

X FIRE AND RESCUE AUTHORITY

**A GUIDE TO
THE FIREFIGHTERS'
PENSION SCHEME 1992**

The Firefighters' Pension Scheme

September 2006

THE FIREFIGHTERS' PENSION SCHEME 1992

When people first start working, a retirement pension is often one of the last things they think about. As they get older and take on more responsibilities they begin to wonder how they will manage in retirement or how, if anything were to happen to them, their family would manage.

You are a member of the Firefighters' Pension Scheme. As a member, you belong to a public service scheme which provides very good benefits.

The Scheme's benefits including the following –

- an inflation-protected pension based on your length of service and average final pay
- an option to convert part of the pension to a lump sum
- early payment of benefits if you have to retire on grounds of permanent ill-health
- death-in-service cover of a lump sum equal to twice pensionable pay
- a pension for your widow(er) or civil partner
- children's and dependants' pensions

This booklet is a brief guide to the Scheme. It summarises the main rules which apply at the date of printing (see page 2) but nothing it contains can override pensions legislation. In the event of a dispute or disagreement the rules and regulations which govern the Scheme would be used to reach a decision.

As a firefighter you are also covered by The Firefighters' Compensation Scheme which would pay benefits to you, and/or to your dependants, should you become disabled or die, as a result of an injury received in the exercise of your duties as a firefighter. The rules of the Compensation Scheme are set out in a separate booklet. Ask your fire and rescue authority for a copy if you have not been provided with one (contact details are given on page 30).

"A Guide to the Firefighters' Pension Scheme 1992"

This issue reflects the Scheme rules which apply at April 2006 as they apply in Scotland

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BACKGROUND

The first pension scheme specially designed for firefighters was introduced in 1926. As with all occupational pension schemes, the rules of the Firefighters' Pension Scheme are reviewed and amended from time to time to reflect changes in the nature of the service, and society as a whole. This booklet sets out the rules of the Firefighters' Pension Scheme 1992 ("FPS") which came into effect on 1 March 1992 but which has been amended from time to time since that date.

The FPS is a statutory, public service pension scheme initially made under section 26 of the Fire Services Act 1947. This Act was repealed by the Fire and Rescue Services Act 2004, but section 36 of the 2004 Act allowed the Scheme to continue in force. It became a closed scheme on 6 April 2006 when the New Firefighters' Pension Scheme was introduced (see "Membership" on page 6).

Unlike occupational pension schemes in the private sector, the FPS does not have trustees. Also, it does not have the usual type of pension fund found in the private sector which uses investments to help meet its liabilities. The FPS in Scotland is a pay as you go scheme. In other words your contributions are not put into a pension fund but instead are used to meet the current payments of the fire and rescue authority's retired firefighters. Whilst this system of financing the scheme is maintained eventually when you retire your pension will be funded by firefighters employed at that time. The deficit between the contributions being paid in and the benefits being paid out at any given time are met by the fire authority and represents the employers share of meeting the overall cost of providing a pension under the FPS. A different means of financing the scheme is used in England.

Social Security rules can have an impact on the way pension schemes work. The FPS is "contracted out" of the State Second Pension arrangements. To be given contracted out status a pension scheme has to meet certain minimum requirements. Members of a contracted out scheme pay a lower, contracted out rate of National Insurance contributions.

HM Revenue and Customs give certain tax concessions to "registered" pension schemes. The FPS is such a scheme. This means that contributions paid and certain benefits accrued, provided they are within required limits, are exempt from tax charges.

Like all other pension schemes, the FPS must comply with Pension Acts although, as a public service scheme, it is exempt from some requirements. Regulations made under Pension Acts require you to be given certain items of basic information about the Scheme; this booklet has been written to comply with those Regulations.

Some pension terms may be unfamiliar to you or have a special meaning in the context of the FPS. An explanation of terms and expressions is given on pages 26 and 27.

If you would like more information about the Scheme, contact details are given on page 30.

MEMBERSHIP

On 6 April 2006, the Firefighters' Pension Scheme 1992 became a closed scheme. Consequently current active members of the FPS will be those who satisfied the membership conditions and joined before that date, who have not opted out of the Scheme, and who have not had any subsequent break in continuity of employment.

One of the conditions for membership was that a person should have been appointed as a regular firefighter by a fire and rescue authority on terms under which he or she may be required to engage in firefighting. Having joined the FPS, however, membership can continue if a person is required to perform just the non-firefighting duties appropriate to his or her role. This means, for example, that if a person becomes unfit for the "operational" aspects of the role, provided there is no break in the continuity of the employment, he or she would be allowed to remain a member.

OPTING OUT

If you do not want to be a member of the FPS you can opt out at any time by giving written notice to your fire and rescue authority. The notice would take effect from the following pay day.

If you have less than 3 months' service when the notice takes effect, you would normally receive a refund of any contributions you have paid (see page 9). If you have 3 months' or more, but less than 2 years' qualifying service, you would have a choice of a refund or a transfer of accrued pension rights to another pension arrangement (see page 13). With 2 or more years' service, you would be entitled to a deferred pension (see page 11) or a transfer of accrued rights to another pension arrangement.

You would cease to have any further cover under the Scheme (other than that provided by any deferred pension). You would, however, continue to be covered by the provisions of the Compensation Scheme.

If you subsequently change your mind and wish to rejoin the Scheme you would not be permitted to do so. Instead, you may be allowed to join the New Firefighters' Pension Scheme. This would be subject to –

- you not being able to count 40 or more years in the New Firefighters' Pension Scheme (e.g. if a transfer of any pension rights held in the FPS to that Scheme is permitted)
- a medical examination at your own expense to satisfy your fire and rescue authority of your good health if they so require.

Your election to join would take effect from the following pay day.

Seek independent financial advice if you are thinking about opting-out of the FPS. You would save the cost of contributions but would probably pay more by way of tax (contributions attract tax relief) and National Insurance contributions (while a member of the FPS you pay the lower, contracted out rate). And you and your dependants would cease to have the cover the FPS provides.

WHAT ABOUT PREVIOUS PENSION RIGHTS?

