



**SHROPSHIRE COUNTY
PENSION FUND**

A GUIDE TO

THE FIREFIGHTERS'

PENSION SCHEME 2006

(ENGLAND)

**FOR RETAINED FIREFIGHTERS
WHO ARE "SPECIAL" MEMBERS
OF THE MODIFIED SCHEME**

May 2018

A Guide to the Firefighters' Pension Scheme 2006 (England) for retained firefighters who are members of the modified Scheme

This Guide reflects the rules of the Firefighters' Pension Scheme 2006 contained in the Firefighters' Pension Scheme (England) Order 2006 (as amended) as they apply to serving retained firefighters at the date of issue.

Nothing stated in the Guide 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.

Issue: May 2018

THE FIREFIGHTERS' PENSION SCHEME 2006

Retained firefighters (special members of modified Scheme)

As a retained firefighter who has elected to be a "special member" of the modified Firefighters' Pension Scheme 2006, you belong to a public service pension scheme which provides very good benefits. The Scheme's benefits include the following –

- an inflation-proofed pension based on your length of pensionable service and final pensionable pay
- an option to convert ("commute") part of the pension to a lump sum
- payment of pension before normal retirement age if you have to retire on grounds of permanent ill-health
- a death-in-service lump sum death grant equal to twice pensionable pay
- a pension for your widow(er), surviving civil partner, or surviving nominated partner
- pensions for eligible surviving children.

This Guide sets out the provisions of the modified Firefighters' Pension Scheme 2006 ("FPS 2006") as they apply to special firefighter members, i.e. those who were in retained service before and after 6 April 2006, who continued in this employment, and who elected for membership of the modified Scheme when the Scheme rules were amended to permit this in April 2014.

The modified FPS 2006 for special members mirrors some of the provisions of the Firefighters' Pension Scheme 1992; it was offered by way of a negotiated settlement following claims made under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000.

A separate Guide which sets out the terms of the unmodified FPS 2006 for standard members is available from the authority's pensions administrator should you wish to see a copy.

As a firefighter, whether or not a member of a pension scheme, you are also covered by the Firefighters' Compensation Scheme (England) 2006 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. More information about the Compensation Scheme can be obtained from the authority's pensions administrator.

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BACKGROUND

The first national pension scheme specially designed for firefighters was introduced in 1926. But it applied only to regular whole-time firefighters.

It was not until 6 April 2006 when the Firefighters' Pension Scheme 2006 ("FPS 2006") as set out in the Firefighters' Pension Scheme (England) Order 2006 came into force, that retained firefighters could become Scheme members. Those who were serving on 6 April 2006 could join with effect from that date, or a later date.

The previous Scheme – the Firefighters' Pension Scheme 1992 ("FPS 1992") – continues in force for regular firefighters who wish, and are eligible, to remain members of that Scheme.

On 1 April 2015 a new Scheme – the Firefighters' Pension Scheme (England) 2015 ("FPS 2015") – came into effect. FPS 2015 is the occupational pension scheme for operational firefighters first appointed by a fire and rescue authority on or after that date. Also it has, or will, become the occupational pension scheme for some former members of FPS 2006, and the earlier FPS 1992. If, on 1 April 2012, a serving member of one of the earlier schemes was less than ten years away from their scheme's normal retirement date, they will remain a "protected" member of their current scheme; if they were more than ten years away then, depending upon their date of birth, they were compulsorily transferred to FPS 2015 on 1 April 2015 or will be, at a later "transition date".

The exclusion of retained firefighters from FPS 1992 was challenged under the Part-Time Workers (Prevention of Less Favourable Treatment) Regulations 2000 and this resulted in a settlement which allowed certain retained firefighters with service between 1 July 2000 and 6 April 2006 to have "special" membership of FPS 2006 based on their employment during this period. They could not be admitted to the FPS 1992 because that is now a closed Scheme. However, the rules of the FPS 2006 were adapted for special members so that, in places, they reflect the rules of the FPS 1992.

The relevant amendments were made to FPS 2006 in April 2014. They have retrospective effect for those who are eligible to join under the special terms, who elect for special membership, and who pay the appropriate contributions. This Guide sets out the terms of the modified FPS 2006 for those who have elected for special membership.

A separate Guide explains the terms for "standard" retained members, i.e. those who were not serving as retained firefighters before 6 April 2006 or, if they were, were not eligible for or did not elect to have the special membership provisions applied to them.

FPS 2006 is a statutory, public service pension scheme made under section 34 of the Fire and Rescue Services Act 2004.

It is a defined benefit scheme, sometimes referred to as a "final salary scheme". This means that pensions are based on a proportion of the pensionable pay of the Scheme member in (normally) his/her final year of service; the proportion depends upon the number of years of service at the date of leaving.

Whilst this type of pension arrangement lends itself easily to the work patterns of regular firefighters with set contractual hours and standard rates of pay, it is not so straightforward to accommodate the variable hours and pay of firefighters who undertake retained duties.

The intent is that there should be equitable treatment of regular and retained firefighters within the benefit structure. This Guide sets out the way in which it is achieved.

Like other pension schemes, FPS 2006 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 items of basic information about the Scheme; this Guide has been written to comply with those Regulations.

FPS 2006 is a registered pension scheme for the purposes of the Finance Act 2004. This means that HM Revenue and Customs allow certain tax concessions. Pension contributions attract tax relief and certain benefits, provided they are within set limits, are exempt from tax charges.

Unlike occupational pension schemes in the private sector, FPS 2006 does not have trustees, nor does it have the type of pension fund which uses investments to help meet its liabilities. Although each fire and rescue authority is required to maintain a "Firefighters' Pension Fund" which –

- receives contributions from firefighter members and from the employing fire and rescue authority,
- pays out benefits to and in respect of members, and
- makes and receives transfer payments to and from other pension schemes

the authority does not have the power to invest the money. If the Fund has insufficient money to meet all of its pension liabilities, the Secretary of State will make up the shortfall; if the Fund is in surplus, the Secretary of State will take the excess to cover any shortfall in the Funds of other authorities.

Social Security rules can have an impact on the way pension schemes work. FPS 2006 was "contracted out" of the State Second Pension arrangements, i.e. those which provide the additional element of pension paid on top of the Basic State Pension. 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 but, changes were made to the State Pension scheme in April 2016, causing contracting-out to cease.

Some pension terms may be unfamiliar to you or have a special meaning in the context of FPS 2006. An explanation of terms and expressions is given in the Glossary. If you would like more information about FPS 2006, see the contact details at the back of the guide.

MEMBERSHIP

For the provisions of the modified FPS 2006 to have applied to you, you must have been employed as a retained firefighter for a period between 1 July 2000 and April 2006 and, having continued in that employment, elected to become a special member and accepted that you would have to pay retrospective pension contributions, i.e. the "mandatory special period contributions" plus interest.

You would also be eligible for special membership if you were a retained firefighter during the above period, ceased to be a retained firefighter on or after 6 April 2006 but

immediately after, and without a break in service, became a regular firefighter and continued as such until the date of your election.

There are three categories of special member to whom the modified FPS 2006 applies –

- special firefighter members
- special deferred members, and
- special pensioner members

Special firefighter members

You join the modified FPS 2006 as a special firefighter member if you:

- took up employment as a retained firefighter before 6 April 2006, and
- have continued in that or a subsequent employment as a retained firefighter (or as a regular firefighter if appointed as such after 6 April 2006) without a break in continuity of employment until the date of your election to join the modified Scheme.

Special deferred members

You join the modified FPS 2006 as a special deferred member if you:

- were employed as a retained firefighter for all or part of the period between 1 July 2000 and 5 April 2006 inclusive, and
- resigned or were dismissed from that employment before the date of your election to join the modified Scheme, and
- were younger than 55 on the date of resignation or dismissal and not entitled to an ill-health award.

You would become a special deferred member if you

- are already a member of the standard FPS 2006 in respect of your post 5 April 2006 retained employment, and subsequently join the modified FPS 2006 as a special firefighter member in respect of the same employment but choose not to convert your standard service to modified service, (i.e. you decide to continue with your standard FPS 2006 membership), or
- join the modified FPS 2006 as a special firefighter member and leave your employment or opt out of the Scheme before satisfying the conditions for immediate payment of benefits under the Scheme.

