

Annex A – Notes on the current value of benefits at the date of the statement

This is the total current value of your pension benefits in this employment if you left the scheme at the date of the statement, and which would be paid at the deferred pension age as set out in the table below.

	1992 Scheme	2006 Scheme - standard	2006 Scheme - special	2015 Scheme
Deferred pension age	60	65	60	State Pension age

Final salary pension

2006 Scheme (Standard and Special members)

Protected

The current value of benefits for the final salary 2006 Scheme is calculated based on service up to the date of the statement divided by an accrual rate, multiplied by your final pensionable pay. The table below lists the accrual rate that applies.

Taper-protected and unprotected members

The current value of your benefits for the final salary 2006 Scheme is calculated based on your service up until you joined the 2015 Scheme, divided by an accrual rate, multiplied by your final pensionable pay. The table below shows the accrual rate that applies.

	2006 Scheme (Standard member)	2006 Scheme (Special member)
Accrual rate	1/60th	1/45th

The examples below show how this is calculated.

- [Example A](#) – 2006 Scheme final salary current value (protected members)
- [Example B](#) - 2006 Scheme final salary current value (tapered or unprotected members)

Example A

2006 Scheme final salary current value (protected members)

Sam is a protected member of the 2006 Scheme, who joined the New Firefighters Pension Scheme on 6 April 2006 as part of the options exercise and converted six years of 1992 Scheme pension to a 2006 Scheme pension of four years.

Sam was born on 25 November 1960 and is a protected member, due to being 50 or over at 1 April 2012.

At the date of the statement, Sam has pensionable service of 19 years 360 days, with average pensionable pay of £35,219.

Calculation

The deferred pension calculated at the statement date will be as follows.

$$(\text{£}35,219 \div 60 \times 19 \text{ years } 360 \text{ days}) = \text{£}11,731.62$$

Example B

2006 Scheme final salary current value (taper or unprotected members)

Jo is an unprotected member of the 2006 Scheme, who joined the New Firefighters Pension Scheme on 29 September 2008.

Jo was born on 4 April 1985 and is an unprotected member and moved into the 2015 Scheme on 1 April 2015.

At the date of the statement, Jo has final salary pensionable service of 6 years 184 days (29 September 2008 to 31 March 2015), with average pensionable pay of £31,767.

Calculation

The deferred pension calculated at the statement date will be as follows.

$$(\text{£}31,767 \div 60 \times 6 \text{ years } 184 \text{ days}) = \text{£}3,443.60$$

1992 Scheme

If you are a member of the 1992 Scheme, your deferred pension is calculated as a proportion of the double accrual pension you would have expected at normal pension age, which is age 55 or at 30 years' service, whichever happens first, spread over years actually served. This is known as the [double accrual guarantee](#).

$$B \times C \div D$$

B = notional pension

C = period in years of pensionable service

D = period in years of notional service

Notional service and pension is the service and pension a firefighter would have expected to receive if they had not left the scheme. The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

The examples below show how this is calculated if you are a protected member or tapered or unprotected member.

- [Example C](#) – 1992 Scheme final salary current value (protected members)
- [Example D](#) – 1992 Scheme final salary current value (tapered or unprotected members)

Example C

1992 Scheme final salary current value (protected members)

Jane is a protected member of the 1992 Scheme, who joined the Firefighters Pension Scheme on 31 July 1992.

Jane was born on 1 September 1966, and would expect to retire on 30 July 2023, having completed 30 years' service.

At 31 March 2022, Jane has completed 29 years and 244 days of service. Her final salary pensionable pay is £39,383.

Calculation

Jane's deferred pension calculated at 31 March 2023 will be as follows.

B = notional pension

As Jane will be able to complete 30 years' service before age 55, her notional pension will be 40/60ths x £39,383.

$$B = 40 \div 60 \times \text{£}32,000 = \text{£}26,255.33$$

C = Period of years of pensionable service to 31 March 2022

C = 29 years and 244 days

D = Period of years of notional service

D = 30 years

$$\begin{aligned} &(\text{£}26,255.33 \\ &\times 29 \text{ years } 244 \text{ days } \div 30 \text{ years}) = \text{£}25,965.21 \end{aligned}$$

The calculation for a taper-protected or unprotected member is the same formula as for a protected member. However, the period of years of pensionable service (C) is calculated to the date of joining the 2015 Scheme.

The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

Example D

1992 Scheme final salary current value (tapered or unprotected members)

Ben is an unprotected member of the 1992 Scheme, who joined the Firefighters Pension Scheme on 1 December 1997.

Ben was born on 30 March 1972 and will retire on his 55th birthday (29 March 2027), having completed 29 years and 119 days.

His final salary pensionable pay is £39,383.

Calculation

Ben's deferred pension calculated at the date of the statement will be as follows.

B = notional pension

The notional pension is calculated as the pension Ben would have received at age 55.

29 years 119 days service plus 9 years 119 days (double accrual) = 38 years 238 days ÷ 60ths.

38 years 238 days ÷ 60 x £39,383 = £25,370.56

B = £25,370.56

C = Period of years of pensionable service in the 1992 Scheme (to 31 March 2015)

C = 17 years 121 days

D = Period of years of notional service

D = 29 years 119 days

(£25,370.56 x 17 years 121 days ÷ 29 years 119 days) = **£14,993.85**

Career-average (CARE) pension - 2015 Scheme

The current value of your 2015 Scheme pension is your closing balance at the date of this statement.

This is calculated using the closing balance from your last year's statement, adding the increase for revaluation and adding the pension built up in the current scheme year.

Example

Pensionable pay

1 April 2015 to 31 March 2016 - £40,000
1 April 2016 to 31 March 2017 - £42,500
1 April 2017 to 31 March 2018 - £50,000
1 April 2018 to 31 March 2019 - £55,000
1 April 2019 to 31 March 2020 - £64,000
1 April 2020 to 31 March 2021 - £70,000
1 April 2021 to 31 March 2022 - £72,500
1 April 2022 to 31 March 2023 - £76,300

Current value 2015 Scheme pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£670.02 (£40,000 x 1 ÷ 59.7)	£670.02
1 April 2016 to 31 March 2017	£670.02	at 2% £13.40	£711.89 (£42,500 x 1 ÷ 59.7)	£1,395.31
1 April 2017 to 31 March 2018	£1,395.31	at 2.6% £36.26	£837.52 (£50,000 x 1 ÷ 59.7)	£2,269.11
1 April 2018 to 31 March 2019	£2,269.11	at 3% £68.07	£921.27 (£55,000 x 1 ÷ 59.7)	£3,258.46
1 April 2019 to 31 March 2020	£3,258.46	at 2.8% £91.24	£1,072.03 (£64,000 x 1 ÷ 59.7)	£4,421.72
1 April 2020 to 31 March 2021	£4,421.72	at 4% £176.87	£1,172.53 (£70,000 x 1 ÷ 59.7)	£5,771.12
1 April 2021 to 31 March 2022	£5,771.12	at 2.4% £138.51	£1,214.40 (£72,500 x 1 ÷ 59.7)	£7,124.03
1 April 2022 to 31 March 2023	£7,124.03	at 4.1% £292.09	£1,278.06 (£76,300 x 1 ÷ 59.7)	£8,694.18