

Retained Firefighters' Pensions

Matthews Remedy – Proposed changes to the New Firefighters' Pension Scheme

Consultation Response

5 May 2026

Contents

		Page
1	Introduction	3
2	Summary of responses	4
3	Conclusion and next steps	18

1. Introduction

- 1.1. This document is the post-consultation report for the consultation paper 'Amendments to the Northern Ireland Firefighters' Pension Scheme – Retained Firefighters' Pensions – Matthews Remedy – Proposed changes to the New Firefighters' Pension Scheme' which was published on 24 January 2025 and closed to responses on 21 March 2025. This report summarises the responses received and provides the Department's position in relation to the points raised.
- 1.2. As part of governance arrangements for the Firefighter's Pension Scheme, the consultation document was also provided to members of the Firefighters Pension Scheme Advisory Board (SAB). The SAB comprises of firefighters' employer representatives (Northern Ireland Fire and Rescue Service (NIFRS)) and employee representatives (Fire Brigade Union (FBU)).
- 1.3. Full details of the policy proposals consulted on and the post consultation report can be found at:

[New Firefighters Pension Scheme - Consultation - Retained Firefighters | Department of Health](#)

- 1.4. If you have any questions about the consultation process, please email DoH Pensions Unit: firefighterspensions@health-ni.gov.uk

Alternatively write to:

DoH Pensions Unit
Department of Health
Annex 4
Castle Buildings
Stormont Estate
Belfast
BT4 3SQ

2. Summary of responses

2.1. The consultation focused on the Department's commitment to provide additional remedy and flexibility to those members who were employed as retained firefighters between 7 April 2000 and 5 April 2006 inclusive by providing access to the modified provisions of the New Firefighters' Pension Scheme (NFPS) (referred to as 'the modified scheme').

2.2. The consultation sought views from interested parties on proposals to amend the New Firefighters' Pension Scheme Order (Northern Ireland) 2007 to allow:

- the payment of a missed pension lump sum/survivor's missed pension payment in respect of a deceased individual who would have been entitled to a pension (or a higher pension) under the Matthews remedy. This proposal would provide payment of any lost member pension (pre-commutation) and survivor pensions to the deceased individual's survivor or estate.
- the extension of the eligibility criteria for an 'additional death grant' payment, payable in respect of those individuals who did not join (or did not get an opportunity to join) the modified scheme during the 2014 Options exercise.
- a minor clarification to the formula for calculating the extended death grant to change the reference from 'additional death grant' to 'extended death grant' to remove any misunderstanding.
- the extension of the option to convert relevant standard service in the NFPS to special service in the modified scheme to include members who joined the modified scheme as special deferred members.
- the option for members who join the modified scheme as special pensioner members, and who are in receipt of a 'member initiated early payment of

pension', to convert their standard service to special service. This cohort was missed from the early legislative changes.

- the option for members who joined the standard NFPS, and who subsequently opted out of the standard NFPS prior to 1 April 2015, to purchase period/s of opted out service as special service under the modified scheme.
- the payment of new awards under these changes to be paid after the options exercise closing date in circumstances where the individual has not received a notification from their employer.
- the extension of the period for NIFRS to implement the Matthews remedy in circumstances where they were unable to meet the original 30 April 2025 deadline.

2.3. The consultation also posed eleven specific questions, each inviting respondents to indicate whether they agreed or disagreed with the proposal and provide supporting commentary. The Department received two responses to the consultation, from NIFRS and the FBU. Both respondents addressed all eleven questions raised in the consultation. The Department considered both responses and identified the main points of support and challenges raised.

2.4. **Question 1:** Do you agree that the proposal for missed pension payments for deceased individuals achieves the stated policy objective?

The missed pension lump sum payment would provide any pension lump sum that a deceased individual would have received if they had been able to elect to join the modified scheme prior to their death. The payment would be paid to the deceased's survivor or estate.