Special pensioner members

You join as a special pensioner member if you:

- were employed as a retained firefighter for all or part of the period between 1 July 2000 and 5 April 2006 inclusive, and
- resigned or were dismissed from that employment before the date of your election to join the modified Scheme and to pay the mandatory special period contributions, and
 - you had attained age 55 when you left your employment, or
 - you have attained age 60, or
 - you left due to permanent disablement and the conditions for ill-health retirement are satisfied.

You would become a special pensioner member if you:

- join the modified FPS 2006 as a special firefighter member and subsequently leave in circumstances where a retirement pension can be paid, or

- join as, or become, a special deferred member and the conditions are satisfied for the deferred pension to come into payment.

As part of a special exercise, the fire and rescue authority would have informed you of your right to elect for special membership and of the retrospective contributions payable.

In addition to the three main categories of special member shown opposite, the modified Scheme offers pension cover for those who may have ceased employment on or after 1 July 2000 and before 6 April 2006 in circumstances where an ill-health award would have been made, had the person had access to the Scheme. It also makes provision for payment of a death grant in the event of death during this period. The fire and rescue authority will have contacted those affected by these provisions with a personalised statement of the arrangements. They are not covered in this Guide.

Once admitted to the modified FPS 2006 as a special firefighter member, if you cease "operational" work but still carry out other duties appropriate to your role, provided there is no break in the continuity of your employment you can remain a member.

OPTING OUT

If you elect to become a special firefighter member, you can opt out at any time by giving a signed, written notice to the fire and rescue authority. (If the notice is in electronic format, you must include a statement confirming that you personally submitted the notice.) The notice would take effect from the start of the following pay period.

If you do opt out, this would be in respect of the whole Scheme; you cannot, for example, choose to opt out of just the Additional Pension Benefit provision if it applies to you.

Upon opting out of the modified FPS 2006 you would become a special deferred member. The deferred pension would be assessed on the pensionable service accrued from the date on which your election to join took effect, plus a service credit in respect of the mandatory special period contributions that you have paid at the date of opting out. If you had not paid these contributions in full at the date of opting out, you would be given a pro rated service credit based on the sum due and the sum paid. Or, if you wish, you may pay the balance of contributions within three months of opting out and you would then be given credit for the full amount of special pensionable service that you had been "purchasing".

You would cease to have any further cover under FPS 2006 (other than that provided by a deferred pension). You would, however, continue to be covered by the provisions of the Firefighters' Compensation Scheme in the event of a qualifying injury.

If you subsequently change your mind and wish to rejoin FPS 2006 this would only be possible if, had you not opted out, you would still be a member under protected rights and you satisfy the membership conditions at that time. If accepted, your written, signed election to rejoin would take effect from the start of the following pay period. You would not, however, be permitted to rejoin as a special firefighter member, nor would you be able to resume payment of any mandatory special period contributions. Instead you would become a standard member subject to the terms of the unmodified FPS 2006.

Under "automatic enrolment" requirements introduced by the Pensions Act 2008, the authority has to periodically re-enrol optants-out back into a pension scheme. This would be the standard FPS 2006 if you are covered by protected rights; if you do not have

protected rights you would be enrolled into FPS 2015. (You can opt out again if you wish.)

WHAT ABOUT PREVIOUS PENSION RIGHTS?

On joining as a special firefighter member, there are various options for transferring pension rights from other pension arrangements in order that you may increase your pensionable service as a special member. You would have the option, like standard members, of transferring pension rights from some other suitable pension arrangement.

Additionally, if you have existing service in FPS 1992 you may be eligible to transfer it into the modified FPS 2006. Or if you have pensionable service in FPS 2006 as a standard member you would be able to convert it to special pensionable service.

You should note that there is a 30 year limit on the amount of pensionable service that you can count in the assessment of benefits in the modified Scheme even if the total of your special service exceeds this at the time of retirement.

Information about your transfer options would have been given to you by the fire and rescue authority when told of your right to join the modified FPS 2006. There are very strict time limits in which to request a transfer. If you are uncertain of your position, get in touch with the authority's pensions administrator.

If you do 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 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 –

The Pension Service 9, Mail Handling Site A, Wolverhampton WV98 1LU
Tel: 0800 731 0193 Website: www.gov.uk/find-lost-pension

HOW MUCH DO I PAY IN CONTRIBUTIONS?

As a member of FPS 2006 you pay a basic contribution which is a percentage of your pensionable pay. The fire and rescue authority pay an employer's contribution and additional charges for ill-health awards plus the cost of exercising certain discretions allowed under the Scheme. Employees' and employers' contributions are determined by the Secretary of State on the advice of the Scheme Actuary who will have regard to the total cost of Scheme benefits. They are reviewed regularly.

The pensionable pay upon which you pay contributions is the amount determined in relation to the duties of your role. You would also pay contributions on elements of pay which the authority may, at their discretion, treat as pensionable for providing "Additional Pension Benefits".

For retained firefighters it is not possible to achieve total consistency with regular firefighters' pensionable pay but, generally, it will be the main "constant" elements of pay, e.g. annual retainer, disturbance payment and payment for work activity. Any items of pay which would not be treated as pensionable for regular firefighters, for example certain reimbursements of expenditure, are treated as non-pensionable for retained firefighters, too.

PENSION CONTRIBUTION TABLES

The following tables show the appropriate contribution rates for special FPS 2006 members, according to the pay banding in which pensionable pay falls. The Tables give the contribution rates for the period from 1 April to 31 March in the years 2015/2016, 2016/2017, 2017/2018, and from 1 April 2018 until any revised contribution rates are introduced and take effect. When deciding the rate of contributions to be paid by a retained firefighter, the amount of pensionable pay for the purpose of Column 1 is the firefighter's "reference pay", i.e. the pay that would be paid to a whole-time regular firefighter employed in a similar role and with similar qualifying service. It should not include any elements of pay over and above that determined in relation to the duties of the role, e.g. payments which would form the basis of Additional Pension Benefits. But, having established the appropriate contribution rate in Column 2 by disregarding such payments, they are taken into account when contributions are assessed and deducted.

Where there is a permanent material change to terms and conditions which affect pensionable pay, the contributions rate must be re-assessed from the date of the change.

Pensionable pay	Contribution rate from 1 April 2015 to 31 March 2016
Up to and including £15,150	11.0% of pensionable pay
More than £15,150 and up to and including £21,210	12.2% of pensionable pay
More than £21,210 and up to and including £30,300	14.2% of pensionable pay
More than £30,300 and up to and including £40,400	14.7% of pensionable pay
More than £40,400 and up to and including £50,500	15.2% of pensionable pay
More than £50,500 and up to and including £60,600	15.5% of pensionable pay
More than £60,600 and up to and including £101,000	16.0% of pensionable pay
More than £101,000 and up to and including £121,200	16.5% of pensionable pay
More than £121,200	17.0% of pensionable pay

Pensionable pay	Contribution rate from 1 April 2016 to 31 March 2017
Up to and including £15,301	11.0% of pensionable pay
More than £15,301 and up to and including £21,422	12.2% of pensionable pay
More than £21,422 and up to and including £30,603	14.2% of pensionable pay
More than £30,603 and up to and including £40,804	14.7% of pensionable pay
More than £40,804 and up to and including £51,005	15.2% of pensionable pay
More than £51,005 and up to and including £61,206	15.5% of pensionable pay
More than £61,206 and up to and including £102,010	16.0% of pensionable pay
More than £102,010 and up to and including £122,412	16.5% of pensionable pay
More than £122,412	17.0% of pensionable pay

Pensionable pay	Contribution rate from 1 April 2017 to 31 March 2018
Up to and including £15,454	11.0% of pensionable pay
More than £15,454 and up to and including £21,636	12.2% of pensionable pay
More than £21,636 and up to and including £30,909	14.2% of pensionable pay
More than £30,909 and up to and including £41,212	14.7% of pensionable pay
More than £41,212 and up to and including £51,515	15.2% of pensionable pay
More than £51,515 and up to and including £61,818	15.5% of pensionable pay
More than £61,818 and up to and including £103,030	16.0% of pensionable pay
More than £103,030 and up to and including £123,636	16.5% of pensionable pay
More than £123,636	17.0% of pensionable pay

