



DEFEND CONTROL JOBS
AN INJURY TO ONE IS AN INJURY TO ALL

FIRE BRIGADES UNION

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CIRCULAR 2010HOC0712SS

19th November 2010

TO: ALL MEMBERS

Dear Brother/Sister,

PENSIONS: THE LATEST ATTACKS OUTLINED

At the Firefighters Pension Committee (FPC) meeting held on 17 November 2010 a paper was presented by the Communities and Local Government (CLG) pensions team titled '*Comprehensive Spending Review: Note on change to employees contribution rate.*'

The FPC chair informed the meeting that following the Government's spending review and as a prequel to any benefit reforms which the Hutton review will recommend, H.M Treasury will be imposing a rise to the employee contribution rate for the Firefighters' Pension Scheme.

This proposed rise will be between 3 and 3.2%, dependent on the effect of an exemption given to the Armed Forces Pension Schemes, with a proposal that the employee contribution rate will be raised by 1% per year from 2012 until 2014 when it will stand at 14%.

In addition to these contribution rises, it is also proposed that a tiered employee contribution rate is introduced from 2012. If introduced, this will mean that by 2014 Station/Group Managers could be paying up to 16% and Area Managers could be paying up to 17%. In reality, this could mean an Area Manager paying almost £3700 more in employee pension contributions per year by 2014, Station Manager almost £2000 more per year and a firefighter almost £900 more per year.

The New Firefighters' Pension Scheme employee contribution rates will be raised by 1% to 9.5% in 2014. The reason given for this is that it is a 40 year scheme and compared with other similar public sector pension schemes the employees contributions are still high.

Firefighter Pension Committee members were told this cash injection was necessary to ensure that the scheme was viable until 2014 when benefit reforms would be introduced.

Representatives from the CLG informed the Committee that they were expecting a letter from the Chief Secretary to the Treasury outlining exact details of how employee contribution rates would rise. They stated that as a result of Treasury decisions that the proposed increases to employee contribution rates on the scales were unavoidable.

Representatives from CLG outlined that any recruitment freeze or reduction in firefighter numbers by other means would inevitably mean that less employee contributions would be collected thus putting more financial pressure on the scheme, a factor that was also being considered. They also outlined that from 2014 pension benefits would be reformed, these included potential increases in retirement age and moves to end final salary schemes, replacing them with career average schemes.

FBU officials present at the meeting clearly outlined the opposition of the Union to these proposals. The Executive Council will be receiving an initial briefing on these developments and will be getting a more comprehensive update as further details emerge.

When the details of the letter from the Chief Secretary to the Treasury Department are made clear, we will examine the situation further and consider all the options available to us.

CLG have indicated that similar employee contribution rate increases will be applied across all public sector pensions. Members in the Local Government Pension Scheme will face an increase in their contributions over the same period of around 3%, meaning that the average contribution rate will rise from 6.4% to 9.4%. In real terms this will constitute an increase in employee contributions for a firefighter in control of around £800 per year. A more detailed circular outlining how this will impact on LGPS members will be distributed as all the details emerge.

We have been clear that the Coalition Government has a clear agenda to attack and undermine our pensions. Our opposition to this was outlined to MPs through our recent lobby of Parliament. At the accompanying rally FBU members made absolutely clear their determination to resist any further attacks on Fire Service pensions. In view of the wider attacks on public sector pensions (including the LGPS) this is a crucial matter affecting every single one of us. Our rally and lobby of Parliament on 17th November was the first step in our campaign against this and other attacks.

Yours in Unity,



SEAN STARBUCK
National Officer

SS/EMH