EXPLANATORY MEMORANDUM TO

THE FIREFIGHTERS' PENSION SCHEME (ENGLAND) (AMENDMENT) REGULATIONS

2026 No. 277

1. Introduction

1.1 This explanatory memorandum has been prepared by Ministry of Housing, Communities and Local Government (MHCLG) and is laid before the House of Commons by Command of His Majesty.

1.2 This memorandum contains information for the Joint Committee on Statutory Instruments.

2. Declaration

2.1 Samantha Dixon, Parliamentary Under Secretary of State at MHCLG confirms that this explanatory memorandum meets the required standard.

2.2 Michelle Warbis, Deputy Director for Local Tax and Pensions at MHCLG confirms that this explanatory memorandum meets the required standard.

3. Contact

3.1 Florence Harvey at MHCLG can be contacted by email at the following address regarding any queries regarding the instrument: firepensionsteam@communities.gov.uk.

Part One: Explanation, and context, of the Instrument

4. Overview of the Instrument

What does the legislation do?

4.1 This statutory instrument updates the member contribution tier thresholds and rates for The Firefighters' Pension Scheme 2015 (the "Firefighters' Pension Scheme") from 1 April 2026 onwards by amending the Firefighters' Pension Scheme (England) Regulations 2014. Currently, the tier thresholds, based on pensionable pay, determine the rate of contribution members must pay in order to accrue pension benefits.

4.2 There are four changes in the statutory instrument:

(a) Introducing a fifth contribution rate tier;

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

(c) Contribution tier thresholds 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.

Where does the legislation extend to, and apply?

4.3 The extent of this instrument (that is, the jurisdiction(s) which the instrument forms part of the law of) is England and Wales.

4.4 The territorial application of this instrument (that is, where the instrument produces a practical effect) is England.

5. Policy Context

What is being done and why?

5.1 The government is updating the structure of the member contribution tiers for the Firefighters' Pension Scheme. This is happening because the 2020 scheme valuation calculated a 13% yield of contributions that is 0.2% lower than is required by the Head Of Agreement[1]. This document sets out the main principles and government's position on key features of the scheme, such as member contributions, for the design of the reformed Firefighters' Pension Scheme (England) 2015.

5.2 The change is necessary to ensure the target yield is collected, as without doing so this additional burden would fall to employers.

5.3 The existing structure has been in place since 2018, and as such government has taken this opportunity to consider how to meet other policy objectives as well as the target yield:

- Encouraging scheme participation by protecting lower-paid members from disproportionate increases;
- Supporting career progression by smoothing contribution increases on promotion;
- Aligning with practices in other public service schemes.

5.4 The instrument adds a fifth contribution rate tier, designed to ensure that lower paid members are protected from disproportionate increases, and to smooth contribution increases on promotion.

5.5 The instrument provides for contribution thresholds to be updated on an annual basis, based upon changes in the Consumer Price Index. This acts to ensure that that the tier thresholds remain up to date.

5.6 The contribution also provides that the contribution rate for all firefighters is based upon their actual annual pensionable earnings rather than their whole time equivalent pay in order to ensure fairness as their contributions will be a more equitable share of their actual earnings.

What was the previous policy, how is this different?

5.7 Prior to these Regulations, the existing member contribution structure was set out in regulation 110 of the Firefighters' Pension Scheme (England) Regulations 2014. The previous policy was that:

(a) There were only four contribution rate tiers based on whole time equivalent (WTE);

(b) Contribution rate percentages were as in the table below;

Actual pensionable earnings	Contribution rate
<£27,818	11.0%
£27,819 - £51,515	12.9%
£51,516 - £142,500	13.5%
£142,501 +	14.5 %

[1] Firefighters' Pension Scheme: Heads of Agreement https://assets.publishing.service.gov.uk/media/5a78f0afe5274a277e690a76/2086582.pdf

5.8 The new policy is different in that there will be a fifth contribution rate tier, the percentages will be as below, thresholds will rise in line with CPI, and thresholds will be based on actual annual pensionable pay. Based on CPI, the new contribution rate will be set at the start of the scheme year (1st April) and there is ability for the employer to adjust if there is a 'material' change;

Actual pensionable earnings	Contribution rate
<£36,130	11.09%
£36,131 - £45,407	12.59%
£45,408 - £66,908	14.09%
£66,909 - £190,691	15.59%
£190,692+	17.90%

6. Legislative and Legal Context

How has the law changed?

6.1 The Firefighters' Pension Scheme is set out by the Firefighters' Pension Scheme (England) Regulations 2014 (S.I. 2014/2848).

6.2 This instrument gives effect to the policy changes described in section 5 by making amendments to the Firefighters' Pension Scheme (England) Regulations 2014 (S.I. 2014/2848).

Why was this approach taken to change the law?

