

Suffolk Firefighters' Pension Board

23 January 2017

Fire Contributions Holiday

Background

1. This report provides the Fire Pension Board with latest position in respect of the Fire Contributions Holiday that has been introduced by Government.

Purpose of today's meeting

2. To update the Fire Pension Board of the latest position in respect of the Suffolk Fire and Rescue Service scheme members.

Suggested approach

3. To review the information provided.

Main body of report

4. Government have agreed to introduce a contributions holiday for members of the 1992 Firefighters Pension Scheme who accrue the maximum 30 years' pensionable service prior to age 50, whilst still in the 1992 scheme. This includes transferred in service.
5. These regulations came into force on 30 September 2016 but have retrospective effect to 1 December 2006.
6. The Contributions Holiday means therefore that for current active members when they have reached the maximum 30 years' pensionable service they must cease paying pension contributions. Suffolk Fire and Rescue Service must continue paying the employer contribution due.
7. When individuals reach 50, remain in active service and a member of the scheme, contributions must be reinstated from their 50th birthday.
8. In terms of the Suffolk Fire and Rescue Service, one member in active service who will be affected by this change has been identified. This member has been written too notifying them of this, and the date this becomes effective for them.
9. With regards to the retrospective cases, Government Actuary's Department (GAD), provided guidance and a calculator to complete some initial calculations on refunds due.
10. When looking at the relevant records 18 members were identified as being entitled to a refund of contributions for the period between reaching 30 years' service and their 50th birthday.

11. The estimated value of these payments, using the calculation formula provided by GAD, indicated £78,384.53 would be due in total. This money was provided by GAD and received by Finance Accountants in December 2016.
12. The process of completing calculations and communicating with affected members is now underway. It is anticipated that all refund payments will be made by 31 March 2017.

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