

Addendum

To: Kent and Medway Fire and Rescue Authority – 27 April 2021

Subject: PENSIONS UPDATE

Classification: Unrestricted

FOR DECISION

SUMMARY

Members will be aware that the report presented as B7 on the agenda provides an update on a number of pension issues. However, paragraph 17 in that report (page 171), does reference that Members will be provided with the latest update before the meeting with regard to the McCloud case. The report clearly highlights the whole range of complexities arising as a result of this case and as such we still await further guidance and clarification on a number of these issues before we can progress any calculations with certainty. However, there are two specific proposals to which we seek Members approval and they are as follows:

1. **Taper** – Paragraph 3 (page 168) sets out the taper protection that was in place back in 2014, with some Members having full protection up to the 31 March 2022 and a number of others only benefitting from a tapered protection for part of that period. Currently those colleagues who are impacted by this taper effectively move from being in the 1992 scheme to the 2015 scheme at a specified date which falls sometime between the 1 April 2015 and the 31 March 2022 (this is based on a set methodology). Once they reach that date their employee contributions change and they move into the 2015 scheme. The outcome of the McCloud case effectively means that they should not have been tapered and therefore were entitled to remain in the 1992 scheme until 31 March 2022, when at which time everyone, would move to the 2015 scheme on the 1 April 2022.
2. Whilst guidance suggests that these colleagues should continue to be tapered at their specified date, there is no doubt that when further clarity is received on the outstanding issues, we will be asked to place these colleagues back in the 1992 scheme for the whole taper period. It would therefore seem reasonable for those colleagues who are due to end their taper between now and the 31 March 2022, on the basis that the individual agrees, to not taper across at this stage to the 2015 scheme, but to remain in the 1992 scheme until 31 March 2022. As such Members are asked to agree to this proposal.

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BACKGROUND PAPERS:

3. **Immediate Detriment** – Paragraphs 9 to 11 (Page 169) sets out the rationale for the application of the Immediate Detriment cases. As explained, there are numerous complexities around this issue for which guidance is still awaited. Officers are aware that those colleagues who fall into the Immediate Detriment category, would clearly like a resolution to these issues as soon as possible so that their revised pension entitlement can be recalculated and paid at the due date. Members can be assured that Officers have very frequent and regular dialogue with colleagues across the sector, our pensions administrator and the LGA in order to try and find opportunities to resolve these issues as soon as possible, however many of the decisions lay with the Treasury and others require changes in legislation. At the current point in time, there are too many unknowns to progress the Immediate Detriment cases, however Members are asked to agree that should sufficient information and guidance become available to resolve some of these key issues before the next Authority meeting in July, that Members agree that the Chief Executive, in consultation with Chair of the Authority, can decide to progress the payment and recalculation of the Immediate Detriment cases.

RECOMMENDATIONS

Members are requested to agree the following two additional recommendations:

4. Those colleagues who are due to taper in the period between now and 31 March 2022, will not be tapered across before 1 April 2022;
5. Members agree that the Chief Executive, in consultation with Chair of the Authority, can decide to progress the payment and recalculation of the Immediate Detriment cases, should sufficient information be available to do so, prior to the Authority meeting in July 2021.