Consultation Findings

Whilst both respondents generally supported the proposal, the following points were raised about specific aspects of the draft provision:

- clarification was requested on whether periods during which the deceased had opted out of the scheme would be included in the calculation for the missed pension lump sum payment
- lack of provisions on how to determine the service period and pay of a deceased member where those records are not available and the 2 month timeframe to identify and trace who may be eligible for missed payments may not be achievable
- proposals do not clearly cover retired retained firefighters who had service between 7 April 2000 and 6 April 2006 and died before the 2014 Options Exercise opened. The draft article 36A does not clearly identify whether those individuals would be eligible.
- clarity is required in Article 36A(1)(a) to ensure that a retained firefighter who joined during the 2014 exercise but died before being able to take up the 2023 exercise are entitled to the missed pension lump sum grant.
- clarity on whether pensions increase is factored into the missed pension lump sum calculation and the provision of a formula should be set out in the regulations.
- clarity required if lump sum is to be subject to tax.

Department's response

The Department welcomes the responses to this question and acknowledges that clarity is required in some areas.

Any periods that the deceased had opted out of the standard NFPS will be included for the purpose of calculating the missed pension payment and any additional contributions (to include interest) owed by the deceased member will also be factored into the calculation. Interest will be applied to the contributions owed by the deceased in the same way it is applied to contributions owed by a member. The amended provision will not allow for the conversion of any of the

deceased's standard NFPS service to special service. The deceased's standard NFPS benefits will have already crystallised at the time of the member's death and be in payment/have been paid. This will avoid the need to recover pension that has already been paid to survivor beneficiaries.

To address the concerns about incomplete information and timeframes to identify and notify eligible members, a more flexible application process will be introduced. This will allow NIFRS to determine the deceased's pay and service where no, or limited, information is available. Applicants will need to submit as much information as possible. However, some evidence of entitlement must be provided. For any missing information about the deceased's employment, the provision will be extended so that NIFRS can determine the deceased's service dates and pay from records they hold or estimate using their local experience. Where this is not possible, or where any estimate results in the deceased's retained pensionable pay to be less than 25% of the pensionable pay of a whole-time-equivalent regular firefighter employed in a similar role with equivalent qualifying service, NIFRS will have the discretion to apply the assumption that the deceased's retained pensionable pay was 25% of a whole-time-equivalent regular firefighter for their period of employment as a retained firefighter. This reflects the flexibilities introduced previously for the purchase of service during the extended limited period.

The provision will cover individuals with retained service between 7 April 2000 and 6 April 2006 who died before the 2014 Options exercise, provided they meet the qualifying criteria. Article 36A has been amended to provide clarity.

Article 36A(1)(a) has also been amended to provide clarity to ensure that cover is extended to those who, but for their death, could have made such an election and become a special member.

The calculation to determine the missed pension lump sum grant is provided in article 36A(3) to (6). Pension Increases will be factored into the missed pension lump sum as described in article 36A(3) of the regulations and will be factored into the GAD calculator. The Department has also recognised that it is

reasonable to assume that those deceased individuals who would have been entitled to receive special pension payments prior to their death would have elected to commute the maximum of their annual pension for a retirement lump sum. This is based on the generosity of the special commutation factors and on the experience of the FPS. For these reasons, this assumption will be incorporated into the calculation of the missed pension lump sum and article 36A(4) has been included in the statutory rule to clarify that.

Clarification on the tax treatment of the new lump sum payments are outside of the scope of the consultation, therefore, have not been addressed in the departmental response.

2.5. **Question 2:** Do you agree that the proposal to provide a survivor's missed pension lump sum payment achieves the stated policy objective?

The survivor's missed pension lump sum payment would provide a lump sum payment to the survivor beneficiaries of any deceased individual. It is intended to reflect the life-time value of the survivor's pension entitlement.

Consultation Findings

Whilst both respondents generally supported the proposal, the following points were raised about specific aspects of the draft provision:

- greater clarity on how the survivor's missed pension lump sum formula was derived is required
- the 2 month timeframe to identify and trace who may be eligible for missed payments may not be achievable
- if the amount calculated for survivors missed pension payment lump sum grant has been derived from the same broad range and capital value of survivors pensions that were detailed in the English 2023 Options Exercise consultation
- lack of provisions on how to determine the deceased firefighter's pensionable pay during the relevant period where those records are not

available and suggested an assumed level equivalent to at least 25% of a whole-time equivalent should be used.

