
 - b. The scheme established by the Firefighters’ Pension Scheme (Wales) Order 2007³ (“the 2007 Scheme”), which was open to anyone joining on or after 1 January 2006. This has an NPA age of 60 and a lower accrual rate than the 1992 Scheme. It also includes a “modified scheme” for retained (“on-call”) firefighters which essentially mirrors the terms of the 1992 Scheme for such staff.

Transitional protection

4. Section 18 of the 2013 Act also allowed regulations to exclude certain categories of workers from the requirement to join the new scheme and allow them to remain in their existing scheme – or, to use the jargon, for them to receive “transitional protection”. An agreement between the Treasury and the TUC

¹ SI 2015 no.622 / W50

² SI 1992 no.129

³ SI 2007 no.1072 / W110

proposed that such protection should be available to those closest to retirement age in their existing schemes, on the grounds that they may already have made plans for retirement and would have less time to adjust to the generally less beneficial terms of the new schemes.

5. Accordingly, the 2015 Regulations provided that anyone who was an active scheme member on 1 April 2012 and who was aged 45 or more on that date would remain in their former scheme permanently (“full protection”); and any active scheme member aged between 41 and 44 on that date would transition gradually into the new scheme over a period of five years from 2015 (“tapered protection”). All other new public-sector schemes made similar provision although the age criteria varied according to the NPAs in the existing schemes.
6. This policy of transitional protection based on age was, though, almost immediately subject to legal challenge. In the cases of McCloud and others v Lord Chancellor and another (brought by a group of judges) and Sargeant and others v London Fire Commissioner and others (brought by a group of firefighters), the claimants argued that the policy amounted to unlawful direct discrimination on grounds of age (and in Sargeant, indirect discrimination on grounds of gender and race). The cases were heard separately before the Employment Tribunal in early 2017 but joined in subsequent proceedings. While the Employment Tribunal ruled in favour of the defendants in Sargeant, that was partly overturned by the Employment Appeal Tribunal and fully overturned by the Court of Appeal⁴, which held that age-based transitional protection as implemented was unlawful.

The remedy

7. The Court of Appeal remitted to the Employment Tribunal the question of the remedy to which claimants were entitled. Those proceedings have not yet fully concluded. However, several broad points are already clear:
 - a. Those who suffered discrimination are entitled to return to their former scheme, and to be treated as though they never left it in April 2015. That, indeed, is the effect of an interim order of the Employment Tribunal of December 2019.
 - b. That remedy is to be available both to the claimants in the case and to all other scheme members in a similar position (i.e. who were in service on 1 April 2012 and 1 April 2015, but were too young on the former date to qualify for full protection). In the rest of this document, we refer to these as “affected members”
 - c. However, some individuals may be better off in the 2015 Scheme, depending on their individual circumstances and preferences⁵. All affected members must therefore be given a choice between the 2015

⁴ [2018] EWCA Civ 2844

⁵ For instance, the 2015 Scheme has a lower rate of employee contributions than the 1992 Scheme and no cap on accrued pension. It also pays benefits to a wider range of survivors of deceased scheme members, but has a higher normal pension age and is calculated on a CARE basis, not final salary. Compared to the 2007 Scheme, it has a higher rate of contributions but also a higher accrual rate, and lower rates of actuarial reduction for pensions taken before normal pension age.

Scheme and the scheme of which they were members prior to 1 April 2015 (which we refer to below as the “legacy scheme”).

