

## KEY DATES IN HISTORY OF FIREFIGHTERS' PENSION SCHEME

Pension scheme rules rarely remain static. They may be amended to suit the changing circumstances of employment of their members, or to reflect changes in national or – nowadays – European law. The history of the Firefighters' Pension Scheme clearly demonstrates this.

As changes are introduced, however, they may not apply to all members in the same way and with effect from the same date. For example –

- improvements to the Scheme normally relate only to service on and from the date when the improvement is introduced;
- changes which would otherwise worsen the pension expectations of members already serving or who have ceased to serve may be limited to those who first enter the Scheme (or leave the Scheme) after the date when they are introduced, and
- there are occasions when members are given a chance to elect for certain benefits if they are serving on a particular date.

This is why certain Rules of the FPS appear so complicated – new provisions get layered on top of the old.

This Annexe looks at key dates in the history of the Firefighters' Pension Scheme.

## Key dates in history of Firefighters' Pension Scheme

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- 1 April 1948** This was the appointed day (England and Wales) for the purposes of the Fire Services Act 1947. (It was 16 May 1948 in Scotland.)
- This was also the operative date of the Firemen's Pension Scheme Order 1948 made under section 26 of the 1947 Act, and the first scheme set out in a statutory instrument. Before this, members of fire brigades had pension entitlements under various enactments, including the Fire Brigade Pensions Act 1925. Section 27 of the 1947 Act provided for modification of schemes made under section 26 for persons who had preserved rights under such enactments.
- 5 July 1948** This was the beginning date of the basic flat rate State retirement pension. The link between the State pension scheme and the FPS was close from the beginning. For example, it was from this date that National Insurance modification (reduction) of contributions and benefits commenced unless a serving firefighter elected that the modification should not apply to him.
- See Annexe 8 for more information about the effect of the State pension scheme.
- 10 July 1956** A new benefit structure was introduced. Those serving at this date had the option to remain subject to the earlier provisions – they became known as the “1956 Optants”.
- See Annexe 6 for more information about the 1956 Optant provisions.
- 3 April 1961** This was the date on which the State Graduated Pension Scheme was introduced. It continued until 5 April 1975. Regular firefighters were normally classed as “non-participating” in the Graduated Pension Scheme (because the level of benefits they could expect from the FPS was as good as, or better than, benefits which could be provided under the Graduated Pension Scheme).
- The Firemen's Pension Scheme Order 1992 still contains provisions relating to the Graduated Pension Scheme to ensure that –
- appropriate reductions are made to pensions for those who have a period of service classed as “participating” in the Graduated Pension Scheme, and
  - the “secured portion” of a pension is safeguarded.
- See Annexe 8 for more information about the effect of the State pension scheme.

## ANNEXE 1

# Key dates in history of Firefighters' Pension Scheme

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- 26 August 1966** The widow's "one third" pension scheme was introduced on this date. Firefighters serving then could elect that it should apply to them.
- If they did not, they continued to pay the basic contribution rate of 5% of their pensionable pay and remained entitled only to flat rate pensions for their widows.
- If they did elect that the higher level of widow's benefits should apply, they began to pay pension contributions related to 6% of their pensionable pay and were required to uprate earlier service to attract the third rate pension, too.
- The Firemen's Pension Scheme Order 1992 still reflects these provisions.
- See Annexe 5 for more information about widow's benefit options.
- 1 April 1972**  
**1 July 1973**  
**1 October 1973** Widow's pensions at the rate of one half of their husband's pensions were introduced with effect from 1 April 1972 by the Firemen's Pension Scheme Order 1973. The Scheme came into operation on 1 July 1973 but had effect from 1 April 1972.
- Pension contributions at the rate of 6.75% were paid from 1 April 1972 (until 30 April 1983). This rate was introduced voluntarily from 1 April 1972 to avoid arrears becoming due when the 1973 Order became operative in July 1973. The 6.75% contribution rate took account of half rate widows' pensions.
- Firefighters had an option to uprate their service before 1 April 1972 for widows and children's benefits. Elections for this purpose and any lump sum payments had to be made by 1 October 1973 (except where the firefighter died before 1 October 1973, in which case his widow had 3 months from the date of his death to make the election he might have made).
- Revised arrangements were also introduced for injury awards.
- See Annexe 5 for more information about widow's benefit options.
- 1 January 1974** Revised interchange arrangements were introduced with effect from this date. The arrangements were introduced administratively in advance of the amending Order which became operative on 1 October 1978. Special provision was made for firefighters who transferred between 1 January 1974 and 30 September 1978 inclusive.
- 5 April 1975** This date saw the end of the State Graduated Pension Scheme.
- See Annexe 8 for more information about the effect of the State pension scheme.
- 6 April 1975** The Social Security Act 1973 introduced provisions to safeguard certain pension rights of early leavers from this date. These are reflected in the entitlement to a deferred pension under Rule B5.