On taking up your employment you would have been asked to give details about any previous membership of a pension scheme and to indicate whether you would like your fire and rescue authority to explore the possibility of a transfer of pension rights to the FPS. If you did not request a transfer at that time, this option temporarily remains open. The FPS can accept a transfer from –

- another occupational pension scheme,
- a personal or stakeholder pension scheme,
- a retirement annuity contract

but will not accept a transfer of pension credit rights (i.e. rights based on a portion of the pension of a former spouse or civil partner as required under a pension sharing order on divorce or dissolution of a civil partnership). Nor will a transfer be accepted if it does not meet certain "contracting out" requirements. Earlier membership of the FPS will normally count automatically but you should ensure your fire and rescue authority are aware of it.

An application for a transfer must be made in writing. Your fire and rescue authority will provide you with an estimate of the benefits such a transfer would "purchase" in the FPS. You should compare this with any pension options offered by your previous scheme and decide, within the time limits, whether you wish the transfer to proceed.

If you have pension rights in some other arrangement but have lost contact with the administrators, the Department for Work and Pensions offer a Pension Tracing Service. All pension schemes (including the FPS) have to be registered with them and the Tracing Service can help pension holders and/or their dependants trace "lost" pension rights. They can be contacted at –

Pension Tracing Service, Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA
Tel: 0845 6002 537 Website: www.thepensionservice.gov.uk

HOW MUCH DO I PAY?

As a member of the FPS you pay a contribution of 11% of pensionable pay. As mentioned previously your fire and rescue authority also pay a share of the overall pension costs and this is estimated to be about 26.5% of pensionable pay including additional charges for ill-health awards.

The pensionable pay upon which contributions are assessed is the amount determined in relation to the duties of the role. If you are part-time, contributions will be deducted on your part-time pay. For anyone who first joined the Scheme after 31 May 1989 there is an "earnings cap" imposed by HM Revenue and Customs on pensionable pay. For tax year 2006/07 this is £108,600. This means that contributions will not be deducted, and benefits will not be assessed, on pay above this amount.

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.)

CONTRIBUTIONS FOR UNPAID LEAVE

During paid maternity, paternity 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 within certain time limits, 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 full cost i.e. your contribution and the fire and rescue authority's share. (At their discretion the fire and rescue authority may agree to pay the employer's contribution for you.)

Contact your pensions administrator (details are given on page 30) if you require more information about these options.

HOW MUCH SERVICE DO I NEED TO QUALIFY FOR A PENSION?

To be eligible for any of the pensions mentioned in this booklet, you must have at least 2 years' pensionable service in the FPS. If you have less, you would still be eligible if you have had a transfer of personal pension scheme rights into the FPS.

AT WHAT AGE WOULD I BE PAID MY PENSION?

Normal pension age for all members of the FPS is age 55. If you choose to retire at or after this age, your pension would be put into immediate payment. Or you could retire earlier with immediate payment of benefits provided you have reached age 50 and have at least 25 years' service. (See "Age retirement pension" on page 10.)

An ill-health pension (see page 12) may be payable at any age.

If you leave the FPS before becoming entitled to payment of age or ill-health retirement benefits you may be awarded a deferred pension (see page 11). This would be payable from –

- age 60, or
- subject to appropriate medical certification, at any age, on grounds of permanent ill-health which prevents you from undertaking any regular employment.

Your fire and rescue authority may require you to retire if they consider that your retention in the fire and rescue service would not be in the general interest of efficiency. You must, however, be eligible at that time for immediate payment of an age retirement pension, having attained age 50 and having at least 25 years' pensionable service.

CAN I HAVE A REFUND OF CONTRIBUTIONS?

A refund can be paid only if you –

- have less than 2 years' qualifying service in the FPS, and
- a transfer of personal pension rights has not been paid into the Scheme.

If you are eligible for a refund, this would be the total of all the contributions that you have paid. Deductions would be made from the refund in respect of –

- the certified amount of any Contributions Equivalent Premium due; this is a payment that has to be made to "buy" you back into the State Second Pension – while a member of the FPS you will have been contracted out of that element of the State pension scheme; and
- tax – under current HM Revenue and Customs rules this is currently 20% in respect of the first £10,800 refunded and at 40% in respect of any amount in excess of £10,800.

HOW IS A PENSION CALCULATED?

How each of the various types of pension are calculated is explained on the following pages, but there are certain basic principles.

The FPS is a final salary pension scheme which means that your pension will be a proportion of final average pensionable pay. The proportion will depend, in part, upon how much pensionable service you have at the time of leaving the Scheme. For age and ill-health pensions, a principle of "fast accrual" is used. For each of the first 20 years of pensionable service, you will get 1/60th of average pensionable pay and for each of the following years you will get 2/60ths of average pensionable pay. Each day of pensionable service will count as 1/365th of 1/60th. The maximum number of 60ths that you can count is 40 (after 30 years' service). For example, if you retire at age 55 with 30 years of pensionable service and average pensionable pay of £30,000, your pension would be assessed as –

$$(20 \times 1/60) + (10 \times 2/60) \times £30,000 = 40/60 \times £30,000 = £20,000.00 \text{ a year}$$

or, if you retire at age 50 after 27 years with the same pay, your pension would be –

$$(20 \times 1/60) + (7 \times 2/60) \times £30,000 = 34/60 \times £30,000 = £17,000.00 \text{ a year}$$

WHAT IS PENSIONABLE SERVICE?

This is your service as a member of the Scheme and in respect of which you have paid contributions. If you have ever worked part-time, the starting point for assessment of your pension is based on the pensionable service you would be able to count if whole-time.

Various other periods may count as pensionable service, e.g. that credited on receipt of a transfer value from another pension arrangement, unpaid leave (including additional maternity and adoption leave) for which contributions have been paid, or service which previously counted towards an award which has since been cancelled. "Purchased 60ths" paid for by additional contributions would also be included in the assessment of pension.

WHAT IS AVERAGE PENSIONABLE PAY?

In most cases this will be your pensionable pay averaged over the last 365 days of pensionable service.

If either of the two preceding periods of 365 days would produce a greater amount, the final pensionable pay from one of those earlier periods could be substituted.

If at any time you have worked part-time, the starting point for assessment of your pension is based on the pensionable pay you would be able to count if whole-time.

