



## 1. Introduction

The aim of this policy is to provide information to Grey and Gold Book employees contemplating retirement or who have retired who wish to be re-engaged by Cumbria Fire and Rescue Service or the wider County Council.

This policy applies to staff in the Firefighters Pension Scheme (FPS or 1992 scheme) and the New Firefighters Pension Scheme (NFPS or 2006 scheme) or the 2015 Firefighter Pension Scheme. The term Firefighters is used to cover all roles up to and including Chief Fire Officer.

Further information on each of the schemes is available at <https://www.lppapensions.co.uk/members/schemes/firefighters-scheme/>

Re-engagement has a twofold benefit; the first is to the employer in that they retain the skills and experience of an employee. The second is to the employee who can have access to their retirement benefits but re-engage in employment.

## 2. Scope

This Policy and Procedure applies to all Members of the Firefighters Pension Schemes including:

- Firefighters Pension Scheme 1992
- Firefighters Pension Scheme 2006
- Firefighters Pension Scheme 2015
- Firefighters Compensation Scheme 2006

## 3. Abatement

On 6 April 2006, the Government relaxed the rules on pension commutation (converting some pension to a lump sum payment) whilst continuing in employment. As a result, subject to any future changes either in the pension's schemes or by the Government, CFRS has elected to exercise the discretion and will enable employees in any of the relevant Firefighters Pension Schemes to retire from the scheme, access their lump sum and pension and be re-employed, subject to the abatement rule.

Abatement of pension is the withdrawal or reduction in pension where the pensioner is re-employed anywhere in local government. It applies if an employee's combined pension and new salary in their new post, exceeds their gross salary when they retired. The purpose of abatement is to protect public funds.

Under the Abatement rules, Firefighters who are re-employed following retirement cannot receive annual remuneration plus annual pension in excess of the remuneration received immediately prior to retirement. Therefore, their pension in payment will be reduced proportionately so that the maximum level of previous salary (plus inflation) is not exceeded.

There is no age limit on abatement, and this continues for the full period of re-employment by an FRA or Local Authority in any capacity. The full pension will be reinstated when the relevant employment ends.

Abatement only applies to the Firefighters Pension Scheme 1992, Firefighters Pension Scheme 2006 and the Firefighters Compensation Scheme 2006. It does not apply to the Firefighters Pension scheme 2015.

A member of the relevant pension scheme is required to declare to the Council (or any other relevant employer) that they are in receipt of a Fire Service pension. Overpayments will be recovered so it is in the pensioner's interests to declare employment as soon as possible.

Individuals who may be affected by the Abatement rules should familiarise themselves with the potential implications of abating their pension. This may include liaising with the Inland Revenue and Local Pension Partnership Administration. It is the individuals' responsibility to take advice, and understand the implications of the abatement rules from LPPA or an appropriate pension adviser.

#### **4. Firefighters Pension Scheme – Pensionable Age**

Employees should request information from Local Pension Partnership Administration who are able to provide accurate information on retirement dates and pension figures.

##### **Firefighter Pension Scheme (1992 Scheme)**

In the FPS 1992 the normal pension age is 55 and the minimum 50, provided that the individual is able to reckon at least 25 years' pensionable service.

Firefighters may retire from the age of 50, having completed at least 30 years pensionable service, with the option to commute up to 25% of their annual pension in favour of a one-off lump sum.

Firefighters aged over 50 but under 55, with at least 25 years but less than 30 years pensionable service, may retire with the option to commute up to 2.25 x their annual pension into a lump sum.

### **New Firefighters Pension Scheme (2006 Scheme)**

In the NFPS the minimum pension age is 55 with a normal pension age of 60.

Firefighters may retire from the age of 60, with the option to take a 'commuted portion' which is limited to one quarter of the pension entitlement.

Firefighters aged over 55 may retire with the appropriate actuarial reduction; the reduction is currently 5% for each year up to 65 of the deferred pension age.

### **Firefighters Pension Scheme (2015 Scheme)**

Normal pension age is 60 but, individuals remain an active Scheme member, and can continue to accrue pension (and would get an "age addition" to reflect the fact that they have postponed receipt of their pension).

