

WEST MIDLANDS FIRE AND RESCUE AUTHORITY

A GUIDE TO THE FIREFIGHTERS' PENSION SCHEME

A Guide to THE FIREFIGHTERS' PENSION SCHEME

This guide has been written as a straightforward explanation of the benefits provided by your Occupational Pension Scheme.

If you are interested in just the basics, turn to the Scheme Summary at the end. If you would like to explore your entitlement in more detail, refer to the main text of the guide. The Contents pages at the front will lead you to specific topics.

Even a detailed guide like this has to condense many of the facts and nothing contained in it can override pensions legislation.

This version reflects the Scheme rules for firefighters serving with an English Fire and Rescue Authority at 1st April 2015.

If you need more details, or would like to see the legislation setting out the rules of the Firefighters' Pension Scheme, contact your Fire and Rescue Authority's Pensions Administrator at the address given at the back of this guide.

CONTENTS

	Page
HISTORY AND BACKGROUND.....	4
WHO CAN JOIN?.....	5
HOW MUCH DO I PAY?.....	5
WHEN CAN I RETIRE ON PENSION?.....	6
HOW MUCH PENSION WILL I GET?.....	7
COMMUTATION.....	9
ALLOCATION.....	10
ILL-HEALTH RETIREMENT.....	11
WHAT IF I CHOOSE TO LEAVE THE SERVICE BEFORE I CAN GET A PENSION?.....	15
CAN I PAY EXTRA FOR MORE PENSION?.....	16
LUMP SUM DEATH BENEFIT.....	18
SPOUSES BENEFITS.....	19
CHILDREN'S BENEFIT.....	19
THE EFFECT OF PART-TIME SERVICE.....	20
INTER-RELATIONSHIP WITH THE STATE PENSION SCHEME.....	21
EFFECTS OF TAX RULES.....	22
WILL MY PENSION INCREASE AT ALL?.....	23
CENTRAL SERVICE.....	23
HOW WILL I BE PAID?.....	24
CAN I LOSE MY PENSION?.....	24
THE EFFECT OF DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP.....	26
I DON'T WANT TO BE IN THE FIREFIGHTERS' PENSION SCHEME.....	27
RIGHTS OF APPEAL.....	28
SUMMARY OF THE PROVISIONS OF THE FIREFIGHTERS' PENSION SCHEME.....	30
WHERE CAN I FIND OUT MORE?.....	31

HISTORY AND BACKGROUND

The first major step in forming a Pension Scheme for firefighters was taken with the introduction of the Fire Brigade Pensions Act 1925. As the years passed, improvements were made; sometimes the changes were small, sometimes they were so sweeping that the firefighter had to choose which package of benefits to take. It is because your pension scheme is continually evolving that it may seem complicated in places; new provisions get layered on top of old. This is why so many “ifs” and “buts” get built into the rules. Never assume that **your** pension rights are identical to those of the person next to you. If in doubt about your pension rights, ask your Fire and Rescue Authority's pensions administrator. Contact details are given at the back of this guide.

The rules of your Pension Scheme are currently set out in the Firemen's Pension Scheme Order 1992.

Yours is a statutory scheme established under section 26 of the Fire Services Act 1947. Although this section was repealed by the Fire and Rescue Services Act 2004 –

- section 36 of the Fire and Rescue Services Act 2004, and
- the Fire and Rescue Services Act (Firefighters' Pension Scheme) (England and Scotland) Order 2004 allow the 1992 Scheme to continue in force.

A Secretary of State can make, vary or revoke Pension Scheme Orders after consulting with any persons considered appropriate.

The fact that firefighting was once an all-male occupation was reflected in the statutory title – The Firemen's Pension Scheme. This was a requirement of the Fire Services Act 1947. You will see this title used in old pension documents and Orders. However, with the repeal of the 1947 Act in 2004 the opportunity was taken to change the name to "The Firefighters' Pension Scheme". In this guide, the use of “firefighter” means that the point being discussed relates equally to both males and females unless a difference is specifically noted.

The basic provisions of the Pension Scheme are similar for firefighters serving in England, Wales and Scotland but there may be differences in the way in which some of the rules are drafted. This guide is based on the English rules.

The Firefighters' Pension Scheme (FPS) is a final salary, Public Service Pension Scheme and, unlike Occupational Pension Schemes in the private sector, does not have trustees.

Where does the money come from to pay for your pension? Most Occupational Pension Schemes have a fund built up from contributions paid in by the employer and employees, plus the return on investments of that money. The Firefighters' Pension Scheme does not. It has no fund. It is what is known as a “pay-as-you-go” Pension Scheme.

In other words, money is not being stored up in advance for your pension; your contributions are being used right now to help pay for the pensions of retired firefighters and, when **you** retire, the contributions of the next generation of firefighters will go towards your pension.

The deficit between the contributions being paid in and benefits being paid out at any given time is met by the Fire and Rescue Authority, i.e. through local taxation, and from Central Government. Because your Scheme is statutory your employer **must** provide you with your full entitlement to benefits as set out in the Pension Scheme legislation. The money always has to be found even though there is no pension fund.

The administration and finance of the Scheme are dealt with at local level by each individual Fire and Rescue Authority.

Tax law has to be followed closely by Pension Schemes. The rules of the Firefighters' Pension Scheme do generally conform to HMRC conditions laid down for approved Schemes and it has been granted approval. However, the lump sum provided for firefighters who commute a full quarter of their pension will, in most cases, exceed the tax limitations placed upon other Pension Schemes.

WHO CAN JOIN?

The Scheme was closed to new members with effect from 6th April 2006. New recruits from this date will have the right to join The New Firefighters Pension Scheme 2006.

If you just transfer from another Fire and Rescue Authority within England, Wales or Scotland without any break in employment, your pension rights will be transferred with you. Although you have changed employers you have stayed in the same Pension Scheme. Your new Fire and Rescue Authority will credit you with a period of service in respect of, and identical to, that accrued in your last employment as a firefighter – year for year, day for day.

HOW MUCH DO I PAY?

As a member of FPS you will pay a contribution rate based on your Pensionable Salary as outlined in the table below.

Pensionable pay band	Contribution rate
Up to £15,000	11.0%
£15,000 to £21,000	12.2%
£21,000 to £30,000	14.2%
£30,000 to £40,000	14.7%
£40,000 to £50,000	15.2%
£50,000 to £60,000	15.5%
£60,000 to £100,000	16.0%
£100,000 to £120,000	16.5%
Above £120,000	17.0%

Since 1st April 2015 your Fire and Rescue Authority has paid a contribution of 26.9% including additional charges for certain awards such as ill health.

Employee and Employer contributions are determined by the Secretary of State on the advice of the Government Actuary who will have regard to the total cost of the Scheme benefits. They will be reviewed regularly.

Contributions are normally deducted from your pay and transferred to the fire pension account of the Fire and Rescue Authority.

What is “pensionable pay”?

“Pensionable pay” has a special meaning. It is the amount of pay to which you are entitled, determined in relation to the performance of the duties of your role (whether as a whole-time or part-time employee). This would include –

- basic pay.
- the flexible duty system allowance.

- London allowance if relevant.
- pay received during a period of temporary promotion.

It would not include such items as –

- acting-up allowance, i.e. the difference between the pay of your own role and that of a higher role, the duties of which you temporarily perform but to which you are not promoted.
- expenses, allowances, fees, overtime payments.
- the value of uniform or equipment provided.

Those who are not able to build up the maximum service before retirement can elect to pay additional contributions to “buy” increased benefits. This is explained in the section “Can I Pay Extra For More Pension?”.

If you are part-time, the pay upon which contributions will be paid is the pro rated pensionable pay for the job. For example, if you work half-time and a whole-time firefighter in a similar role receives pensionable pay of £28,000, you would receive £14,000 and this would be the pensionable pay on which your contributions would be assessed.

Do I get tax relief in respect of these contributions?

Yes – through the payroll. Tax is assessed on your pay **after** pension contributions have been deducted and because of this you pay less income tax than you otherwise would do.

What about National Insurance contributions?

National Insurance contributions are assessed on your pay **before** the pension contributions are deducted but, because you are a member of a “Contracted-Out” Pension Scheme, the National Insurance deductions are at a lower rate.

The implications of contracting-out are explained in the section “Inter-Relationship With The State Pension Scheme”.

Contribution for Unpaid Leave

During paid maternity or adoption leave you would pay contributions on whatever rate of pay you receive; if a period of additional maternity or adoption leave is unpaid, you will have the option to pay contributions on the rate you were receiving immediately before pay ceased, if you wish to count that period as pensionable service.

If you have an unpaid period of absence for other reasons, you will have the option to pay contributions (based on the pay you would have received but for the absence) in order that the period can count as pensionable service. You would be required to pay both the employee's and employer's contribution. (At their discretion the Fire and Rescue Authority may agree to pay the employer's contribution for you).

What happens if my pay is reduced or stopped?

If your pay is reduced or stopped because of sick leave or for “punishment” you should still pay the full amount of contributions (in the event of benefits becoming payable shortly after, the “full” pay would be taken into account in the calculation).

You will not, however, pay any contributions in respect of a period of absence from duty without pay, whether authorised or unauthorised, unless the Fire and Rescue Authority resolve that all or part of the period should reckon as pensionable service in which case contributions **must** be paid.