AGE RETIREMENT PENSION

This award would be payable to a firefighter who is age 50 or over with at least 25 years' service (called an "ordinary pension" in the FPS rules), or age 55 or over with at least 2 years' service (called a "short service pension" in the FPS rules). The basic formula is used – see "How is a pension calculated?" on page 9.

For example, if you retire at 55, with 22 years' pensionable service and average pensionable pay of £28,000, your pension would be –

$$(20 \times 1/60) + (2 \times 2/60) \times £28,000 = 24/60 \times £28,000 = £11,200.00 \text{ a year}$$

Part of the annual pension can be commuted to provide a lump sum if you wish – see "Commutation" on page 14.

ADJUSTMENT FOR PART-TIME SERVICE

If you have ever worked part-time, the pension is first assessed as if you had worked whole-time throughout your service. Then account is taken of the proportion of whole-time service you have accrued.

For example, if you retire at 55 having worked whole-time for 20 years and half-time for 6 years (i.e. 26 calendar years) the starting point for working out your pension would be to assume you had worked whole-time throughout those 26 years. Even if you have been working half-time during your final year, average pensionable pay is based on the whole-time pay. Let's suppose it is £36,000. The whole-time pension would be –

$$(20 \times 1/60) + (6 \times 2/60) \times £36,000 = 32/60 \times £36,000 = £19,200.00 \text{ a year}$$

Then account is taken of the hours actually worked during the calendar length of service:

$$20 + (1/2 \times 6) = 23 \text{ years}$$

The whole-time pension is then multiplied by the actual length of service as a proportion of the whole-time length to give the "part-time" pension –

$$23/26 \times £19,200.00 = £16,984.62 \text{ a year.}$$

DEFERRED PENSION

If you leave your employment as a firefighter and you

- have at least 2 years' pensionable service or, if less, have had a transfer of personal pension rights into the FPS, and
- are not eligible for immediate payment of an age retirement pension because you are not old enough, and
- are not retiring on grounds of ill-health,

then you would be entitled to a deferred pension.

You would also be entitled to a deferred pension if you opt out of the FPS while still in employment provided you have at least 2 years' pensionable service or have had a personal pension transfer into the FPS.

A deferred pension is calculated by first assessing the "hypothetical" pension a person would have received if their pensionable service had been continuous to normal pension age (55) or to age 60 for a firefighter in the role of Station Manager B and above¹. Then the hypothetical pension is "pro rated" according to the period actually served.

For example if you would have completed 30 years at normal pension age and your average pensionable pay at the date you leave is £27,000, the first part of the assessment of the deferred pension would be to work out the hypothetical pension as follows –

$$(20 \times 1/60) + (10 \times 2/60) \times £36,000 = 40/60 \times £27,000 = £17,800.00 \text{ a year}$$

If your actual pensionable service at the date of leaving was 5 years, then the deferred pension would be 5/30ths of the hypothetical pension –

$$5/30 \times £17,800 = £2,966.67 \text{ a year.}$$

Part of the annual pension can be commuted to provide a lump sum if you wish – see "Commutation" on page 14.

Any part-time service would be taken into account after the whole-time deferred pension has been assessed – see "Adjustment for part-time service" on page 10. For example, if, in the above example, 3 of the years you had served were whole-time and 2 were half-time, the part-time deferred pension would be –

$$\frac{3 + (1/2 \times 2)}{5} \times £2,966.67 = £2,373.34 \text{ a year}$$

A deferred pension is put into payment at age 60. It can be paid earlier if the firefighter becomes permanently disabled for firefighting or performing any other duties appropriate to his/her former role. Or, if you wish, it could form the basis of a transfer value paid to some other pension scheme, including to the New Firefighters' Pension Scheme if you later take up further employment as a firefighter.

¹ This reflects the fact that the starting point for working out a deferred pension used to be the hypothetical pension due at "compulsory retirement age". This was age 55 for all ranks/roles below Station Manager B and age 60 for Station Manager B and above. Age 60 was protected for this purpose when "compulsory retirement age" was replaced in the Scheme by "normal pension age".

ILL-HEALTH PENSION

If you have at least 2 years' pensionable service (or, if less, you are entitled to an award under the Compensation Scheme) and you are permanently disabled for the performance of the duties of your role, you may be considered at any age for an ill-health pension.

There are two tiers of award – lower tier and higher tier. A lower tier award would be made where the firefighter is permanently disabled for the performance of the duties of his/her role. A higher tier award would be made where, additionally, the firefighter is permanently disabled for any other regular employment. "Regular employment" in this context means employment for 30 hours a week on average over a 12 month period.

Calculation of lower tier pension

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

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

Assuming your average pensionable pay is £30,000 and you had completed 3 years' service at the date of retirement, your lower tier pension would be calculated as –

$$1/60 \times 3 \times £30,000 = £1,500 \text{ a year.}$$

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 – see page 11. For example, assuming that you could have completed 30 years' service by age 55 but have completed only 12 years at the date of retirement, and average pensionable pay is £30,000, the lower tier pension would be calculated as –

$$12/30 \times 40/60 \times £30,000 = £8,000 \text{ a year}$$

Calculation of higher tier pension

This involves a two-stage calculation. The first stage assesses a pension including an enhancement of service; the next stage deducts from the resultant pension an amount equal to the lower tier pension. The difference is the higher tier pension.

The enhancement of a pension depends upon your length of pensionable service. This is illustrated below (where "APP" means average pensionable pay) –

- | | | |
|------------------------------------|---|---|
| 5 or more years, but less than 10 | ⇒ | each year of service will reckon as:
$2/60 \times \text{APP}$ |
| 10 or more years, but less than 13 | ⇒ | the formula is based on:
$20/60 \times \text{APP}$ |
| 13 or more years | ⇒ | the formula is based on:
$\text{pensionable service}^* + 7/60 \times \text{APP}$ |

*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.)

Assume that, in addition to the lower tier pension illustrated on the previous page, you were entitled to a higher tier pension. You have 12 years' service. The enhanced pension which forms the first stage of the calculation would be based on 20/60ths of average pensionable pay. With average pensionable pay of £30,000 this would give –

$$20/60 \times £30,000 = £10,000$$

The lower tier pension had been assessed as £8,000.00 a year and so the next stage of the calculation is to deduct this from the £10,000.00 assessed at the first stage –

$$£10,000.00 - £8,000.00 = £2,000$$

In this example you would be paid a lower tier ill-health pension of £8,000.00 and a higher tier ill-health pension of £2,000 a year.

