

**Department for Communities  
and Local Government**

**THE NEW FIREFIGHTERS' PENSION  
SCHEME**

**DRAFT INSTRUCTIONS**

This draft is a working document subject to change and nothing in it has legal force. The draft will be used as the basis for the drafting of the Order for the New Firefighters' Pension Scheme (NFPS), which will be subject to Parliamentary approval. Prospective scheme members and employers should not rely on this draft to make any decision regarding the NFPS. Nothing in this draft will override the provisions of the Order and in the event that there is any difference, the Order will prevail.

**FIREFIGHTERS' PENSIONS TEAM**  
**LGFPS Division**

**April 2006**

**Amendments:**

FPC 12.10.05	A3, A5, A7, A8, A13, A14, A15, B1, B3, B4 & B5
FPC 23.11.05 + comments on proposals	A3, A5, A7, A8, A14, A15, B1, B2, B3, B4, B5, B6, B7, B10, B12, C1, C2, C6, D1, D2, E2, G1, L1, L5 and M4 Part F has been revised
FPC 12.12.05	A3, A8, B2, B8, C6, D1, D2, E1, E2, E3, E4, F2, F3, G1, G3, G8, G9, H1, H2 , and H4.
FPC 21.12.05	A7, K1, L1, L5, L9, M3, Part N. See comments at C6.
FPC 10.01.06	A3, A5 removed, remaining numbering for Part A amended, A14, Part B renumbered, B1, B2, B3, B4, B5, B6, B7, B8, B9, B12, B13 , C1, C2, C5, C6, C7, C8, C9, D1, D2, E1, E2, E5, G1, G2, G4, G5,G7, G9, G10, H1, H2, I1, I5, K1, Part L, M2, M4, M5, Part N
Draft Instructions	Types of pension award, A1, A2, A3, A4, A5, A6, A7, A11, A12, A13, A14, B1, B2, B3, B4, B5, B6, B8, B9, B10, B11, B13, B14, B15, C1, C2, C3, C5, C6, C7, C9, D1, D2, E1, E2, E3, E4, E5, F1, F3, F5, F6, F7, F8, F9, F10, G1, G2, G6, G8, G9, G10, H2, H3, H4, I2, I3, I6, J1, J2, J3, K1, K2, L1, L2, L4, L7, L11, L12, L14, M1, M2, M3, M4, Part N, Appendices 1, 2, 3, 4 and 5

## TYPES OF PENSION AWARD

*Key: Qualifying period See A6.*

<p><b>Ordinary pension – See B1</b> The standard pension payable at or after normal retirement age (NRA).</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have ceased employment</li> <li>• have attained NRA</li> <li>• have completed the qualifying period or attained State pension age.</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving. There will be no actuarial reduction. There will be no enhancement.</p>
<p><b>Ill-health retirement pension without enhancement ( lower tier) – See B2</b> The pension payable to a firefighter who is required to leave on health grounds but who could undertake regular (not less than an average of 30 hours per week over a 12 month period.) employment other than as a firefighter, including outside the fire and rescue service</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have completed the qualifying period</li> <li>• have had employment terminated by the authority on the grounds of ill-health</li> <li>• satisfy the requirements (as set out in scheme) for the payment of an ill-health retirement pension.</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving.  There will be no actuarial reduction.  There will be no enhancement.</p>
<p><b>Ill-health retirement pension with enhancement ( higher tier) – See B2</b> The pension payable to a firefighter who is required to leave on health grounds and who cannot undertake regular (not less than an average of 30 hours a week over a 12 month period)employment other than as a firefighter, including outside the fire and rescue service</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have completed 5 years' qualifying service to receive enhancement</li> <li>• have had employment terminated by the authority on the grounds of ill-health</li> <li>• satisfy the requirements (as set out in the scheme) for the payment of an ill-health retirement pension</li> <li>• satisfy the medical requirements (as set out in the scheme) for the payment of ill-health enhancement.</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving.  There will be no actuarial reduction.  There will be an enhancement based on length of accrued service and prospective service.  The enhancement will be paid as a separate pension rather than be added to the accrued pensionable service to form the basis of one award.</p>
<p><b>Early retirement pension at scheme member's request– see B5</b> <b>(Deferred pension paid with actuarial reduction)</b> The pension payable with actuarial reduction, to a firefighter who leaves the service aged 55 or over but before NRA</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have ceased employment</li> <li>• have completed the qualifying period and be eligible for a deferred pension</li> <li>• have attained age 55 but not NRA</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving.  There will be an actuarial reduction.</p>
<p><b>Early retirement pension on the decision of the FRA's – see B6</b> <b>(Approved Early Retirement)</b> The pension payable without actuarial reduction, to a firefighter who leaves the service at the request of the FRA aged 55 or over but before NRA</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have completed the qualifying period</li> <li>• have attained age 55 but not NRA</li> <li>• have had employment terminated by the authority on efficiency or management grounds</li> <li>• be someone who does not satisfy ill-health requirements</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving.  The pension will not be actuarially reduced, <b>BUT</b> the FRA will bear the cost of paying the pension award early.</p>

<p><b>Split pension (Step-down) pension – See B7</b> The pension based on pensionable service accrued to the point at which a firefighter has a reduction in pay. Unless the scheme member opts out at this point, he/she will rejoin the scheme immediately and start to accrue a second pension.</p>	<p><b>Split pension</b> The firefighter must –</p> <ul style="list-style-type: none"> <li>• have suffered a reduction in pay resulting from a change in role or a reduction in pay while remaining in the same role.</li> <li>• If when the split pension and the second pension are to be paid, the scheme member would have the option of linking both periods of service for one pension award based on final pensionable pay in which case the split pension would be cancelled or taking the split pension as one award and the second pension as a separate award.</li> </ul>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have completed the qualifying period</li> <li>• have continued in employment without a break in service</li> <li>• not have attained NRA</li> <li>• have had a compulsory or voluntary reduction in rate of pay (i.e. not a reduction resulting from a reduction in hours where hourly rate remains the same)</li> <li>• has been subject to a step-down in role or pay and has elected for step-down benefits.</li> </ul>
<p><b>Deferred pension – See B3</b> The pension due to a firefighter who leaves the scheme with sufficient service to qualify for a pension but who does not satisfy the criteria for any other form of pension. The pension would be payable at the normal benefit age (NBA) of 65.</p>	<p>The firefighter must –</p> <ul style="list-style-type: none"> <li>• have ceased employment or opted out of the scheme</li> <li>• have completed the qualifying period and be below State pension age</li> <li>• not have attained NRA</li> </ul>	<p>It will be calculated on accrued pensionable service and final pensionable pay at date of leaving or opting out of the scheme. It will be paid at the earliest of</p> <ul style="list-style-type: none"> <li>• age 65 without actuarial reduction</li> <li>• any age without actuarial reduction subject to the former member suffering a breakdown in health so that they are unable to take up regular employment</li> <li>• at firefighter's request, at or after age 55 and before age 65, with an actuarial reduction</li> </ul>