Department's Response

During the 2014 options exercise, a special death grant was introduced for retained firefighters who died in service between 1 July 2000 and 5 April 2006. This grant was set at 2.5 times pensionable pay. For the 2023 options exercise, an extra payment was added for service before 2000. Survivors receive an additional lump sum of 0.1 times pensionable pay for each year of service before 2000. This amount was based on GAD's estimate of how the value of these benefits increases for firefighters who started work in earlier decades.

The Government Actuary Department's estimate considered typical survivor pensions for different groups of firefighters who might have died in service between 2000 and 2006. They then converted these pensions to what would be paid as a one-off lump sum, rather than receiving it as regular payments. The calculation did not include any interest for the time between the firefighter's death and the payment being made. Using this approach keeps the rules simple and in line with the original death grant from the first exercise. In practice, a calculation for each individual deceased firefighter's exact circumstances could be a higher or lower than the 0.1 times rate.

This method was also chosen at the start of the 2023 options exercise as a fair way to pay survivors of existing special members who died before they had a chance to buy pre 2000 pension. This includes those retained firefighters who participated in the 2014 options exercise but could not take part in the 2023 exercise because they died beforehand.

The consultation suggested allowing all firefighters who died before being able to buy extra service in the 2023 exercise to be covered, no matter how or whether they participated in the 2014 options exercise. Extending the 0.1 times rule makes it easy and consistent to give survivors a lump sum that reflects the firefighter's past service and final pay, alongside any other death benefits already provided by the NFPS.

The same approach taken for grants paid during the 2014 options exercise will be used where someone had died prior to being able to join the modified scheme. This means no interest will be considered for the time between the deceased's death and date of lump sum payment.

Survivor's benefits for service prior to 1 July 2000 are already covered by existing provisions such as the 'additional death grant' and 'death grant for extended period', subject to satisfying the eligible criteria. Therefore, the survivors missed pension lump sum payment will only apply to service from 1 July 2000 onwards.

To avoid duplication, periods of eligible historic employment not purchased under the second options exercise will only be reflected once across all survivor lump sum payments. Therefore, where an 'additional death grant' is payable in respect of a deceased's service on or after 1 July 2000, the 'survivor's missed pension lump sum payment' is not payable.

To address the concerns about the timeframes to identify and notify eligible individuals, a more flexible application process will be introduced. NIFRS will be required to notify eligible individuals as soon as possible and no later than 12 months after the legislation comes into operation where the initial two month deadline cannot be met.

The Department recognises that there may be cases where NIFRS may be required to estimate the pay and service of the deceased. This is because they are unable to determine the pensionable service of a deceased member from existing records or information provided by the applicant. The Department will introduce additional flexibility for these cases or where an estimate results in a determination that the member's retained pensionable pay is less than 25 percent of the pensionable pay of a whole-time equivalent regular firefighter in a comparable role with equivalent service. NIFRS will be permitted to apply a default assumption that the deceased's retained pensionable pay was 25 percent of a whole-time-equivalent regular firefighter for the relevant period of

employment. This approach aligns with the flexibilities previously introduced for purchasing service during the extended limited period.

It has been highlighted that the survivor's missed pension lump sum payment should only be payable to eligible surviving beneficiaries and is not intended to be paid to other beneficiaries of the estate as the draft provision permits. Therefore, the draft provision will be amended so that eligibility for the survivor's missed pension lump sum payment will only apply to eligible survivors.

2.6. **Question 3:** Do you agree that the proposal to extend the eligibility criteria for the 'additional death grant' achieves the stated policy objective?

The proposal would extend the eligibility criteria for the additional death grant so it is also payable in respect of any deceased individual who did not join the modified scheme during the 2014 Options exercise and would have had an entitlement to join during the 2023 Options exercise, but they died prior to being able to make an election to join.

Consultation Findings

Whilst both respondents support the proposal to extend the eligibility criteria for the additional death grant, the FBU have noted their concern that the draft provision may not achieve the objective. They suggest that the approach does not adequately address cases where the deceased also had service on or after 1 July 2000 and were eligible to take part in the 2014, but chose not to or were not given a reasonable opportunity to do so, and then were eligible to take part in the 2023 options exercise, but died before they were able to.