6.3 This is the only possible approach to make the necessary changes. The Firefighters' Pension Scheme is a statutory scheme and the scheme rules are set out in regulations.

7. Consultation

Summary of consultation outcome and methodology

7.1 In accordance with section 21 of the Public Service Pensions Act 2013, the Secretary of State consulted such persons and representatives of such persons as appeared likely to be affected by these Regulations. The consultation ran from 20 November 2024 and closed to responses on 29 January 2025 and the government published a response on 8 December 2025[2].

7.2 The consultation was circulated by the sector to reach those persons who would be affected. A total of 24 unique responses were received. A number of responses were provided to represent different groups of people who would be affected; these included submissions from Fire and Rescue Authorities (FRAs), employer representatives, pension administrators, payroll providers, member representative bodies, Fire Brigades Union (FBU), and individual scheme members. Responses were submitted via email and through structured response templates. All responses have been considered in full.

[2] Amendments to The Firefighters' Pension Scheme (England) Regulations – member contribution structure: government response - GOV.UK https://www.gov.uk/government/consultations/firefighters-pensions-member-contribution-structure/outcome/amendments-to-the-firefighters-pension-acheme-engand-regulations-member-contribution-structure-government-response

7.3 Consultation was also conducted *with a view to reaching agreement*, as required by section 22 of the Public Service Pensions Act 2013. Substantial engagement was conducted with the sector during the consultation period and afterwards. This included engaging with those persons affected and direct consultation with those representative bodies above. For example, on determining contribution rate thresholds, during engagement sessions, stakeholders expressed concerns that WTE-based contributions would penalise part-time and retained staff and create barriers to flexible working arrangements. Feedback strongly supported an approach that mirrors actual pay, aligning with fairness principles and avoiding unintended consequences. Even though this was not an option in the consultation document. 43% suggested it as an alternative approach and following extensive engagement, it was agreed with key stakeholders (such as the LGA representing employers and FBU representing members) to proceed with this option as set out in the government response.

7.4 61% of respondents supported retaining a tiered contribution structure, with a clear preference for introducing an additional tier and modifying the gap between tiers. This was seen as a fairer and a more progressive approach that could reduce the number of people opting out of the scheme and support career progression.

7.5 Views on adjusting the contribution thresholds each year were more mixed, although there was broad support for the principle of updating thresholds. Almost half of the responses suggested aligning threshold updates with pay awards, but many of those responses also suggested an alternative measure of Average Weekly Earnings (AWE). Around a quarter of responses agreed with using the Consumer Prices Index (CPI). Due to the mixed views, further engagement was held with both the LGA and the FBU on the options for uprating, with a view to reaching agreement. The government has decided to proceed with uprating contribution rates every year in line with the Consumer Price Index, as a way to ensure that thresholds keep pace with inflation, thereby protecting members from moving into higher contribution tiers due to general inflation.

8. Applicable Guidance

8.1 Guidance for administering authorities and employers will be drafted and published by the Local Government Association on implementing the new member contribution structure.

Part Two: Impact and the Better Regulation Framework

9. Impact Assessment

9.1 An Impact Assessment has not been prepared for this instrument as the Better Regulation Framework states this is not required. There is no, or no significant, impact on the private or voluntary sectors is anticipated. The impact of any change falls on the members of the Firefighters' Pension Scheme 2015 and Fire and Rescue Authorities.

Impact on businesses, charities and voluntary bodies

9.2 There is no, or no significant, impact on business, charities or voluntary bodies. The instrument is related to the member contribution rates of the Firefighters' Pension Scheme, and therefore concerns the members of the scheme only. The instrument does not impact small or micro businesses.

10. Monitoring and review

What is the approach to monitoring and reviewing this legislation?

10.1 The department will monitor and review the legislative provision of the member contribution structure to ensure it remains appropriate and responsive to the needs of the workforce and the requirements of the scheme. No statutory review clause is included in the instrument; routine post-implementation review will be undertaken, most significantly after the next scheme valuation to ensure the target yield continues to be achieved.

Part Three: Statements and Matters of Particular Interest to Parliament

11. Matters of special interest to Parliament

11.1 Section 22 of the Public Services Pensions Act 2013 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 Secretary of State for the Home Office (where at the time of the consultation fire pensions sat), consulted with the representatives of the persons who appeared to them likely to be affected by this instrument, with a view to reaching agreement on these changes. A report setting out why these regulations have been proposed has been laid before Parliament, in accordance with section 22(2)(b) of that Act.

12. European Convention on Human Rights

12.1 As the instrument is subject to negative procedure and does not amend primary legislation, no statement is required.

13. The Relevant European Union Acts

13.1 This instrument is not made under the European Union (Withdrawal) Act 2018, the European Union (Future Relationship) Act 2020 or the Retained EU Law (Revocation and Reform) Act 2023 (''relevant European Union Acts''). It does not relate to the withdrawal of the United Kingdom from the European Union.