

21 May 2008

Sub-Scheme Administrators  
Firefighters' Pension Schemes

Our Ref:  
Your Ref:

Dear all

**DAY CREWING FIREFIGHTERS: PENSIONABILITY OF RETAINED SERVICE**

It has come to our attention that fire and rescue authorities may be negotiating remuneration packages for day crewing staff which consolidate basic pay, retaining fees and other elements of retained duty pay and that there is confusion as to whether the whole of the revised pay package can be pensionable under the Firefighters' Pension Scheme 1992 (FPS).

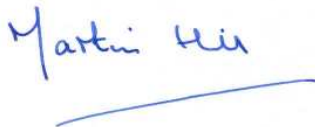
It is our view that for pension purposes the retained element of such a package cannot be regarded as pensionable under the FPS and that to do so would be ultra vires.

Retained pay was not pensionable before 6<sup>th</sup> April 2006 when it became pensionable under the New Firefighters' Pension Scheme 2006 (NFPS). At that point the FPS became a closed scheme and no change was made to make retained pay pensionable under or within it. It follows that any agreement on day crewing pay which seeks to make the retained element pensionable under the FPS has no vires, and the two elements of pay must be kept separate for pension purposes.

To regard the retained element as pensionable under the FPS in this manner has cost implications for a final salary scheme which threatens its affordability and viability.

You will need to satisfy yourselves that any changes to pay arrangements for retained firefighters are not ultra vires of the pension arrangements.

Yours faithfully



**Martin Hill**