Pensions BULLETIN 09

Modified Pension Scheme for Retained Firefighters - Second Options Exercise

A Memorandum of Understanding (MoU) has been agreed by the parties to the ‘Matthews’ case which requires a second options exercise under which certain retained firefighters will be able to purchase further pension entitlement.

Background

The Modified Pension Scheme for retained firefighters was introduced in 2015 following the ‘Matthews’ (Matthews & Others v Kent and Medway Towns Fire Authority & Others) case which concerned the application of the Part-time Workers Regulations 2000 to retained duty system employees.

The Modified Scheme allowed retained firefighters employed between 1 July 2000 and 5 April 2006 to join the Firefighters’ Pension Scheme with retrospective effect to 1 July 2000.

A time limited options exercise took place in 2014/15 to allow eligible individuals to join the scheme.

More recently, work has again had to take place on the pensions aspect of this case, following the European Court of Justice’s decision in O’Brien v Ministry of Justice concerning fee paid judges in the Judicial Pension Scheme. The judgment held that remedy could extend back before the Part-time Workers Directive was required to be implemented on 7 April 2000. As a binding judgment, that finding applies across all such claims and therefore the UK Government recognised the right applies to retained firefighters’ claims or potential claims.

Memorandum of Understanding (MoU)

In March 2022, a Memorandum of Understanding (MoU) was agreed by all affected parties to the Matthews case to clarify the scope and mechanics of the remedy.

Remedy for retained firefighters affected by the O’Brien judgment will be provided by way of a second options exercise allowing in-scope individuals the opportunity to purchase pension entitlement.

Scope

Based on the MoU, the following individuals are in scope for the second options exercise:

* Retained firefighters who were employed on any date between 7 April 2000 and 30 June 2000 (inclusive).
* If your employment as a retained firefighter began on or after 1 July 2000 but before 6 April 2006 and you were eligible to take part in the first options exercise, you will only be eligible for the second options exercise if you were not given the opportunity to participate in the first options exercise.

Entitlement

Retained firefighters in scope will be able to purchase pension entitlement as a special member of the Modified Scheme for some or all of their service between 7 April 2000 and 5 April 2006, as well as any continuous service up to and including 7 April 2000 and/or continuous service from 5 April 2006 onwards.

What happens next?

You are not required to take any action at this time.

The ultimate scope and operation of the proposed second options exercise will be set out in legislation. Until the legislation is enacted, the matter cannot be progressed any further The Department of Health is responsible for making the legislative changes and a timeframe for legislative change has not yet been provided. NIFRS will contact the affected individuals in due course once legislative change has been progressed.

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