If you have a period of unpaid maternity, paternity or adoption leave, there are special provisions for the payment of contributions so that the period can count as pensionable service.

WHEN CAN I RETIRE ON PENSION?

Disregarding ill-health retirement which can happen at any age the normal pension age for a firefighter in any role is age 55.

A "normal pension age" is the age at which a member of a pension scheme can retire with immediate payment of benefits.

In the Firefighters' Pension Scheme there is also an optional earlier retirement age at which benefits could be paid. This is at or after age 50 and before age 55, provided that you have at least 25 years of service.

You may continue in service beyond normal pension age if your Fire and Rescue Authority are satisfied that you are medically fit to perform the required duties of your role.

For pension purposes, you attain a particular age at 00.00 hours between the day you celebrate the anniversary of your birth and the day before. For example, if you were born on 25 March 1951 and retire at normal pension age of 55, your last day of service would be 24 March 2006.

A Chief Fire Officer who wishes to retire before age 55, must first obtain the permission of the Fire and Rescue Authority, even if he/she satisfies the other requirements for retirement as outlined above.

Discretion of Fire and Rescue Authority to require a firefighter to retire before normal retirement age

A Fire and Rescue Authority have the power to require a firefighter to retire at or after age 50 on the grounds that his or her retention in the Fire and Rescue Service would not be in the general interests of efficiency. This action may only be taken, however, if the firefighter has at least 25 years of service (or would have, if he/she had not opted out of the Scheme or failed to pay voluntary contributions during a period of maternity or adoption leave).

HOW MUCH PENSION WILL I GET?

A firefighter's pension can be quite straightforward to assess or it can be quite a lengthy calculation. It all depends on how simple or how complex your pay and service patterns are, your reason for leaving the Fire and Rescue Service, your choice regarding commutation and allocation and, if relevant, any court orders made on divorce.

The basic formula

If you look at The Firemen's Pension Scheme Order 1992 you will see that it sets out different principles of assessment for different types of pension. However, the different principles can be reduced to the following fairly simple formula: -

$$\text{Annual pension} = \frac{1}{60} \times \text{pensionable service} \times \text{average pensionable pay}$$

What is pensionable service?

Service as used in the pension formula means the length of pensionable service which you can reckon at retirement plus any element of double reckoning.

Double reckoning is used because the age of retirement was set lower in the Firefighters' Pension Scheme than for many other professions, because a person has to be fit for operational duties to be appointed as a firefighter and this used to be a requirement for continued membership of the Scheme. With this short working life you would have difficulty in acquiring the 40 years needed for

the maximum benefits. So the rules of the Pension Scheme help you along a bit. You have what is sometimes called an "end-loaded, fast accrual, pension scheme". In this type of Pension Scheme, after a certain number of years of service (20 in the case of the FPS) each year and each day of future service starts to count double. The double reckoning works as follows –

Each year of service to 20 years - reckons as 1/60th
Each year of service after 20 years - reckons as 2/60ths
30 years or more - reckons as 40/60ths (maximum permissible)

"Pensionable service" is made up of the years and days during which you have been a member of the Firefighters' Pension Scheme together with any service credit transferred from another Fire and Rescue Authority or Pension Scheme.

It would normally **not** include any period of absence from duty without pay (other than disciplinary suspension where contributions are payable) unless the Fire and Rescue Authority have resolved that the period of absence **should** reckon (in which case there would have been a requirement for the firefighter to pay contributions to cover that period).

What is average pensionable pay?

Firstly, "**pensionable pay**" has a special meaning. It is the amount of pay to which you are entitled, determined in relation to the performance of the duties of your role (whether as a whole-time or part-time employee) and is the pay on which you have paid pension contributions.

"**Average pensionable pay**", as the name suggests, is pensionable pay averaged (normally) over the year prior to and including the last day of service as a firefighter. This period is known as the "averaging period".

If an averaging period based on the final year's pensionable pay produces a lower figure than either of the two previous years then the earlier period which produces the best figure will be substituted. This situation could arise if, for example, a firefighter has a temporary promotion in the year prior to retirement but then reverts to his or her usual role during the final year (and so receives a lower level of pay for that year). The substituted year must be based on "anniversary dates" corresponding to the standard averaging period. For example, if your last day of service was 31 March 2016 and it could be demonstrated that the average pensionable pay for –

1 April 2013 to 31 March 2014, or
1 April 2014 to 31 March 2015, is greater than for
1 April 2015 to 31 March 2016

then the earlier year with the highest pay can replace the final year as the averaging period.

Where it is established that an earlier averaging period would yield a higher figure of pensionable pay and it is substituted for the final year in the pension formula, Pensions Increase (see the section "Will My Pension Increase At All?"), is assessed from the end of that earlier averaging period.

What if I have worked part-time?

If any of your service has been as a part-time regular firefighter, the starting point for calculating your pension would be to treat you as if you had been a whole-time firefighter throughout. Therefore, similar principles to those shown above would apply at the first stage of the assessment. Then the pension based on whole-time principles would be pro rated by a special formula to reflect your period of pensionable service. See the section "The Effect of Part-Time Service" for details.

What happens next?

Those who first became firefighters before 1 April 1972 and who elected to improve widow's benefits may have a reduction made to their pension to reflect this. If you think this may apply to you, check the details with your Fire and Rescue Authority's Pensions Administrator.

For all firefighters, the next stage in assessing retirement benefits is to consider the options relating to "commutation" – the conversion of part of the pension into a lump sum – and "allocation" – the option to provide or increase a dependant's pension by surrender of part of the firefighter's own pension entitlement.

If, because of divorce or dissolution of a civil partnership, your pension is subject to an "earmarking" or "pension sharing" order, an adjustment will be made in accordance with the directions of the court – see the section "The Effect Of Divorce or Dissolution of Civil Partnership".

COMMUTATION

"Commutation" means turning part of your on-going, annual entitlement to pension into a single, one-off, lump sum payment representing the capital value of the pension converted.

You can commute as little or as much as you like provided that you don't exceed the upper limit set out in the Firefighters' Pension Scheme rules. Depending upon the circumstances of your retirement, the upper limit would be either:

- (a) a maximum commutation of one quarter of pension, or
- (b) a lump sum no greater than two and a quarter times the pension before commutation.

Generally, (a) would provide the greater lump sum. You can commute the maximum (a) unless you **choose to retire** at age 50 or over but below age 55, with 25 years' or more pensionable service but less than 30 years.

How does commutation work?

Look at the table below. This shows the commutation factors currently in use where a pension is paid monthly. (The factors are reviewed from time to time on advice from the Government Actuary.)

Years	Age in years and completed months on relevant day											
	0	1	2	3	4	5	6	7	8	9	10	11
Below 50	21.9											
50	21.9	21.9	21.8	21.8	21.8	21.8	21.7	21.7	21.7	21.7	21.7	21.6
51	21.6	21.6	21.6	21.5	21.5	21.5	21.5	21.4	21.4	21.4	21.3	21.3
52	21.3	21.3	21.2	21.2	21.2	21.2	21.1	21.1	21.1	21.1	21.0	21.0
53	21.0	20.9	20.9	20.9	20.9	20.8	20.8	20.8	20.7	20.7	20.7	20.6
54	20.6	20.6	20.6	20.5	20.5	20.5	20.4	20.4	20.4	20.4	20.3	20.3
55	20.3	20.2	20.2	20.2	20.1	20.1	20.1	20.0	20.0	20.0	19.9	19.9
56	19.9	19.8	19.8	19.8	19.7	19.7	19.7	19.6	19.6	19.6	19.5	19.5
57	19.5	19.4	19.4	19.4	19.3	19.3	19.3	19.2	19.2	19.2	19.1	19.1
58	19.1	19.0	19.0	18.9	18.9	18.9	18.8	18.8	18.8	18.7	18.7	18.7
59	18.6	18.6	18.6	18.5	18.5	18.5	18.4	18.4	18.3	18.3	18.3	18.2
60	18.2	18.2	18.1	18.1	18.1	18.0	18.0	17.9	17.9	17.9	17.8	17.8
61	17.8	17.7	17.7	17.7	17.6	17.6	17.5	17.5	17.5	17.4	17.4	17.4
62	17.3	17.3	17.3	17.2	17.2	17.1	17.1	17.1	17.0	17.0	17.0	16.9
63	16.9	16.8	16.8	16.8	16.7	16.7	16.6	16.6	16.6	16.5	16.5	16.5
64	16.4	16.4	16.3	16.3	16.3	16.2	16.2	16.2	16.1	16.1	16.0	16.0
65	16.0											

Care needs to be taken when deciding the appropriate factors to use because of the way in which the heading of the first column is worded – “*Age in years and completed months on relevant day*”.

Suppose you are a male firefighter whose 53rd birthday was 23rd December and who retired on 25th August the following year. The Commutation rate used would be 20.7 as at his retirement date he would be 53 years and 8 months old. This means that for each £100 of pension he gave up he would receive, in exchange, a lump sum of £2,070.

Why are the factors higher for younger people?

Because, to put it bluntly, they are expected to live longer! The factors reflect mortality statistics.

What should I do if I want to commute?

