EXPLANATORY MEMORANDUM TO

The Firefighters' Pension Scheme (Amendment) Regulations (Northern Ireland) 2026

SR 2026 No. 73

1. Introduction

1.1. This Explanatory Memorandum has been prepared by the Department of Health, to accompany the Statutory Rule (detailed above) which is laid before the Northern Ireland Assembly.

1.2. The Statutory Rule is made under powers conferred by sections 2(1), 3(1), (2)(a) and (3)(a) and paragraph 6 of Schedule 2 and paragraph 9(a) and (b) of Schedule 3 to the Public Service Pensions Act (Northern Ireland) 2014 ("the 2014 Act").

2. Purpose

2.1. The Statutory Rule makes amendments to the Firefighters' Pension Scheme Regulations (Northern Ireland) 2015 ("the 2015 Regulations") to update the member contributions structure in the Firefighters' Pension Scheme.

2.2. The Statutory Rule implements four changes to the contributions structure:

(a) Introducing a fifth contribution tier;

(b) Changing the contribution rate percentages for all tiers;

(c) Pensionable pay bands will be updated in line with the Consumer Price Index on an annual basis;

(d) Contribution rates for all members will be dependent upon their actual earnings rather than whole-time equivalent salary.

3. Background and summary of proposals

3.1. This Department has policy responsibility for Firefighters' pensions, which are managed by the Northern Ireland Fire and Rescue Service (NIFRS). Firefighters' pensions have, in line with other public sector pension schemes in Northern Ireland, operated on the basis of parity with their counterparts in Great Britain. These changes will align NI with similar changes which have been introduced to Firefighters' Pensions in England.

3.2. Reformed public sector pension schemes were established by regulations made under section 3 of the Public Service Pensions Act (Northern Ireland)

2014 (“the 2014 Act”). The reformed 2015 Firefighters’ Pension Scheme (the “2015 Scheme”) is set out in the Firefighters’ Pension Scheme Regulations (Northern Ireland) 2015. Since 1 April 2022, the legacy Firefighters’ Pension Scheme (FPS) and New Firefighters’ Pension Scheme (NFPS) are closed for future accrual and since then all firefighters have the option to join the 2015 Scheme.

3.3. The 2014 Act determines that the Department of Health (“the Department”) is the Responsible Authority for the firefighters’ pension scheme. The Act provides the Department with the authority to make regulations setting the member contribution rates and requires that any changes to these rates follow the specified process.

3.4. The Public Sector Pension reforms rebalanced taxpayer and member contributions, ensuring the schemes' costs are sustainable and fair in the long term. Public service pension schemes require a specific percentage of total pensionable earnings to be contributed by members collectively (“the yield”). The yield for the Firefighters’ Pension Scheme is fixed at 13.2%. Meeting the member contribution yield in each valuation period is a vital aspect of the reformed scheme design. This Mechanism prevents additional burdens on scheme employers, by identifying and addressing member contribution yield shortfalls.

3.5. Since 2015, there have been four tiers for member contribution rates for the 2015 Scheme. Based on this current member contribution rate structure, the Government Actuary’s Department’s (GAD) calculations project the yield for the firefighters’ pension scheme over the 2020 valuation implementation period 2024 to 2027 to be 13.0% pa. This is 0.2% pa lower than the required member contribution yield of 13.2% pa

3.6. It was also recognised that the contribution structure for the Firefighters’ Pension Schemes had not been updated since 2018 and therefore needed a fundamental review to address changes in pay, to futureproof them, and to address other changes arising from the fact that all members are now paying into a career average rather than a final salary scheme. Government policy is that steps must be taken by the Responsible Authority to ensure that the contribution yield is met in each valuation period by appropriate adjustments to member contribution rates and/or tiers. The purpose of this statutory rule is to implement the required changes.

3.7. The changes in the Statutory Rule:

(a) will ensure the target yield is collected to avoid additional burden to the employer;

(b) ensures that lower paid members are protected from disproportionate increases and to smooth contribution increases on promotion with the addition of a fifth tier;

(c) ensures that the tier thresholds remains up to date by updating them on an annual basis based on changes in the Consumer Price Index;

(d) ensures fairness by providing that the contribution rate for all firefighters is based on their actual annual pensionable earnings rather than their whole time equivalent pay.

3.8. Guidance for administrators and employers on implementing the new member contributions structure will be provided by the Local Government Association and published on their website.

4. Consultation

4.1. The Department ran a statutory consultation between 4 December 2024 and 14 February 2025 seeking views on the policy proposals. A copy of the consultation document and a summary of responses can be found on the DoH website.

Firefighters Pension Scheme - Consultation on proposed updates to member contribution structure | Department of Health

5. Equality Impact

5.1. The Statutory Rule has been considered under Section 75 of the NI Act 1998 and fully complies with the legislation, with no adverse impact on any of the Section 75 Groups. There are no Human Rights or rural needs implications.

6. Regulatory Impact

6.1. A Regulatory Impact Assessment has not been completed for this Statutory Rule as it has no impact on businesses, charities or the voluntary sector.

7. Financial Implications

7.1. The amendments to the firefighters' pension scheme are not significant and will have minimal impact on scheme costs.

8. Section 24 of the Northern Ireland Act 1998

8.1. It is the view of the Department that this Order is compatible with section 24 of the Northern Ireland Act 1998.

9. EU Implications

9.1. Not applicable

10. Parity or Replicatory Measure

10.1. While pensions are a devolved matter, to ensure fairness across the UK the NI firefighters' scheme will generally act in parity with our English counterparts. This statutory rule will ensure that NI aligns with similar changes which have been introduced to Firefighters' Pensions in England.

11. Matters of special interest to the Northern Ireland Assembly

11.1. Section 22 of the Public Service Pensions Act (Northern Ireland) 2014 provides the procedures to be followed when changing the protected elements of scheme regulations within the protected period. Amendments to members' contribution rates are a protected element of scheme regulations under section 22(5) of that Act. As such, the Department, consulted with the representatives of those who appeared likely to be affected by this Statutory Rule with a view to reaching agreement on these changes. A report setting out why these regulations have been proposed has been laid before the Assembly in accordance with section 22(2)(b) that Act.