- d. No remedy is to be available to anyone commencing employment on or after 1 April 2012 as they would or should have been aware of the scheme changes when they joined. They have thus not suffered any discrimination.
8. As the problem affects all public-sector pension schemes, the issues around design and implementation of the remedy are being coordinated by the Treasury. It has already announced the broad shape of remedy as above. It has also decided that the original aim of reducing the cost of public-sector pensions remains valid; and that all scheme members (including those purportedly protected in 2015) must transfer into the 2015 Schemes from 1 April 2022. There will, obviously, be no transitional protection on this occasion.
9. The Treasury’s position thus creates a “remedy period” from 1 April 2015 to 1 April 2022. All affected members will, by default, revert to their legacy schemes for that period, and will have their pension entitlements and contributions calculated accordingly. However, they will also have the right to decide whether the pension they eventually receive should be based on their service during the remedy period being treated as service in the 2015 Scheme or in their legacy scheme.
10. The Treasury also consulted extensively in Autumn 2020⁶ on the mechanism by which members could make this decision. The options were “immediate choice”, i.e. a decision made once the relevant legislation came into force, and “deferred choice”, i.e. a choice made on retirement. The clear preference among respondees was for the latter, on the basis that it allowed scheme members to decide on the basis of certainty about their benefit entitlements under their legacy and 2015 schemes. Immediate choice, by contrast, would require firefighters to make assumptions about their future career progress and other life events, and risked discriminating against younger firefighters who would have to make more such assumptions and were therefore more likely to make what proved to be a sub-optimal choice. This was also the clear preference of all members of the Firefighters’ Pension Scheme Advisory Board for Wales⁷. Accordingly, the Chief Secretary to the Treasury announced in February 2021 that the deferred choice approach would be adopted for all schemes.
11. The Treasury has introduced the Public Service Pensions and Judicial Offices Bill⁸ (“the Bill”) into Parliament to implement these reforms, and to require or empower “responsible authorities” (i.e. the Welsh Ministers, as regards firefighters’ pensions in Wales) to make the necessary changes to pension scheme rules. The Treasury aims for the Bill to receive Royal Assent early in 2022, and we have issued this consultation in anticipation of that.

⁶ The consultation is available online [here](#).

⁷ That is, the three Fire and Rescue Authorities in Wales; the Fire Brigades Union; the Fire Leaders Association; the Fire Officers Association; and the Fire and Rescue Services Association.

⁸ More information about the Bill, including the full text of it, is available [here](#).

12. The overall shape of the remedy and the other reforms are matters for the Treasury and the UK Government and Parliament. The Welsh Ministers are responsible for making and amending the rules of firefighters' pension schemes in Wales. However, generally occupational pensions, including those for firefighters, are a reserved matter outside the competence of the Senedd (meaning it cannot pass legislation in that area). This means that the Welsh Ministers are obliged to implement the position of the Treasury as reflected in primary legislation (i.e. the Bill). They cannot, for instance, decide that legacy schemes will not close in 2022, that the remedy should be available to those joining after 31 March 2012, or that a different kind of choice mechanism should be available to affected members. This consultation does not seek views on these matters, and the Welsh Ministers would be unable to take into account any such views that are received.

13. Overall, then, there are three broad elements of the Treasury's reform package:

- a. Transferring all remaining members of legacy schemes into the 2015 Scheme on 1 April 2022 (to be achieved prospectively, by the draft regulations that are the subject of this consultation).
- b. Reverting affected members into their legacy schemes for the remedy period (to be achieved retrospectively by the Public Service Pensions and Judicial Offices Bill).
- c. Establishing the deferred choice mechanism by which affected members can choose, at the point of retirement, the scheme which applies to their service during the remedy period, and providing for the consequences of such choices (to be achieved retrospectively by regulations we will consult on and make during 2022/23).

14. This consultation deals with the first of these elements – transferring all remaining members of legacy schemes into the 2015 Scheme on 1 April next year.

The scope of the transfer

15. The Sargeant judgment means that affected firefighters are entitled to be treated as though they never left their legacy schemes in 2015, and that their transfer into the 2015 Scheme then should not have happened and must be reversed. The Bill gives effect to that by providing that affected members' service during the remedy period must be treated as service in their legacy schemes. However, those provisions will come into force retrospectively. It would make little sense to transfer affected members into their legacy schemes now, only to transfer them back into the 2015 Scheme almost straightaway next year.

16. Therefore the position as it stands is that the only firefighters who will transfer next year are those who were fully protected on 1 April 2015. The age criterion for protection means that many protected members have retired since 2015, and they will not be affected. But at the start of the current financial year there were still 200 active fully protected members, including 123 members of the 1992 Scheme, 29 members of the 2007 Scheme and 48 members of the modified scheme for retained firefighters. Some of these members are likely to retire

before 1 April next year and some may already have retired; only those who remain in service will actually transfer on that date. As noted, affected members (i.e. those who suffered discrimination) will revert to membership of their legacy schemes during the remedy period retrospectively. All other members joined the 2015 Scheme when it was introduced (or when they joined the service, if after that date) without suffering any discrimination, and will thus be unaffected by the transfer or indeed the wider reform package.