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- 1 May 1975** Since this date, service can be counted in completed years and days (to a maximum of 30 years). Before, service was counted in completed years and half years only.
- The Firemen's Pension Scheme Order 1992 still reflects these provisions for the assessment of benefits for firefighters who retired before this date.
- 6 April 1978** The Social Security Pensions Act 1975 introduced the State Earnings Related Pension Scheme (SERPS) from this date. The Firefighters' Pension Scheme was contracted-out of SERPS.
- The Firemen's Pension Scheme had to be amended to reflect certain minimum requirements of contracting-out. These include the requirement for a pension to be at least equal to a Guaranteed Minimum Pension (GMP).
- See Annexe 8 for more information about the effect of the State pension scheme.
- 1 April 1980** Modification of pensions in respect of the State flat rate retirement pension ended with effect from 1 April 1980 in respect of service accrued on and after this date.
- See Annexe 8 for more information about the effect of the State pension scheme.
- 1 January 1986** From this date, new rights to transfer benefits based on "cash equivalent" transfer value principles under the Social Security Act 1985 were introduced.
- 6 April 1987** The Occupational Pension Schemes (Disclosure of Information) Regulations 1986 came into effect. They set out requirements for the issue of information to pension scheme members and dependants.
- See Annexe 13 for more information about Disclosure requirements.
- 6 April 1988** From this date, membership of the FPS could no longer be compulsory. This was a requirement of the Social Security Act 1986. The 1986 Act also introduced provisions for Free Standing Additional Voluntary Contributions (FSAVCs) which enables members of occupational pension schemes to supplement their scheme benefits through separate arrangements with a commercial pension provider of their choosing. However, because of the scale of benefits which the FPS provides there is very limited scope for firefighters to invest in FSAVCs.
- 1 July 1988** Personal pensions became available for the first time.

## ANNEXE 1

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- 1 July 1991** From this date a death grant was introduced for firefighters who die in service. The basic contribution rate was raised from 10.75% to 11% to pay for this additional benefit.
- 1 July 1996**  
**1 August 1996**  
**6 April 1997** “Earmarking” of pensions, allowed under section 166 of the Pensions Act 1995, became possible in cases of divorce, judicial separation or nullity, filed with a court in England and Wales on or after 1 July 1996. This allowed the court to issue an “earmarking” order in respect of a pension scheme member directing payment of a lump sum (allowed from 1 August 1996) or periodical payments (allowed from 6 April 1997) to the former spouse.
- 6 April 1997** Guaranteed Minimum Pensions (GMPs) ceased to accrue in respect of contracted-out service on and from this date. Contracted-out pension schemes had to re-apply for contracted-out status based on a new reference scheme test (a minimum level of benefits to be provided by pension schemes but no longer on an individual basis as with GMPs). On 18 February 1999 the FPS was issued with a contracting-out certificate effective from 6 April 1997.
- See Annexe 8 for more information about the State pension scheme.
- 6 April 1997** The Occupational Pension Schemes (Disclosure of Information) Regulations 1996 made under the Pensions Act 1995 came into effect. They added to the requirements of the 1986 Disclosure Regulations.
- See Annexe 13 for more information about Disclosure requirements.
- 6 April 1997** The Occupational Pensions Schemes (Internal Dispute Resolution Procedures) Regulations 1996 made under the Pensions Act 1995 came into force. They required pension schemes, including the FPS, to set up a two-stage appeal process for scheme members and certain other potential beneficiaries with a grievance about a decision made in respect of pension rights.
- See Annexe 12 for more information about appeal rights which lie outside the main provisions of the FPS.
- 1 September 1997** On this date, the Firemen's (Provision of Information) Regulations 1997 made under the new section 27A of the Fire Services Act 1947 gave fire authorities the power to provide information to financial organisations to take action in respect of cases of mis-selling of personal pensions.
- 1 November 1997** This date saw the single referee system of hearing appeals under Rule H2 (appeal against opinion on a medical issue) replaced by Regional Boards of Medical Referees.

