
EXPLANATORY NOTE

(This note is not part of the Order)

This Order amends Schedule 1 to the Firefighters' Compensation Scheme (Wales) Order 2007 (S.I. 2007/1073 (W. 111)) which provides for a compensation scheme for firefighters and dependants of firefighters in Wales ("the Compensation Scheme"). The amendments to the Compensation Scheme set out in Schedule 1 to this Order are consequential on the coming into force of the Firefighter's Pension Scheme (Wales) 2015 ("the 2015 Scheme") set out in the Firefighters' Pension (Wales) Regulations 2015 (S.I. 2015/622 (W. 50)) for firefighters employed by fire and rescue authorities in Wales.

This Order also amends Schedule 1 to the Firefighters' Pension Scheme (Wales) Order 2007 (S.I. 2007/1072 (W. 110)) which sets out the New Firefighters' Pension Scheme (Wales) ("the 2007 Scheme").

Some of the amendments made by article 3 of this Order have effect from 1 April 2014. The power to provide for an order to have effect from a date that is earlier than that on which it is made is conferred by section 34(3) of the Fire and Rescue Services Act 2004 (c. 21).

The main effects of the amendments made by Schedule 1 to this Order to the Compensation Scheme are the insertion of references to relevant provisions of the 2015 Scheme to ensure that the provisions of the Compensation Scheme apply to members of the 2015 Scheme, the 2007 Scheme and the Firefighters' Pension Scheme (set out in Schedule 2 to S.I. 1992/129).

The main effects of the amendments made by Schedule 2 to this Order to the 2007 Scheme are to:

- (a) update provisions and terminology as a consequence of the coming into force of the 2015 Scheme;
- (b) make minor amendments to clarify references in the definitions of special deferred member, special eligibility criteria, special firefighter member, and special pensioner member;
- (c) clarify provisions relating to the payment of interest;
- (d) to extend the time available to fire and rescue authorities to complete the options exercise for the 'modified scheme' up to a maximum of 2 months. The 2007 Scheme was amended in December 2014 to introduce provisions enabling individuals employed as retained firefighters during the period 1 July 2000 to 5 April 2006, to purchase pension benefits in respect of this employment ("the Modified Scheme"). Fire and rescue authorities had until 31 December 2015 to undertake and conclude an options exercise to identify all those former and current employees with an entitlement to join the Modified Scheme. The provisions extend this time period by 2 months ;
- (e) amend the commutation factors table set out in Annex ZA to reflect the commutation factors as on 31 March 2014;
- (f) uprate the contribution bands by 1% per annum each year until 1 April 2018. Annex A1 of the 2007 Scheme sets out the contribution rates payable by members which are determined by reference to the applicable pensionable pay band. Annex AB1 sets out the contribution rates for special members. This Order amends both tables to provide an annual 1% uplift in the pay bands until 2018.

The Welsh Ministers' Code of Practice on the carrying out of a Regulatory Impact Assessment was considered in relation to this Order. As a result, a regulatory impact assessment has been prepared

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as to the likely costs and benefits of complying with this Order. A copy can be obtained from the Fire and Armed Forces Branch, Welsh Government, Rhydycar, Merthyr Tydfil, CF48 1UZ or by calling 0300 062 8221.