Pensionable pay	Contribution rate from 1 April 2018 to 31 March 2019
Up to and including £15,609	11.0% of pensionable pay
More than £15,609 and up to and including £21,852	12.2% of pensionable pay
More than £21,852 and up to and including £31,218	14.2% of pensionable pay
More than £31,218 and up to and including £41,624	14.7% of pensionable pay
More than £41,624 and up to and including £52,030	15.2% of pensionable pay
More than £52,030 and up to and including £62,436	15.5% of pensionable pay
More than £62,436 and up to and including £104,060	16.0% of pensionable pay
More than £104,060 and up to and including £124,872	16.5% of pensionable pay
More than £124,872	17.0% of pensionable pay

Mandatory special period contributions (see below) will have been assessed at the rates which applied to FPS 1992 members in respect of a period before 31 March 2014

MANDATORY SPECIAL PERIOD PENSION CONTRIBUTIONS

These are, in effect, historic contributions, i.e. those you would have paid had you been admitted to FPS1992 with effect from the date you have chosen between 1 July 2000 and 5 April 2006, up to the date at which you elected to join FPS 2006. Payment of the contributions is a condition of admission to the modified FPS 2006. You can pay the contributions by a single lump sum or periodically along with your basic contributions.

A lump sum would have to be paid within 6 months from the date of electing to join – failure to pay within this period would mean that the election to join would be treated as not having been made. Periodic contributions (plus interest) would be paid over a period of 10 years, commencing after the date of election. If the firefighter paying by this method were to retire within those 10 years and before payment had been completed, there would

be an option to pay the balance of contributions as a lump sum within three months of becoming entitled to receive payment of the pension. Payment could be made by a deduction from any lump sum by commutation.

If payment is not made in full, the period of special pensionable service that was due to be credited will be pro rated according to contributions paid as a proportion of contributions due. The exception to this would be if the firefighter were to die in service. Then, full credit of special pensionable service would be given, and used in the calculation of survivor benefits.

CONTRIBUTIONS FOR UNPAID LEAVE

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

If you have an unpaid period of absence for other reasons (including authorised sick leave), you will have the option to pay contributions (based on the pensionable pay you would have received but for the absence) in order that the period can count as pensionable service. But in this case 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.)

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

To be eligible for any of the pensions mentioned in this booklet, a member of FPS 2006 must have at least 3 months' qualifying service in the Scheme. Because of the "historic" application of the Scheme rules for special firefighter members, subject to the payment of mandatory special period pension contributions you should easily satisfy this requirement.

If you did have less, you would still be eligible if you have had a transfer of personal pension scheme rights into FPS 2006, or have reached normal retirement age (55 for members of the modified Scheme).

If you do not qualify for a pension, a refund of contributions would be made.

AT WHAT AGE WOULD I BE PAID MY PENSION?

Normal retirement age for special firefighter members of the modified FPS 2006 is age 55. If you choose to retire at or after this age, your pension would be put into immediate payment.

An ill-health pension may be payable at any age.

If you leave FPS 2006 before becoming entitled to payment of either of the above awards you may be awarded a deferred pension. This would be payable from –

- normal benefit age, which is age 60 for special firefighter members, or

- at your request and subject to appropriate medical certification, at any age, on grounds of permanent disability which prevents you from undertaking regular employment.

HOW IS A PENSION CALCULATED?

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

FPS 2006 is a final salary pension scheme which means that your pension (excluding Additional Pension Benefits) will be a proportion of final pensionable pay. The proportion will depend, in part, upon how much pensionable service you have at the time of leaving the Scheme.

As a special firefighter member, for each year of special pensionable service, you will get 1/45th of final pensionable pay. The fraction of 1/45th reflects the accrual rate for FPS 1992 members. In that Scheme, for each of the first 20 years of service the firefighter would be credited with 1/60th of pensionable pay and for each year between 20 and 30, he/she would be credited with 2/60ths. As part of the pension settlement for retained firefighters, it was decided that the 60th accrual principle contained in FPS 1992 should be reflected in the modified FPS 2006 but based on a uniform accrual principle of 1/45th for each year up to a maximum of 30 years. (This is how a deferred pension would be assessed in FPS 1992.) Each day of pensionable service will count as 1/365th of 1/45th.

For example, if a special firefighter member retires at age 55 with 15 years 28 days of pensionable service and final pensionable pay of £32,000, the pension would be –

$$15 \frac{28}{365} \times \frac{1}{45} \times £32,000 = £10,721.22 \text{ a year}$$

WHAT IS PENSIONABLE SERVICE?

For regular firefighters, this is their period of service as a member of FPS 2006 and in respect of which they have paid contributions. If their hours of employment are less than whole-time, the "calendar" length of service would be pro rated to reflect their part-time hours. For example if a regular firefighter worked half-time during six "calendar" years of service, the pensionable service for the pension calculation would be three years.

For retained firefighters, however, a totally different approach has to be used, based on pay. The actual pensionable pay they receive is compared with the pay that would have been received over the same period by a whole-time regular firefighter in the same role and with similar service. (FPS 2006 calls this "reference pay".)

The comparison will normally be made over each financial year (1 April to 31 March) during the firefighter's pensionable employment. It will indicate the proportion of pensionable service which will count in each financial year.

Suppose a retained firefighter worked for 3 financial years – from 1 April 2007 to 31 March 2010. Assume pensionable pay of a whole-time regular firefighter in a similar role over the same 3 year period was –

1.4.2007 to 30.6.2007	£24,000
1.7.2007 to 30.6.2008	£26,000

1.7.2008 to 30.6.2009 £28,000
 1.7.2009 to 31.3.2010 £30,000

These rates of pay would be the starting point for working out the retained firefighter's pensionable service. Next we need to break down these rates of pay to show how much would actually have been received by the whole-time regular firefighter within each of the financial years –

Year 1:	1.4.2007 to 30.6.2007:	91/365	x	£24,000	=	£ 5,983.56
	1.7.2007 to 31.3.2008:	274/365	x	£26,000	=	<u>£19,517.81</u>
						<u>£25,501.37</u>
Year 2:	1.4.2008 to 30.6.2008:	91/365	x	£26,000	=	£ 6,482.19
	1.7.2008 to 31.3.2009:	274/365	x	£28,000	=	<u>£21,019.18</u>
						<u>£27,501.37</u>
Year 3:	1.4.2009 to 30.6.2009:	91/365	x	£28,000	=	£ 6,980.82
	1.7.2009 to 31.3.2010:	274/365	x	£30,000	=	<u>£22,520.55</u>
						<u>£29,501.37</u>

Then the pensionable pay received by the retained firefighter has to be established. For this example, let's suppose pay records show that the pensionable pay received by the retained firefighter was –

Year 1: £6,429.12
 Year 2: £4,132.56
 Year 3: £8,528.21

Finally, to work out the service credit for each financial year, we divide the pensionable pay received by the retained firefighter by the pensionable pay received by the whole-time regular firefighter –

Year 1:	£6,429.12/£25,501.37	=	0.2521	of a year
Year 2:	£4,132.56/£27,501.37	=	0.1503	of a year
Year 3:	£8,528.21/£29,501.37	=	<u>0.2891</u>	of a year
Total:			<u>0.6915</u>	years' pensionable service

It is 0.6915 years (approximately 252 days) that would be the pensionable service used in the pension calculation.

Various other periods may count as pensionable service, e.g. service credited on receipt of a transfer value from another pension arrangement, unpaid leave (including additional maternity, paternity and adoption leave, and industrial action) where the firefighter has paid contributions, or "purchased" service where contributions have been paid to improve retirement benefits. Special firefighter members who have been members of FPS 1992 or the unmodified FPS 2006 may also have pensionable service allowed under "conversion" arrangements which applied when they first elected to join the modified Scheme.

