

# Firefighters' Pension Schemes Quick Guide

Published February 2018

# An important note

- These slides are intended to provide an overview of the scheme regulations and should not be regarded as a complete guide
  - Please note that it is the responsibility of each FRA to apply the rules of the pension scheme in accordance with their interpretation of the scheme and to obtain legal advice where they consider this is necessary.
  - The information contained in these slides have been provided to give some guidance on the rules of the pension scheme, however they should be used only as an informal view of the interpretation of the firefighters' pension scheme as only a Court can provide a definitive interpretation of legislation.
-

- These slides are developed to provide a short overview of the benefits provided by the Firefighter Pension Schemes and are not intended to replace regulations.
  - The relevant regulations should always be checked when calculating any benefit payable.
-

# Types of member

1992 Scheme	2006 Scheme	Special Firefighter members	2015 Scheme
Protected standard members	Protected standard members	Protected special members	2015 only members
	Protected retained members		1992 transitional members
			2006 standard transitional members
			2006 retained transitional members
			2006 Special transitional members

# 1992 Firefighter Pension Scheme

- Open to regular firefighters
- 1/60<sup>th</sup> accrual rate
- Double accrual after 20 years
- Maximum service is 30 years
- Earliest retirement age 50
- Final Salary scheme
- Actuarial commutation factors
- Injury benefits
- Built in ill-health benefits/life cover
- Pension for Widow's/Children
- Deferred pension age 60



# 2006 Firefighter Pension Scheme

- Open to regular and retained firefighters from 6<sup>th</sup> April 2006
- 1/60<sup>th</sup> accrual rate
- Maximum service 40 years
- Retirement age 60
- Earliest retirement age 55 (subject to rec)
- Final Salary Scheme
- Commutation based on 1 : 12 ratio
- Built in ill health benefits/life cover
- Pension benefits for Partners/Children
- Deferred pension age 65



# Special Members of the 2006 Firefighter Pension Scheme

- Ability for those retained who were excluded from a scheme from 2000 – 06 to join a scheme similar to the FRS 1992.
- Benefits reflect 1992 scheme (in part)
- Incorporated into 2006 scheme
- Accrual rate 1/45<sup>th</sup>
- Normal pension age 55
- Deferred pension age 60
- Built in ill health benefits/life cover
- Pension benefits for Partners/Children
- The options exercise ended September 2015.



# 2015 Firefighter Pension Scheme

- All members transferred in April 2015
- Transitional protections apply for existing members of 1992/2006 scheme
- Accrual rate 1/59.7ths
- Retirement Age 60
- Earliest retirement age 55 (subject to reductions)
- Career Average scheme
- Individual Pension accounts
- Deferred pension age equal to State Pension Age (min 65)







# How are benefits worked out?

## Final Salary (1992, 2006, Modified)

- Final Pensionable pay (best of last three years) x membership  $\div$  accrual rate = annual pension
- Can give up part of pension (max 25%) to provide a one off lump sum
- Revalued by CPI in retirement

## Career Average (2015)

- Pensionable pay for each year multiplied by  $1 \div 59.7$  = Accrued pension for that year.
  - Each year is increased by average weekly earnings
  - Can give up part of pension (max 25%) to provide a one off lump sum
-

# Compensation Scheme

- Benefits under the compensation scheme are paid where it is ruled there is a ‘qualifying injury’.
  - The compensation scheme applies to all regular and retained firefighters, and pays equal benefits to those eligible regardless of what scheme they are in.
  - The amount of benefits depend on the degree of disablement and service under the relevant employment under which the injury occurred.
-

# Scheme Comparison

Feature	1992 Scheme	2006 Scheme	Modified Scheme	2015 Scheme
Basis of pension	Final salary	Final salary	Final salary	(CARE)
Accrual rate	40/60ths 1/60 <sup>th</sup> (2/60 <sup>th</sup> after 20 years)	1/60 <sup>th</sup>	1/45 <sup>th</sup>	1/59.7 <sup>th</sup>
Benefit / Membership Cap	40/60 <sup>th</sup>	45 years	30 years	None
Revaluation rate	n/a	n/a	n/a	Average Weekly Earnings

# Retirement

	FPS 1992	FPS 2006	Modified	FPS 2015
Earliest Retirement Age	From age 50 with over 25 years service*	55 (with reductions)	55	55 (with reductions)
Normal Retirement Age	55	60	55	60
Deferred Retirement Age	60	65	60	SPA
Accrual	60ths (with double accrual after 20 years)	60ths	45ths	1/59.7ths
Lump Sum Option	Age related commutation factors	Commute £1 of pension for £12 lump sum	Age related commutation factors	Commute £1 of pension for £12 lump sum

\* Lump sum can be restricted to 2.25 \* pension

# Leaving before retirement age

	FPS 1992	FPS 2006	FPS MOD	FPS 2015
Refund on Contributions	If less than 2 years membership	If less than 3 months membership	N/A	If less than 3 months membership
Deferred Pension	If more than 2 years membership	If more than 3 months membership	If more than 1 days membership	If more than 3 months membership
Deferred Pension Age	Age 60	Age 65	Age 60	State Pension Age (min 65)
Can be paid early?	Yes on Ill Health grounds at any age	Yes from age 55 or ill health at any age	Yes on Ill Health grounds at any age	Yes from age 55 or ill health at any age

# Death Benefits

	FPS 1992	FPS 2006	FPS MOD	FPS 2015
Death in Service lump sum?	2 x pensionable salary	3 x pensionable salary	2 x pensionable salary	3 x pensionable salary
Death in deferment lump sum?	No	No	No	No
Death on pension lump sum?	No	5 x pension less that already paid	5 x pension less that already paid	5 x pension less that already paid
Death grant paid to?	Spouse/Civil Partner or to estate	Nominees or at FRA discretion if no nominee	Nominees or at FRA discretion if no nominee	Nominees or at FRA discretion if no nominee
Pensions paid to Spouse/Civil Partner?	Yes	Yes	Yes	Yes
Pensions paid to cohabiting partner?	No	Yes	Yes	Yes

# Scheme Regulations

- **FPS 1992 Regulations**  
<http://www.fpsregs.org/index.php/regulations/fps-1992-regulations>
- **FPS 2006 Regulations**  
<http://www.fpsregs.org/index.php/regulations/fps-2006-regulations>
- **FPS 2015 Regulations**  
<http://www.fpsregs.org/index.php/regulations/fps-2015-regulations>
- **Firefighters' Compensation Scheme**  
<http://www.fpsregs.org/index.php/regulations/firefighters-compensation-scheme>



# Disclaimer

- **The information contained in these slides are the authors interpretation of the current regulations.**
  - **Readers should take their own legal advice on the interpretation of any particular piece of legislation.**
  - **No responsibility whatsoever will be assumed by LGA for any direct or consequential loss, financial or otherwise, damage or inconvenience, or any other obligation or liability incurred by readers relying on information contained in these slides.**
-



## Contact me on:

Mobile: 07958 749056

Office: 020 7664 3189

[Clair.Alcock@local.gov.uk](mailto:Clair.Alcock@local.gov.uk)

[Bluelight.pensions@local.gov.uk](mailto:Bluelight.pensions@local.gov.uk)

[www.fpsboard.org](http://www.fpsboard.org)

[www.fpsregs.org](http://www.fpsregs.org)