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- 1 December 2000** Pension sharing on divorce or annulment of marriage was introduced under the Welfare Reform and Pensions Act 1999. For proceedings commenced on or after this date a court could issue a pension sharing order as an alternative to an “earmarking” order.
- See Annexe 14 for more information about the effect of divorce on the FPS.
- Amendments made to the FPS to reflect the requirements of pension sharing legislation were set out in separate Scottish and English/Welsh Orders. It is from this date that different Rules apply for Scottish firefighters and for English/Welsh firefighters.
- 6 April 2002** From this date the State Second Pension (S2P) replaced the State Earnings Related Pension Scheme (SERPS) as the second-tier element of the State pension scheme. The FPS remains a “contracted-out” pension scheme.
- 25 March 2004** The Fire Services (Appointments and Promotion) (England and Wales) Regulations 2004 came into force on this date introducing a new grading structure. The FPS was amended retrospectively by The Firefighter's Pension Scheme (Amendment) (England) Order 2005 to reflect the replacement of ranks by roles.
- 13 September 2004** A number of amendments were made to the FPS on this date, in particular –
- the introduction of pension provisions for part-time regular firefighters
  - various provisions relating to maternity, paternity and adoption leave (having retrospective effect)
  - a change in the definition of regular firefighter
  - the definition of "independent qualified medical practitioner" was amended to reflect a change in the meaning of "a competent authority" brought about by the General and Specialist Medical Practice (Education, Training and Qualifications) Order 2003. (This amendment was made retrospectively by the Firefighter's Pension Scheme (Amendment) (England) Order 2005.)
- 1 October 2004**
- On this date the Firefighters' Pension Scheme (England and Scotland) Order 2004 came into force. It allowed the 1992 Scheme made under s26 of the Fire Services Act 1947 to continue in force despite the repeal of the 1947 Act by the Fire and Rescue Services Act 2004. The same Order also allowed the "Firemen's Pension Scheme" to be known formally as the "Firefighters' Pension Scheme".

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- 21 November 2005** The Firefighters' Pension Scheme (Amendment) (England) Order 2005 made the following amendments to the FPS with effect from this date –
- compulsory retirement age (55 for all ranks up to Station Officer, 60 for all ranks Assistant Divisional Officer and above) was replaced by a normal pension age of 55 for all roles
  - the definition of pensionable pay was amended to allow salary sacrifice
  - the non-duplication of benefit provisions were extended to cover cases where duplication of awards arose from both regular and retained employment.
- The same order made retrospective amendments to the FPS to reflect expressions used in the Fire and Rescue Services Act 2004, for example –
- references to "fire authorities" were amended to "fire and rescue authorities"
  - references to "fire service" and "brigade" were amended to "fire and rescue service"
- 5 December 2005** From this date the FPS was amended to provide benefits (based on service after 5 April 1988) for surviving civil partners on the same terms as would apply to widow(er)s.
- 1 April 2006** On this date, the injury provisions were removed from the FPS in preparation for the new tax regime which came into effect on 6 April 2006.
- The injury provisions were transferred to a separate Firefighters' Compensation Scheme which came into effect on the same date. The Compensation Scheme also included the duty-related compensation previously contained in the 5th edition of the Scheme of Conditions of Service (Grey Book).
- A two tier system of ill-health award was introduced, replacing the single tier system. A lower tier ill-health award would be made if the firefighter was unable to undertake any of the duties of the role; a higher tier ill-health award would be made if the firefighter was unable to undertake any regular employment.
- New financial arrangements were introduced requiring each fire and rescue authority to maintain a separate, local Firefighters' Pension Fund. The Fund would receive in employees' and employers' contributions and pay out benefits. Central government would top up the fund if contributions received were insufficient to meet the cost of benefits paid out, or would recoup any surplus.

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### 6 April 2006

The New Firefighters' Pension Scheme 2006 came into effect. The Firefighters' Pension Scheme 1992 was closed to new members.

All regular, retained and volunteer firefighters appointed on or after 6 April 2006 are automatically made members of the New Firefighters' Pension Scheme. Regular firefighters appointed before that date have the option to transfer from the FPS to the NFPS; retained and volunteer firefighters appointed before that date have the option to join (but have a protected right to keep compensation provisions based on the pensionable pay and service of a whole-time regular firefighter).

A new tax regime for pension schemes was introduced by HM Revenue and Customs. A number of amendments were made to the FPS to ensure compliance with the new regime.