If you want to commute, notice of commutation, stating the portion to be commuted, **must** be given to the Fire and Rescue Authority before retirement, but not earlier than four months before retirement.

If you wish to “allocate” a portion of your pension (as explained in the section “Allocation”) the total of allocation and commutation together must not exceed one third of your pension.

If, because of divorce or dissolution of a civil partnership, your commuted lump sum is subject to an “earmarking” order, an adjustment will be made in accordance with the directions of the court – see the section “The Effect of Divorce or Dissolution of Civil Partnership”.

ALLOCATION

“Allocation” or “surrender” as it is sometimes known, means the giving up of part of your pension during your lifetime to provide, on your death, a pension for a spouse or civil partner or dependant. It doesn’t work on a straight pound-for-pound basis; the sum provided for the amount given up depends upon the age and sex of the firefighter and of the named beneficiary.

If the election to reduce the pension was made prior to 13 September 2004 and the named beneficiary died before the fire pensioner, the allocated portion would not be added back on to the pension. Pensions reduced on or after 13 September 2004 would now be restored to its pre-allocation level if the beneficiary pre-deceases the fire pensioner.

An allocation, once made, cannot be cancelled.

For more details regarding allocation contact your pensions administrator who will hold a set of Allocation Tables issued by the Government Actuary and would be able to give you an idea of the amount provided by allocation in your own case.

ILL-HEALTH RETIREMENT

A firefighter may be required by the Fire and Rescue Authority to retire on grounds of permanent disablement. In these circumstances, the Firefighters’ Pension Scheme makes provision for ill-health retirement benefits

“Disablement” is defined by the Pension Scheme as meaning “incapacity, occasioned by infirmity of mind or body, for the performance of duty” and “permanent” means that, at the time the question of disablement is considered, it seems likely that it will continue until the person’s normal pension age (55).

Initially it is the Fire and Rescue Authority that determine whether a person is entitled to an award under the Firefighters' Pension Scheme and in doing so they must obtain the written opinion of an independent qualified medical practitioner. "Independent" means that the selected medical practitioner must certify that he or she has not had any previous involvement in the case and is not acting, nor has acted, as a representative of the firefighter, the Fire and Rescue Authority or any other party in relation to the case. "Qualified" means the medical practitioner must have at least a minimum level of occupational health qualification. The opinion is binding on the Fire and Rescue Authority.

If the firefighter refuses to have a medical examination, the Fire and Rescue Authority can make their decision on whatever, if any, medical evidence they may have.

The medical opinion will cover questions of disablement and permanence as mentioned above and any other relevant issues of a medical nature. For example, a Fire and Rescue Authority have a right to reduce an ill-health award by up to one half if the firefighter has brought about, or contributed to, the infirmity by his or her own default. The Fire and Rescue Authority may seek an opinion on this. When the Authority have decided your entitlement to an award they must notify you, in writing, of their decision. If they sought a medical opinion you have the right, within 14 days of receiving the decision, to request a copy of the opinion.

If you are dissatisfied with the medical opinion or with the decision of the Fire and Rescue Authority you have a right of appeal, see the section "Rights of Appeal".

Ill-health gratuity

An ill-health gratuity is payable, instead of a pension, if the firefighter has less than two years' service at the date of retirement on grounds of permanent disablement and provided the infirmity was not caused by a qualifying injury (in which case a pension **would** be payable).

If you have less than one year's service, the ill-health award will be a repayment of aggregate pension contributions.

Ill-health pension

If the Authority award you an ill-health pension on leaving the Fire and Rescue Service it is payable from your first day of retirement.

How much would I get?

This will depend upon –

- your length of pensionable service at the last day of service,
- your average pensionable pay over (normally) the last year of service, and
- whether you are entitled to a lower tier ill-health pension only, or to the addition of a higher tier ill-health pension.

What are these two tiers of pension?

As explained above, you are entitled to an ill-health pension if you are permanently disabled for the performance of the duties of your role. This would be a lower tier ill-health pension.

If it is decided that not only are you permanently disabled for the performance of the duties of your role but also for any other regular employment, you would be entitled to an additional higher tier pension provided you have at least 5 years' pensionable service. "Regular employment" in this context means employment for 30 hours a week on average over a twelve month period.

How is the lower tier ill-health pension calculated?

If you have less than 5 years' pensionable service, the lower tier ill-health pension is calculated in the same way as if it were an age retirement pension, i.e. –

$1/60 \times \text{pensionable service} \times \text{average pensionable pay}.$

If you have 5 or more years' pensionable service the lower tier ill-health pension is calculated in the same way as a deferred pension.

The formula for this is a bit more complicated. Firstly an assessment is made of the "hypothetical" age retirement pension to which you would have been entitled had you served to age 55 – normal pension age – or to 60 if you are Station Manager B or above. Although your pensionable service is projected in this way, the average pensionable pay is not: it would be that used in any other pension calculation on retirement. The hypothetical pension is then pro rated to reflect the number of years you have served to date of leaving as a proportion of the years of service you would be able to count at age 55 (or age 60 if you are Station Manager B or above).

N.B. "Normal pension age" replaced all references to "compulsory retirement age" in the Firefighters' Pension Scheme with effect from 21 November 2005. Compulsory retirement age was age 55 for all ranks up to and including Station Officer, age 60 for all ranks Assistant Divisional Officer and above. Before this amendment to the Scheme, this limit on the number of 60ths that could be awarded in the case of retirement on health grounds reflected the number of 60ths that the person could be expected to have accrued had he/she continued in service to compulsory retirement age. Consequently the change to a normal pension age of 55 reduced the potential number of 60ths that could be awarded to a person holding the rank of Assistant Divisional Officer and above. So that no-one would be placed in a worse position by the change, a special protection was built into the Scheme which allows a person in the role of Station Manager B or above to have the age of 60 used in the test of this limit, rather than normal pension age (55).

How is the higher tier ill-health pension calculated?

The first stage of the calculation includes an enhancement of service. The next stage deducts from the resultant pension an amount equal to the lower tier ill-health pension. The difference will be the higher tier ill-health pension.

The enhancement depends upon how many years of pensionable service you have at retirement. (You must have at least 5 years for the higher tier ill-health pension). –

5 or more years, but less than 10 ⇒ each year of service will reckon as:

$$2/60 \times \text{Average Pensionable Pay}$$

10 or more years, but less than 13 ⇒ the formula is based on:

$$20/60 \times \text{Average Pensionable Pay}$$

13 or more years ⇒ the formula is based on:

$$\text{pensionable service}^* + 7/60 \times \text{Average Pensionable Pay}$$

*each year of service to 20 years = 1/60; each year of service after 20 years = 2/60ths

The resultant pension, however, must not be greater than the age retirement pension that could be achieved at the normal pension age of 55, or age 60 in the case of Station Manager B and above. (And an age retirement pension must not be greater than 40/60ths of average pensionable pay.)

What if I have worked part-time?

As with other types of benefit payable under the FPS, both the lower and higher tier ill-health pensions would first be calculated on the assumption that you had worked whole-time throughout your career. Then they would be scaled down to reflect your part-time service as a proportion of whole-time service.

How are ill-health pensions reviewed?

If a person has been receiving an ill-health pension for less than 10 years and has not reached age 60, the Authority must review eligibility at such intervals as they think proper.

Where a lower tier ill-health pension is in payment, the Authority will consider whether the person has become capable of carrying out any duty appropriate to the role held immediately before retirement.

Where a higher tier ill-health pension is in payment the Authority will consider not only capability for the duties of the former role in respect of the lower tier ill-health pension but also whether the person is capable of undertaking any regular employment, to test continued eligibility for the higher tier ill-health pension.

In other words the test of disablement on review is similar to that applied on retirement.

What happens following the review of a higher tier ill-health pension?

A higher tier ill-health pension will continue in payment if the Authority decide that a person is still incapable of undertaking any regular employment. However, if the Authority are satisfied that, at the time of review, the person would be capable of regular employment, the higher-tier pension will cease immediately.

What happens following the review of a lower tier ill-health pensions?

A lower tier ill-health pension would continue in payment if the Authority decide that a person could not carry out any duty appropriate to the former role. This would apply equally to the person who has never had entitlement to a higher tier ill-health pension and to a person who has had such entitlement. It could be the case, therefore, that a person who is considered capable of regular employment and consequently has the higher tier pension terminated could still continue to receive the lower tier award.

If the Authority decide that the person could carry out any duty of their former role, whether or not the lower tier pension will cease will depend upon whether or not the Authority offer re-employment in such a role. If they do, the lower-tier pension would be terminated (whether or not the person accepts the re-employment); if they do not offer re-employment, the lower tier ill-health pension will continue in payment.

How does an Authority make a decision on medical issues?

The rules of the FPS require that where an Authority have to make certain decisions they must seek the opinion of an independent qualified medical practitioner ("IQMP"), i.e. a medical practitioner who has a certain level of occupational health qualification and who has to certify that he/she –

- has not previously been involved in the case, and
- is not acting as the representative of any party to the case.

The Authority will seek an opinion of an IQMP when deciding if a member of the FPS is entitled to an ill-health pension. They will also seek an IQMP's opinion when reviewing an ill-health pension.

Is my pension lost if it is decided it should stop?