<p><b>Survivor Pension - see C1</b> Spouse Civil Partner `Nominated` unmarried Partner or unregistered civil partner The pension paid on the death of a scheme member.</p>	<p>The Scheme member must –</p> <ul style="list-style-type: none"> <li>• have completed the qualifying period or attained State pension age</li> </ul> <p>In the case of a former scheme member must -</p> <ul style="list-style-type: none"> <li>• have been awarded a deferred pension or be in receipt of a pension from the scheme</li> </ul>	<p><b>Death of Serving Scheme Members</b></p> <ul style="list-style-type: none"> <li>• The pension will be ½ of the level of the higher tier ill health award that would have been awarded had the scheme member been retired on health grounds at the date of death.</li> <li>• If the survivor is 12 or more years younger than the scheme member the pension will be reduced by 2.5% for every year or part year in excess of 12 up to 50%.</li> </ul> <p><b>Death of former Scheme Members and Pensioner Members</b></p> <ul style="list-style-type: none"> <li>• If the pension has still to come into payment, it will be ½ of the pension awarded to the scheme member.</li> <li>• If the pension is in payment and the scheme member did not commute part of the pension into a lump sum at retirement, it will be</li> </ul>
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		<p>½ of the pension in payment.</p> <ul style="list-style-type: none"> <li>• If the scheme member's pension is in payment and part of it was commuted at the time of retirement, it will be ½ of the remaining pension in payment.</li> <li>• If the survivor is 12 or more years younger than the scheme member the pension will be reduced by 2.5% for every year or part year in excess of 12 up to 50%.</li> </ul>
<p><b>Children's pensions - see C5</b>  Legitimate or illegitimate child  Step child or adopted child; and  other child who was dependent  on (former) scheme member and  either is related to him/her or is  the child of his/her spouse, civil  partner or `nominated`  unmarried partner or  unregistered civil partner.</p>	<p>The Scheme member must –</p> <ul style="list-style-type: none"> <li>• have completed the qualifying period or attained State pension age</li> </ul> <p>In the case of a former scheme member must –</p> <ul style="list-style-type: none"> <li>• have been awarded a deferred pension or be in receipt of a pension from the scheme.</li> </ul>	<p><b>Death of Serving Scheme Members</b></p> <ul style="list-style-type: none"> <li>• The child's pension will be ¼ of the level of the higher tier ill health award that would have been awarded had the scheme member been retired on health grounds at the date of death.</li> <li>• If there is more than one eligible child the maximum payable will be ½ of the notional ill health pension that would have been paid. The amount to be divided equally among the eligible children.</li> </ul> <p><b>Death of former Scheme Members and Pensioner Scheme Members</b></p> <ul style="list-style-type: none"> <li>• If the pension has still to come into payment, it will be ¼ of the pension awarded to the scheme member.</li> <li>• If the pension is in payment and the scheme member did not commute part of the pension into a lump sum at retirement, it will be ¼ of the pension in payment.</li> <li>• If the scheme member's pension is in payment and part of it was commuted at the time of retirement, it will be ¼ of the remaining pension in payment.</li> <li>• There will be an overall limit of ½ the pension (post commutation where this occurred) if there are two or more children.</li> </ul> <p>Where there is no survivor pension payable the child's pension payable on the death of a serving or former member may be increased.</p>
<p><b>Pension Sharing on Divorce – see M</b>  Pensions payable to Pension Credit members</p>	<p>Pension Credit Members defined by section 124(1) of the Pensions Act 1995.</p>	<p>Pension benefits from the NBA (age 65 or date when order takes effect, if later) of value equal to pension credit as defined by Pension Sharing Order.</p>

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**GENERAL PROVISIONS AND RETIREMENT  
PART A**

<p><i>Part A to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>the operative date of the scheme</i></li> <li>• <i>name of the scheme</i></li> <li>• <i>membership of the scheme, including pension credit members</i></li> <li>• <i>eligibility for pension</i></li> <li>• <i>reckoning of qualifying and pensionable service</i></li> <li>• <i>normal retirement age and normal benefit age</i></li> <li>• <i>pension contributions</i></li> <li>• <i>effective date of retirement</i></li> <li>• <i>relevant service in the Armed Forces – reservists</i></li> <li>• <i>disablement and death and injury</i></li> <li>• <i>election to opt out of and into the scheme</i></li> </ul>	
<p><b>Citation and commencement</b> <b>A1</b> To set out that the scheme will be called the New Firefighters' Pension Scheme 2006. It will become operative on 6 April 2006 (the operative date of the Finance Act 2004 for changes in the tax regime for pension schemes) and the scheme will be registered in accordance with sections 153 – 155 of the Finance Act 2004.</p>	<p><i>For information only – Although the FPS Order 1992 scheme will be closed to new members, current members of an equivalent scheme in Scotland, Wales or Northern Ireland transferring to the employment of an English FRA will be able to join the 1992 scheme. See F. The pension input period matches that used in the LGPS.</i></p>
<p><b>Interpretation</b> <b>A2</b></p> <ul style="list-style-type: none"> <li>• To set out where the Glossary of Expressions can be found (see Part N).</li> <li>• To explain that where the scheme requires anything to be done within a specified period after or from a specified day or event, the period begins immediately after the specified day or, as the case may be, the day on which the specified event occurs.</li> <li>• To set out that in accordance with s238 of the Finance Act 2004 the pension input period to determine the increase in the value of a scheme member's pension rights required to test whether or not the annual allowance has been exceeded, will be 31 March 2007 and each year ending 31 March thereafter.</li> </ul>	<p><i>See Rule A2(1) to (4) of the FPS 1992.</i></p>
<p><b>Application of scheme</b> <b>A3</b> Membership of the scheme will be limited to firefighters whose roles on joining the Fire and Rescue Service as specified in the role maps include engaging in fire fighting or attendance at other emergencies covered by sections 8 &amp; 9 of the Fire and Rescue Services Act 2004 (it should exclude those other members of staff who are now or may be members of the Local</p>	