General

If you had a period of part-time service, both the lower and higher tier pensions would first be assessed as if your service were whole-time throughout, and then pro rated as explained in "Adjustment for part-time service" on page 10. Part of a lower tier pension (but not the higher tier) can be commuted to provide a lump sum if you wish – see "Commutation" on page 14.

TRANSFER OF PENSION RIGHTS OUT OF THE FPS

If you leave the FPS with 3 or more months' service but not being eligible for immediate payment of a pension because you are not old enough, nor retiring on grounds of ill-health, as an alternative to a deferred pension you could request that your pension rights should be transferred to some other pension arrangement. A transfer value, a sum representing the capital value of your pension rights, would be assessed in accordance with guidance provided by the Government Actuary and offered to the managers of your new pension scheme. The transfer would take place if you so instruct.

TRANSFER OF PENSION RIGHTS WITHIN THE FPS

If you leave your employment with your current fire and rescue authority and transfer to further employment as a firefighter with another authority, provided there is no break in service between employments, you would remain a member of the FPS. Although your pension rights will normally transfer with you, payments of transfer value are not exchanged between English fire and rescue authorities. The authority you leave would simply send a statement of your pension entitlement to your new authority.

However, if you leave to take up employment as a firefighter in Scotland, Wales or Northern Ireland, a transfer payment would be paid because different funding arrangements apply. Provided there is no break in service between employments you would be subject to the FPS rules of the relevant country.

COMMUTATION

If, on retirement, you prefer to have a lump sum as well as a pension you can provide one by commutation. To do this you would give written notice to your fire and rescue authority, no earlier than 4 months before your intended retirement and no later than the day before your pension is due to come into payment. You would state how much of your pension should be converted into a lump sum.

You can commute as much or as little as you like provided that you do not exceed the permitted limit. The limit depends upon the circumstances of your retirement as follows –

Circumstances of retirement	Limit
<ul style="list-style-type: none"> • with an ill-health pension, or • with an age retirement pension based on 30 years' pensionable service, or • with a deferred pension, or • at or after normal pension age (55) 	Maximum commutation of one quarter of pension (only the lower tier ill-health pension can be commuted in the case of a higher tier ill-health award)
<ul style="list-style-type: none"> • at age 50 or over but below age 55, with 25 or more but less than 30 years' pensionable service 	Lump sum must not be greater than two and a quarter times the pension before commutation

The amount provided as a lump sum is decided by factors provided by the Government Actuary. The factor used will depend upon your age and sex –

Age next birthday when pension becomes payable	Capital sum for each £100 of pension commuted	
	Men	Women
under 50	1500	1725
50	1500	1725
51	1500	1725
52	1490	1705
53	1480	1685
54	1465	1660
55	1450	1625
56	1425	1600
57	1390	1575
58	1355	1550
59	1320	1520
60	1300	1500
61	1270	1470
62	1230	1430
63	1190	1400
64	1150	1360
65	1110	1320

The factors reflect mortality statistics. They are higher for women because statistically they live longer than men. They would, therefore, be drawing their pension for longer and so if they commute part of that pension they are giving up a greater amount of lifetime pension expectation than a man who commutes exactly the same amount of the annual pension.

The same reasoning reduces or increases the factors according to age.

Care needs to be taken when deciding the appropriate factors to use because of the way in which the first column is headed – "Age next birthday when pension becomes payable".

In the case of a deferred pension or a pension credit member's pension coming into payment at age 60, "age next birthday" is to be treated as 60. (See "Divorce or dissolution of civil partnership" on page 17 for an explanation of pension credit member.)

If you retire at normal pension age (55), the rules allow "age next birthday" to be age 55.

If you retire on any other grounds and at any other time, "age next birthday" is the age you attain at the next birthday following the first day you are entitled to payment of pension. In these circumstances, because you attain a particular age just before the start of the day on which you celebrate the anniversary of your birth you should have a last day of service at least two days before such an anniversary to ensure the use of the factor appropriate to your age at that birthday. For example if you were born on 1 August 1955, decide to retire at age 50 with 25 years' service and want the factor of 1500 to be used in the commutation calculation, your last day of service must be no later than 30 July 2006. If it were 31 July 2006 your pension would be payable on 1 August and on 1 August 2006 your "age next birthday when pension becomes payable" would be 52. This would mean the factor of 1490 would have to be used instead.

Example of calculation of commuted lump sum

Suppose you are a male firefighter who will be 52 next birthday having completed 30 years' service. For each £100 of pension you give up you will receive £1,490 as a lump sum. (A female firefighter of the same age would receive £1,705.)

With 30 years' pensionable service you can commute one quarter of your pension (let's say this is £20,000) if you wish. If you do request maximum commutation, this would leave you with a pension of –

$$£20,000 - £20,000/4 = £15,000 \text{ a year.}$$

Your lump sum would be –

$$£20,000/4 \times £1,490/100 = £74,500$$

If you had, say, only 25 years' service and wanted to commute the maximum amount, you would not be able to commute a quarter. You would be restricted to commuting whatever portion of your pension would give you a lump sum of two and a quarter times your uncommuted pension. Supposing your uncommuted pension is £20,000, the maximum lump sum you could provide by commutation would be –

$$2.25 \times £20,000 = £45,000$$

If you decide you would like this lump sum, to work out the effect on your pension the commutation calculation shown above is reversed, i.e. the lump sum is multiplied by 100 and divided by the relevant commutation factor –

$$£45,000 \times 100/1490 = £3,020.13$$

This gives the portion of pension commuted. So the remaining pension payable is –

$$£20,000 - £3,020.13 = £16,979.87 \text{ a year.}$$

ALLOCATION

Allocation is a right to give up part of your pension at retirement to provide, on your death, a pension for a spouse or civil partner or dependant. It is an old provision which has remained preserved in the FPS since its early days even though dependants' benefits have improved from their original levels. An election to allocate must be given no later than the day before benefits become payable and no earlier than 2 months before. The amount provided as a pension on allocation depends upon the age and sex of the firefighter and of the nominated dependant.