Department's Response

The Department acknowledges that the formula for additional death grant does not account for service on or after 1 July 2000 in cases where the deceased had not joined during the 2014 Options Exercise. To correct this, the formula in article 35C will be amended so that any additional death grant paid in respect of these individuals also reflects eligible service accrued by them on or after 1 July 2000.

- 2.7. **Question 4:** Do you agree that the proposal to extend the conversion options for 'special deferred members' achieves the stated policy objective?

This proposal would extend the conversion options in the modified scheme to include those individuals who joined the modified scheme as special deferred members

Consultation Findings

Both respondents agreed that the proposed amendment covers the policy objective, however, NIFRS have requested clarity on a few points as below:

- can a member with standard service in the NFPS who left employment between ages 55 and 60, without electing to take early reduced retirement, be eligible to convert their service to special service and receive retrospective payment of their special pension from the date of leaving
- the 2 month timeframe to identify and trace who may be eligible may not be achievable
- is a member who ceased making their periodic contributions under the first options exercise and therefore, has special deferred pension eligible to convert standard service to special service.

Department's Response

The Department can clarify the change will allow individuals who join the modified scheme as special deferred members to convert any continuous standard service to special service. Where such individuals left employment where they were accruing standard NFPS service after attaining age 55, they will become entitled to immediate and retrospective payment of their special pension from the date they left their employment.

Where a member has no break in scheme membership between their special service and standard service and, they ceased the payment of periodic contributions early, article 106 has been amended to enable eligible individuals to purchase any limited period service not bought by their original Matthews

periodic contributions arrangement. This will place them back in the position to have continuous scheme membership which will enable them to convert standard service to special service.

To address the concerns about the timeframes to identify and notify eligible members, a more flexible application process will be introduced. NIFRS will be required to notify eligible individuals as soon as possible and no later than 12 months after the legislation comes into operation where the initial two month deadline cannot be met.

- 2.8. **Question 5:** Do you agree that the proposal to amend the formula at Part 5, Article 35B(8) to change the reference from 'additional death grant' to 'extended death grant' achieves the stated policy objective?

This proposal would change the reference to 'additional death grant' to 'extended death grant' in the formula for calculating the extended death grant to avoid any confusion.

Consultation Findings

Both respondents agreed that these amendments are needed to remove the misleading terminology.

Department's Response

The Department is content to proceed and will implement the policy proposal to amend the reference to 'extended death grant'.

- 2.9. **Question 6:** Do you agree that the proposal to allow individuals to purchase any period/s of opted out standard service as special service achieves its stated objective?

This proposal would allow members who joined the standard NFPS and who subsequently opted out prior to April 2015 to purchase the periods of opted out service as special service in the modified scheme.

Consultation Findings

Both respondents agreed that the proposed amendment covers the policy objective, however, NIFRS have requested clarity on a few points as below:

- eligibility clarity is required in article 106 as it states that an individual must have already purchased an entitlement as a special member to be eligible to purchase opted-out service.
- the 2 month timeframe to identify and trace who may be eligible may not be achievable.

Department's Response

This proposal applies only to those who joined the standard 2006 Scheme and then subsequently opted out for any period of retained service prior to 1 April 2015. The policy intention is to also include individuals who have not joined the modified scheme previously, and also to individuals who are not currently in receipt of a pension. It is also intended that eligible individuals who, following a first Matthews options exercise election, ceased the payment periodic contributions early should be able to purchase any limited period service not bought by their original Matthews periodic contributions arrangement.

To provide clarity on eligibility the draft article 106 has been amended which removes the requirement to have had already purchased or converted service or received an award, benefit, pension or any other payment (an "entitlement") under this Scheme before the effective date.

It is felt that the current wording of the regulations does provide some flexibility if the 2 month timeframe isn't achievable – this will be confirmed before the regulations are finalised.

2.10. Question 7: Do you agree the proposal to extend flexibility for payments relating to new provisions achieves its stated policy objective?

This proposal would allow the new pension awards introduced under this consultation to be made beyond 30 April 2026.

Consultation Findings

Both respondents agreed that the proposal met the policy objective and no issues were raised.