WHAT IS FINAL PENSIONABLE PAY?

For parity with part-time and whole-time regular firefighters, the pensionable pay used in the pension formula for a retained firefighter will be the final pensionable pay that would have been used for a regular whole-time firefighter in a similar role and with similar qualifying service. In most cases this would be the (whole-time) pensionable pay –

"reference pay" – averaged, normally, over the last 365 days of pensionable service. It would not, however, include those payments which have been treated as pensionable for providing "Additional Pension Benefits".

If either of the two preceding periods of 365 days would produce a greater amount because of a reduction in reference pay, the final pensionable pay from one of those earlier periods could be substituted. This protects your pension if you have, say, a demotion in your last couple of years' service. If you have a reduction in pay earlier on in your service, the "two pension option" could help you.

AGE RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension and who retires at or after 55. The age retirement pension formula for a special firefighter member is –

$$\text{annual pension} = 1/45 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, in line with the explanation of pensionable service and final pensionable pay given above, a special firefighter member has served for 25 calendar years and has been credited with 14.6047 years of pensionable service by reference to retained earnings and the pensionable earnings of a regular firefighter in a similar role. Assuming that at the date at which the retained firefighter retires with entitlement to an age retirement pension, a regular firefighter in a similar role would have final pensionable pay of £30,000, the assessment of the special firefighter member's pension would be –

$$14.6047/45 \times £30,000 = £9,736.47 \text{ a year}$$

Part of the annual pension can be commuted to provide a lump sum if the firefighter wishes.

DEFERRED PENSION

If you leave FPS 2006 (on ceasing to be a firefighter or upon opting out of the Scheme) having sufficient service to qualify for a pension but not being eligible for immediate payment because you are not old enough nor retiring on grounds of ill-health, then you would be entitled to a deferred pension. This would be assessed on the basic formula, i.e.

$$\text{annual pension} = 1/45 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, a retained firefighter aged 35 who has been credited with 4 years' pensionable service and whose final pensionable pay would be £30,000 if a whole-time regular firefighter, would be entitled to a deferred pension of –

$$6/45 \times £30,000 = £4,000.00 \text{ a year}$$

As its name suggests, payment of a deferred pension would not be immediate. It would normally be put into payment at age 60. The pension will attract Pensions Increase during its deferment and after it is put into payment.

A person with a deferred pension, who suffers ill-health before it is due to be paid, to the extent that he/she is permanently disabled from undertaking regular employment (i.e. a similar test to that which decides if a serving firefighter would be eligible for a higher tier ill-health award), can have the deferred pension put into immediate payment. (There would be no higher tier ill-health pension element as in the case of a higher tier ill-health award).

Part of a deferred pension can be commuted to provide a lump sum if the firefighter wishes.

ILL-HEALTH PENSION

A serving firefighter who has sufficient service to qualify for a pension and who leaves because of permanent disablement for the duties of their role may be considered at any age for an ill-health pension. There are two tiers of ill-health award –

- a lower tier award which provides a lower tier pension
- a higher tier award which provides a lower tier pension plus a higher tier pension

The higher tier award is made where the firefighter has at least 5 years' qualifying service (i.e. the "calendar length" of Scheme membership) and is not only permanently disabled for the performance of the duties of his/her role as a firefighter but is also permanently disabled from undertaking regular employment.

For a special firefighter member, the lower tier ill-health pension would be assessed on similar principles to those used in the assessment of an age or deferred pension. It is based on the formula:

$$1/45 \times \text{pensionable service} \times \text{final pensionable pay}$$

The method of assessment of a higher tier ill-health pension, particularly for a retained firefighter, is a bit more complicated. It is based on a proportion of prospective service, i.e. the service the firefighter will not be able to achieve because of the ill-health retirement.

The formula for assessing a higher tier ill-health pension for special firefighter members is:

$$(2\% \times A) \times \left(\frac{A}{B} \times C\right) \times \frac{D}{45}$$

where:

A is the pensionable service accrued in the Scheme before ill-health retirement, i.e. assessed on similar principles to the pensionable service used in an age or deferred pension calculation

B is qualifying service, i.e. "calendar length" of Scheme membership

C is the pensionable service that the firefighter would have accrued from the date of ill-health retirement until normal retirement age (55) had he/she continued to be a contributing member of the Scheme as a whole-time regular firefighter

D is the final pensionable pay ("reference pay").

For example, if a special firefighter member had been a member of the Scheme for 16 years (16 years' qualifying service), has 4 years of pensionable service credited up to the date of leaving and if they had been a whole-time regular firefighter would have completed a further 12 years' pensionable service to age 55 and would have final pensionable pay of £29,501.37, the higher tier ill-health pension would be assessed as –

$$(2\% \times 4) \times \left(\frac{4}{16} \times 12\right) \times \frac{\pounds 29,501.37}{45} = \pounds 157.34 \text{ a year}$$

It would be added to the lower tier ill-health pension to form the higher tier ill-health award.

Part of a lower tier, but not a higher tier, ill-health pension can be commuted to provide a lump sum if the firefighter wishes.

TWO PENSION OPTION (“SPLIT AWARD”)

Unlike the other pensions mentioned here, which generally reflect the age and/or grounds for retirement, the two pension option is a device to protect the final salary benefits of a firefighter who has had a reduction in pensionable pay. In the event of such a reduction, the pension rights accrued up to the date of the reduction would be treated as if they were a deferred pension and a new, second pension would start to accrue from the following day.

When the firefighter eventually leaves in circumstances where the second pension becomes payable, the first pension would be payable too.

Alternatively, the firefighter could choose to add the service upon which the first pension would be based, to the service upon which the second pension is based and have a single pension calculated on the total period of service and the final pensionable pay as at the end of the second period. This could be the best option if final pay at the date of retirement, to be used for the assessment of the second pension, exceeds the final pensionable pay used for assessment of the first pension (allowing for inflation). This could happen, for example, if the firefighter has a promotion during the second period of service.

Part of split pensions can be commuted to provide a lump sum.

ADDITIONAL PENSION BENEFITS (“APBs”)

Additional Pension Benefits (“APBs”) are a form of contributions-based pension paid in addition to the main final salary FPS pension. They are a method of ensuring that an element of pay which is treated as pensionable but which may not be present at the end of a firefighter’s service will nevertheless be recognised in respect of contributions paid, even though it cannot be taken into account in a final salary assessment.

APBs were first introduced to cater for the impact on pensionable pay of the phasing out of Long Service Increment (“LSI”). The removal of LSI affected the pension expectation of those firefighters who were receiving it. Those who had been receiving LSI at that time were awarded LSI APBs. No further LSI APBs will be awarded. It was a one-off form of protection.

However, APBs now remain and are available to cater for other elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the fire and rescue authority may, at their discretion, allow to be treated as pensionable.

The way in which APBs work is that you pay basic pension contributions on the relevant element of pay, and the authority pays contributions at the employer’s contribution rate. The contributions which have been paid by you and the authority over the previous 12 months are totalled on every 1 July and the sum is then used to “buy” an amount of APB for that year by reference to factors provided by the Scheme Actuary. The amounts of

APB at the end of each year are index-linked. They are totalled and paid to you as an additional pension when you become eligible to receive your main FPS 2006 pension.

CAN I PURCHASE ADDITIONAL SERVICE?

As a special firefighter member you will have paid, or are paying, contributions to convert non-pensionable service to special pensionable service. Additionally you may have elected to convert service as a member of the FPS 1992 or the standard FPS 2006 into special pensionable service. (You would have been told of these options, and how they would apply to you, when you first joined the modified FPS 2006.)

You also have the option to purchase additional service if, taking into account the special service you are purchasing and that which you would expect to achieve by normal retirement age (55), your total pensionable service would be less than 30 years. Purchased service would count as pensionable service in the assessment of benefits.

Firstly a firefighter has to decide how many additional years to purchase. The cost, by way of additional contributions, is determined by factors provided by the Scheme Actuary and reflect the age of the firefighter at the birthday following the election to pay. (The closer to retirement, the higher the contribution rate.)