A higher tier ill-health pension would not be re-instated at any time.

A lower tier ill-health pension which is terminated takes on the identity of a "deferred" pension. It would be put into payment again at age 60.

What if my health deteriorates?

A higher tier pension cannot resume. Nor can a higher-tier pension commence to be paid at some time in the future if your health deteriorates to the level at which you would have been considered for such an award if you had that level of disability at the time you retired.

The lower-tier award which is terminated becomes a deferred pension and there is a provision for a deferred pension to be paid before age 60 if the person becomes permanently disabled for engaging in firefighting or performing any other duties appropriate to his/her former role. It would be the Authority that would decide whether the deferred pension would come into early payment. Again they would have to seek the opinion of an IQMP before making their decision.

Could I commute an ill-health pension to provide a lump sum?

Yes. If you are entitled to a lower-tier ill-health pension you can commute up to one quarter of the pension to provide a lump sum. If you are entitled to both a lower and a higher tier ill-health pension you can commute up to one quarter of the total of both pensions.

Review

An ill-health pension may be subject to review from time to time – see the section “Can I Lose My Pension?”

WHAT IF I CHOOSE TO LEAVE THE SERVICE BEFORE I CAN GET A PENSION?

Most firefighters will stay in the service until they are able to leave with immediate payment of benefits. But if you decide to leave before then, or if you choose to move to another Fire and Rescue Authority the options open to you depend upon your length of service, circumstances and choice. You could find yourself having to choose from the following –

Deferred pension

If you can reckon at least two years' service as a member of the Firefighters' Pension Scheme you would be entitled to a "deferred pension" on leaving your Fire and Rescue Authority provided that you are not at the same time entitled to an age or ill-health retirement pension or injury award, nor leaving to join another Authority as a firefighter. A deferred pension, as its name suggests, is a pension calculated on your service and average pensionable pay at the date of leaving and then the payment is deferred until you are eligible to draw it.

If you have read the section "How Much Pension Will I Get?" you will be aware that when an age retirement pension is assessed, service after 20 years counts double in the calculation. In the assessment of a deferred pension the principle of double reckoning is taken into account, even when the firefighter leaves the Pension Scheme **before** completing 20 years.

A deferred pension becomes payable at –

- age 60 in normal circumstances
- at an earlier age if permanent disablement would mean that you would no longer be capable of firefighting or performing any of the other duties appropriate to your role as a firefighter if you were still so employed. (But note that, unlike a pension paid to a firefighter whose employment is terminated on grounds of permanent disablement, the service upon which the deferred pension is based would not be "enhanced" by extra 60ths).

It attracts increases under Pensions Increase Acts and Orders. However, if the deferred pension is put into payment before age 60 on grounds of permanent disablement and you are under age 55, Pensions Increase would not be paid immediately as in the case of an ill-health pension unless you are permanently incapacitated by your infirmity from engaging in **any** full-time employment (i.e. not just the duties of your former role as a firefighter).

If you later decide that you prefer to transfer pension rights to some other pension arrangement rather than leaving your deferred pension with the Fire and Rescue Authority it may be possible to do so. Or, if you return to firefighting at a later date, you could cancel the deferred pension in order that the service on which it was based could be added to the new service accruing in the New Firefighters' Pension Scheme.

Transfer of pension rights to another Fire and Rescue Authority

Quite a few firefighters move from one Fire and Rescue Authority to another during their career, normally for promotion. Although the employer changes, the Pension Scheme does not, provided the move is to an English, Welsh or Scottish authority. A transfer to the Fire Authority for Northern Ireland would be treated as a transfer to another occupational Pension Scheme because the pension scheme rules for Northern Ireland are slightly different. Service accrued with the former authority (including "purchased" service or service reckonable in respect of any previous transfer) always counts as the same number of years and days when transferred to the new Authority.

Transfer of pension rights to an Occupational Pension Scheme, or to a personal or stakeholder pension

If you leave firefighting to take up some other employment you may join another occupational scheme or pay contributions into a personal pension or stakeholder pension. From 6th April 2015 the rules relating to taking a transfer value out of Unfunded Public Sector Pension Schemes changed and additional restrictions were put in place. If you are considering transferring your accrued rights out of the Firefighters Pension Scheme you should ask your new scheme whether they are eligible to receive such a transfer.

If it is possible to transfer your accrued rights held in the Firefighters' Pension Scheme to your new pension arrangement, your accrued rights would be converted into a "cash equivalent transfer value" (CETV) by the Fire and Rescue Authority. The Administrators of your new Scheme, on receipt of details of the CETV, should give you an idea of the benefits the CETV would "purchase" in the new scheme. A CETV represents the capital value of benefits. It is calculated by working out your entitlement to a deferred pension (including spouse's or civil partner's benefits) and then increasing those figure in line with actuarial factors and current market values. The rules of CETVs apply to all Occupational Pension Schemes.

Repayment of pension contributions

If, on leaving the Fire Service (i.e. not transferring to another Fire and Rescue Authority) no other benefit becomes payable you would be eligible for a repayment of your "aggregate" pension contributions.

In other words, if you have less than two years' service (including the value of any pension rights transferred into the Firefighters' Pension Scheme or service which can count in respect of previous membership of the Scheme) and you are not transferring pension rights elsewhere, then you can claim a refund of all of the contributions you have paid into the Scheme.

The amount returned is not the gross sum of contributions. A deduction has to be made from the contributions to represent the higher National Insurance contributions you would have paid if you had not been in a Contracted-Out Pension Scheme. This "buys" you back into the State Second Pension (formerly the State Earnings Related Pension Scheme). Then a tax deduction is made. At the time of writing HM Revenue and Customs require the deduction to be 20%. This is not income tax; it is a tax requirement made of Pension Schemes. The net refund would normally be in the region of half to two thirds of the gross total of aggregate pension contributions.

Your Fire and Rescue Authority's pensions administrator can tell you which of the options apply to you on leaving but is not allowed to advise you on which to select. The final decision would be yours.

A similar choice could face you if, after joining, you decide to opt out of the Firefighters' Pension Scheme.

CAN I PAY EXTRA FOR MORE PENSION?

The Firefighters' Pension Scheme is one of the best Pension Schemes to be in as regards the level of benefits you can expect. Nevertheless, there may still be ways for a firefighter to improve retirement income by paying extra contributions.

Purchase of additional 60ths

If, at normal pension age (55), you will not have enough service behind you to provide the maximum permissible pension based on 40/60ths of pensionable pay, you can elect to "buy"

additional 60ths up to the 40/60ths maximum. This is achieved by paying extra contributions or by paying a single lump sum. There is no doubt that if you took up this option you would find it very expensive – what you are required to pay is the Government Actuary's assessment of the total cost to you **and** the Fire and Rescue Authority of providing benefits.

Any 60ths purchased count not only in the assessment of your own pension, but also in the calculation of commutation and widow(er)'s, civil partner's and children's benefits. They do not, however, count as service for establishing *entitlement* to a pension, e.g. you cannot "speed up" attainment of 25 years' service so as to retire earlier than otherwise possible. Nor can purchased 60ths be taken into account as service when assessing ill-health "compensation". When calculating an injury award the 60ths do not count as service for determining the appropriate table percentage of guaranteed minimum income but then neither are they taken into account when reducing the minimum income by the amount of any other pension as required by the Scheme rules.

You should contact the Fire and Rescue Authority's Pensions Administrator for details of how much it would cost to buy extra 60ths – the costs will be assessed on an individual basis.

An election to purchase additional service is irrevocable. It would only cease at normal pension age. However, the authority have a discretion to consent to temporary or permanent cessation of contributions where there is financial hardship. You would be credited with a portion of the 60ths you had elected to buy, relevant to the contributions you had actually made at the date you stopped paying. This would also be the case if you were to leave the Fire and Rescue Service voluntarily before normal pension age. In the event of ill-health or death in service, however, provided that at least one payment had been made at that time and the authority have not used discretionary powers (as above) to suspend payment, the benefits payable would be enhanced by the full number of 60ths you had contracted to purchase. There are several conditions attached to the election process. The Pensions Administrator would explain them to you if you expressed an interest in making payments.

Free-Standing Additional Voluntary Contributions

Some Pension Schemes have an "Additional Voluntary Contribution" ("AVC") facility whereby scheme members can pay extra contributions into a scheme-linked investment arrangement. The contributions do not buy service but are invested in a personal fund which, on retirement, can be used to purchase an annuity to top up the member's scheme benefits. Such an arrangement does not exist in the Firefighters' Pension Scheme. However, you could always come to an arrangement with a life assurance company or similar to pay contributions to a "Free-Standing Additional Voluntary Contribution" ("FSAVC") or other pension plan.

Concurrent membership of Firefighters' Pension Scheme with a Personal Pension Scheme or a Stakeholder Pension

On 6 April 2001, Stakeholder Pensions became available for the first time and the rules preventing simultaneous or "concurrent" membership of an occupational pension and other types of pension arrangement were relaxed. You may now pay extra contributions for pension provision into either a Stakeholder Pension or a Personal Pension while at the same time paying into the Firefighters' Pension Scheme as a member. Even someone who will attain a full 40/60ths of final pay pension at compulsory retirement age can take up this option.