Your pensions administrator (see contact details on page 30) can give you a personalised quote if you are interested in this option before your pension becomes due.

CAN I MAKE VOLUNTARY PAYMENTS TO INCREASE MY BENEFITS?

If you are an active member of the Scheme, and will not be able to count 30 years' pensionable service by normal pension age (55) you can elect to "buy" additional 60ths. The additional 60ths would count not only in the assessment of your own pension, but in the assessment of widow(er)'s, civil partner's and children's benefits. They would not be taken into account for assessing entitlement to benefits, e.g. you cannot count them towards the 25 years' pensionable service needed for retirement at age 50 and before 55, or towards service used for assessing entitlement to an ill-health pension.

Payment can be by lump sum, or by additional contributions.

To pay by lump sum, however, an election must be made within 12 months of taking up an appointment as a firefighter and payment made within 3 months of the election. As the FPS is now a closed scheme, payment by lump sum is now available only to a few, recently appointed firefighters and will cease to be an option for everyone by the end of March 2007.

An election to pay additional contributions must be made at least 2 years before normal pension age (55) and may only be made by a person who had not attained age 46 when last becoming a firefighter and who is not under notice to retire on health or efficiency grounds. The additional contributions would be deducted with effect from your first birthday following your election, along with your basic contributions. (Like your basic contributions they would be assessed on your pensionable pay). If you leave or cease paying contributions for any other reason before reaching age 55, you would be credited with the appropriate portion of service "purchased".

The amount due, either as a lump sum or by payment of additional contributions depends upon your age and how many additional 60ths you wish to purchase. Your pensions administrator (see details on page 30) can give you more information about this option together with personalised details.

You could, if you wish, pay free-standing voluntary contributions ("FSAVCs") to a life assurance company or similar, or set up a personal or stakeholder pension in addition to your membership of the FPS. However, these arrangements cannot be made through your fire and rescue authority. You may find it helpful to seek the assistance of a qualified and registered independent financial adviser if you consider these options.

DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP THE EFFECT ON PENSION RIGHTS

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 entitlement to pension 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, potential lump sum, 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 Firefighters' Pension Scheme 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 60. It cannot be transferred to another pension arrangement.

The court will normally expect the parties to provide information about the current and prospective value of pension rights together with the rules of the pension scheme(s) in which those rights are held. Your pensions administrator (see contact details on page 30) would provide this information for you or can give you further general information on the impact divorce/dissolution may have on pension rights.

DEATH GRANT

If you were to die in service as a member of the Firefighters' Pension Scheme, a death grant would be payable. This would normally be two times your pensionable pay as at the date of death or, if you were absent from duty at that time, your pensionable pay immediately before the absence began. If you are working part-time hours the pensionable pay would be the part-time rate.

Tax rules prevent the payment of a death grant in respect of a person who has attained age 75 but it is unlikely that a firefighter would still be serving at that age.

The fire and rescue authority would pay the death grant to the firefighter's legal spouse or civil partner provided they were not living apart at the time of death. (This means more than a physical separation, e.g. as would be the case if the firefighter was away from home attending a training course; it implies recognition by at least one of the spouses or partners that the marriage or partnership is at an end.)

If the firefighter was unmarried or "living apart", the death grant would be paid to his/her legal representatives.

There is no death grant payable if the firefighter had already left the service, or opted out of the FPS, at the date of death.

WIDOW(ER)'S PENSION

When a FPS member dies (whether before or after retirement), if he/she had completed at least 2 years' pensionable service a pension will be paid to a surviving spouse.

Provided husband and wife were not living separately the widow(er)'s pension would be:

- in the case of a serving Scheme member – half of the total lower and higher tier ill-health pensions to which the firefighter would have been entitled if he/she had retired on health grounds on the date of death;
- in the case of a retired Scheme member where the marriage took place before the member ceased to be a firefighter – half of the former firefighter's pension as calculated before any reduction was made for commutation;
- in the case a firefighter, or former firefighter entitled to a deferred pension which was not in payment at the date of death – half of the deferred pension.

If the FPS member has worked part-time, account will be taken of this in the assessment of the widow(er)'s pension.

Your pensions administrator (see contact details on page 30) can give you personalised details if you require them.

Husband and wife living separately

If husband and wife were living separately at the date of death, the surviving spouse's pension would be calculated as –

pensionable service after 5.4.1978 x 1/160 x average pensionable pay

However, if a greater pension ("the full pension") would be payable if husband and wife were not living apart, the pension calculated by the formula shown above –

- must be increased to the level of any maintenance contributions the deceased was paying or liable to pay at the date of death for the support of spouse and/or child, but this must not be greater than the full pension
- may be increased to the full pension at the discretion of the fire and rescue authority.

Post-retirement marriage

If a former firefighter marries after leaving the fire and rescue service the surviving spouse's pension would be assessed as the greater of the following –

pensionable service after 5.4.1978 x 1/160 x firefighter's average pensionable pay
or

1/2 x $\frac{\text{service after 5.4.1978}}{\text{total pensionable service}}$ x firefighter's pension

SURVIVING CIVIL PARTNER'S PENSION

If a FPS member dies (before or after retirement) while in a registered civil partnership, the surviving partner would be entitled to a pension based on similar principles to those set out for a widow(er) on the previous page, but would reflect service from 6 April 1988 only.

Your pensions administrator (see contact details on page 30) can give you further details.

CHILDREN'S BENEFITS

When a FPS member dies (before or after retirement), if he/she had completed at least 2 years' pensionable service a pension will be paid to an eligible child. The child's eligibility is assessed by dependency on the Scheme member – he/she must have been dependent at the date of death and –

- a child of the FPS member's marriage or civil partnership (where a marriage or civil partnership took place on or before the last day of service),
- an adopted child (where the adoption took place on or before the last day of service),
- a step-child (where on or before the last day of service the firefighter and the child's parent were married or formed a civil partnership and the child was subsequently dependent on the firefighter), or
- any other child provided the child was substantially dependent on the firefighter both at the last day of service and at the date of death (if different).

Account must also be taken of the child's age.

- If the child is below age 16, the pension will be payable in all cases.
- If the child is age 16 or over and under age 23, the pension will be payable only if the child was in whole-time education or permanently disabled at the date of the member's death and has been since.
- If the child has attained age 23, the pension will be payable only if the child was permanently disabled at the date of the member's death and has been since.