The use of these factors is straightforward for whole-time firefighters. For example, suppose a whole-time regular firefighter wants to purchase an additional 3 years of pensionable service and each year costs 1.54% of pensionable pay. He/she would be required to pay an additional 4.62% (i.e. 3 x 1.54%) of (whole-time) pensionable pay until normal retirement age, on top of standard contributions.

In the case of a retained firefighter, because the pay is variable, the rate at which purchased additional service accrues would be variable, too. It would be necessary to discuss with the pensions administrator the best method of collection of contributions in an individual case. There could be various options.

For example, it may be possible to assess the amount of contribution that would be payable by a whole-time firefighter on whole-time pay each year and to have this deducted as a set amount, rather than as a percentage of pay. But this would only be possible where the pensionable pay for each pay period is high enough to accommodate the fixed deduction. An alternative approach may be to deduct a set percentage of actual pensionable pay and, at the end of every financial year, to work out – based on pensionable pay received as a proportion of the pay of a whole-time firefighter in the same role – what proportion of a year has been purchased.

To pay additional contributions, an election to do so must be made at least 2 years before normal pension age (55) and you must not be due to retire (e.g. on health grounds) in the immediate future. The additional contributions would be deducted with effect from your next birthday following your election, along with your basic contributions and any mandatory special period pension contributions (unless you had chosen to pay the latter by lump sum). They would be assessed on your pensionable pay excluding any element treated as pensionable for APBs.

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" to date.

The fire and rescue authority can give you further details about purchase and inform you of the actuarial factors to be used for deciding the additional contributions due.

TRANSFER OF PENSION RIGHTS OUT OF SCHEME

If you leave FPS 2006 having sufficient service to qualify for a pension but not eligible for immediate payment 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 Scheme Actuary and offered to the trustees or managers of your new pension scheme. The transfer would take place only if you so instruct and if the fire and rescue authority are satisfied that the new scheme has the necessary approval of HM Revenue and Customs and that it would be permissible under pension transfer legislation. For example, a transfer from FPS 2006 to a scheme offering a right to flexible benefits would not be possible.

You may leave employment with the fire and rescue authority to transfer to another authority where you remain a member of FPS 2006. If the new employment is at a lower rate of pay, the two pension option would be available to you. Although your pension rights will normally transfer with you (the authority you leave would send a statement of your accrued pension entitlement to your new authority), payments of transfer value are not exchanged between English fire and rescue authorities. However, a transfer value would be paid between an English authority and an authority in Wales, Scotland or Northern Ireland where different funding arrangements apply.

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 must give written notice to the 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 (including any Additional Pension Benefit) should be commuted, i.e. converted into a lump sum. (Note that you may not commute any portion of a higher tier ill-health pension.)

For special firefighter members, the amount of lump sum provided by each £1 of pension commuted is determined by factors provided by the Scheme Actuary – see next page; they reflect those that applied to members of the FPS 1992 as at 1 April 2014. (These are greater than apply to standard FPS 2006 members.)

You can commute up to one quarter of your pension provided that the resultant lump sum would not be greater than the maximum permitted by HM Revenue and Customs without incurring a tax charge ("a scheme chargeable payment"). This limit is most likely to be exceeded if the relevant commutation factor is greater than 20. When your pension becomes due, the authority's pensions administrator will be able to tell you how much you can commute, if restricted by the tax limits.

Assume a special firefighter member is entitled to a pension of £8,000 and is aged 57 years and 7 completed months on the day his pension commences; the relevant commutation factor shown in the table on the next page is 19.8. He opts to commute one quarter of his pension for a lump sum. Based on £8,000, this would be £2,000.

The lump sum will be: £2,000.00 x 19.8 = £39,600.00

The pension following commutation will be: £8,000.00 - £2,000.00 = £6,000.00 a year

Commutation Factors (at date of issue of this Guide)												
Based on age in years and completed months on day pension commences												
Years	Months											
	0	1	2	3	4	5	6	7	8	9	10	11
Below 50	23.4											
50	22.4	22.3	22.3	22.3	22.3	22.2	22.2	22.2	22.2	22.1	22.1	22.1
51	22.1	22.0	22.0	22.0	22.0	21.9	21.9	21.9	21.9	21.8	21.8	21.8
52	21.8	21.7	21.7	21.7	21.7	21.6	21.6	21.6	21.6	21.5	21.5	21.5
53	21.5	21.4	21.4	21.4	21.3	21.3	21.3	21.3	21.2	21.2	21.2	21.1
54	21.1	21.1	21.1	21.0	21.0	21.0	21.0	20.9	20.9	20.9	20.9	20.8
55	20.8	20.8	20.8	20.7	20.7	20.7	20.6	20.6	20.6	20.5	20.5	20.5
56	20.4	20.4	20.4	20.4	20.3	20.3	20.3	20.2	20.2	20.2	20.1	20.1
57	20.1	20.0	20.0	20.0	19.9	19.9	19.9	19.8	19.8	19.8	19.7	19.7
58	19.7	19.6	19.6	19.6	19.5	19.5	19.5	19.4	19.4	19.4	19.3	19.3
59	19.3	19.2	19.2	19.2	19.1	19.1	19.1	19.0	19.0	19.0	18.9	18.9
60	18.9	18.8	18.8	18.7	18.7	18.7	18.6	18.6	18.6	18.5	18.5	18.5
61	18.4	18.4	18.4	18.3	18.3	18.2	18.2	18.2	18.1	18.1	18.1	18.0
62	18.0	18.0	17.9	17.9	17.8	17.8	17.8	17.7	17.7	17.7	17.6	17.6
63	17.5	17.5	17.5	17.4	17.4	17.4	17.3	17.3	17.2	17.2	17.2	17.1
64	17.1	17.1	17.0	17.0	16.9	16.9	16.9	16.8	16.8	16.8	16.7	16.7
65	16.6											

ALLOCATION

Allocation is an option to give up part of your pension at retirement to provide, on your death, a pension for a spouse, civil partner, nominated partner or other dependant (in addition to any benefits which are automatically provided by FPS 2006). It is an old provision which has carried forward to FPS 2006 from earlier versions of the Scheme even though dependants' benefits have improved, over the years, 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. It is subject to medical evidence of good

health and normal life expectancy. The amount provided as a pension on allocation depends upon the age and sex of the firefighter and of the nominee.

The fire and rescue authority's pensions administrator can give you a personalised quote before your pension becomes due if you are interested in this option.

DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP THE EFFECT ON PENSION RIGHTS

In the event of divorce, dissolution of civil partnership, annulment or judicial separation, 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 attachment order – sometimes referred to as an "earmarking" order – or under the terms of a "pension sharing" order.

The authority's pensions administrator can provide pensions information, if so requested, for the court proceedings.

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 (who becomes a "pension credit member" of FPS 2006). The pension credit rights would remain in FPS 2006 until the pension credit member is eligible to draw them at age 60, or put into immediate payment if he/she has already reached that age.

The pension credit cannot be transferred to another pension arrangement. If death occurs before the pension credit pension comes into payment a death grant of 2.25 times the pension credit pension would be paid. If the pension credit member dies before age 75 and within five years of his/her pension coming into payment, a post-retirement death grant would be paid. There are no survivor pensions attached to a pension credit.

LUMP SUM DEATH GRANT

If a member of FPS 2006 dies in service, a death grant would be payable. For special firefighter members this would normally be the greater of –

- (a) 2 times actual (retained) pensionable pay at the date of death, expressed as an annual rate, or
- (b) 2 times a proportion of the pensionable pay of a whole-time regular firefighter in a similar role.

In the case of (b), the proportion would be based on the total pensionable service credited to the special firefighter at the date of death, and his/her total qualifying service.

For example, if the firefighter had 5 years 291 days (5.7973 years) of qualifying service (the "calendar length" of Scheme membership) of which 1.6915 years counted as

pensionable, and a whole-time regular firefighter in an equivalent role would be on an annual rate of pensionable pay of £30,000, (b) would be assessed as –

$$2 \times 1.6915/5.7973 \times £30,000 = £17,506.43$$

Apportionment would also be applied if the firefighter was covered by the "two-pension" option following a reduction in pay.