Government Pension Scheme) and to former members of the scheme. Firefighters who were members of the Firefighters' Pension Scheme 1992 (FPS) will be able to join this scheme for future service. They will be entitled to deferred benefits in respect of their FPS service, unless they take up the option to be offered during 2006/07 to exchange service in the FPS for service in this scheme under transitional arrangements or at a subsequent date in accordance with F6.

- Firefighters will be members whatever duty system they are contracted to work, e.g. regular (whole or part-time), retained duty system (RDS) or volunteer firefighters (see Glossary of Expressions).
- A regular firefighter who is a member of the FPS, may be a member of this scheme (the NFPS) in respect of any RDS contract, or any RDS service as part of their regular contract.
- Pension debit members following a pension sharing order. A pension debit member will be a person whose benefits or future benefits under this Scheme have been reduced under section 31 of the 1999 Act.
- Dependants in accordance with the Paragraphs 15-16 of Schedule 28 of the Finance Act 2004 – spouses; registered civil partners; unmarried or unregistered civil partners who are registered with the employing FRA as “nominated partners”;
- Pension credit members, who will be construed in accordance with section 124(1) of the Pensions Act 1995(a).
- Spouse will be defined as the person to whom the firefighter is legally married.
- Civil partner will be defined as a partner of a firefighter registered under the Civil Partnership Act 2004.
- Nominated partner will be defined as the partner of a firefighter who:-
  - 1) together with the firefighter has completed a joint declaration of partnership and registered it with the Fire and Rescue Authority;
  - 2) has been living with the firefighter in an exclusive committed long-term relationship (long term in the context would normally mean for at least 2 years' immediately before the death of the firefighter)
  - 3) has been free to marry or enter into a civil partnership with the firefighter; and
  - 4) was financially dependent on the firefighter or both partners were financially interdependent.
- The FRA may exercise discretion to pay a pension to an unmarried partner or unregistered civil partner where requirements (1) and (2) have not been met, for example, where a scheme member is killed at incident and there has not been time to register the relationship or the relationship has been for less than 2 years.
- Children of scheme members, whose dependency meets the requirements of Paragraphs 15(2) and 15(3) of schedule 28 of the 2004 Act. Children will be defined in relation to their financial dependency on the scheme member, and would include a natural child, step-child or adopted child of his/hers; and any other child who was dependent on him/her and either is related to him/her or is the child of his/her spouse or civil partner or `nominated` partner. Any child of the scheme member where the mother is pregnant with the child at the date of death

<p>of the scheme member.</p>	
<p><b>Application of general rules for Pension Credit Members</b>  <b>A4</b>  The application of provisions for pension credit members is set out at Part M.</p>	<p><i>See Rule IA4 of the FPS 1992 subject to amendment of references to FPS 1992. Originally M1 dealing with the entitlement of Pension Credit Members was set out here. See Part M.</i></p>
<p><b>Start date as a scheme member</b>  <b>A5</b>  Pensionable service will accrue as set out in Part E.</p>	<p><i>Originally a start date was set out. Following discussion about the Blueprint it was suggested that a start date should not be quoted. Instead reference should be made to what would be pensionable service.</i></p>
<p><b>Pension eligibility</b>  <b>A6</b>  A scheme member (which for the purposes of A6 excludes pension credit member) will qualify for a pension:</p> <ul style="list-style-type: none"> <li>• after accruing 3 months' qualifying service (see E1 for definition of qualifying); or</li> <li>• after transferring into the scheme personal pension rights (section 71 of the Pensions Scheme Act 1973) where such transfer qualifies the person for benefits even if the period plus any pensionable service accrued in the scheme is less than 3 pensionable months; or</li> <li>• on attaining state pension age.</li> </ul>	<p><i>For someone working part-time (regular or retained firefighters) he/she will qualify for a pension after 3 calendar months (or `qualifying` months) of employment as a member of the scheme – see E1.</i></p> <p><i>See E1 `qualifying service`  See E2 `pensionable service`</i></p>
<p><b>Reckoning of service for purposes of awards</b>  <b>A7</b>  For the purpose of calculating a pension award, pensionable service will be worked out as a number of years with any excess days counting as so many 365ths of a year (to include a leap year). See Appendix 1  What constitutes pensionable service is set out in E:</p> <ul style="list-style-type: none"> <li>• Part-time service would be a proportion of whole time service – see Appendix 1 for calculation :  <u>weekly contractual hours</u> x period of part-time service  weekly whole-time conditioned hours.</li> <li>• For firefighters on RDS his/her reckonable service would be the aggregate of each year's 'pensionable service' which would be determined as a proportion of whole-time service equal to actual annual (pensionable) pay divided by a reference annual pay (whole-time). The reference pay would be set based on the annual pay of a whole-time firefighter of equivalent role and length of service. See Appendix 1 for calculation.</li> <li>• Normally no more than 40 years service for which pension contributions have been paid or which count as pensionable service by reason of a transfer credit - see G and F- except that if a scheme</li> </ul>	<p><i>See A7(1), (2) &amp; (3) of the FPS 1992.</i></p> <p><i>For the assessment of pensionable service for RDS firefighters we propose to follow the Universities Superannuation Scheme (USS) for variable time employment. There was a challenge in regard to equal treatment in the USS. The scheme won the case but amended its provisions in line with the current proposal.</i></p>