Employees may request payment of their pension before age 60 provided that they have reached age 55.

It may be reduced, though, to reflect early retirement.

Further information is available following the link [2015 Scheme • Local Pensions Partnership Administration \(lppapensions.co.uk\)](https://www.lppapensions.co.uk)

## **5. Applying for Re-engagement**

The following sets out the criteria for re-engagement. It should, however, be clearly understood that the granting of requests for re-engagement will be the exception rather than the rule and staff development/promotional opportunities should always be considered.

There are two ways to be re-engaged:

1. Applying for an Advertised Role – CFRS/Cumbria County Council recruit to a particular role and a current (i.e an employee is shortly due to retire) or previous employee applies
2. Employee Initiated Application - The employee makes a generic application when approaching retirement to obtain employment with CFRS.

## **Applying for an Advertised Role**

A current (i.e. an employee is shortly due to retire) or previous employee applies in the usual manner to an advertised role. A full recruitment and selection process will be applicable.

## **Employee Initiated Application**

It is important to stress that it would be advantageous to discuss any request as early as possible before the proposed retirement date, however a decision with regard to the request will normally be given within 8 weeks of the request being made.

Where individuals are currently employed and wish to make a generic application, they are required to submit an Application for Re-Engagement (Appendix 3) to the relevant Station Manager or above if the applicants role is above Station Manager at least 3 months before their retirement date. The Station Manager or above will consider the application and provide detailed information to the relevant Area Manager or above clarifying whether or not the application is supported. Where there is more than one applicant, a shortlist and selection process relevant to the requirements of the post will take place.

The Area Manager or above will then complete the relevant section of the application form and return to the Station Manager or above if the applicants role is above Station Manager who will discuss the outcome with the employee.

The decision, whether to re-engage or not is at the complete discretion of the Area Manager or above; there is no right of appeal and there is no automatic right to be re-employed by CFRS.

The Area Manager will consider these requests for retirement and re-engagement. Decisions will be based upon:

- Clear financial benefit
- Impact on terms and conditions of service
- Staffing requirements, in particular any shortage of specialisms
- Transitional requirements of organisational restructuring
- The fitness, health, absence record, disciplinary and skills of the operational employee
- Need and suitability for filling the post part-time or flexible working, including ability To maintain competency
- Resilience of staffing options

The Station Manager should then make the necessary arrangements for processing the retirement via the Service Centre Portal and complete a HR01 and HR02 for resourcing the post that that employee will be reengaged into.

## **6. Principals of Re-Engagement**

Where employees are re-engaged following retirement into operational roles, then the following will apply:

- Employees will be re-engaged at the same rates of pay as other employees of the same role.
- A new Contract of Employment will be formed therefore employees will lose any entitlement to service based enhancements.
- CFRS, in considering requests for re-engagement, will treat each case on its merit. The employees on-going pension payments will be abated where applicable when they are re-engaged on the principle that the annual rate of pay on re-engagement, plus the annual rate of pension payable under the scheme should not exceed the annual rate of pay they received in the firefighting role immediately prior to retirement.
- Operational staff who are employed at a higher role than Firefighter may apply for re-engagement at a lower graded role. The same criteria will be applied to these applications as detailed above.
- Employees may also apply for reengagement at the same or reduced/flexible hours or for a fixed term basis. In addition, the Service may decide that an offer of re-engagement is only made on these basis.
- Re-training would usually be in the form of:
  - 1 month – No retraining unless for a new role
  - 6 months – Incident Command Re-assessment and a one day covering the core skills for the role in line with the CFOA Operational competence model. A service/CCC induction would need to occur.
  - Longer than 6 months – on a case by case basis. A service/CCC induction would need to occur.

Where employees are re-engaged following retirement into non operational roles (i.e. green book roles) then the usual recruitment and selection policy and procedure applies as does the green book terms and conditions. The employees on-going pension payments may be abated where applicable when they are re-engaged on the principle that the annual rate of pay on re-engagement, plus the annual rate of pension payable under the scheme should not exceed the annual rate of pay they received in the firefighting role immediately prior to retirement.