17. The 2013 Act, and the 2015 Regulations, also grant members who were aged between 41 and 44 on 1 April 2012 so-called “tapered protection”. Under this they were effectively phased in to membership of the 2015 Scheme between 2015 and 2022, with the exact period depending on their age. They also suffered age discrimination (in that they were not fully protected in their legacy schemes), and they too will revert to membership of the legacy scheme for the full remedy period, with the right to choose on retirement between it and the 2015 Scheme. However, this will be dealt with retrospectively. All periods of tapered protection will have expired by 1 April 2022, meaning that all taper protected members will by then already be members of the 2015 Scheme and do not need to be covered by the transfer.
18. There is one small exception to this. It is possible for a scheme manager (in Wales, this is the employing Fire and Rescue Authority, or “FRA”) to stipulate an end date for tapered protection in particular cases which is after 1 April 2022. While we are not aware of any instances in which FRAs in Wales have done so, it is necessary to provide that any such periods of tapered protection will end on 31 March 2022 at the latest.
19. In summary, the effects of the reform proposals on the various groups of members are as follows:

Joining date	Age on 1/4/2012	Remedy period membership	Post-remedy period Membership	Choice on retirement
Before 1/4/2012	45 or older (“fully protected members”)	Legacy scheme (unchanged)	2015 Scheme (by prospective transfer)	Option for remedy period membership in 2015 Scheme or legacy scheme
	44 or younger (“affected members”)	Legacy scheme (by retrospective reversion)	2015 Scheme (unchanged)	Option for remedy period membership in 2015 Scheme or legacy scheme
On or after 1/4/2012	Any (“unaffected members”)	2015 Scheme (unchanged)	2015 Scheme (unchanged)	None

20. This consultation document sets out how we propose to deal with the transfer of fully protected members into the 2015 Scheme – highlighted in red above. It does not affect other groups of active members for the reasons explained above.

21. The proposals in this consultation document will also have no effect on:

- a. deferred members
- b. opted out members
- c. pension credit members
- d. retired members, or
- e. survivors of members

of any firefighters' scheme in Wales.

Making the transfer

22. The draft regulations which would transfer fully protected members into the 2015 Scheme are attached to this document. We would be grateful for views on how far and how effectively they would implement the policy of moving all active members into the 2015 Scheme from 1 April 2022.

23. At present, the rules of the various schemes provide that fully protected members are members of their legacy schemes. Clearly that needs to change, so that they instead become members of the 2015 Scheme. The most straightforward way to achieve this is to reuse the transitional provisions in the 2015 Scheme so that they also transfer protected members into the Scheme in 2022.

24. This will mean retaining the concept and definition of protected members, but providing that their membership of legacy schemes (or their "protection period", to use the language of the 2015 Regulations) ends on 31 March 2022. At that point, the transitional provisions would transfer those members into the 2015 Scheme, and the concept of "protected member" would cease to have any meaning.

25. This approach requires only a few amendments to the transitional provisions in the 2015 Regulations. It is not necessary to amend the rules of the legacy schemes (for instance, to change their closing dates), as the Bill effectively does this directly.

26. For the most part, the transfer will mean that protected members become members of the 2015 Scheme, subject to all of the rules of that scheme and entitled to the benefits it provides. The pension they have accrued in their legacy schemes will be preserved at the point of transfer and paid to them on retirement. However, there are several issues arising from the transfer which merit further comment. These are as follows.

Pensionable pay and pensionable service

27. Making the transfer in this way means that the transitional provisions drafted in 2015 will also apply to the transfer next year. In particular, this means firefighters who are currently members of the 1992 or 2007 Schemes will have their pensions calculated using their final salary on retirement from the Service, not at the point of transfer, under the so-called “final salary link”. For example, someone who holds the grade of Watch Manager on 31 March next year and is promoted to Station Manager prior to retirement in 2025, would have a 1992 or 2007 Scheme pension calculated on the basis of their Station Manager’s salary, even though that was earned while s/he was a member of the 2015 Scheme.
28. The 1992 Scheme (only) also allows for double accrual of pensionable service after 20 years’ service, such that each year’s actual service after that point counts as two years’ pensionable service – up to a maximum of 30 years such service. In effect, this creates different accrual rates depending on the length of service: the accrual rate is 1/60 of pensionable pay per year up to 20 years, and 1/30 for each year after that, yielding an overall accrual rate of 1/45 for 30 years’ pensionable service. Again, the transfer will preserve that right such that the accrual rate applied to a 1992 Scheme pension will be based on total pensionable service in the 1992 and 2015 Schemes, not just the former. For example, someone who has 20 years’ service in the 1992 Scheme as at 31 March next year and works for a further 5 years in the 2015 Scheme will have their 1992 Scheme pension calculated using the accrual rate for 30 years’ service (as the 5 years after the first 20, and after transfer, count double). However, they will stop accruing any actual pension in the 1992 Scheme on 1 April next year.
29. The modified scheme for retained firefighters is similar to the 1992 Scheme in most respects. However, it uses a uniform accrual rate of 1/45 regardless of length of service. There is thus no need to preserve double accrual for members of the modified scheme.