<p>member is able to reckon 40 years at or before the normal retirement age and continues to work as a firefighter and remains in the scheme to or beyond the normal retirement age he/she will be able to accrue that additional service to count towards the final pension.</p> <ul style="list-style-type: none"> <li>• A scheme member will not be able to buy additional service under G to increase service to over 40 years by the normal retirement age. Nor will a scheme member be able to transfer-in service under F so that transferred in service + prospective service to the normal retirement age and any service already accrued in the scheme would exceed 40 years by the normal retirement age.</li> <li>• The scheme member’s pension benefits will be subject to the provisions of the Finance Acts 2004 and 2005, (including where the overall value of the benefits exceeds the Lifetime Allowance (£1.5m at A-Day) on the occasion of the Benefit Crystallisation Event there will be a tax charge on the excess).</li> </ul>	
<p><b>Normal Retirement Age and Normal Benefit Age</b> <b>A8</b> The normal retirement age (NRA) for the scheme will be age 60 and the normal benefit age (NBA) will be age 65.</p>	<p><i>See Part N Glossary of expressions for NRA and NBA.</i></p>
<p><b>Pension contributions for purposes of awards</b> <b>A9</b> Scheme members will be required to make pension contributions as set out in G2.</p>	
<p><b>Effective date of retirement</b> <b>A10</b> For purposes of the scheme, a member shall be taken to retire (if leaving at the normal retirement age) immediately after his last day of service. If a scheme member leaves the scheme for reasons other than retirement at the normal retirement age his/her last day of service for scheme purposes will be the last day in respect of which pension contributions are paid.</p>	
<p><b>Relevant service in the Armed Forces - Reservists</b> <b>A11</b> Any reference to relevant service relates to scheme members who are also members of the volunteer reserve forces, and comprises periods of military service and short periods of training. It will be necessary to quote the references to relevant service in the armed forces.</p> <ul style="list-style-type: none"> <li>• “Relevant service in the reserve forces” means service in pursuance of a training obligation under Part III of the Reserve Forces Act 1996 or by virtue of a call out for permanent service or a recall under the Reserve Forces Act 1980 or Part VII of the Reserve Forces Act 1996;</li> <li>• “the reserve forces” means those forces specified in section 1(2) of the Reserve Forces Act 1996;</li> <li>• “serviceman” means a person who immediately before undertaking</li> </ul>	<p><i>This needs to be consistent with A12 of the FPS 1992 BUT bullet points taken from draft New Police Pension Scheme.</i></p>

<p>a period of relevant service in the reserve forces was a regular firefighter.</p>	
<p><b>Disablement</b> <b>A12</b> The meaning of disablement.</p> <ul style="list-style-type: none"> <li>References in this Scheme to a person being permanently disabled are references to his/her being disabled at the time when the question arises for decision and to his/her disablement being at that time likely to be permanent.</li> <li>In determining whether a disablement is permanent the FRA shall have regard to whether the disablement will continue until the normal retirement age -see A8.</li> <li>Disablement means incapacity, occasioned by infirmity of mind or body, for the performance of duty of role, except that in relation to a child it means incapacity, so occasioned, to earn a living.</li> </ul>	<p><i>There needs to consistency with the FPS 1992 - See RuleA10 (1), (2) and (4) of the FPS 1992</i></p> <p><i>'Permanent` should have the meaning at A10 of the FPS 1992. See also Glossary of Expressions at Part N of this draft. The terms of payment for children are in the Finance Act 2004 Schedule 28, 15(2). For payment of disability grounds beyond age 23 the child must have been dependent on the firefighter at the date of the firefighter's death. There should be a system of review as for firefighter's ill health awards.</i></p>
<p><b>Election to opt out of the scheme</b> <b>A13</b> A scheme member may at any time, by giving written notice to the FRA, elect not to pay pension contributions and opt out of the scheme. The option to take effect from the start of the next pay period after he/she gives written notice.</p> <p>Where the scheme member has accrued at least 3 months' qualifying service he/she would have an entitlement to a deferred award under B3.</p> <p>Where the scheme member under the state pensionable age leaves the scheme with less than 3 months' qualifying service so that he/she does not qualify for a deferred award he/she would receive a refund of contributions subject to:</p> <ul style="list-style-type: none"> <li>the requirements of the Finance Act 2004, section 166(1)(c) subject to satisfying the conditions in para 5(1) of Schedule 29 and tax chargeable under section 205 of the Finance Act 2004;</li> <li>deductions in respect of any contributions equivalent premium paid in respect of the member as is permitted by or under section 61 of the Pension Schemes Act 1993.</li> </ul> <p>Once a scheme member's election to opt out has taken effect he/she will no longer be subject to the provisions of the pension scheme except where he/she may have qualified for deferred benefits.</p>	<p><i>See G3 of the FPS 1992.</i></p> <p><i>Under new tax regime refunds permitted where it is for short service (s.166(1)(c).</i></p>
<p><b>Election to rejoin the scheme</b> <b>A14</b> A former scheme member who has opted out of the scheme may ask in writing to join or rejoin the scheme providing the person has less than 40</p>	<p><i>See G3 (5), (6) (7) (8) under the FPS 1992 Order. Different from the FPS 1992 in that the former scheme member is</i></p>

<p>years' pensionable service in the scheme already. The FRA may resolve that a person may not join or rejoin the scheme unless he/she has undergone a medical examination, at his/her own expense, and satisfied them as to his/her good health. The scheme member may be able to rejoin just once. If the scheme member were to opt out again, he/she would not be able to rejoin.</p> <p>The option to take effect from the start of the next pay period after he/she gives written notice."</p>	<p><i>not restricted to rejoining before age 45.</i></p>
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**PERSONAL AWARDS  
PART B**