The amount of a child's pension due would depend upon the number of eligible children and whether or not the child or children have a surviving parent.

If a FPS member dies in service where there is a surviving parent and less than 3 eligible children, each child would receive 18.75% of the combined lower and higher tier ill-health pensions; if there are 3 or more eligible children, 37.5% of the combined lower and higher-tier ill-health pensions would be divided equally by the number of children. If there is no surviving parent and less than 3 eligible children, each child would receive 25% of the combined lower and higher tier ill-health pensions; if there are 3 or more eligible children, 50% of the combined lower and higher-tier ill-health pensions would be divided equally by the number of children.

If a person dies after leaving the service or the FPS, the children would be entitled to a similar percentage, in similar proportions, of the pension in payment (or the deferred pension not yet in payment).

FLAT RATE PENSION

Instead of the standard awards set out on the preceding pages, a widow(er), civil partner or child can elect, instead, to receive a "flat rate" award. This is the type of award that was provided in the early days of the FPS when dependants' awards were quite limited. Nowadays it is unlikely that a flat rate award would provide a better pension in respect of a firefighter appointed after the mid 1970s.

DEPENDENT RELATIVE'S GRATUITY

This can be paid at the discretion of the fire and rescue authority if the FPS member dies in service or after retirement (other than with a deferred pension). The recipient must be a relative who was substantially dependent on the Scheme member at the date of death and must not be entitled to any other award under the Scheme. A relative in this context means a widow(er), civil partner, parent, a grandparent, a child of the member or any child of these relatives. In normal circumstances, of course, the widow(er), civil partner, or child of the member will nowadays be entitled to an award under the main provisions of the FPS. This is another provision dating back to when Scheme rules did not offer the current level of dependants' awards.

The award can be of any amount provided it does not exceed the total contributions paid into the Scheme by the FPS member.

PAYMENT OF CONTRIBUTIONS TO ESTATE

If the total actuarial value of benefits paid to an FPS member's surviving spouse, civil partner and children (plus any benefits paid to the member if death is after retirement) is less than the contributions he/she has paid into the FPS, the difference will be paid to the firefighter's estate.

INCREASE IN DEPENDANTS' PENSIONS FOR FIRST 13 WEEKS

For the first 13 weeks following the FPS member's death, the spouse's or civil partner's pension will be topped up to the level of the deceased's pensionable pay (death in service) or the pension in payment (death after pension comes into payment). This top-up would not apply in the case of a deferred pension which had not come into payment at the date of death. If no spouse's or civil partner's pension is payable but a child's pension is due, the top-up would be applied to the child's pension.

COMMUTATION OF TRIVIAL PENSIONS

If a pension payable to a member of the FPS, or to a dependant, is less than limits set by HM Revenue and Customs, and certain other requirements of the tax rules are satisfied (e.g. the age of the pensioner), the fire and rescue authority may commute the pension to a lump sum. Alternatively, the authority may decide to pay a small pension at less frequent intervals than the intervals at which they normally pay pensions.

PAYMENT OF BENEFITS

Pensions are paid in advance in regular instalments by a fire and rescue authority once they are satisfied that a person has entitlement to the award and subject to them having all the information they need. Lump sums by commutation are payable as soon as possible after the FPS member's last day of service.

The authority has discretion as to whom a minor's award will be paid but they must have assurance that it would be used for the benefit of the minor. Similarly, if payment is due to a person who has become incapable of managing his/her affairs, the authority has discretion to pay it to another person as they think best.

If there has been a loss to the funds of the authority because of fraud, theft or negligence on the part of a firefighter in connection with his/her employment, the authority may withhold all or any of the sum lost (subject, in the event of dispute, to the order of a court).

PENSIONS INCREASE

Benefits payable under the FPS are increased in line with the Retail Price Index under Pensions Increase Acts and Orders. The increase is applied with immediate effect to ill-health pensions and pensions for widow(er)s, civil partners and children. It is applied to age retirement pensions from age 55.

EFFECT OF TAX RULES

The Firefighters' Pension Scheme 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 (based on a "pension input period" – see "Explanation of Expressions" at the end of this Guide) 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.

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 is in respect of all pension benefits you may have accrued, including from arrangements other than the Firefighter's Pension Scheme. 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.

WITHDRAWAL OF PENSION

In certain circumstances a benefit payable under the FPS can be reduced or withdrawn as explained below.

A Scheme member's benefits may be reduced by an "earmarking" or pension sharing order issued on divorce, judicial separation, nullity or dissolution of a civil partnership – see page 17.

A fire and rescue authority may withdraw the whole or part of a Scheme member's pension for any period during which that person is serving as a firefighter with any fire and rescue authority (e.g. on re-employment after retirement).

A fire and rescue authority may withdraw a pension in whole or in part, permanently or temporarily, if the person otherwise entitled to the pension –

- has been convicted of an offence of treason, or one or more offences under the Official Secrets Acts 1911 to 1989 (in the case of a dependant the offence must have been committed after the death of the Scheme member); or
- has been convicted of an offence committed in connection with his/her service as an employee of a fire and rescue authority which is certified by the Secretary of State either to have been gravely injurious to the interests of the State or to be liable to lead to serious loss of confidence in the public service.

If a person has been receiving an ill-health pension for less than ten years, and has not reached age 60 the fire and rescue authority must review the entitlement of the person to receive the pension. To do this they will consider, with the help of a medical opinion, whether the person has recovered sufficiently to be capable of carrying out any duty appropriate to the role from which he/she was retired on health grounds. If the ill-health pension in payment is a higher tier award, the authority must also consider if the person has become fit enough to undertake any regular employment.

In the case of a lower tier award, if the person's condition has improved to the point at which he/she could return to a role as firefighter and the fire and rescue authority offer such employment, the pension will cease. A person who takes up the employment would have the ill-health pension cancelled but the service upon which it was based would count towards a subsequent pension. (He/she would automatically be readmitted to the FPS but could choose to transfer to the New Firefighters' Pension Scheme.) If the person refuses the job offered, the ill-health pension would be cancelled and the service upon which it was based would count towards a deferred pension payable at age 60.