The Fire and Rescue Authority cannot provide you with a personal or stakeholder pension. As with a FSAVC Scheme you would have to arrange this for yourself through a life assurance company or similar.

Rebuilding pension rights after a pension sharing order is issued on divorce or dissolution of a civil partnership

If you are subject to a pension sharing order on divorce or on the dissolution of a civil partnership it may be possible to rebuild your pension rights. If you wish to improve your benefits by paying additional contributions under the Firefighters' Pension Scheme you may do so subject to the scheme limits (40/60th maximum). Please contact Pensions Administrator for details.

Note that this option applies only where a pension sharing order has been issued. If, on divorce or dissolution of civil partnership, an "earmarking" order was issued, these provisions do not apply. An explanation of these court orders is given in the section "The Effect of Divorce or Dissolution of Civil Partnership".

LUMP SUM DEATH GRANT

A lump sum death grant is paid in respect of a serving regular firefighter who dies, regardless of length of service and whether or not on duty.

If the firefighter is married or in a civil partnership, the lump sum would be paid to his or her legal spouse or civil partner provided they were not living apart at the time of death. (For this purpose, "living apart" means more than a physical separation – it implies recognition by at least one of the spouses that the marriage or civil partnership is at an end).

If the firefighter is unmarried or living apart from his or her spouse or civil partner at the time of death, then the lump sum would be payable to his or her personal representatives, i.e. it forms part of the estate of the deceased.

If, in the event of divorce or dissolution of a civil partnership, a court issues an "earmarking order" to a Fire and Rescue Authority, the Authority may be required to pay part or all of the death grant to a former spouse, rather than to the current spouse or personal representatives. If, instead, the court has issued a "pension sharing" order, the death grant would be paid to the current spouse or estate in accordance with normal principles. The terms of payment of a death grant are not affected by pension sharing orders.

A lump sum death grant would **not** be paid in the case of a firefighter who has opted out of the Firefighters' Pension Scheme.

The death grant is calculated as –

2 x firefighter's annual rate of pensionable pay at date of death

SPOUSE'S BENEFITS

There are various types of spouse's benefit provided by the Firefighters' Pension Scheme. The type payable will depend upon –

- the circumstances of death
- whether the death occurs in service or after retirement/leaving
- the length of the firefighter's service
- the date of marriage and marital situation at death.

However the "normal" spouse's pension is a half rate pension:

If the deceased was a serving FPS member the spouse's pension would be half of the higher tier ill-health pension to which the firefighter would be entitled if he/she had retired on health grounds on the date of death;

If the deceased had left the FPS, was entitled to a deferred pension, but that pension had not yet come into payment the spouse's pension would be half of the deferred pension;

If the deceased was in receipt of pension from the FPS at the time of death the spouse's pension would be half of the pension.

For firefighters who were serving before 1 April 1972, the amount of benefit payable may be less than indicated above and could depend upon personal choice. Before 1966 a firefighter's service attracted a flat-rate widow's pension; from 1966 a firefighter could pay a higher contribution rate for a "third rate" widow's pension (i.e. one third of the firefighter's pension); from 1972 a firefighter's service attracted a "half-rate" spouse's pension (i.e. one half of the firefighter's pension). The firefighter also had an option to pay extra contributions, or pay a lump sum, or take a reduction in his own pension in order to increase the level of widow's benefits where improvements were not retrospective.

This means that over the years there have been a number of different permutations of calculation method. If you have service before April 1972 you should check your death benefit cover with your Fire and Rescue Authority's Pensions Administrator. Even if you do not have service before 1972 but would like further information about death benefits in your own personal circumstances, again your Pensions Administrator can help.

Points to note about widow(er)'s benefits

- Spouse's benefits are provided only for the person to whom the firefighter is either legally married to or registered as a civil partner with, at the time of death. No provision is made for a spouse's pension for any other partner. In the case of marriage or civil partnership after retirement, spouse's benefits would be based on service after 5 April 1978 only.
- Spouse's benefits are not payable to a divorced wife or husband or dissolved civil partner. If husband and wife or civil partners separate, but do not divorce or, the award drops to the level of a "requisite benefit" or the level of any maintenance payments if greater.
- If, on divorce or dissolution of civil partnership, an "earmarking order" is issued by the court, spouse's benefits for any future spouse or civil partner are not affected. If, however, the court issues a "pension sharing order" then the spouse's benefits for a future spouse or civil partner may be reduced in line with the firefighter's own benefits.
- Where a spouse's pension is calculated by reference to a firefighter's actual or notional pension, this is the full pension **before** reduction for commutation, allocation or National Insurance modification. Also ignored in the assessment is any Pensions Increase added to the firefighter's pension.
The spouse's pension is based on a proportion of the basic firefighter's pension before Pensions Increase. Then the spouse's pension itself has increases applied to it (at the same percentage rate as applied to the firefighter's pension).
- A temporary 13-week payment of the firefighter's pay or pension must take into account both the spouse's and children's benefits. The payment normally consists of the spouse's and children's pensions plus a topping-up element bringing the total payment up to the level of the firefighter's pay or pension at the date of death.
- A spouse's pension ceases on re-marriage or formation of a subsequent civil partnership, but not co-habitation.

CHILDREN'S BENEFITS

To receive a benefit on the death of a firefighter, a "child" must satisfy the conditions of dependency and age laid down by the scheme. Details of these conditions can be obtained from your Pensions Administrator.

Similar to spouses benefits there are various types of children's benefit provided by the Firefighters' Pension Scheme. However, the normal children's benefit is a Childs' Ordinary Pension calculated as -

Other parent alive

PENSION: $18.75\% \times \text{firefighter's (notional*) pension per child}$ to a limit of 37.50%

No other parent alive

PENSION: $25.00\% \times \text{firefighter's (notional*) pension per child}$ to a limit of 50.00%

* If the firefighter dies in service the notional pension is the ill-health pension to which he/she would have been entitled at that date.

Payable, regardless of length of service, where the firefighter dies on or off duty or after retirement, other than with a deferred pension, and **not** from the effects of a qualifying injury.

A child's benefit is payable from the date of the firefighter's death in service, or from the start of the following pay period if on pension, or from the date of the child's birth if born posthumously. It will cease when the child ceases to be eligible (normally at age 17 unless in full time education). A permanently disabled child could receive a pension for the rest of his or her life. Payments of pension are made in advance.

THE EFFECT OF PART-TIME SERVICE

If you look at the section "How Much Pension Will I Get" you will see that a firefighter's pension will be a proportion of average pensionable pay \times the length of pensionable service. For each of the first 20 years of pensionable service the firefighter would get 1/60th of average pensionable pay and for each of the next 10 years he or she would get 2/60ths. This is not an easy formula to adapt to accommodate part-time service. If a firefighter reduced hours towards the end of his or her service it would be unfair if the average pensionable pay used for working out the pension was the part-time rate because this would affect the pension based on all service, not just the part-time period. Or if any period of part-time service was counted pro rata, this, too, could distort the pension depending upon whether the part-time service fell in the first 20 or final 10 years. To arrive at an equitable outcome, the Firefighters' Pension Scheme uses the following method of calculating a pension for a firefighter who has part-time service.

Firstly the firefighter is treated as if he or she had been whole-time throughout their entire period of service. The service used in the calculation is based on the whole-time calendar length and the average pensionable pay is based on whole-time pay. In the case of an ill-health pension, the ill-health enhancement assumes the firefighter is and has been whole-time.

Secondly, having assessed the pension on whole-time principles it is then pro rated down to take account of any period/s of part-time service.

These principles would be used to assess an age retirement pension, a deferred pension and an ill-health pension.

What about gratuities?

The injury gratuity would be assessed using the part-time formula. Other gratuities payable under the Firefighters' Pension Scheme are usually "short service" type awards, i.e. paid instead of a pension where the total length of pensionable service is less than two years. Depending upon the length of service, a gratuity would be a refund of contributions or a lump sum based on average pensionable pay. The refund would be based on the contributions actually paid; a lump sum would be based on average pensionable pay. If you were working parttime hours during the

period used to assess average pensionable pay then the average pensionable pay will reflect this. It will be based on the rate of pay actually paid. No special formula is used.

What about the period of service needed to qualify for benefits?

Qualification for benefits relates to the length of pensionable service. Pensionable service is counted at whole-time (calendar) length even if you are part-time. Consequently, where two years' pensionable service is needed to qualify you for entitlement to a pension, provided the calendar length of your service is two years or more you would be eligible for the pension. The same applies when working out if you have the 25 years at or after age fifty to be able to retire before normal pension age, or the 30 years needed for quarter commutation, or the length of service for deciding the appropriate table figure for an injury pension, etc.

How does part-time service affect the contributions I pay?

You will pay the basic contribution rate of 11% less 1p a week on whatever pensionable pay you receive (i.e. on the part-time rate if you work part-time hours).

What about service credit given on a transfer from another Pension Scheme?

If you transferred pension rights from another pension scheme into the Firefighters' Pension Scheme, the service credit given will always count as whole-time service.

