



Home Office

Rt Hon Dame Diana Johnson
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Ms Joanne Livingstone
Chair of the Firefighters' (England)
Pension Scheme Advisory Board
Local Government Association
18 Smith Square
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12 August 2024

Dear Ms Livingstone,

Thank you for your letter of 18 July on behalf of the Firefighters' Pensions (England) Scheme Advisory Board (the 'Fire SAB') regarding firefighters' pensions, and in particular, the implementation of the McCloud/Sargeant Public Sector Pensions Remedy ('McCloud remedy').

I would also like to thank you for your kind words on my appointment as the Minister of State for Police and Crime Prevention. I very much look forward to working closely with the Fire SAB to continue the robust governance of the firefighters' pension scheme.

My officials recognise that there is a gap in the current tax regulations that does not permit affected firefighters, and indeed police officers, to offset new unauthorised tax charges from their original unauthorised tax charge. They have been actively working through the issue with stakeholders from both the fire and police sectors, as well as officials from HM Treasury and HM Revenue and Customs to identify a pragmatic solution. Whilst this issue affects all public sector pension schemes, it presents a particular challenge to both the firefighters and police pension schemes due to the unique benefit structures.

As you have set out in your letter, the Government acknowledges that legislative changes to the tax regulations will be required to resolve this issue, and that HM Treasury officials have confirmed they intend to introduce the required regulatory changes but that this will not be before 2025. HM Treasury have also confirmed recently that these regulatory changes when made will apply retrospectively to 1 October 2023.

The retrospective application of the intended changes to the tax regulations means that Scheme Managers for the firefighters' pension scheme can implement the changes in advance of the amending legislation coming into force. Effectively, this will provide for new unauthorised tax charges to be offset against firefighters' original tax charge and ensures that they are placed in the correct tax position following remedy.

HM Revenue and Customs will issue a newsletter as soon as possible confirming the changes in the interim. Home Office officials will keep you updated regarding progress of these issues.

Thank you for your continued support in navigating these complex pension changes and I hope that you are reassured by the Government's response in addressing this issue.

Yours sincerely,

A handwritten signature in black ink that reads "Diana Johnson". The signature is written in a cursive style with a large initial 'D' and a long horizontal stroke at the end.

**Rt Hon Dame Diana Johnson DBE MP
Minister of State for Police and Crime Prevention**