<p><i>Part B to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>types of pension awards – ordinary, ill health and deferred</i></li> <li>• <i>payment of awards before normal retirement age – actuarially reduced and approved early retirement</i></li> <li>• <i>awarding split pension awards</i></li> <li>• <i>cancellation split pension awards</i></li> <li>• <i>repayment of aggregate pension contributions</i></li> <li>• <i>optional commutation of pension award</i></li> <li>• <i>commutation of small pensions</i></li> <li>• <i>allocation</i></li> <li>• <i>pensions for debit members</i></li> <li>• <i>deductions for tax purposes</i></li> </ul>	
<p><b>Ordinary retirement</b> <b>B1</b></p> <p>A serving scheme member who retires at or after normal retirement age will become entitled to a pension based on pensionable service (see E2) and final pensionable pay (see G1) providing he/she has qualified for an award under A6.</p> <p>A scheme member who has reached state pension age at the date of retirement but has less than the required qualifying service (see E1) would be eligible for an ordinary pension award regardless of the length of service– see A6.</p> <p>If a scheme member is entitled to two pensions under the scheme (e.g. from employment as a regular <u>and</u> a firefighter on the Retained Duty System) both would be payable as separate pensions (they will not be aggregated). (<i>But see B7 regarding split pension where 2 pensions may be aggregated ie cancelled</i>).</p> <p>Pension awards will be calculated as follows:  <math display="block">\frac{\text{Pensionable service} \times \text{final pensionable pay}}{60}</math> except that for those on RDS contracts when it would be:  <math display="block">\frac{\text{Pensionable service} \times \text{Reference pay}}{60}</math> Where Reference pay would be defined under the second bullet point of A7  See Appendix 2 for examples.</p>	<p><i>See B1 FPS 1992</i></p>
<p><b>Ill Health award</b> <b>B2</b></p>	<p><i>See B3 FPS 1992. There needs to be consistency with the FPS 1992 where</i></p>

<p>Leaving the scheme for ill health reasons will be known as ill health retirement.</p> <p>Where a scheme member is permanently disabled (under A12) and has qualified for a pension under A6, the FRA would need to consider payment of the following awards:</p> <ul style="list-style-type: none"> <li>• a lower tier ill-health award which would be a lower tier ill-health pension calculated in accordance with B1 without any enhancement of service, awarded where the scheme member is able to undertake other regular employment, or</li> <li>• a higher tier award which would be a lower tier ill-health pension plus a higher tier ill-health pension as an enhancement* ie two pensions would be paid as the higher tier award. See Appendix 3 for examples. Where the scheme member has the qualifying service required under A6 but less than 5 years, there could be no higher tier ill-health pension; the higher tier ill-health award would be a lower tier ill-health pension only.</li> </ul> <p>*Enhancement = 2% x pensionable service x prospective service to age 60 (limited to 40 years).</p> <p>The payment of ill health benefits would be subject to review by the FRA in accordance with K1.</p> <p>Where a firefighter has not qualified for a pension under A6 (i.e. has less than the required qualifying service and is not yet at state retirement age) a refund of pension contributions would be made in accordance with B9.</p>	<p><i>the higher tier pension is based on 2 pensions: the lower tier plus an enhancement treated as a separate element.</i></p> <p><i>If the permanent disability results from a qualifying injury benefits may be payable under the Firefighters' Compensation Scheme.</i></p> <p><i>On current advice from HM Revenue and Customs a higher tier award should be 2 pensions. ie the basic unenhanced pension + the enhancement as a separate pension.. This is to enable the enhancement to be removed if the person's health improves.</i></p> <p><i>Arrangements are comparable with para 2(3)(b) of Schedule 28 of the Finance Act 2004.</i></p> <p><i>When there is a move between tiers there will be a further Benefit Crystallisation Event (BCE2) – s 216(1).</i></p> <p><i>Where the move is from upper to lower tier, there will be no Life Time Allowance used as credit will be given for the earlier BCE.</i></p>
<p><b>Deferred pension B3</b></p> <p>A scheme member who satisfies the requirements of A6 will on</p> <ul style="list-style-type: none"> <li>• voluntary resignation from the service before the normal retirement age; or</li> <li>• electing to opt out of the scheme - see A13 - and not pay contributions before the normal retirement age;</li> </ul> <p>become entitled to a deferred pension payable from the normal benefit age of 65.</p> <p>Where a former scheme member with a deferred award suffers a breakdown in health so that he/she is unable to undertake regular employment (similar to the criteria used to assess whether a scheme member qualifies for a higher tier ill health pension under B2), he/she may request early payment of the deferred award before age 65. The FRA may pay the deferred award from the date of disablement or from the date of the former firefighter's request if the date of disablement cannot be identified.</p>	<p><i>See Rule B5 of the FPS 1992 and amendment Order 2004.</i></p> <p><i>Needs to be consistent with the FPS 1992 in regard to the criteria used to assess whether a deferred pension can be paid early on ill health grounds.</i></p>



<p>Where a deferred award has been paid early on the basis of a breakdown in health the payment of the award will be subject to review under proposed K.</p> <p>Where a former scheme member has been given a deferred pension, he/she may on reaching age 55 ask the FRA for it to be paid early on the basis of actuarial reduction in accordance with B5. Agreement to early payment would be subject to whether the balance of the pension that would come into payment was equal to or exceeded any Guaranteed Minimum Pension to which the scheme member was entitled – see J1.</p> <p>Where an ill health pension under B2 is cancelled under K1 and the pension converted to a deferred pension when the deferred pension is brought into payment the pension payable would be less any reduction that had been made for commutation at ill health retirement.</p>	
<p><b>Cancellation of Deferred Award</b> <b>B4</b></p> <p>If a former scheme member with a deferred pension under this scheme, which has not come into payment, is re-employed in a role which would enable him/her to rejoin the scheme and he/she joins the scheme the deferred award may be cancelled at his/her request at the end of service and the pensionable service used in that cancelled award would be added to the his/her current pensionable service under E2.</p>	
<p><b>Payment of deferred pension before the normal benefit age at firefighters' request</b> <b>B5</b></p> <p>Where a firefighter aged 55 or over has been awarded a deferred pension under B3 he/she may before the normal benefit age (deferred) age of 65 request early payment of that deferred pension on the basis of actuarial reduction. Benefits would be paid at an actuarially reduced rate (which will take account of how much earlier than age 65 (the normal benefit age) the benefits were being paid. Leaving the scheme before the normal retirement age and receiving an actuarially reduced pension will be known as `voluntary early retirement`.</p> <p>Where the person requesting early payment of deferred pension has a guaranteed minimum pension under section 14 of the Pension Schemes Act 1993 (see J1) in relation to service by reference to which he/she is entitled to benefits under this provision of the scheme, the weekly rate of the deferred pension immediately payable in respect of that service (after any commutation under B10) must not be less than that guaranteed minimum, multiplied by such factor as is indicated in tables provided by the scheme actuary for a person of the member's age and sex at the date on which the deferred pension becomes payable. If it is less the FRA would have to refuse the request for early payment on an actuarially reduced basis. See J1. Where the FRA has to refuse the request, the person would have the opportunity to submit further requests subsequently to see if at that time it may be possible to pay a reduced deferred pension. The FRA would need</p>	<p><i>In order to satisfy Section 72 of the Pension Schemes Act 1993, serving members should not have an unqualified right to `long service benefit` before age 65. In order to qualify for immediate pension on leaving service before age 60 ( normal retirement age) a member must first leave service and then apply for an early retirement pension as a deferred pensioner.</i></p> <p><i>The calculation in the second paragraph is a test designed to see whether the reduced pension would be sufficient to meet the Guaranteed Minimum that would be payable at state pension age. If the test shows that it would not, the request would have to be turned down. However, the individual could try</i></p>