If a FPS 2006 pensioner member dies under age 75 having received a pension for less than 5 years, there would be a post-retirement death grant based on the difference between the amount of pension received and the pension that would have been payable over the 5 year period. Because all the adjustments for variable-time service will have been made at the time of a retained firefighter's retirement, no special arrangements are necessary. This would apply also where the pension in payment was a deferred pension, but no death grant is payable if a deferred pension has not come into payment.

The fire and rescue authority have absolute discretion as to whom to pay the death grant but you may nominate the person(s) that you would wish to be the recipient(s). The authority would take your wishes into account when making their decision.

SURVIVOR PENSIONS

In the event of the death of a FPS 2006 member (whether before or after retirement) a pension will be paid to a surviving spouse, or civil partner, or nominated partner and/or child.

If the deceased was a serving FPS 2006 member –

- the spouse's or partner's pension would be half of the higher tier award to which the firefighter would have been entitled if he/she had retired on health grounds on the date of death;
- the child's pension would be one quarter of the higher tier ill-health award; where there is more than one eligible child, the pension would be one half of the higher tier award divided between the children.

If the deceased had left FPS 2006, was entitled to a deferred pension, but that pension had not yet come into payment –

- the spouse's or partner's pension would be half of the deferred pension;
- the child's pension would be one quarter of the deferred pension; where there is more than one eligible child, the pension would be one half of the deferred pension divided between the children.

If the deceased was in receipt of pension from FPS 2006 at the time of death –

- the spouse's or partner's pension would be half of the deceased's pension*;
- the child's pension would be one quarter of the deceased's pension*; where there is more than one eligible child, the pension would be one half of the deceased's pension* divided between the children.

* i.e. the value of the pension before any reduction for early payment but after commutation

If the spouse or partner is more than 12 years younger than the deceased, the pension as mentioned above in respect of serving, deferred or pensioner members, will be reduced by 2.5% for every year or part year in excess of the 12 years, to a maximum of 50%.

If the deceased leaves no eligible spouse or partner but there is an eligible child or children, the pension paid to the child/children would be equivalent to that which would have been paid to an eligible spouse or partner, disregarding any age reduction. If there is more than one child, the pension would be divided equally between the children. It would stop when the children cease to be eligible.

The calculation of these awards for special members of the modified FPS 2006 will have regard to the principles for assessing pensionable service and pensionable pay as shown on previous pages, but no other special terms apply.

In the case of death after retirement, or after a deferred pension has been put into payment, for the first 13 weeks after the date of death a short-term "bereavement pension" is payable to the spouse or partner. This brings the level of the spouse or partner's pension up to the weekly rate of pension being received by the retired firefighter at the date of death. There are no special provisions here for a retained firefighter – all the relevant adjustments would have been made at the time of retirement.

A bereavement pension is also payable in the event of death in service, for the first 13 weeks after the date of death. This brings the level of spouse or partner's pension up to the level of the firefighter's pensionable pay. In the case of a retained firefighter, pensionable pay for this purpose will be a proportion of that paid to a whole-time regular firefighter in a similar role and with a similar length of service.

The proportion is worked out on the same principles as those used for working out the pensionable pay on which a death grant would be assessed. The retained firefighter in the death grant example had 5 years 291 days of qualifying service (5.7973 years) of which 1.6915 years counted as pensionable service, and the pensionable pay of a whole-time regular firefighter in a similar role was £30,000.

Using the same details for the bereavement pension, this would mean that for the first 13 weeks following the firefighter's death in service, the bereavement pension should bring the level of the spouse's or partner's pension up to –

$$£30,000/52.2 \times 1.6915/5.7973 = £167.69 \text{ a week}$$

If no pension is payable to a spouse or partner but a pension is payable to a child or children, they would receive the bereavement pension. (If there is more than one eligible child, the bereavement pension would be divided between them.)

There is no bereavement pension due in the case of a deferred pension which had not come into payment at the date of death.

A spouse's or partner's pension is payable for life, even if he/she marries, remarries, forms a civil partnership or a subsequent civil partnership. Also, there is no difference in treatment according to whether the marriage/partnership commenced before or after the Scheme member's retirement.

A child is eligible to receive a pension if below age 18, or below age 23 and in full-time education. Eligibility ceases on marriage, civil partnership or upon ceasing full-time education and entering remunerated employment, if earlier.

A child who is permanently disabled and dependent on the firefighter at the date of death may be entitled to receive a pension for life.

Contact the fire and rescue authority's pensions administrator if you wish to have more detailed information on any of these points, or would like to discuss your personal circumstances.

COMMUTATION OF TRIVIAL PENSIONS

If a pension payable to a member of FPS 2006, or to an eligible dependant, is less than limits set by HM Revenue and Customs, subject to certain other requirements of the tax rules being satisfied (e.g. the age of the pensioner) the fire and rescue authority may commute all of the pension to a lump sum. The assessment of the lump sum would be based on factors provided by the Scheme Actuary.

Alternatively, the authority may decide to pay a small pension at less frequent intervals than the intervals at which they normally pay pensions.

EFFECT OF TAX RULES

FPS 2006 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") must be compared with an annual limit set by HM Treasury. If the value exceeds the limit, tax would be due, payable through self-assessment. Or you could elect that the fire and rescue authority should make the payment on your behalf and collect the sum due from your benefit entitlement; this is referred to as the "scheme pays" method.

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 FPS 2006. Consequently the 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. The authority can give you more details of the way in which tax rules work, how benefits are valued, current limits and the tax chargeable.

PAYMENT OF BENEFITS

Pensions are paid in arrears in monthly instalments by the fire and rescue authority. Lump sums by commutation are paid by the authority as soon as possible after they are due.

The authority has discretion as to whom an award for a minor (a person below age 18) 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 FPS 2006 are increased in accordance with Pensions Increase Acts and Orders. Any increase due is applied, with immediate effect, to ill-health pensions and pensions for widow(er)s, civil partners and children. Otherwise it would be put into payment at or after age 55 when the pension to which it relates is put into payment. In the case of deferred benefits, the increase would normally accrue from the day after the date of leaving FPS 2006 and would be paid when the deferred benefit is put into payment.

WITHDRAWAL OF PENSION

In certain circumstances a benefit payable under FPS 2006 can be reduced or withdrawn.

Benefits may be reduced by an "earmarking" or pension sharing order issued on divorce, dissolution of a civil partnership, annulment or judicial separation.

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

They may also withdraw part or all of a pension, permanently or temporarily, if the person otherwise entitled to the pension has been convicted of an offence –

- of treason, or 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);
- 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 likely to lead to serious loss of confidence in the public service; or
- under section 34(6) of the Fire and Rescue Services Act 2004 (acts or omissions for purposes of obtaining awards or other sums).

A pension is not payable to a dependant convicted of the murder of the firefighter from whose pension rights the pension derives; in the case of manslaughter of the firefighter, the fire and rescue authority have discretion to withhold all or part of the pension.

If a person has been receiving an ill-health pension for less than 10 years, and has not reached State pension age, the authority must, at such intervals as they think fit, review his/her continuing entitlement 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 a higher tier ill-health pension is in payment, 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 his/her firefighter role 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. 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, when eligible, under deferred pension rules.

In the case of a higher tier award, if the person is considered fit to return to his/her former role as a firefighter, the position would be as described for the lower tier. (But service counting for further pension entitlement would not include higher tier "enhancement").

If not considered fit enough to be a firefighter, but fit enough for regular employment, the lower tier ill-health pension would continue in payment but not the higher tier.

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

RIGHTS OF APPEAL

If a FPS 2006 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.

FPS 2006 contains arrangements for Internal Dispute Resolution Procedures ("IDRP") based on the requirements of the Pensions Act 1995 and Regulations made under that Act. There are also provisions for medical appeal if a person is dissatisfied with a medical opinion upon which a determination of award is based.

Looking at the medical appeal route first, if a fire and rescue 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 first obtain the written opinion of an independent qualified medical practitioner ("IQMP") 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. The authority must notify the firefighter of their decision as to award and supply a copy of the medical opinion upon which their determination is based.