Additional years and additional pension

30. In all firefighters’ pension schemes, it is possible for members to purchase either extra years of pensionable service, or extra pension. They do this by agreement with the scheme manager, and pay for it either as a lump sum or by way of deductions from pay over a period of years, for the rest of their careers in some cases.
31. For the avoidance of doubt, all such existing agreements will remain in force after the transfer into the 2015 Scheme. They do not involve continuing to accrue legacy scheme pensions; rather, the scheme members continue to pay in instalments for a previously-agreed enhancement to their pre-transfer service. These arrangements are unaffected by the Bill or by the proposed draft regulations.

Ill health retirements

32. Firefighting is a dangerous and physically demanding profession, and it is sadly not uncommon for firefighters to have to retire on the grounds of ill health. For example if a firefighter is seriously injured while on duty and no longer able to work. All pension schemes make provision to pay ill health pensions immediately in such cases.
33. The terms on which firefighters retire on grounds of ill health vary across the three schemes, with the 1992 Scheme (again) being generally the most beneficial – in particular because of its lower NPA. To qualify for the maximum ill health pension, a 1992 Scheme member must be likely to be unable to work until at least that scheme's NPA of 55; whereas a member of the 2015 Scheme must be so unable until at least its NPA of 60. For example, a 54-year-old firefighter who is seriously injured and requires a year of treatment and rehabilitation before being able to work again would be medically retired and receive a full ill health pension under the 1992 Scheme, but would not be retired under the 2015 Scheme.
34. In all cases, the process is, though, necessarily protracted: having first decided that there is a possible case for ill health retirement, the employing FRA must seek an opinion from an independent qualified medical practitioner (IQMP) before deciding whether to retire a firefighter on ill health grounds, with the possibility of an appeal, (by either the FRA or the firefighter) to a Board of Medical Referees before, retirement actually takes place.
35. Given that timescale, there is a risk of unfairness towards legacy scheme members whose need to retire (e.g. a disabling injury or illness) arose before the transfer date next year, but for whom the final retirement decision was not made until after that date. Such a member would by then be a member of the 2015 Scheme, and therefore might not receive any ill health pension, even though the basis for it arose while s/he was a member of the legacy scheme.
36. One solution to this would be to provide that, where an FRA refers a member's case to an IQMP before the transfer into the 2015 Scheme, but does not decide to retire that member until after the transfer, then the ill health pension is payable on legacy scheme terms. This was, in fact, the approach taken in 2015: Rules 37 and 38 of Part 3C of Schedule 2 to the 2015 Regulations provide for exactly this approach.
37. However, this is a form of transitional protection, in that it allows scheme members who have been injured or become ill to remain as members of their legacy scheme after the transfer. As it stands, the Bill repeals the power to provide transitional protection, except as regards double accrual (see above) and certain other matters which are unlikely to be relevant to firefighters' pensions. This means the provisions in the 2015 Regulations would become void, as the power under which they were made was no longer valid. As a result, such members would transfer into the 2015 Scheme on 1 April 2022, and any ill health pension that became payable after that date would have to be paid on 2015

Scheme terms.

38. At the time our draft regulations were finalised for this consultation, the policy and legal position in this area was unclear; and, as a result, these draft regulations do not contain any provision on ill health retirements. However, it is possible to use existing powers to amend scheme regulations in this area. Subject to the result of this consultation, we will therefore use the existing powers to make final regulations protecting the position of ill health retirees whose cases are pending on 31 March next year, and in particular to ensure they are no worse off as a result of a retirement decision being made after that date. This will entail providing an “underpin” which will mean that such members receive a 2015 Scheme ill health pension calculated at the date they actually retire; but that if a legacy scheme pension calculated as at 31 March 2022 would have been greater, the 2015 Scheme pension must be increased by the difference between the two.