<p>to multiply the guaranteed minimum by the factor relevant at that time to determine whether the deferred pension could be paid at a reduced rate.</p> <p>The basis for the actuarially reduced award would be calculated as under B1. The resulting pension would then be subject to the actuarial factor (supplied by the Government Actuary) reducing the pension (this is likely to be about 5% for each year before age 65 the pension is paid). Any commutation of pension for a lump sum would occur after the actuarial reduction of the pension.</p> <p>Where a scheme member has a split pension under B7, he/she would have the following options:</p> <ul style="list-style-type: none"> <li>• to aggregate the period of service used for the split pension with service used for the second pension and take one pension award on an actuarially reduced basis; or</li> <li>• request that both the split pension and the second pension are paid separately and both are subject to actuarial reduction; (the split pension would have to be converted to a deferred pension for this option); or</li> <li>• take either the split pension or the second pension on an actuarially reduced basis, but leave the remaining part as a deferred pension.</li> </ul>	<p><i>again at a later date when it may be possible to pass the test as different factors would then be used. If the scheme did not use the test than at state retirement age if it were found that the reduced pension was not sufficient to meet the Guaranteed Minimum the scheme would have to make up the short-fall. The test protects the scheme.</i></p> <p><i>Possibly this provision could be incorporated with B3, B4 and B6. Abatement may apply if someone in receipt of an actuarially reduced pension was re-employed.</i></p>
<p><b>Payment of pension before normal retirement age at employer's decision – approved early retirement</b> <b>B6</b></p> <p>Leaving the scheme before the normal retirement age and receiving a pension at the employer's discretion will be known as `approved early retirement`.</p> <p>The FRA may determine that in the interests of the management of the service, a scheme member who has qualified for a pension award may be retired early either at or after age 55 but before the normal retirement age. Under B7 where the scheme member had a split pension he/she would have the option of aggregating the split pension with the second pension or taking two separate pensions. The authority will meet the cost of paying the pension(s) early.</p>	<p><i>The provision should provide the FRA with sufficient flexibility to cover matters such as the efficiency of the service, structural reasons, etc.</i></p>
<p><b>Split Pension</b> <b>B7</b></p> <p>A scheme member who satisfies the requirements of A6 will on changing roles or rates of pay for the role so that there is a reduction in pensionable pay before normal retirement age become entitled to a split pension. Where a split pension is awarded the last day of service for the calculation of the award will be the last day on the higher pay rate. The calculation of the award would be in accordance with B1.</p> <p>Unless the scheme member opts out (see A13) immediately after the awarding of the split pension, a second pension will start to accrue from the next day.</p> <p>Both awards will become payable when pension is paid under B1, B2, B3, B5 (in this case, if both pensions are paid the split pension would also be subject to actuarial reduction) or B6.</p>	

<p>If the scheme member opts out immediately after the awarding of the split pension the split pension would become a deferred pension and be subject to B3.</p>	
<p><b>Cancellation of Split award</b>  <b>B8</b>  Where a split pension under B7 was awarded because the scheme member changed roles or pay within the role before normal retirement age and service after that change then counted towards a separate award, when the scheme member leaves the scheme (i.e. takes ordinary or early retirement or opts out or resigns) under B1, B2, B3, B5 or B6 the scheme member would be able to take either:</p> <ul style="list-style-type: none"> <li>• the two separate awards; or</li> <li>• one award based on total pensionable service and final pensionable pay.</li> </ul> <p>For the scheme member to decide which option to take the FRA will provide the scheme member with details of the awards.</p> <p>Where a scheme member moves to another FRA and rejoins the pension scheme which involves a reduction in pensionable pay, he/she will be subject to B7. On becoming eligible for another award the scheme member would have the choice of taking either one award based on total pensionable service and final pensionable pay or two separate awards.</p>	
<p><b>Repayment of aggregate pension contributions</b>  <b>B9</b>  The terms of eligibility for a repayment of pension contributions (see also A13) would be when:</p> <ul style="list-style-type: none"> <li>• The scheme member leaves the service before becoming entitled to any other form of retirement benefit see A6. In which case, the scheme member would receive the aggregate of the pension contributions he/she had paid but subject to the requirements of s 205 of the Finance Act 2004. (The refund would be taxable under s205).</li> </ul>	<p><i>See A8 &amp; B6 FPS 1992</i></p>
<p><b>Commutation</b>  <b>B10</b>  The scheme member retiring -</p> <ul style="list-style-type: none"> <li>• at or after the normal retirement age (B1), or</li> <li>• retiring on ill health grounds (B2) subject to the limit that the commutation can only be in respect of the lower tier ill health pension payable (ie based on pensionable service accrued in the scheme. It may not include the enhanced element of the pension that would be paid as part of a higher tier ill health award), or</li> <li>• at the time early retirement (B5) where commutation would be the maximum of ¼ after the actuarial reduction to the pension has been made; or</li> <li>• approved early retirement (B6); or</li> <li>• deferred (B3) subject to (a) and (b) below; or</li> <li>• split (B7);</li> </ul> <p>awards are to come into payment  would be able to commute up to a maximum ¼ of the pension receiving</p>	<p><i>See B7 FPS 1992</i>  <i>The restriction on commutation on only the lower tier pension is to resolve difficulties that could arise if under K1 the higher tier pension was cancelled.</i>  <i>Commutation as set out would satisfy para 1-3 of schedule 29 of the Finance Act 2004 in that it would not exceed the permitted maximum. The Scheme member must commute before the pension comes into payment under para 1(1) of schedule 28 of the Finance Act 2004.</i></p>