If the FPS 2006 member 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. (Before this stage, however, if the member provides new evidence of a medical nature and the member and the authority agree, the IQMP can be asked to review the medical opinion in the light of the new evidence.)

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

If the grievance of the FPS 2006 member, a dependant, or a pension credit member is with a decision made by the fire and rescue authority rather than with the content of a medical opinion, or is in respect of a non-medical aspect of the opinion, he/she can use the two-stage IDRPs to seek resolution. At Stage One the grievance would be considered and decided by the Chief Fire Officer and Chief Executive. If the appellant remains dissatisfied, he/she can take the grievance to Stage Two where it would be considered and decided by the Appeals Committee of the fire and rescue authority. A written response is made at both stages of the Procedures.

Because there are two different routes of appeal – medical appeal and IDRPs – you should be clear about which is the appropriate route for any grievance you may have. Full details of the medical appeal procedures, the IDRPs process, and relevant time limits can be supplied by the fire and rescue authority.

THE PENSIONS ADVISORY SERVICE ("TPAS")

TPAS provide independent and impartial information about pensions, free of charge, to members of the public. TPAS is available to assist members and beneficiaries of the scheme with any pension query they may have or any general requests for information or guidance concerning their pension benefits. TPAS can be contacted at:

The Pensions Advisory Service,
11, Belgrave Road, London, SW1V 1RB

Telephone helpline: 0800 011 3797

Website: www.pensionsadvisoryservice.org.uk

THE PENSIONS OMBUDSMAN

TPO deals only with pension complaints. It can help if you have a complaint or dispute about the administration and /or management of personal and occupational pension schemes. Some examples of the types of complaints it considers are (this list is not exhaustive):

- Automatic enrolment
- Benefits: including incorrect calculation, failure to pay or late payment
- Death benefits
- Failure to provide or act on instructions
- Ill health
- Interpretation of scheme rules
- Misquote or misinformation
- transfers

You have the right to refer your complaint to the TPO free of charge. There is no financial limit on the amount of money that TPO can make a party award you. Its determinations are legally binding on all parties and are enforceable in court.

Contact the with the TPO about a complaint needs to be made within three years of when the event(s) you are complaining about happened – or, if later within three years of when you first knew about it (or ought to have known about it). There is a discretion for those time limits to be extended

The Pensions Ombudsman can be contacted at –

The Office of the Pensions Ombudsman,
10 South Colonnade, Canary Wharf, E14 4PU

Telephone: 0800 917 4487

Website: 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 ensures that pension scheme members' interests are protected and that schemes comply with the law. In April 2015 it issued a Code of Practice for the governance and administration of public service pension schemes.

It deals with issues about pension schemes as a whole. It does not deal with queries about an individual's pension benefits but recommends that a person seeking free information and advice on all types of pensions should approach The Pensions Advisory Service (see above).

Website: www.thepensionsregulator.gov.uk

GOVERNANCE

The Public Service Pensions Act 2013 sets out governance requirements for pension schemes made under that Act, and any "connected" schemes. The Firefighters' Pension Scheme 2015 ("FPS 2015") was made under the Act, and earlier Firefighters' Pension Schemes such as FPS 2006 are "connected" schemes. Consequently, the requirements of the Act as set out in FPS 2015 would apply equally to FPS 2006.

A fire and rescue authority which has responsibility for managing and administering the Scheme is the "Scheme Manager" and a Scheme Manager must establish a local pension board to assist it in ensuring effective and efficient governance and administration. This includes compliance with Scheme rules and regulations, with any other legislation relating to the governance of the Schemes, with any requirements imposed by the Pensions Regulator, and having regard to guidance issued by the Secretary of State.

The Scheme Manager must determine the membership of the local pension board, the manner in which members may be appointed and removed, and the terms of appointment. The local pension board must include an equal number, no less than 4 in total, of employer and member representatives. The Scheme Manager must ensure that none of the members has a conflict of interest. Professional and other advisers may be appointed.

In addition to the local pension boards, there is a central board – "the Firefighters' Pension Scheme Advisory Board" which must have at least 2 but no more than 14 persons appointed by the Secretary of State to represent the interests of Scheme members and Scheme employers. There can also be up to 3 additional non-voting advisory members. At the date of issue of this Guide, there are 7 employee representatives – 4 seats for the FBU and 1 each for FOA, RFU and APFO – and 7 employer representatives selected to reflect the types of fire and rescue authority and to ensure political balance.

The role of the Scheme Advisory Board is to provide advice, at the request of the Secretary of State, regarding the desirability of making changes to the Schemes. It will also provide advice to Scheme Managers and local boards in relation to the effective and efficient administration and management of the Schemes.

INTER-RELATIONSHIP WITH THE STATE PENSION SCHEME

Your entitlement to the Basic State Pension is accruing completely separately from your benefits under FPS 2006 but the Schemes are inter-related because, until April 2016, FPS 2006 was a “contracted-out” pension scheme.

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”. Members of a contracted-out scheme paid a lower, contracted-out rate of National Insurance. The guaranteed element of the benefits is called a “Guaranteed Minimum Pension” or “GMP”. It is notified to the pension scheme administrator by the National Insurance Contributions Office of HM Revenue and Customs. 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 contracting out is that, at State Pension Age, the State takes over full or partial responsibility for paying Pensions Increase on that portion of an 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. From this date, a contracted-out pension scheme simply had to guarantee that at least 90% of 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. FPS 2006 came into effect on 6 April 2006; therefore the only members who will have a GMP entitlement will be those who have transferred pension rights to FPS 2006 from a contracted-out pension scheme in which they were a member before 6 April 1997.

State Second Pension

SERPS was replaced by the State Second Pension (known as “S2P”) on 6 April 2002. Like SERPS it provides a second tier element of State retirement benefits on top of the Basic State Pension. FPS 2006 is contracted out of S2P. Consequently, while a member of FPS 2006 you will not be contributing to S2P.

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 State Pension Scheme statement, indicating how much State Pension you may get, from the Future Pension Centre of the Department for Work and Pensions. Contact –

The Pension Service 9, Mail Handling Site A, Wolverhampton WV98 1LU

New State Pension

A new, single-tier, flat-rate State Pension was introduced for people who reach State Pension age on or after 6 April 2016. It replaced the current State Pension and Additional State Pensions outlined above. It ended the concept of contracting out of the additional element of State Pension and, consequently, pension scheme members and employers will no longer be eligible to pay a lower rate of National Insurance contribution.

Further information about State Pension

More information about the new State Pension can be found at:

www.gov.uk/yourstatepension
www.gov.uk/browse/working/state-pension

EMPLOYMENT AS A RETAINED AND AS A REGULAR FIREFIGHTER

If you are a regular firefighter who also undertakes retained duties, you should have a separate pension record for each contract (or part contract if regular and retained duties are covered by a single contract). This helps ensure an equitable accrual of pension rights reflecting regular or retained duties. This is particularly important if you are a member of FPS 1992 as a regular firefighter and of FPS 2006 as a retained firefighter, or if you are employed by more than one fire and rescue authority.

GLOSSARY

Expression	Explanation
active member	A serving firefighter who is a member of the Firefighters' Pension Scheme 2006, i.e. not having opted out or retired on pension.
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 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 into a lump sum payment, or the whole of a "trivial" pension.
death grant	A lump sum payable on the death of a serving firefighter, or pensioner or pension credit member of FPS 2006 in certain circumstances.
FPS 1992	The Firefighters' Pension Scheme 1992
FPS 2006	The Firefighters' Pension Scheme 2006
FPS 2015	The Firefighters' Pension Scheme 2015
medical opinion/certification	A certificate containing the opinion of an independent qualified medical practitioner.
modified FPS 2006	FPS 2006 as it applies to retained firefighters serving before 6 April 2006 who, under the terms of the Retained Firefighters' Pension Settlement, have qualified to be members of a version of the Scheme which reflects, in part, the FPS 1992 rules.