Department's Response

The Department recognises that the delay in finalising this consultation and introducing the amending legislation has reduced the level of flexibility originally intended for making payments under the new provisions. To ensure that NIFRS has sufficient time to implement these changes and to ensure that members do not unintentionally miss out on remedy or lack the time they need to make informed decisions, the legislation will be introduced to allow a 12-month window, starting from the date the amendments come into operation, during which these payments can be made.

- 2.11. **Question 8:** Are there any adverse consequences that we might not have considered of extending the closing date of the 2023 Options exercise to 30 April 2026?

Consultation Findings

Both respondents were fully supportive of extending the closing date of the 2023 Options Exercise to 30 April 2026. Concern was raised that individuals who had already received their notification before the 30 April 2025 would not benefit from the extended timeframe, potentially giving them less time to make an informed decision compared to those notified after that date. It was also suggested that an extension should also apply to the timeframe within which applications can be made.

Department's Response

A key proposal in this consultation is to extend the closing date of the 2023 options exercise from 30 April 2025 to 30 April 2026. However, due to ongoing delays in finalising the amending legislation the proposal has been modified to

extend the deadline by 12 months from when the amending legislation comes into operation. Under current scheme regulations, individuals must make their election by 30 April 2025. The Department recognises that some individuals may have received their remedy offers close to this deadline and may not have had sufficient time to make an informed decision. To address this, the Department will legislate to allow a 12-month extension from the date the amending legislation comes into operation. This will ensure that individuals who have not had an opportunity to make an election for remedy prior to 30 April 2025, will still have an opportunity to do so, once the amendment takes effect. This approach not only gives NIFRS sufficient time to implement the changes but also ensures that members are not unintentionally excluded from remedy and have the time they need to make informed decisions.

2.12. **Question 9:** Do you agree that the proposal to allow special pensioner members who are in receipt of a 'member initiated early retirement' pension to convert standard service to special service achieves the stated policy objective?

This proposal would extend the provision to allow conversions for members who join the modified scheme as special pensioner members in receipt of a member initiated early retirement pension

Consultation Findings

Both respondents agreed that the proposal met the policy objective and no issues were raised.

Department's Response

It has been identified that the provision as originally drafted did not cover individuals entitled to join the modified scheme as a special pensioner member who are either in receipt of a standard deferred pension or has an entitlement to one that has not yet been put into payment. The Department has decided to proceed with the proposed amendment but to extend the scope of the provision.

The revised provision will now also apply to Individuals who are currently in receipt of a standard deferred pension and individuals who have an entitlement

to a standard deferred pension which has not yet come into payment. This change ensures that all eligible individuals in these circumstances are appropriately covered under the modified scheme.

2.13. **Question 10:** Do you anticipate any equality issues arising from the implementation of the proposals in this consultation? If yes, please concisely explain the issue(s) and cause(s)?

Consultation Findings

Both respondents indicated that equality issue may arise if the points they raised in their consultation responses were not considered and implemented.

Department's Response

In response to this question the points raised in the consultation responses have been addressed in the Department's responses to the earlier questions.

The Department is committed to ensuring that any changes to the 2015 Scheme meet the statutory duties as set out in Section 75 of the Northern Ireland Act 1998 by promoting equality of opportunity and good relations between persons who share a protected characteristic.

An Equality Screening, Disability Duties and Human Rights Assessment was completed and published alongside the consultation. The screening considers the potential impacts of the proposed changes across all protected characteristics, including age, sex, race, disability and.

In conclusion, the Department is satisfied that the proposed changes are consistent with its obligations under Section 75 of the Northern Ireland Act 1998 and will continue to ensure that equality considerations remain central to the design and delivery of the scheme.

2.14. **Question 11:** Do you agree that the proposed changes effectively address the issues that have been identified in this consultation? If you disagree, please concisely explain the issue(s) and cause(s)?

Consultation Findings

Both respondents indicated that the issues highlighted in their responses need to be considered and implemented before the proposed changes can address the issues.

Department's Response

To address this question the points raised the stakeholders have been addressed in the Department's responses to the earlier questions.

3. Conclusion and next steps

- 3.1. The Department is grateful for the responses received to this consultation. The views submitted have been carefully considered and have informed the Department's final policy position. The Department will make the necessary legislative amendments to enact the policy proposals.