Criminal Justice Committee Wednesday 11 June 2025 19th Meeting, 2025 (Session 6)

## Note by the Clerk on the Firefighters' Pension Scheme (Amendment) (Scotland) Regulations 2025 (SSI 2025/149)

## **Overview**

- 1. At this meeting, the Committee will consider the following Scottish Statutory Instrument (SSI), which is subject to the negative procedure. The Committee is invited to consider the instrument and decide what, if any, recommendations to make.
- 2. More information about the instrument is summarised below:

Title of instrument: The Firefighters' Pension Scheme (Amendment) (Scotland) Regulations 2025 (SSI 2025/149)

**Laid under**: sections 1(1), 1(2)(f), 2(1) and 3(1) and paragraph 6(c) of schedule 2 of the Public Service Pensions Act 2013<sup>1</sup>

**Laid on**: 15 May 2025

Procedure: Negative

**Deadline for committee consideration**: 23 June 2025 (Advisory deadline for any committee report to be published)

**Deadline for Chamber consideration**: 23 June 2025 (Statutory 40-day deadline for any decision whether to annul the instrument)

Commencement: 1 July 2025

## **Procedure**

- 3. Under the negative procedure, an instrument is laid after it is made, and is subject to annulment by resolution of the Parliament for a period of 40 days beginning on the day it is laid.
- 4. Once laid, the instrument is referred to:
  - the Delegated Powers and Law Reform (DPLR) Committee, for scrutiny on various technical grounds, and

<sup>&</sup>lt;sup>1</sup> 2013 c. 25. Section 3 was amended by section 94(2) to (6) of the Public Service Pensions and Judicial Offices Act 2022 (c. 7).

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- a lead committee, whose remit includes the subject-matter of the instrument, for scrutiny on policy grounds.
- 5. Any MSP may propose, by motion, that the lead committee recommend annulment of the instrument. If such a motion is lodged, it must be debated at a meeting of the Committee, and the Committee must then report to the Parliament (by the advisory deadline referred to above).
- 6. If there is no motion recommending annulment, the lead committee is not required to report on the instrument.

## **Delegated Powers and Law Reform Committee** consideration

- 7. The DPLR Committee considered the instrument on 3 June 2025 and reported on it in its <u>42nd report 2025</u>. The DPLR Committee agreed to draw the instrument to the attention of the Parliament on the general reporting ground, that the instrument's title is not in line with drafting convention.
- 8. In <u>correspondence with the Scottish Government</u>, the Committee asked about the title of the instrument, which is:

"The Firefighters' Pension Scheme (Amendment) (Scotland) Regulations 2025"

The Committee asked whether the title should be instead:

"The Firefighters' Pension Scheme (Scotland) Amendment Regulations 2025"

9. The Scottish Government agreed that this would be the more appropriate title, and regretted the departure from drafting convention, but considered that the meaning, understanding or effect of this instrument is not affected by the form of the title in this case. The Scottish Government did not propose taking any corrective action.

## **Purpose of the instrument**

- 10. The regulations amend the Firefighters' Pension Scheme (Scotland) Regulations 2015, to change the employee contribution rate structure. The new rates continue to be set out in a tiered structure, with updated pay thresholds in those tiers, with effect from 1 July 2025.
- 11. The structure is changing in order to deliver a member contribution yield of 13.2% of pensionable pay in line with the scheme design framework.
- 12. The Policy Note accompanying the instrument is included in Annexe A. It includes a summary of consultation undertaken on the instrument, impact assessments carried out, and the anticipated financial effects.

## **Committee consideration**

13. So far, no motion recommending annulment has been lodged.

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- 14. Members are invited to consider the instrument and decide whether there are any points they wish to raise.
- 15. If members have no points to raise, the Committee should note the instrument (that is, agree that it has no recommendations to make).
- 16. However, should a motion recommending annulment be lodged later in the 40-day period, it may be necessary for the Committee to consider the instrument again.

Clerks to the Committee June 2025

## **Annexe A: Scottish Government Policy Note**

# The Firefighters' Pension Scheme (Amendment) (Scotland) Regulations 2025

## (SSI 2025/149)

The above instrument was made in exercise of the powers conferred by section 1(1), 1 (2)(f), 2(1) and 3 (1) and paragraph 6(c) of schedule 2 of the Public Service Pensions Act 2013. The instrument is subject to the negative procedure.

## **Summary Box**

These regulations amend the Firefighters' Pension Scheme (Scotland) Regulations 2015, to change the employee contribution rate structure. The new rates continue to be set out in a tiered structure, with updated pay thresholds in those tiers, effective from 1 July 2025. The structure is changing in order to deliver a member contribution yield of 13.2% of pensionable pay in line with the scheme design framework.

## **Policy Objectives**

Employer rates are calculated based on an assumed yield of contributions from scheme members of 13.2% of pensionable pay as set out in the design framework agreements of 2014/2015. The Government Actuary's Department has reviewed the contribution rate structure and anticipates that the existing contribution rates would not deliver the required yield of 13.2%, falling short by 0.23%. This instrument delivers rates to address the shortfall and ensures the structure delivers the member contribution yield.

Contribution rates for scheme members will be based on their actual pensionable pay. Previously rates were applied using whole time equivalent pensionable pay.

These changes were agreed in collaboration with the Scottish Firefighters' Scheme Advisory Board, which consists of both employer and employee representatives.

The new proposed rates and structure is:

I	Actual Pay	Rate
Band 1	£0 to £35,000	11.73%
Band 2	£35,001 to £55,000	13.63%
Band 3	£55,001 to £142,500	14.23%
Band 4	£142,501 +	15.23%
	Yield (2025-2027)	13.20%

Band 1: Full time Trainee – Development Firefighters.

Band 2: Full time Competent Firefighters - Watch Managers.

Band 3: Full time Group and Area Managers.

Bands will be updated annually in line with annual pay awards.

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## UN Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 Compatibility

In accordance with section 23(2) of the United Nations Convention on the Rights of the Child (Incorporation) (Scotland) Act 2024 (the Act), the Scottish Ministers certify that, in their view, the Firefighters' Pension Scheme (Amendment) (Scotland) Regulations 2025 are compatible with the UNCRC requirements as defined by section 1(2) of the Act.

## **EU Alignment Consideration**

This instrument is not relevant to the Scottish Government's policy to maintain alignment with the EU.

### Consultation

To comply with the requirements of Section 21 of the Public Service Pensions Act 2013, a consultation took place from 21 February 2025 to 18 April 2025.

In particular, employer and employee representatives of the Scottish Fire and Rescue Service, administrators and Scottish Government interests and UK Government departments were consulted. Four responses were received and on the basis of these responses the proposed amendments will be adopted.

A full list of those consulted and who agreed to the release of this information is attached to the consultation report which will be published on the Scottish Public Pensions Agency's website.

### **Impact Assessments**

An <u>Equalities Impact Assessment</u> for these changes will be published on the Scottish Public Pension Agencies website.

## **Child Rights and Wellbeing Impact Assessment**

The Scottish Government have carried out a <u>Child Rights and Wellbeing Impact Assessment (CRWIA)</u> and this has been published alongside the laying of these Regulations. The CRWIA has concluded that there is no impact on the rights or wellbeing of children.

#### **Financial Effects**

The Minister for Public Finance confirms that no Business and Regulatory Impact Assessment (BRIA) is necessary as the changes to employee contribution rates made by this instrument have no significant financial effects on the Scottish Government, local government or on business.

Scottish Public Pensions Agency An Agency of the Scottish Government 13 May 2025