



Llywodraeth Cymru  
Welsh Government

# Welsh Government Integrated Impact Assessment Summary

**Title of proposal:** Consultation on amendments to firefighters' pension schemes in Wales 2021

**Department:** Fire Services Branch / Community Safety Division

**Cabinet Secretary/Minister responsible:** Deputy Minister for Social Partnership, Hannah Blythyn

**Start Date:** 25 October 2021

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## What action is the Welsh Government considering and why?

All public sector pensions in the UK were reformed in 2014-15, with the general aim of reducing the cost to the public purse. Those closest to retirement at that time were, though, “protected” and allowed to remain as members of their existing, and generally more beneficial schemes, for the rest of their careers.

That approach was the subject of legal challenge on the grounds of unlawful age discrimination. In December 2018, the Court of Appeal<sup>1</sup> found that it did indeed amount to such discrimination against younger, “unprotected” employees.

These regulations are part of a package of measures to rectify the position, and are required by the current Public Sector Pensions and Judicial Offices Bill, which was introduced into Parliament in July 2021. That Bill, and the underlying policy that it reflects, was itself the subject of an impact assessment prepared by the Treasury, which is available at [575 \(parliament.uk\)](#). Occupational pensions are generally outside the competence of the Senedd, although the Welsh Ministers have executive functions in respect of firefighters’ pensions in Wales. Similar regulations will be made by the UK and other devolved governments covering all other public sector workers in Wales and the rest of the UK.

In line with the requirements in the Bill, the regulations provide that all “protected” firefighters remaining in service on 1 April next year must transfer into the new 2015 Scheme, of which all younger firefighters are already members. From that date, all firefighters will be members of the same pension scheme, and there will be no discrimination on grounds of age.

The regulations deal only with membership of firefighters’ pension schemes, and their effect is therefore confined to scheme members and determined by scheme rules. At the start of 2020-21, there were around 200 firefighters in Wales who will be affected by these regulations, although some of those will probably have retired by the time the regulations come into force and they will not be affected. The regulations do not affect any other groups of people and have no wider social, economic or environmental effects. Furthermore, the regulations are (or will be, when the Bill passes) mandated by law: the Welsh Ministers are obliged to make the regulations, and there is no scope to change the underlying policy. It is therefore not practical to attempt to describe wider effects or policy choices that do not arise.

The proposals have been developed in consultation with the Firefighters’ Pension Scheme Advisory Board for Wales, the membership of which includes the three Fire and Rescue Authorities in Wales and the four recognised firefighters’ unions and representative bodies.

Some modest savings are likely to arise from the proposals, as a result of slightly lower rates of employers’ pension contributions in the 2015 Scheme.

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<sup>1</sup> [2018] EWCA Civ 2844

## Conclusion

### 1. How have people most likely to be affected by the proposal been involved in developing it?

The proposal originates in successful litigation brought by members of the Fire Brigades Union, alleging that they had suffered age discrimination from the preferential treatment afforded to their older colleagues in 2015. The underlying policy has already been the subject of a full Treasury consultation in Autumn 2020<sup>2</sup>, and the proposals have been discussed several times by the Firefighters' Pension Scheme Advisory Board for Wales (which includes the three Fire and Rescue Authorities in Wales and the four recognised firefighters' unions and representative bodies).

### 2. What are the most significant impacts, positive and negative?

A group of around 200 older firefighters will transfer into the 2015 Scheme. For most of them this is a less beneficial scheme (i.e. it provides a lower pension, and at a higher retirement age), albeit one with lower employee contributions. However, this will eliminate the unlawful age discrimination which their younger counterparts have suffered.

### 3. In light of the impacts identified, how will the proposal:

- **maximise contribution to our well-being objectives and the seven well-being goals; and/or,**
- **avoid, reduce or mitigate any negative impacts?**

The limited scope of the proposal means it can make no meaningful contribution to the well-being objectives or goals, or to wider policy objectives.

There could be negative effects on the affected group of firefighters, in that they will transfer into a less beneficial pension scheme (albeit that they can continue to accrue pension in that scheme). However, these are due to eliminating age discrimination, and are required by primary legislation. They cannot be mitigated; although most of the affected group could avoid them by choosing to retire on a full pension before April of next year.

### 4. How will the impact of the proposal be monitored and evaluated as it progresses and when it concludes?

The effects of the proposal are very limited and already known. The proposal is necessary to comply with non-devolved primary legislation and the judgment of the Court of Appeal. Any changes to the underlying policy would be a matter for the Treasury and for Parliament.

Mae'r ddogfen yma hefyd ar gael yn  
Gymraeg. This document is also available  
in Welsh.

<sup>2</sup> <https://www.gov.uk/government/consultations/public-service-pension-schemes-consultation-changes-to-the-transitional-arrangements-to-the-2015-schemes>