

RULE LA8
Excess amounts – actual surpluses

Rule LA8 explains the action to be taken if unaudited or audited information shows a surplus.

Action based on unaudited information

Rule LA8(1) looks at the action required after the Secretary of State has taken into account the unaudited information provided under Rule LA4(1)(c), (e) and (f) and has decided that the total amount likely to be paid in to a FPF in the year in question exceeds the amount likely to be paid out. Then –

- (a) if the unaudited surplus exceeds the total of the amount paid, or payable, to the Secretary of State by the authority in relation to that year under Rule LA6(1) or (2), the Secretary of State will require the authority to pay the difference.
- (b) if the unaudited surplus is less than the amount paid or payable to the Secretary of State in relation to that year under Rule LA6(1) or (2), the amount of the LA6 payments less the unaudited surplus will not be payable or, if already paid, will be returned by the Secretary of State to the authority.
- (c) if the authority has not paid any amount under Rule LA6(1) or (2) to the Secretary of State in respect of the year in question, the Secretary of State will require the authority to pay him the unaudited surplus.
- (d) any amount paid or payable by the Secretary of State to the authority under LA5(1) or (2) for that year will not be payable; if already paid, the authority must repay it to the Secretary of State.

Under Rule LA8(3), the Secretary of State will give the authority, on or before 3 July of the financial year after the year in question ("the second year") written notice of the payment the authority must make under LA8(1)(a) or (c).

Under Rule LA8(4) the amount payable or repayable by the authority to the Secretary of State, or by the Secretary of State to the authority, must be paid or repaid in the July of the financial year following the year in question ("the second year").

Action based on audited information

Rule LA8(2) looks at the action required after the Secretary of State has taken into account the audited information provided under Rule LA4(1)(d), (e) and (f) and has decided that the total amount paid or payable into a FPF in the year in question exceeds the amount paid out. Then –

- (a) if the audited surplus exceeds the total of the amounts paid (but not repaid or repayable) or payable to the Secretary of State by the authority in relation to the year in question as the unaudited surplus, i.e. under –
 - Rule LA8(1)(a) or (c) (as explained above), or
 - Rule LA6(1) or (2),the Secretary of State will require the authority to pay him the audited surplus less the unaudited total.
- (b) if the audited surplus is less than the unaudited surplus, the unaudited surplus less the audited surplus will not be payable under
 - Rule LA8(1)(a) or (c) (as explained above), or
 - Rule LA6(1) or (2),and, if this amount has already been paid, the Secretary of State will repay it to the authority.

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Rule LA8 (continued)

Action based on audited information (continued)

(c) if the authority has not paid any amount to the Secretary of State in relation to the year in question under –

- Rule LA8(1)(a) or (c) (as explained above), or
- Rule LA6(1) or (2),

the Secretary of State will require the authority to pay him the amount of the audited surplus.

(d) any amount paid or payable by the Secretary of State to the authority under

- Rule LA5(1) or (2), or
- Rule LA7(1)(a) or (c)

will not be payable; if such an amount has already been paid, the authority must repay it to the Secretary of State.

Under Rule LA8(5), the Secretary of State must, on or before 3 July in the second financial year after the year in question ("the third year"), give written notice of the amount the authority must pay him under Rule LA8(2)(a) or (c).

Under Rule LA8(6), the amount payable or repayable by the authority to the Secretary of State, or the Secretary of State to the authority must be paid or repaid in the July of the third year.

Useful reference source

- FPSC 9/2006: the introduction of new financing arrangements for pensions

Points To Note

1. The Secretary of State provides guidance on the financing arrangements for firefighters (which may be amended from time to time). Currently this is set out in the booklet "Guidance for Fire and Rescue Authorities on new financial arrangements for firefighter pensions with effect from April 2006" issued by the Department in March 2006.