<p>£12 for every £1 of pension. The scheme member must commute before the pension comes into payment. The earliest date a scheme member can give notice of commutation is 4 months before the intended retirement but not later than the day before the pension comes into payment.</p> <p>(a) Where an ill health pension under B2 is cancelled under K1 and the pension converted to a deferred pension (B3), any commuted lump sum paid at the time the ill health pension came into payment would not have to be repaid, but when the deferred pension is brought into payment the pension payable would be at the reduced rate that was paid on ill health retirement after commutation.</p> <p>(b) Where following the cancellation of an ill health pension the former scheme member is re-employed by the FRA and rejoins the pension scheme he/she may under B4 when next leaving the scheme cancel the deferred award (so that all service will count towards a new pension under E2) any commutation of the new pension should be reduced by the amount of the commutation paid at the time of ill-health retirement.</p>	
<p><b>Commutation of small pensions</b>  <b>B11</b>  Where any pension payable under B together with any other pensions (from this scheme or other sources) that may be payable to the scheme member is less than 1% of the standard life time allowance as defined by s214 – 226 of the Finance Act 2004 the FRA may with the consent of the scheme member (in accordance with Para 7 of Schedule 29 of the Finance Act 2004 and s164(b) and s166(1)(e)) commute the pension for a gratuity. Commutation will have to be during a single period of 12 months, selected by the member, starting no earlier than his/her 60<sup>th</sup> birthday and before his/her 75<sup>th</sup> birthday.  The commuted amount will be calculated in accordance with tables prepared from time to time by the scheme actuary.  The commutation will extinguish all the member’s entitlement to benefits under the pension scheme except that if the scheme member would have an entitlement to survivor benefits (as a dependant) under C1, C3 or to the Death Grant under D1 or to the Guaranteed Pension under D2 or to Pension Credit benefits under M1 resulting from marriage, civil partnership or as the “nominated” partner to another scheme member those benefits would not be extinguished.  The lump sum would be subject to s636B Income Tax (Earnings and Pensions) Act 2003 (as inserted by Schedule 31 of the Finance Act 2004).</p>	<p><i>Needs to be consistent with amendments for the FPS 1992.</i></p>
<p><b>Allocation</b>  <b>B12</b>  A scheme member who is about to receive an ordinary, ill health, actuarially reduced, approved early retirement or deferred pension under B can allocate before that pension comes into payment part of that pension to a beneficiary. That is his/her spouse, civil partner or nominated partner or some other person who the FRA are satisfied is substantially dependent on him/her.  The person wishing to allocate must satisfy the FRA of his/her good health</p>	<p><i>See B9 of the FPS 1992. Amended in accordance with Finance Acts 2004 &amp; 2005. Needs to be consistent with FPS 1992. In accordance with s172(1)(a) of the Finance Act 2004 (as introduced by the Finance Act 2005) a scheme member would have to allocate at the</i></p>

<p>and that he/she has a normal life expectancy.</p> <p>Where the beneficiary of the allocated pension dies before the person who made the allocation, the allocated portion of the pension will no longer be deducted from the pension in payment, but there would be no repayment of deductions already made.</p> <p>No more than one third of a pension may be allocated under this rule.</p> <p>In order to allocate a portion of a pension a person must give the FRA written notice of allocation specifying—</p> <p>(a) the portion, and</p> <p>(b) the beneficiary.</p> <p>A person's notice of allocation, which may be sent by post, must be given before, but not earlier than 2 months before the pension comes into payment.</p> <p>Where a person has complied with paragraphs above the FRA shall forthwith notify him/her in writing that they have accepted the notice of allocation.</p> <p>Where the notice of allocation has been accepted the notice takes effect as from the date of the pension coming into payment.</p> <p>Where a notice of allocation has taken effect and the pension to which it relates has become payable, the FRA shall, as from the day after the date of the pensioner's death, pay the beneficiary a pension which is the actuarial equivalent of the allocated portion.</p> <p>The actuarial equivalent shall be calculated from tables prepared by the scheme Actuary and in force at the time when the notice took effect, which shall take account of the ages of the pensioner and the beneficiary at that time</p> <p>For these purposes no account shall be taken of any increase under I 2 or I 4 in an award to a serviceman/woman.</p>	<p><i>time his/her pension was about to come into payment. They could not allocate once the pension is in payment.</i></p> <p><i>There would appear to be nothing in the 2004 &amp; 2005 Acts that would preclude the proposed reinstatement of the full pension if the beneficiary dies before the scheme member but query with HMRC.</i></p>
<p><b>Limitation of allocated portion of pension</b></p> <p><b>B13</b></p> <p>Where a scheme member allocates under rule B12 the allocated pension must not exceed the pension retained by the member and the value of the allocated pension rights will count towards the Lifetime Allowance of the member making the allocation under s214 of the Finance Act 2004.</p> <p>Where the member is aged 75 or over, paragraphs 16A-C of Schedule 28 of the Finance Act 2004(as inserted by paragraph 28 of Schedule 10 of the Finance Act 2005) would apply so that dependants' pensions in aggregate are limited to an amount equal to the member's pension 12 months before death.</p>	<p><i>See B10 of the FPS 1992. 16A-C of Schedule 28 of 2004 Act limits dependants' pensions to aggregate amount equal to the member's pension in the 12 months before death. Any excess would not be a dependant' scheme pension and would be an unauthorised payment.</i></p>
<p><b>Pension Debit Member</b></p> <p><b>B14</b></p> <p>For a pension debit member whose benefits are subject to a pension sharing order, the amount of or percentage of pension rights quoted in the pension sharing order must be converted into a pension debit. The pension debit or deduction will affect normal pension ill-health, actuarially reduced and approved early retirement and deferred awards and survivor benefits.</p> <p>It will be the benefits as reduced which must be taken into account for commutation of pension under B10, commutation of small pensions, allocation and the limits on commutation or allocation. Where the pension sharing order comes into effect after the retirement of the member it would</p>	<p><i>Needs to be consistent with the FPS 1992. See B12 and G9 of the FPS 1992 and G5 of this scheme</i></p> <p><i>A pension debit member is a person whose benefits or future benefits under the scheme have been reduced under section 31 of the Welfare Reform and Pensions Act 1999</i></p> <p><i>The pension sharing</i></p>