INTER-RELATIONSHIP WITH THE STATE PENSION SCHEME

Your Firefighters' Scheme pension won't be the only one you'll get. During your working life, in addition to the contributions you have paid to the Firefighters' Pension Scheme, you have been paying National Insurance contributions. These count towards a pension from the State when you reach State Pension Age (65 for men, 60 to 65 for women depending upon date of birth). The amount of State Pension you receive will depend upon the National Insurance contributions and credits you have accumulated during your working life (age 16 to State Pension Age). If you would like more information about this, or would like a forecast of your State Retirement Pension (especially useful for someone in an occupational pension scheme with an early retirement age like yours) contact your local office of the Department for Work and Pensions ("DWP"). The address and telephone number of your nearest office will probably be listed under "Jobcentre Plus" in a telephone directory. Various leaflets can also be downloaded from the DWP website – www.dwp.gov.uk.

Basic State Pension and modification of certain firefighters' pensions

In 1948, with the introduction of the then new-style State Basic Retirement Pension (the "Old Age Pension"), National Insurance modification of Firefighters' Scheme pensions applied compulsorily to all firefighters appointed after 5 July 1948 and optionally to those appointed before that date. Its intent was to reduce duplication of benefits, i.e. those from the State Scheme and those from the occupational scheme. It worked by "modifying", i.e. reducing, the level of pension contributions paid by firefighters into their pension scheme during employment. Then at State Pension Age, when the former firefighter began to draw the State Retirement Pension, his or her pension from the Firefighters' Pension.

Scheme would correspondingly be reduced. The modification (reduction) to the contributions was 6p a week and in most cases the modification (reduction) to the retirement pension was £1.70 for each year of service to a maximum reduction of £51 a year. When the pension is reduced in respect of the modification, the level of pensions increase ("inflation-proofing") has to be reassessed as well. This has the effect of reducing the total benefits due, by both the modification and a figure equal to pensions increase on that modification. The rates of modification were linked to the rate of State Basic Retirement Pension in 1948 but were never changed. Consequently modification lost its significance and was partly abolished with effect from 1 April 1980. A small modification of 1p a week continued to be applied to contributions to the Firefighters' Pension

Scheme to take account of State Industrial Injury benefits, but no corresponding reduction applies to the Firefighters' Scheme pension in respect of service accrued since 1 April 1980.

Consequently, if you joined the Firefighters' Pension Scheme for the first time on or after 1 April 1980, modification has no significance to you other than offering a tiny reduction in the level of pension contributions which you pay. Those who first joined the Firefighters' Pension Scheme before that date should check with their Pensions Administrator if they require further information on this point.

State Earnings Related Pension Scheme

The State Earnings Related Pension Scheme (SERPS) was introduced on 6 April 1978. For those who contributed to it, it added an earnings-related, second-tier element to the Basic State Retirement Pension. If, however, an occupational pension scheme could satisfy the DWP that it provided benefits at least as good as SERPS could offer – the Guaranteed Minimum Pension (GMP) – then the occupational scheme could be “contracted-out” of this part of State benefit provision. The Firefighters' Pension Scheme was contracted-out with effect from 6 April 1978. It was given the status of a “contracted-out salary related” (“COSR”) Pension Scheme.

State Second Pension

On 6 April 2002, SERPS was replaced by the State Second Pension. Like SERPS this operates as a second-tier element of State retirement benefits paid in addition to the State Basic Retirement Pension. As with SERPS, the Firefighters' Pension Scheme is contracted out of the State Second Pension. Consequently, during any period of service as a firefighter you will not have been contributing to SERPS or the State Second Pension; you have paid a lower rate of National Insurance contribution and will not have accrued any SERPS or Second Pension entitlement.

State Pension Scheme forecasts

You can request the DWP to provide you with a forecast of your entitlement to benefits from the State Pension Scheme. To do this you need to complete a Form BR19 which you can obtain from your local DWP office or download from the DWP website – see the introduction to this section.

EFFECT OF TAX RULES

The FPS has to comply with rules set by HM Revenue and Customs. There are, for example, limits on the amount of pension and lump sum which can be taken by a Pension Scheme member before tax charges apply.

The two main limits on your benefits are the annual allowance and the lifetime allowance. The growth in the value of your pension each year must be compared with an annual limit set by the Treasury. If the value exceeds the limit, tax would be due, payable through self-assessment. Where this occurs the Pension Section will provide you with a Pension Savings certificate confirming the amount on which tax is due and the tax reference to be quoted on your self-assessment return.

When benefits are due the total value must be tested against the lifetime allowance, also set annually. If the value exceeds the limit, tax would be deducted by the Fire and Rescue Authority and paid over to HM Revenue and Customs.

The testing of the value of benefits at retirement is in respect of all pension benefits you may have accrued, including from arrangements other than the FPS. Consequently, your Fire and Rescue Authority will ask you to provide statements in respect of any other pension arrangement you may have so that they can check the total value of benefits before making payment from the Scheme. Your Authority can give you more details of the way in which tax rules work, how benefits are valued, the limits for the next few tax years and the tax chargeable.

WILL MY PENSION INCREASE AT ALL?

All Firefighters' Scheme pensions, whether in payment or deferred, your own or that of a spouse, civil partner, child or other dependant, are normally reviewed each April in line with "cost-of-living" increases. The increases are not discretionary; the rate is set out in the annual Pensions Increase (Review) Orders and applied by the Fire and Rescue Authority.

Pensions Increase ("PI") is assessed as a percentage to be added to your pension. If your pension began **before** the last PI review date you would get the full annual increase; if your pension began **after** the last PI review date you would get a percentage increase assessed pro rata. The day a pension "begins" is the day following the averaging period used for assessing the average pensionable pay in the benefit calculation. Normally this would be the day following your last day of service.

Although PI is applicable from the "beginning" date, if a person is receiving a pension other than an ill-health or injury award, payment of PI does not commence until age 55. On the pensioner's 55th birthday the compounded percentage of all increases since the beginning date would be applied to the pension and put into payment.

If, having left the Fire and Rescue Service, a deferred pension is put into premature payment on grounds of disablement, for PI to be paid immediately you would have to be medically certified as being incapacitated by the infirmity from engaging in **any** regular full-time employment (not just any duties relevant to your former role as a firefighter).

The "beginning" date used for your pension is also used to assess PI on any widow(er)'s, civil partner's and other dependant's benefits which may subsequently become payable.

For a pension credit member (i.e. the ex-spouse or former civil partner of a firefighter who has a pension in his or her own right under a pension sharing order or provision – see the section "The Effect of Divorce or Dissolution of Civil Partnership") the "beginning" date for PI purposes is the date on which the order or provision takes effect.

Up to State Pension Age (65 for a man, 60 to 65 for women depending upon date of birth) the Fire and Rescue Authority have sole responsibility for paying PI. They keep full responsibility after State Pension Age **unless** you have accrued a Guaranteed Minimum Pension ("GMP") as explained in the section "Inter-Relationship With The State Pension Scheme" in which case the Department for Work and Pensions ("DWP") takes over partial responsibility. The DWP will pay, as part of your State Scheme Pension, a sum equivalent to all the PI due on the value of GMP accrued between 6 April 1978 and 5 April 1988 and part of the PI due on the value of GMP accrued between 6 April 1988 and 5 April 1997 (the Fire and Rescue Authority make up the difference).

CENTRAL SERVICE

Sometimes a firefighter will leave his or her Fire and Rescue Authority in order to take up a temporary or permanent "Central Service" appointment in connection with the provision of Fire Services, e.g. as an Instructor at the Fire Service College. Those who are offered a temporary appointment will normally have entitlement to continue as members of the Firefighters' Pension Scheme.

Those who are offered a permanent appointment should check their position with the Fire and Rescue Authority's Pensions Administrator and the relevant contact person for the appointment. If you are already in receipt of retirement benefits from the Firefighters' Pension Scheme, abatement of benefits may apply. If you remain a member of the Scheme you will continue to pay contributions on the pay appropriate to your role (in your Central Service post) and in return would continue to accrue pensionable service as if you were with a Fire and Rescue Authority.

In normal circumstances a firefighter on a temporary appointment will return to his or her Authority – if only for a day – before retiring.

HOW WILL I BE PAID?

Once the Fire and Rescue Authority are satisfied that you have entitlement to the payment of an award, any pension due will be paid in advance at reasonable intervals determined by the authority. There is no set date by which payment, including the issue of a commuted lump sum, must be made although the Fire and Rescue Authority will try to make sure that you receive your money without any undue delay.

The Fire and Rescue Authority will also wish to ensure that payments of pension intended for you are actually reaching you and that the money is secure. For this reason, payments of pension instalments are normally made to a bank or a building society account in your name. Also, you may be issued from time to time with a "life certificate", a form for you to sign, have countersigned, and return, basically as proof that you are still alive and living at the address to which the authority are sending correspondence. Only when a fire pensioner becomes incapable of managing his or her affairs would the Authority consider paying the pension to a third party, and then only after they are satisfied that the money would be used for the benefit of the pensioner. All this may seem rather bureaucratic but remember that if you are going to receive the pension for the rest of your days the Fire and Rescue Authority must exercise strict security in your own best interests particularly if and when you are old or infirm.

There is usually no problem about payment if you decide to live abroad after retirement. Get in touch with the pensions administrator if you are moving overseas.