In the case of a higher tier award, if the person is considered fit to return to the role of firefighter the position would be as described above (but service counting towards further pension entitlement would not include ill-health enhancement). If the person is considered fit for regular employment but not for his/her role as a firefighter, the enhancement would cease and the lower tier pension would continue in payment as a lower tier award.

Deferred pensions put into payment early on grounds of ill-health must be reviewed too. If the person is fit for regular employment, the payment of the deferred pension would be suspended until age 60.

RIGHTS OF APPEAL

If a Scheme member, or a dependant, is dissatisfied with a decision made by a fire and rescue authority (or the failure to make a decision) there are rights of appeal available. There are provisions for medical appeal if a person is dissatisfied with a medical opinion upon which a determination of award is based and a right of appeal to Crown Court against an authority's decision of entitlement to, or amount of, an award. There are also rights of appeal available under the Internal Dispute Resolution Procedures (IDRP) based on the requirements of the Pensions Act 1995.

Looking at the medical appeal route first, if an authority are considering whether or not to make an award of an ill-health pension to a firefighter (or to allow early payment of a deferred pension on health grounds), 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 to a Board of Medical Referees arranged by the Scottish Ministers. A similar appeal process applies if an ill-health award is reviewed and the person is dissatisfied with the outcome – see "Withdrawal of pension" on page 22.

If the grievance of the member, a dependant, or a pension credit member, is with a decision made by the fire and rescue authority rather than the opinion of the medical practitioner, or is in respect of a non-medical aspect of the medical practitioner's opinion (e.g. dispute of earnings for an employment) he/she can ask the authority to reconsider their decision and, failing satisfaction, may appeal to the Sheriff Court.

The "reconsideration" mentioned above is usually made in accordance with the two-stage IDRP process. A fire and rescue authority will nominate a person to consider appeals at Stage One – this will normally be the Chief Fire Officer or a representative named by the Chief Fire Officer. The appellant would submit an appeal in writing, it will be considered by the Stage One decision-maker, and a written decision given to the appellant. If the appellant remains dissatisfied with the determination at Stage One, he/she can move to Stage Two by submitting an appeal in writing to the fire and rescue authority. (The authority will probably delegate the decision-making role to a separate committee). The grievance will be considered and a written response made.

Full details of medical appeal procedures, the IDRP process, Sheriff Court appeals, and the relevant time limits can be supplied by your fire and rescue authority.

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 administrators. TPAS cannot enforce pensions action but, if felt appropriate, could recommend a person to put his/her case to the Pensions Ombudsman. They can be contacted at –

11, Belgrave Road, London, SW1V 1RB
 Telephone: 0845 6012923 Website: www.opas.org.uk

THE 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 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 to the Medical Appeal Board under the FPS.

The Ombudsman will expect the case to have first been put through IDRP. 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

Telephone: 020 7834 9144 Website: www.pensions-ombudsman.org.uk

or The Scottish Public Services Ombudsman www.scottishombudsman.org.uk at 4 Melville Street, Edinburgh EH3 7NS, telephone number 0870 011 5378.

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

Telephone: 0870 6063636 Website: www.thepensionsregulator.gov.uk

INTER-RELATIONSHIP WITH THE STATE PENSION SCHEME

State Basic Retirement Pension and "modification" of FPS pensions

You accrue entitlement to the State Basic Retirement Pension (the "Old Age Pension") completely separately from the FPS but there is a historical relationship between the two schemes through "modification".

On 5 July 1948, a remodelled State Pension was introduced. To avoid an element of duplication of benefits, firefighters subsequently made a "modified" (reduced) contribution to the FPS and, when they retired, their FPS pension was "modified". The reduction was £1.70 for each year of service up to a maximum of £51 a year. Over the years, the non-duplication aspect lost its significance and modification ceased on 31 March 1980.

Consequently, modification of benefits will apply only in respect of service accrued before that date. Any firefighter who joined the FPS on or after 1 April 1980 will not have modification applied at all.

State Earnings Related Pension Scheme

The State Earnings Related Pension Scheme ("SERPS") was introduced on 6 April 1978. It provided an earnings-related second tier element to the State Basic Retirement Pension. Occupational pension schemes that could guarantee to offer benefits at least as good as SERPS were allowed to "contract out". The FPS became such a scheme. FPS members were allowed to pay the lower, contracted out rate of National Insurance. The guaranteed element of pension is called a "Guaranteed Minimum Pension" ("GMP"). This is notified to the pension scheme administrator by the Department for Work and Pensions. The pension scheme administrator must then ensure that the scheme pension paid to the member or spouse or civil partner meets the guaranteed level.

Another feature of the GMP is that, at State pension age, the State takes over full or partial responsibility for paying Pensions Increase on that portion of a contracted out occupational pension which is equivalent to the GMP.

With effect from 6 April 1997 the terms under which pension schemes could contract out were changed. A contracted out pension scheme simply had to guarantee that at least 90% of its members would receive benefits equivalent to or better than those set out in a reference scheme test defined by the Department for Work and Pensions. There was no longer a guarantee on an individual basis. GMPs do not apply to benefits accrued on and from 6 April 1997.

State Second Pension

SERPS was replaced by the State Second Pension (also known as "S2P") on 6 April 2002. Like SERPS this provides a second tier element of State retirement benefits on top of the State Basic Retirement Pension. As with SERPS, the FPS is contracted out of S2P. Consequently, while a member of the FPS you will not be contributing to S2P.

State Graduated Pension Scheme

The State Graduated Scheme ran from 3 April 1961 to 5 April 1975. It was like an early version of S2P or SERPS but contracting out was on an individual basis rather than applying to the whole scheme. Contracted out members paid a lower level of Graduated Pension contribution to the State and had assurances regarding the level of benefits payable from their pension scheme.