The draft regulations

39. A draft set of regulations to transfer fully protected members into the 2015 Scheme is attached to this consultation. The substantive provisions of those regulations are all in regulation 2 of the draft, and all amend Schedule 2 (transitional provisions) to the 2015 Regulations. They are as follows:
- a. Regulation 2(2)(a) provides that the closing date (i.e. the last day of membership of a legacy scheme) is 31 March 2022 for fully protected members.
 - b. Regulation 2(2)(b) provides that the transition date (i.e. the first day of membership of the 2015 Scheme) is 1 April 2022 for fully protected members.
 - c. Regulation 2(3) removes the power for scheme managers to set an end date for tapered protection after 31 March 2022, and stipulates that all periods of tapered protection are to end on or before that date.
 - d. Regulation 2(4) is consequential on regulation 2(2)(a) and provides that fully protected members of legacy schemes cease to be members of those schemes on 31 March 2022.
40. Taken together, we believe that these provisions have the desired effect of transferring all fully protected members into the 2015 Scheme on 1 April next year. They will also mean that the transitional provisions which applied in 2015 (for instance, around the final salary link and double accrual) will apply automatically to the transfer on this occasion, without making special provision to that effect, because fully protected members will become “transition members” for the purposes of those provisions.
41. As noted in paragraphs 32-38 above, we have not yet been able to make any provision in the draft regulations for ill health retirement. However, and subject to the outcome of this consultation, we will amend the draft regulations to address this as described; we will not consult again on them as this consultation document already describes our intentions in this area.

Consultation questions

42. We would be grateful for your responses to the following questions

1. How far do you believe the draft regulations reflect the need to transfer protected members into the 2015 Scheme on 1 April next year? Do you think there are any errors or omissions in the draft?
2. Do you have any views on the proposals regarding double accrual?
3. Do you have any views on the proposals regarding ill health retirement? In particular, do you agree that we should draft the regulations to make provision for ill health retirements which straddle the transfer date, and which ensure that people in those circumstances are no worse off than if they retired before that date?
4. Do you envisage any difficulties or obstacles in implementing the transfer which the regulations provide for?
5. We are interested in understanding whether the proposals in this consultation document will have an impact on people with protected characteristics. Protected characteristics are: age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion and belief, sex, and sexual orientation. Do you think that the proposals in this consultation will have any positive or negative impacts on people with protected characteristics? If so, which and why/why not?
6. We would like to know your views on the effects that the above proposals would have on the Welsh language, specifically on opportunities for people to use Welsh and on treating the Welsh language no less favourably than English. What effects do you think there would be? How could positive effects be increased, or negative effects be mitigated?
7. Please also explain how you believe the proposed policy could be formulated or changed so as to have positive effects or increased positive effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language, and no adverse effects on opportunities for people to use the Welsh language and on treating the Welsh language no less favourably than the English language.
8. Do you have any other views about these proposals (recognising that the underlying policy and law are not devolved, and not matters for the Welsh Government)?

Glossary

Term	Explanation
1992 Scheme	The Firefighters' Pension (Wales) Scheme as established by the Firemen's Pension Scheme Order 1992
2007 Scheme	The New Firefighters' Pension Scheme (Wales) as established by the Firefighters' Pension Scheme (Wales) Order 2007. It is sometimes (if misleadingly) known as the "New Firefighters' Pension Scheme".
2015 Scheme	The Firefighters' Pension Scheme (Wales) 2015 as established by the Firefighters' Pension Scheme (Wales) Regulations 2015.
Accrual rate	The rate at which an active member builds up a pension in a given period of time. It is normally expressed as a fraction or percentage of annual pensionable pay , and varies from one scheme to another. As a general principle, an annual pension is calculated by multiplying pensionable pay, pensionable service and the accrual rate together.
Active member	A member of a firefighters' pension scheme who is actively employed as a firefighter (i.e. s/he has not retired, resigned or otherwise ended that employment).
Actuarial reduction	The reduction of a pension paid to someone who chooses to retire before reaching normal pension age , to reflect the longer retirement s/he will enjoy. The amount of the reduction depends on the chosen retirement age, and varies from one scheme to another.
Affected member	A scheme member who has suffered age discrimination , i.e. anyone who was employed as a firefighter on both 1 April 2012 and 1 April 2015, but was aged under 45, and thus too young to qualify for full transitional protection , on the former date. It includes taper protected members .
Age discrimination	Treating employees or any other group of people less favourably because of their age. Age discrimination is unlawful unless it can be shown to be a proportionate means of achieving a legitimate aim.
Career average revalued earnings (CARE)	A means of calculating pension entitlement based on a member's average pensionable pay over the course of their employment, adjusted for inflation.