Only in exceptional circumstances can any part of your pension be withheld or withdrawn, although by mutual agreement and with your written consent the Fire and Rescue Authority may deduct from your pension or lump sum certain debts such as the balance of a car loan arrangement or rent. Also, in cases of divorce or dissolution of a civil partnership, a court order may be issued requiring the Fire and Rescue Authority to pay a portion of the firefighter's pension to a former spouse or partner.

CAN I LOSE MY PENSION?

Once you have entitlement to a pension it cannot easily be taken away from you! You should take note, however, of the occasions when the Fire and Rescue Authority have the power to review your pension rights, to withhold them on a temporary basis, or to withdraw them on a permanent basis.

Review of ill-health and injury pensions

For so long as a former firefighter is below the age at which he/she could or should have retired with entitlement to an age retirement pension, and is in receipt of an ill-health award, the Fire and Rescue Authority **may** review whether or not he/she is still incapable of performing the duties of a firefighter and so still entitled to receive the pension.

Termination of a benefit following a review happens infrequently. If it does, within the following month you have the right to return to your Authority as a firefighter in a role at a level equivalent to, or higher than, that which you had when you retired. Choosing not to return does not mean that your pension continues in payment. Injury awards **must** be reviewed from time to time, at least for the five years after first becoming payable.

At any time after that, the Fire and Rescue Authority may resolve not to review a case again. The reason for review is that the medical opinion upon which an award is made, although considered in terms of permanent incapacity, is a judgement based on medical knowledge at a given time. A former firefighter's health could subsequently deteriorate or improve.

Reduction of ill-health pension in case of default

The Fire and Rescue Authority have the discretionary power to reduce an ill-health pension by up to one half if a firefighter brings about or contributes to the infirmity by his/her own default. Although an authority has this power, it is rare to see it exercised.

Re-employment as a regular firefighter

If you retire on pension and subsequently return to firefighting with a Fire and Rescue Authority, the Fire and Rescue Authority paying the pension have the right to withdraw all or part of it during the period of re-employment (even if the fire pensioner chooses not to become pensionable on re-employment).

Re-employment elsewhere in the public service

H.M. Treasury sets the guidelines for re-employment of public service pensioners. Abatement provisions may apply where a pensioner recommences public service covered by some other Pension Scheme but using the professional skills gained in the former employment. This could be the case, for example, if after retiring on pension you take up a post connected with firefighting covered by the Civil Service Pension Scheme. Advice on individual cases should be obtained from your Pensions Administrator or the Department for Communities and Local Government.

Forfeiture of pension

You would have to be guilty of a **very serious offence** indeed to have to forfeit your pension rights.

If you **are** found guilty of such an offence the extent to which your pension rights will be forfeit is the decision of the Fire and Rescue Authority. They have the discretionary power to decide whether the pension rights should be forfeited temporarily or permanently, in part or in whole. This can be done whether or not the pension is at that time in payment. Forfeiture may be considered if you are convicted of –

- (a) treason, or
- (b) an offence or offences under Official Secrets Acts for which you are sentenced at one time for imprisonment for at least 10 years, or
- (c) an offence in connection with your duties as a firefighter which is certified by the Secretary of State to be gravely injurious to the interests of the State or to lead to a serious loss of confidence in the public service.

Only in circumstances (a) and (b) above could you be deprived of the whole of your pension.

The Fire and Rescue Authority can restore a forfeited award to you at any time they think fit, or apply it for the benefit of a dependant who, but for your misdemeanour, would be entitled to receive it. It must be remembered, however, that this is a discretionary power. Forfeiture of pension rights can mean just that – the entitlement can be wiped out for ever. Fortunately, because of the seriousness of the offence which must have been committed before forfeiture can apply, it is rarely necessary for a Fire and Rescue Authority to consider taking such drastic action.

Recovery of an authority's money lost due to fraud, theft or negligence

If, as a result of fraud, theft or negligence on the part of a firefighter in connection with his or her employment there is a loss to the funds of a Fire and Rescue Authority, the Authority may withhold an amount, not exceeding the loss, from any award attributable to service as a firefighter.

Divorce or dissolution of civil partnership

In the event of divorce, nullity of marriage, judicial separation or dissolution of a civil partnership, the court may order that part of your benefits under the Firefighters' Pension Scheme should be paid to your former spouse or partner – see the section "The Effect of Divorce or Dissolution of Civil Partnership (England & Wales)".

Prevention of duplication of benefits

The Firefighters' Pension Scheme has rule which prevents a person from receiving two or more pensions from the Scheme. This does not, however, prevent the child of two firefighters from receiving two awards if both parents should die; nor would it prevent a person, entitled to a pension under the Scheme in their own right as a former firefighter, from receiving survivor's benefits in respect of a spouse or civil partner who was also a firefighter.

The rule will normally apply if, say, a regular firefighter who is also a retained firefighter receives an injury in the exercise of duties as a retained firefighter and has to leave both employments. In the absence of the non-duplication rule the person could potentially receive an ill-health award in respect of both employments. The "non-duplication" rule would allow the payment of only one ill-health award (which would be a sum equivalent to the greater of the two ill-health awards otherwise due).

THE EFFECT OF DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP (ENGLAND AND WALES)

In the event of divorce, nullity, judicial separation or dissolution of civil partnership, a court may order a Pension Scheme to pay all or part of a member's benefits to his/her former spouse or civil partner. This could be in accordance with an "earmarking" order or a "pension sharing" order.

An earmarking order could apply to all or part of your retirement pension or possibly your death grant. If you have already retired, the order may require immediate payment of pension to your former spouse or civil partner. If you are an active or deferred member the order would not have effect until the benefits become payable.

A Pension Sharing Order would have immediate effect. The court would instruct that a percentage of the value of your benefits should be deducted to provide "pension credit rights" for your former spouse or civil partner. The pension credit rights would remain in the FPS until he/she is eligible to draw them (at age 60). The pension credit can be commuted to provide a lump sum or would be paid as a death grant if the former spouse or civil partner (known as a "pension credit member") dies before age 65. It cannot be transferred to another pension arrangement.

Civil Partnerships

From 5 December 2005, under the Civil Partnership Act 2004, it is possible for same-sex partners to form (i.e. register) a civil partnership. Civil partners will be subject to similar arrangements for the adjustment of pension as those which apply in the case of a married couple, if there is a dissolution of the partnership by the courts.

I DON'T WANT TO BE IN THE FIREFIGHTERS' PENSION SCHEME

Up to 5 April 1988 it was compulsory for a regular firefighter to be in the Firefighters' Pension Scheme. From 6 April 1988 it has been possible to opt out. You must, however, still be covered by some form of Pension Scheme – either the State Second Pension (see the section “Inter-Relationship With The State Pension Scheme”) or by arranging your own personal or stakeholder pension. The Fire and Rescue Authority cannot pay contributions to a Personal or Stakeholder Pension Plan.

Opting out

You can opt out of the Firefighters' Pension Scheme at any time by giving written notice to your Fire and Rescue Authority that you do not wish to pay contributions. The notice would take effect on the following pay day. Service does not reckon where contributions are not paid.

Cancelling an election to opt out

You would NOT be entitled to rejoin the FPS after opting out, however, you may be eligible to join the either the 2006 or 2015 Firefighters' Pension Schemes.

It should also be noted that members who take a career break would not be entitled to rejoin the FPS.

Entitlement to benefits based on pensionable service

If you opt out of the Scheme within three months of joining, all your contributions are returned; you are treated as if you had never joined, and so have no pensionable service. If you opt out **after** your first three months, then you **do** have pensionable service and have various options as regards benefits accrued in respect of that service. The options are quite similar to those available for “early leavers” (see the section “What If I Choose To Leave The Service Before I Can Get A Pension?”) but there are one or two differences. Appeal provisions remain the same, however. If you can count more than three months but less than two years of service then you could apply for a refund of contributions. The refund would be paid on the same terms as for “early leavers”. With two or more years' service you could choose to leave your accrued pension rights in the Firefighters' Pension Scheme. A deferred pension would be assessed on the terms outlined for “early leavers”.

A transfer of pension rights to another Occupational Pension Scheme is obviously not possible while you are a serving firefighter but, depending upon length of service, it may be possible to arrange a transfer to a Personal Pension Plan, a Stakeholder Pension or to a “buy-out” policy. If you leave the Fire and Rescue Service then the normal transfer options for “early leavers” become available.

Age retirement

Although the normal pension age for an active member of the Firefighters' Pension Scheme is age 55, this does not affect an optant-out. If the optant-out has a deferred pension this will not normally come into payment until age 60. The optional earlier retirement age of 50 or over with a minimum of 25 years' service is irrelevant for an optant-out because it would not enable immediate payment of benefits as it does for a Scheme member.

Ill-health retirement

An optant-out can be required to retire on health grounds but an ill-health award would not be payable. Instead, if there were entitlement to a deferred pension this would be put into payment prematurely. It would not, however, have any ill-health “enhancement” of 60ths, although it would attract Pensions Increase even if the person is below age 55. Medical review of the firefighter's incapacity and entitlement to payment of the deferred pension would take place on the same terms as reviews of an ill-health award (see the section “Can I Lose My Pension?”).

RIGHTS OF APPEAL

Any determination as to entitlement to an award under the Firefighters' Pension Scheme is made, in the first instance, by the Fire and Rescue Authority. If, however, you are unhappy about the authority's determination or about the way in which your pension has been administered there are a number of appeal procedures you can call upon.