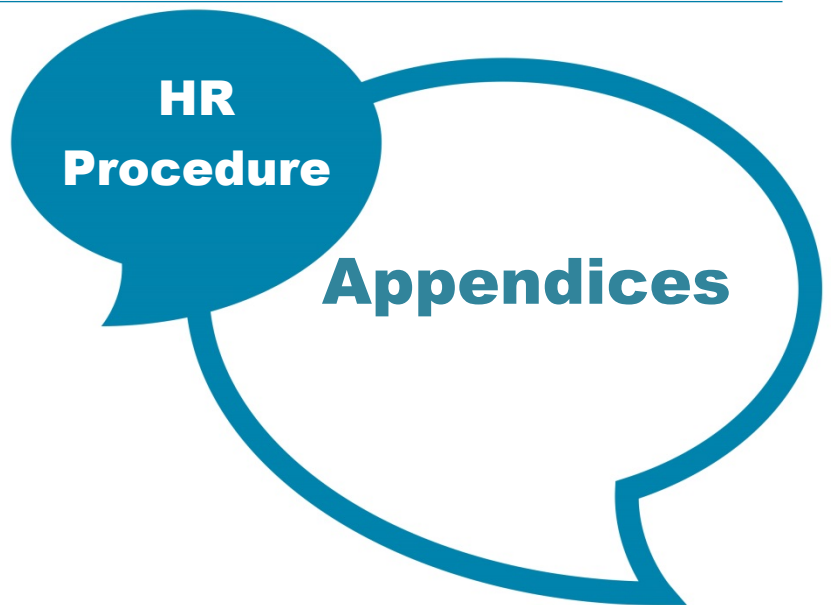
If the request is approved the individual will first have to resign/retire from their current position (or positions if the employee has more than one role) before being reengaged and will be required to have a break in service of at least 1 month (or 6 months – please see Appendix 1 on the Protected Pension Age for 1992 scheme members).

Individuals who have previously retired from the Service and are subsequently reemployed by the Service or the wider County Council (or another Local Authority/FRS) should be aware that Abatement may be relevant and are advised to contact Your Pension Service, seek independent financial advice and inform the Recruiting Manager of their new role.

## 7. Review

This guidance will be reviewed periodically in the light of developments in the law, pension's regulations, and changes in the needs of the organisation in order to ensure continuing effectiveness and relevance.

**May 2019**



## Appendix 1 – Protected Pension Age – Implications for Re-employment of FPS Pensioners (1992 Scheme)

Under the Finance Act 2004, the Minimum Pension Age (MPA) rose to age 55. Members of the Firefighter's Pension Scheme 1992 have a right to retire from age 50 (provided they have 25 or more years of pensionable service). This right to retire at an age below 55 is protected and on retirement, members will receive a Protected Pension Age (PPA).

An individual who retires with a PPA and who subsequently takes up employment will lose that protection if they are employed by one of the following employers **and** one of the employment conditions listed below is not met.

- An employer who employed the individual in the six months before benefit entitlement arose, and who was also a sponsoring employer in the scheme under which benefit entitlement arose in that six month period.
- Any person connected with the employer described in the previous bullet point. Note that under this condition the person employing the individual does not need to be a sponsoring employer.
- Any sponsoring employer in the pension scheme under which benefit entitlement arose that is connected with the individual.

Therefore, an individual who has retired with a PPA and is subsequently re-employed by CFRS will lose their Protected Pension Age from the date they are re-employed and will incur additional tax charges on all pension benefits, including any commuted lump sum, paid to them unless one of the following re-employment conditions is met:

### 1. A break in employment of at least six months

If the individual is not employed after taking their benefits by any of the employers mentioned above within the six months after becoming entitled to benefits, they do not lose their protected pension age regardless of any subsequent employment.

2. A break in employment of at least one month and benefits may be abated.

An individual taking benefits from a public service pension scheme who, after one month following becoming entitled to benefits, becomes employed by any of the employers mentioned above will not lose their protected pension age if their scheme pension is liable to be reduced by abatement. The pension does not have to be actually reduced, just liable to abatement.