State Pension Scheme forecasts

As you can see from the very brief outline given above, the State Pension Scheme rules can be quite complicated and will vary from person to person. However, you can request a forecast of your State Retirement Pension from the State Pension Forecasting Team of the Department for Work and Pensions. The Team can be contacted at:

State Pension Forecasting Team, Future Pension Centre, The Pension Service,
Tyneview Park, Whitely Road, Newcastle upon Tyne, NE98 1BA

Telephone: 0845 3000 168 Website: www.thepensionservice.gov.uk

EXPLANATION OF EXPRESSIONS

Expression	Explanation
active member	A serving firefighter who is a member of the Firefighters' Pension Scheme, i.e. not having opted out or retired on pension.
age retirement pension	See the explanation on page 10.
average pensionable pay	See the explanation on page 10.
child	A natural, adopted or step-child of the firefighter, or any other child who was dependent on him/her and who is either related to the firefighter or a child of his/her spouse, or civil partner, or nominated partner. Dependency of the child has to be established in accordance with the rules of HM Revenue and Customs.
civil partner	The person with whom a firefighter has formed a civil partnership.
commutation	The conversion of part of an annual pension to provide a lump sum payment – see pages 14 and 15. Also, the conversion of the whole of a small pension to a lump sum – see "Commutation of trivial pensions" on page 20.
contracted out	See "Inter-relationship with State Pension Scheme on pages 24 and 25.
death grant	A lump sum payable on the death of an active member of the FPS see "Death grant" on page 17.
deferred pension	See the explanation on page 11.
FPS	The Firefighters' Pension Scheme as set out in the Firemen's Pension Scheme Order 1992.
ill-health pension	See the explanation on pages 12 and 13.
Internal Dispute Resolution Procedures ("IDRP")	See "Rights of appeal" on page 23.
medical opinion/certification	A certificate containing the opinion of an independent qualified medical practitioner.
minor	A person below the age of 16.
normal pension age	The age at which, if a person retires, pension benefits would be payable immediately – this is age 55 in the FPS. (A pension can be paid earlier, on or after age 50, provided the firefighter has at least 25 years' pensionable service.)
pensionable pay	See "How much do I pay?" on page 7.
pensionable service	See the explanation on page 9.
pension credit rights	The pension rights, under the FPS, of a pension credit member. These would be derived from the member's pension rights, and transferred to a former spouse or a civil partner in accordance with a pension sharing order – see "Divorce or dissolution of civil partnership: the effect on pension rights" on page 17.

Expression	Explanation
pension input period	is the 12-month period used to determine the growth in pension each year as required by HM Revenue and Customs. The FPS nominates 31 March as the end of each pension input period.
permanently disabled	This means that the disablement is likely to continue until normal pension age (55).
regular employment	Employment for 30 hours a week on average, over a 12-month period.
regular firefighter	A person who is employed – <ul style="list-style-type: none"> • by a fire and rescue authority as a firefighter (whether whole-time or part-time), other than as a retained or volunteer firefighter, and • on terms under which he/she is, or may be, required to engage in firefighting or, without a break in continuity of such employment, may be required to perform other duties appropriate to his/her role as a firefighter (whether instead of, or in addition to engaging in firefighting) and whose employment is not temporary.
role	A firefighter's role as specified in role maps.
S2P	State Second Pension – see page 25
SERPS	State Earnings Related Pension Scheme – see page 25
spouse	The person to whom a firefighter is legally married.
State pension age	Age 65 for men, 60 to 65 for women depending upon date of birth.
widow(er)	The person to whom the firefighter was legally married at date of death.

SUMMARY OF THE PROVISIONS OF THE FIREFIGHTERS' PENSION SCHEME 1992

Membership	was open to all regular firefighters appointed before 6 April 2006.
Basic contribution rate	is 11% of pensionable pay.
Additional contributions	can be paid, by election and subject to eligibility, to "purchase" additional benefits.
Previous pension rights	as a member of the Firefighters' Pension Scheme or with another pension arrangement may be transferred, within time limits, to add to current service as a Scheme member.
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.
Basic principles of assessment of pension	<p>annual pension = service*/60 x average pensionable pay</p> <p>* each year of service to 20 years = 1/60th each year of service after 20 years = 2/60ths</p> <p>to a maximum of 40/60ths.</p> <p>If the firefighter has a period of part-time membership, the pension will be adjusted to reflect the part-time service.</p>
Commutation	allows a firefighter to give up part of his/her annual pension to provide a one-off payment of lump sum.
Ill-health award	can be payable from any age if the Scheme member is permanently disabled for performance of the duties of his/her role. It can be a lower tier or higher tier award. A lower tier award would be paid where the member is capable of regular employment (other than as a firefighter); a higher tier award would be paid where the member is not so capable. A lower tier pension is normally assessed on deferred benefit principles; the higher tier award uses the same principles but with an enhancement of service.
Early leaver benefits	<p>apply if a firefighter leaves the fire and rescue service before a pension is payable. The options, dependent upon length of service, are:</p> <ul style="list-style-type: none"> • a refund of contributions • a transfer of pension rights to another fire and rescue authority • a transfer of pension rights to another pension arrangement • a deferred pension.
Death benefits	are provided in the form of a death grant of twice pensionable pay for a member who dies in service, plus benefits for a surviving spouse or civil partner, and children's and dependants' benefits.
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.

Effect of divorce or dissolution of civil partnership	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 Scheme member. 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" in the Firefighters' Pension Scheme.
Pensions Increase	i.e. "cost-of-living" increase, is applied with immediate effect to ill-health pensions and pensions for widow(er)s, civil partners, and children. It is applied to age retirement pensions from age 55.
Rights of appeal	can be used if dissatisfied with a decision of the fire and rescue authority, or the medical opinion on which certain decisions are based.
State Pension Scheme	inter-relates with the FPS. The FPS has "contracted out" status and must ensure that benefits payable must meet minimum requirements.

WHO CAN I CONTACT FOR MORE INFORMATION?

If you –

- need more information about any of the provisions of the Firefighters' Pension Scheme,
- would like a statement of retirement benefits or transfer value, or
- wish to see the Statutory Instruments which contain the rules of the Scheme,

you should contact :

XXXXXXXXXXXXXXXXXXXXXX

Please remember that although your fire and rescue authority can give you details of benefit entitlement or options under the FPS, they are not permitted to advise you to take any particular course of action when a choice arises. If you are uncertain what steps to take, it is suggested that you seek the assistance of an independent financial adviser.

Also, if you have access to the Internet, the website of the Department for Communities and Local Government has special pages dedicated to the Firefighters' Pension Scheme. The information on those pages includes a detailed commentary on the rules of the Scheme.

The website can be found at www.communities.gov.uk/firepensions.