It is important that you select the appropriate appeal route for your complaint.

Initially, if you are unhappy about something, it would be helpful first to get in touch with the Fire and Rescue Authority's Pensions Administrator. A problem may have arisen because of a misunderstanding or a simple error which is easy to correct without need to resort to formal appeal arrangements. If your problem cannot be resolved informally in this way, then the various procedures and persons, by which and to whom you can appeal, are listed below. This guide can only give an outline. The Pensions Administrator can give you more detailed information.

Appeal to Board of Medical Referees against medical opinion: if a Fire and Rescue Authority are considering whether or not to make an award of an ill-health pension to a firefighter, they must obtain the written opinion of an independent qualified medical practitioner as to whether the person is permanently disabled for the duties of his/her role and, if so, whether he/she would be capable of any other regular employment. They must notify the firefighter of their decision as to award and supply a copy of the medical opinion upon which it is based. If the firefighter is dissatisfied with the award and believes the problem lies in the medical opinion, then he/she can appeal against the opinion. Initially, however, if the firefighter can offer fresh evidence for reconsideration he/she may do so with the authority's consent. Failing satisfaction, he/she can progress to medical appeal where a hearing, by a Board of Medical Referees, would be arranged by the Secretary of State. The appeal can only be withdrawn with the consent of the appellant.

A similar appeal process applies if an ill-health award is reviewed and the person is dissatisfied with the outcome.

Appeal to the Pensions Ombudsman against a decision of entitlement to, or payment of, an award

If you think you are entitled to an award and the Fire and Rescue Authority determine you are not, or do not allow what you believe to be your full entitlement, then under the rules of the Firefighters' Pension Scheme you have a right to ask the Authority to reconsider their decision. If you remain dissatisfied, the Scheme gives you a right of appeal to the Pensions Ombudsman.

Note that you cannot use this appeal route to re-open any medical issue decided by a Board of Medical Referees, or to challenge a decision made by the Fire and Rescue Authority under discretionary powers (other than forfeiture of pension rights) or to question a Certificate of Pensionable Service which has become conclusive.

Internal Dispute Resolution Procedures

The Pensions Act 1995 requires all occupational Pension Schemes to have Internal Dispute Resolution Procedures for dealing with complaints from scheme members. How these should apply in principle in respect of the Firefighters' Pension Scheme were agreed in 1997 by the Joint Pensions Committee of the Central Fire Brigades' Advisory Councils. Local arrangements will have been decided by your Fire and Rescue Authority in accordance with those principles.

There are two stages of appeal.

The first stage will normally be heard by the Chief Fire Officer of the Fire and Rescue Authority or by an authorised representative of the Chief Fire Officer.

If dissatisfied with the outcome of the first stage, the firefighter can ask for the complaint to be considered at the second stage of the Internal Dispute Resolution Procedures. At the second stage the complaint will normally be considered by elected members of the Fire and Rescue Authority.

The firefighter must give full details of his or her complaint at both stages of the appeal. Forms for this purpose can be obtained from the Authority's Pensions Administrator.

You should note that the Internal Dispute Resolution Procedures cannot apply where, in respect of any disagreement between the Pension Scheme and the Scheme member –

- proceedings have begun in any court or tribunal, or
- the Pensions Ombudsman has commenced an investigation into a complaint or dispute referred to him (although, as you will see below, the Pensions Ombudsman will not normally become involved in a case unless it has first gone through Internal Dispute Resolution Procedures), or
- an appeal has been made to the Board of Medical Referees.

The Pensions Advisory Service

The Pensions Advisory Service (TPAS) is available at any time to assist Occupational Pension Scheme members and beneficiaries in connection with any pensions query they may have or any difficulty which they have failed to resolve with their pension scheme administrator. TPAS cannot enforce pensions action but, if felt appropriate, it could recommend a person to put their case to the Pensions Ombudsman.

The Pensions Advisory Service can be contacted at – 11 Belgrave Road, London SW1V 1RB or telephone 0845 6012923. Their website can be found at: www.pensionsadvisoryservice.org.uk.

Pensions Ombudsman

The Pensions Ombudsman can investigate a Pension Scheme member's complaint of maladministration or a dispute of fact or law between a Scheme Member and the Pension Scheme Managers or employer. However, the Ombudsman cannot help if court proceedings have begun in respect of the dispute or if an appeal has been made, under the Firefighters' Pension Scheme, to the Medical Appeal Board.

The Ombudsman will expect the case to have first been put through Internal Dispute Resolution Procedures.

Also, a complainant who writes to the Ombudsman direct will normally be requested to have the case dealt with initially by the Pensions Advisory Service.

The Pensions Ombudsman can be contacted at – 11 Belgrave Road, London SW1V 1RB or telephone 020 7834 9144.

The Ombudsman's website can be found at: www.pensions-ombudsman.org.uk

The Pensions Regulator

The Pensions Regulator is a regulatory body which came into existence on 6 April 2005 having been set up under the Pensions Act 2004. (It replaced the earlier Occupational Pensions Regulatory Authority). It ensures that Pension Scheme members' interests are protected and that schemes comply with the law. It deals with issues about Pension Schemes as a whole. Normally it would expect a Scheme member with a personal grievance to seek resolution through the Internal Dispute Resolution Procedures, the Pensions Advisory Service and the Pensions Ombudsman.

The Pensions Regulator can be contacted at – Napier House, Trafalgar Place, Brighton BN1 4DW or telephone 0870 6063636.

The Pensions Regulator's website can be found at: www.thepensionsregulator.gov.uk.

SUMMARY OF THE PROVISIONS OF THE FIREFIGHTERS' PENSION SCHEME

Membership – the Scheme closed to new members wef 6th April 2006. Prior to this it was open to all regular firefighters (whole-time and part-time) with a Fire and Rescue Authority. It is not compulsory.

Basic Contribution Rate is 11% of pay, less 1p a week.

Additional Contributions can be paid, by election and subject to eligibility, to “purchase” additional benefits.

Previous Service as a firefighter or with another pension arrangement may be transferred to add to current service as a member of the Firefighters' Pension Scheme.

Normal Pension Age is age 55. However, a firefighter can choose to retire before this, with immediate payment of retirement benefits, provided he/she is aged 50 or over and has at least 25 years' service.

Assessment of Pension annual pension: $\text{service}^*/60 \times \text{average pensionable pay}$
* each year of service to 20 years = $1/60^{\text{th}}$ each year of service after 20 years = $2/60^{\text{ths}}$ to a maximum of $40/60^{\text{ths}}$.

If the firefighter has a period of part-time membership of the Scheme, the pension will be adjusted to reflect the part-time service.

Commutation is possible within certain limits and according to age, in order to convert a portion of the annual pension into a lump sum.

Allocation is the right to give up a portion of one's own pension for a spouse, civil partner or dependant on death.

Ill-Health Award is payable in the event of permanent incapacity.

Early Leaver Benefits apply in the event of leaving the Fire and Rescue Service before a pension is payable.

The options, dependent upon length of service and future employment, are:

- a deferred pension
- a transfer of pension rights to another Fire and Rescue Authority
- a transfer of pension rights to another Pension Scheme
- a transfer of pension rights to an individual policy
- a refund of contributions. Scheme has contracted-out status which means that the level of benefits payable by the Scheme meets minimum requirements.

Death benefits are provided in the form of a lump sum death in service grant together with benefits for a surviving spouse or civil partner and dependants' benefits.

Effect of divorce depends upon the decision of the court. If the court issues an "earmarking" order, all or part of the death grant, pension or lump sum by commutation may be paid to the former spouse or civil partner at the time those benefits would normally be paid to, or in respect of, the firefighter. If, instead, the court issues a pension sharing order, part of the firefighter's accrued value of pension rights will be deducted from the effective date of the order to provide benefits for the former spouse or civil partner who becomes a "pension credit member" of the Firefighters' Pension Scheme.

Pension credit member's benefits are provided for the former spouse or civil partner of a Scheme member in the event of a court issuing a pension sharing order on divorce. The benefits are payable from age 60 and comprise a pension and, provided the firefighter had not already commuted part of his/her pension, the option of a lump sum.

Pensions Increase i.e. "cost-of-living" increases, are paid with immediate effect on ill-health pensions and from age 55 on age retirement pensions.

Rights of Appeal can be used if dissatisfied with the reckoning of previous service, the decisions of the Fire and Rescue Authority as to the type and amount of award, or the medical opinion on which the decisions are based. There are further and alternative rights of appeal allowable under the Pensions Act 1995.

WHERE CAN I FIND OUT MORE?

Please remember that to keep this guide brief and straightforward it simplifies and condenses a lot of the rules. It should not, therefore, be taken as a complete statement of the law, but rather as a first source of reference. Nothing in these notes can override the Firemen's Pension Scheme Order 1992 and other relevant pensions legislation. In the event of any unintentional difference, the terms of the legislation will prevail.

Contact details for enquiries are:

**The Pensions Office
West Midlands Fire and Rescue Service
Fire Service Headquarters
99 Vauxhall Road
Birmingham
B7 4HW**

Tel: 0121 380 6932/6933