For example, Judy takes benefits from public service scheme X. After 1 month, Judy returns to work for Employer X but for reduced hours. Judy's pension and new pay level are tested by the scheme to see if her pension should be abated. Judy's pension does not need to be reduced, but because it was tested for abatement and could have been reduced, Judy keeps her protected pension age for the benefits in payment.

3. A break in employment of at least one month and the re-employment is materially different

An individual taking benefits who, after one month following becoming entitled to benefits, becomes employed by any of the employers mentioned in the 3 bullet points above will not lose their protected pension age if the new employment is materially different in nature. A simple change in hours will not be a materially different employment. To be a materially different employment the duties and/or the level of responsibility in the new employment must be different from those in the old employment.

This condition no longer needs to be met six months following the individual becoming entitled to benefits.

## Appendix 2 – Firefighters Pension Scheme Examples

### Example 1

A Firefighter in the FPS aged 53 with 30 years' experience wishes to receive their pension but carry on in work. They have a good attendance and discipline record and they have a skill (e.g. USAR or EFAD) which is in short supply so CFRS would continue to benefit from their services. The Service agrees to allow them to retire and be re-engaged as a Firefighter. They



receive their lump sum pension payment, and salary only as a Firefighter following re-engagement.

Their ongoing pension payments are abated whilst they continue in employment as a Firefighter, however, on retirement from their re-engaged post, revert to full entitlement. They also choose to opt in to the New Firefighters' Pension Scheme in respect of their re-engaged position.

#### Example 2

A Crew Manager in the FPS aged 55 wishes to carry on working after 55, but with less responsibility and reduced working hours. CFRS has a vacancy for 50% of a Firefighter position at a Day Crewed station that cannot be immediately filled. The Crew Manager has a good attendance and discipline record, and a good level of skill and experience. CFRS agrees for the Crew Manager to retire from their current role, and re-engages him/her as a Firefighter based on 50% of a full time firefighter. The Crew Manager receives his/her pension lump sum, the salary payable for a Firefighter and their on-going pension payments.

#### Example 3

A regular Firefighter aged 50 retires from the Service with 30 years' service and receives their pension from the FPS 1992 scheme. The firefighter reengages employment with the Service as an On Call Firefighter following a break of employment of 1 month. The firefighter receives their lump sum, the salary payable for an On Call Firefighter and their ongoing pension payments. When tested, the total of pension payments and On Call Firefighter salary does not exceed their previous pay then no abatement of pension is made.

#### Example 4

A regular Firefighter retired from the Service and received their pension from the FPS 1992 scheme. The individual applies for and is successful in obtaining a Green Book role within the Council after a break in service lasting longer than 1 month. The Green Book role is 'materially different in nature' to the individual's Grey Book role. The test for abatement will apply.

## Appendix 3 – Application for Re-Engagement (employee initiated)

### Part 1 – To be completed by individual requesting to be reengaged

|                                      |  |
|--------------------------------------|--|
| Name                                 |  |
| Current/Previous Job Title           |  |
| Post Applying For                    |  |
| Hours/WorkingPattern/<br>Duty System |  |
| Date of Leaving                      |  |
| Date of Request                      |  |
| Signature                            |  |

### Part 2 – To be completed by the Station Manager or Line Manager if the applicants role is Station Manager or above

|  |                         |
|--|-------------------------|
| Please provide details of the individuals fitness, disciplinary and skills of the individual |                         |
|  |                         |
| Reengagement Supported   | Yes                  No |
| Name   |                         |
| Signature  |                         |

### Part 3 – To be completed by the Area Manager or above

|   |                         |
|---|-------------------------|
| Please provide details of approval/rejection based on financial benefit, impact on terms and conditions, staffing requirements, transitional requirements, organisational requirements. |                         |
|   |                         |
| Reengagement Supported  | Yes                  No |
| Name  |                         |

Council

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|           |  |
|-----------|--|
| Signature |  |
|-----------|--|