Expression	Explanation
normal benefit age	Age 60. The age at which a deferred benefit would be paid to a member of the modified FPS 2006.
normal retirement age	Age 55. The age at which, if a member of the modified FPS 2006 retires, pension benefits would be paid immediately.
partner	In this guide it can mean a civil partner or a nominated partner. A nominated partner is the partner of a firefighter who is neither a spouse nor a civil partner and who, together with the firefighter, has completed a joint declaration of partnership and registered it with the fire and rescue authority. For entitlement to benefits, at the time of the firefighter's death the nominated partner must have been living with the firefighter in an exclusive, committed, long-term relationship (normally for at least two years) and both the firefighter and partner must have been free to marry or form a civil partnership. The partner must have been financially dependent on the firefighter, or the partner and the firefighter must have been financially interdependent. Details of how to nominate a partner can be obtained from the fire and rescue authority.
pension credit rights	The pension rights, under FPS 2006, 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 under a pension sharing order.
pension input period	The 12-month period used to determine the growth in pension each year as required by HM Revenue and Customs. Currently 1 April to 31 March, from April 2016 it will become 6 April to 5 April.
permanently disabled	Means that the disablement is likely to continue until normal retirement age (55) in the case of a special firefighter active member, or to normal benefit age (60) in the case of a special firefighter deferred member.
qualifying service	This is the service which is used to decide if a person is eligible for benefits, and for the assessment of some benefits. It includes the period, i.e. the full "calendar length" during which a person is a member of the FPS 2006 and has paid contributions, together with any period of unpaid leave (including additional maternity, paternity and adoption leave) in respect of which contributions are paid, service credit brought into the Scheme as a transfer of pension rights, service which counted as qualifying for the earlier part of a split award or which counts as a result of the cancellation of a deferred or ill-health pension on re-employment, and service which counted as qualifying in FPS 1992 if a person transfers from that Scheme to FPS 2006.
reference pay	The pensionable pay, for any period, of a whole-time regular firefighter employed in a similar role and with equivalent qualifying service.
regular employment	Employment for at least 30 hours a week on average, over a period of not less than 12 months.
special member	A retained firefighter subject to the terms of the modified FPS 2006.
spouse	The person to whom a firefighter is legally married.
standard FPS 2006	The unmodified FPS 2006.
standard member	A retained firefighter subject to the terms of the unmodified FPS 2006.
state pension age	This is subject to change. See www.gov.uk/calculate-state-pension
two pension option	A way of protecting final salary pensions after a reduction in pay – see page 16.
widow(er)	The person to whom the firefighter was legally married at date of death.

SUMMARY OF THE PROVISIONS OF THE MODIFIED FIREFIGHTERS' PENSION SCHEME 2006 FOR RETAINED FIREFIGHTERS WHO ARE SPECIAL MEMBERS

Additional contributions	can be paid, by election and subject to eligibility, to "purchase" additional service or to count certain types of unpaid leave as pensionable service.
Additional Pension Benefits ("APBs")	APBs cater for elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the authority, at its discretion, may allow to be treated as pensionable. Contributions are paid on this element of pay by the firefighter and the authority and are used to buy an APB. The amounts of APB at the end of each year are index-linked. They are totalled and paid as an additional pension when the firefighter becomes eligible to receive the main FPS 2006 pension.
Basic contribution rate	is a percentage of pensionable pay determined by pay bands shown in Tables on pages 9 and 10. Currently, contribution rates range from 11.0% to 17.0%.
Basic principles of assessment of pension	<p>provide a proportion of final pensionable pay according to pensionable service accrued at the date of calculation. For special firefighter members this is:</p> $1/45 \times \text{pensionable service} \times \text{final pensionable pay}$ <p>For a retained firefighter, pensionable service would reflect the hours worked by an annual assessment based on pay received as a proportion of "reference pay". The final pensionable pay would be based on reference pay, too.</p>
Commutation	allows a firefighter to give up part of his/her annual pension to provide a one-off payment of a lump sum.
Death benefits	<p>are provided in the form of a death grant of 2 times pensionable pay for a member who dies in service (adjusted pro rata for a retained firefighter), or a five year guarantee where the firefighter has retired and a pension is in payment, plus dependants' benefit cover for a surviving spouse, or civil partner, or nominated partner and for children.</p> <p>(Under the retained firefighters' pension settlement there are special provisions for a retrospective death grant equal to 2.5 times pensionable pay if a retained firefighter died between 1 July 2000 and 5 April 2006, but no dependants' benefits would be payable.)</p>
Early leaver benefits	<p>apply in the event of a firefighter leaving the fire and rescue service before normal retirement age. The benefits possible under the modified FPS 2006, dependent upon length of service, the nature of the termination of employment, the age of the member and/or the choice of the member are:</p> <ul style="list-style-type: none"> • a refund • a transfer of pension rights to another fire and rescue authority • a transfer of pension rights to another pension arrangement • a deferred pension.
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 FPS 2006 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 FPS 2006.
Ill-health award	can be payable from any age if a FPS 2006 member is permanently disabled for the performance of the duties of his/her role. It can be a lower tier award or a higher tier award. The lower tier award, which is a lower tier ill-health pension (assessed using the basic pension formula), would be paid where the member is capable of regular employment (other than as a firefighter). The higher tier award, which is a lower tier ill-health pension plus a higher tier ill-health pension (assessed using a proportion of prospective service), would be paid where the member is not capable of regular employment.
Membership	is restricted to retained firefighters with service in the period 1 July 2000 to 5 April 2006 who qualify for special membership under the terms of the retained firefighters' pension settlement.
Normal retirement age	is age 55.
Pension credit member's benefits	are provided for the former spouse or civil partner of a FPS 2006 member in the event of a court issuing a pension sharing order on divorce or dissolution of civil partnership. The benefits are payable from age 60 or at the date of divorce or dissolution if later, and comprise a pension, and the option of a lump sum provided the firefighter had not already commuted part of his/her pension. A death grant of two and a quarter times the annual pension would be paid if the pension credit member dies before his/her pension is due to come into payment. There is a five year guarantee where the pension is in payment, provided the pension credit member is under age 75. In these circumstances a death grant based on the difference between instalments paid and instalments due – for five years – would be paid to the person's estate.
Pensions Increase	is a "cost-of-living" increase applied to members' and dependants' pensions, usually on an annual basis, in accordance with Pensions Increase Acts and Orders.
Previous pension rights	as a member of FPS 2006, or with another pension arrangement (including FPS 1992), may be transferred – within certain time limits – to add to current service as a Scheme member.
Rights of appeal	can be used if dissatisfied with the decisions of the fire and rescue authority, or the medical opinion on which certain decisions are based.
Two pension option "split award"	is a means of protecting final salary pension rights where pay ("reference pay" in the case of a retained firefighter) is reduced in a final salary pension scheme. At the point of reduction the first pension would be "closed" and a new pension started. When the member retires, both pensions would be paid or, if more advantageous, the service on which the two pensions are based could be added together and a single pension paid.

WHERE CAN I GET MORE INFORMATION?

If you –

- need more information about any of the provisions of the Firefighters' Pension Schemes,
- require forms on which to nominate a partner for death benefits, or to indicate to whom you would wish any death grant to be paid,
- would like a statement of retirement benefits or transfer value, or
- wish to see the Statutory Instruments which contain the rules of the Schemes,

Please remember that although the Shropshire County Pension Fund 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 (some advisers may charge for this service).

More pension information can be found by contacting your Pension Scheme administrator:

Shropshire County Pension Fund
Pension Services
The Shirehall,
Abbey Foregate
Shrewsbury
SY2 6ND
Tel: 01743 252130
pensions@shropshire.gov.uk

If you have any questions about your employment please contact HR at:

Shropshire & Wrekin Fire Authority
Human Resources,
St Michael's Street
Shrewsbury, SY3 8HQ
Tel: 01743 260212
HRofficers@shropshirefire.gov.uk

The Shropshire County Pension Fund is a Data Controller under the General Data Protection Regulations. This means we store, hold and manage your personal data in line with statutory requirements to enable us to provide you with pension administration services. To enable us to carry out our statutory duty, we are required to share your information with certain bodies, but will only do so in limited circumstances. For more information about how we hold your data, who we share it with and what rights you have to request information from the Fund, please visit www.shropshirecountypensionfund.co.uk.