Term	Explanation
Deferred choice underpin (DCU)	The mechanism by which affected and protected members will decide whether their service during the remedy period should be treated as service in their legacy scheme or the 2015 Scheme . Such a choice will be made when the member retires or when their pension benefits otherwise first fall to be paid (e.g. if they die before they retire). We will establish that in further regulations which we will consult on and make next year. It is not covered by these draft regulations.
Deferred member	A member of a firefighters' pension scheme who is no longer employed as a firefighter but who has not yet reached the age at which their pension benefits can be paid.
Double accrual	A feature of the 1992 Scheme (only) in which each year's actual service after the first 20 years counts as two years' pensionable service . This means that a member with 21 years' actual service has 22 years' pensionable service, one with 22 years' actual service has 24 years' pensionable service, and so on.
Final salary	A means of calculating pension entitlement based on a member's pensionable pay at the point s/he retires.
Firefighter	Anyone employed in firefighting by a Fire and Rescue Authority in Wales, and who is thus eligible to be a member of a firefighters' pension scheme. This includes wholetime and retained duty system firefighters and control room staff, but not those engaged in administrative and other non-firefighting work on "Green Book" terms and conditions (who are normally members of the local government pension scheme). It also excludes people who are employed in firefighting by an entity other than a Fire and Rescue Authority, such as airport or military firefighters.
Fully protected member	A scheme member who was granted full transitional protection in 2015, i.e. anyone who was employed as a firefighter on both 1 April 2012 and 1 April 2015 and was aged 45 or older on the former date.
Legacy scheme	The scheme of which an affected or fully protected member was a member immediately before 1 April 2015 – i.e. the 1992 Scheme or the 2007 Scheme .
Modified scheme	A pension scheme specifically for retained duty system ("on call") firefighters. It is included in the 2007 Scheme rules but resembles the 1992 Scheme in most respects.
Normal pension age (NPA)	The age at which an active member can retire on a full pension. It is stipulated in scheme rules and can vary from one scheme to another. For instance, the 1992 Scheme

Term	Explanation
	has an NPA of 55 but the 2007 and 2015 Schemes have an NPA of 60.
Opted out member	A firefighter who has chosen not to be a member of one of the firefighters' pension schemes, for instance if s/he wishes to have a personal pension from a private-sector provider instead.
Pension credit member	A former spouse or civil partner of a scheme member who is entitled to a portion of that member's pension entitlements, under a divorce settlement.
Pensionable pay	The amount of pay which is taken into account in calculating pension entitlements. Generally, it includes individuals' regular salary and any allowances they receive on a permanent or indefinite basis, but not short-term payments such as overtime or temporary allowances.
Pensionable service	The length of time (normally expressed in years) over which a scheme member accrues pension. It is generally the same as her or his length of employment, including authorised non-working periods such as maternity leave (but see also double accrual).
Remedy period	The period to which the remedy for age discrimination will apply: 1 April 2015 to 31 March 2022, inclusive.
Retired member	A scheme member who has retired and is receiving pension benefits.
<u>Sargeant</u>	The court case of <u>Sargeant and others v London Fire Commissioner and others</u> , which established that age-based transitional protection amounted to unlawful age discrimination .
Survivor	A relative of a scheme member – normally a spouse, partner or child – who is entitled to receive scheme benefits after the member dies.
Taper protected member	A scheme member who was offered tapered transitional protection in 2015, i.e. the right to join the 2015 Scheme on a phased basis. This applies to anyone who was employed as a firefighter on both 1 April 2012 and 1 April 2015 and was aged between 41 and 44 on the former date. Taper protected members are also affected members .
Transitional protection	The right to remain as a member of a legacy scheme in 2015. The courts have held that granting this right on the basis of age was unlawful.

Term	Explanation
Unaffected member	A scheme member who started employment as a firefighter on or after 1 April 2012, and who is not affected by the proposed reforms.
Underpin	A provision in scheme rules which provides a member the best of two or more possible sets of scheme benefits. See also deferred choice underpin (DCU) .