<p>have no effect on the commutation as this would already have been taken.</p>	<p><i>order creates a pension credit and a (negative) pension debit of equal capital value. The pension is expressed as a pension credit benefit (using tables of factors). Likewise, the pension debit is expressed as in the form of a “negative deferred benefit”. Two calculations are made when a pension debit member retires (for example): viz. their normal retirement benefit, and their revalued negative deferred benefit. They receive the former less the latter. Relevant provisions may need to be included in Part L.</i></p>
<p><b>Deduction of tax from certain awards</b>  <b>B15</b>  The FRA may deduct from any payment made under the scheme to the scheme member any tax payable by the scheme member in respect of the pension benefits to be paid. This may include tax on refunds of pension contributions as required under s205 of the Finance Act 2005 (see B9) and any amount chargeable to tax in respect of the "lifetime allowance" as required under the s215 of the Finance Act 2004.</p>	<p><i>See B11 of the FPS 1992  A pension credit will in some circumstances entitle a member to an enhanced Life Time Allowance factor – see s 220 of the Finance Act 2004. As the pension debit in such circumstances will conversely reduce the member’s rights, these can be built back into the LTA without the member incurring a LTA charge. Deductions – Ss 205, 206, 207 and 214 of the Finance Act 2004.</i></p>

***SURVIVOR PENSIONS  
SPOUSES, CIVIL PARTNERS AND UNMARRIED PARTNERS  
PART C (1)***

<p><i>Part C to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>survivor pensions – spouses, civil partners, ‘nominated’ unmarried partners</i></li> <li>• <i>actuarial reductions in survivor pensions</i></li> <li>• <i>short-term increase in survivor pensions</i></li> <li>• <i>pension debit members</i></li> <li>• <i>commutation of small pensions</i></li> </ul>	
<p><b>Survivor Pensions</b>  <b>C1</b>  A survivor's pension will be paid from the day after the date of death to:</p> <ul style="list-style-type: none"> <li>• Spouse (widow/widower)</li> </ul>	<p><i>For the survivor’s pension to be an authorised under s164(a) of the Finance Act 2004 and satisfy pension rule 2</i></p>

<ul style="list-style-type: none"> <li>• Civil partner, i.e. partner registered under the Civil Partnership Act 2004</li> <li>• nominated partner (who satisfies pension rule 3 in s.165(1) and paragraphs 15 and 16 of Schedule 28 of the Finance Act 2004).</li> </ul> <p>The conditions for payment of a survivor's pension to a nominated partner are:</p> <ul style="list-style-type: none"> <li>➤ The nominated partner should be the unmarried partner of a scheme member who together with the scheme member has completed a joint declaration of partnership and registered it with the Scheme Administrator.</li> <li>➤ At the time of death, the unmarried partner must have been living with the scheme member in an exclusive committed long-term relationship (long term in the context would normally mean for at least 2 years' at the discretion of the FRA); and</li> <li>➤ the scheme member and nominated partner must both have been free to marry or enter into a civil partnership; and</li> <li>➤ either the nominated partner was financially dependent on the scheme member or both partners were financially interdependent.</li> </ul> <p>A survivor's pension would be paid where:</p> <ul style="list-style-type: none"> <li>• A serving scheme member had qualified for a pension under A6;</li> <li>• A former scheme member retired with a pension under B1 or B5 or B6;</li> <li>• A former scheme member had retired with and was receiving an ill health pension under B2 at the date of death; or</li> <li>• A former scheme member dies (this to include an optant out of the scheme under A13, or a person whose ill health award had been cancelled under K1), who has been awarded a deferred pension under B3, which has not yet come into payment.</li> <li>• A former scheme member dies while in receipt of a deferred pension under B3.</li> </ul> <p>The pension payable would be subject to C2 (survivor much younger than member) and would be:</p> <ul style="list-style-type: none"> <li>• For a serving scheme member - half of the scheme member's pension as if he/she had been ill health retired under B2 with a higher tier ill health award.</li> <li>• For former scheme members - it would be half of the Scheme member's pension. If a commuted lump sum was paid at the time of retirement to the scheme member the pension would be half of the remaining pension after commutation.</li> <li>• Where a former scheme member under B5 took an actuarially reduced pension the amount of the survivor's pension would be either: <ul style="list-style-type: none"> <li>a) half of the scheme member's pension before the actuarial reduction has been applied (see example (1) below under `For information only-`); or</li> <li>b) where the scheme member commuted part of the actuarially reduced</li> </ul> </li> </ul>	<p><i>in section 167(1), and the provisions of the scheme must satisfy the pension death benefit rules at paragraphs 15 and 16 of schedule 28.</i></p> <p><i>It will not be necessary to make a distinction between pre and post retirement marriages/partnerships as required under the FPS 1992. The amount payable under the scheme in both circumstances would be the same (as all will be post 1978).</i></p> <p><i>(1) Example of the survivor's pension payable on the death of a former scheme member who goes on voluntary early retirement under B5 and does not commute part of the reduced pension - scheme member's pension = £10,000 which on actuarial reduction is for example £8,500, the survivor pension would be £5,000 i.e. ½ of the £10,000.</i></p> <p><i>(2) Example of the survivor's pension payable on the death of a former scheme member who goes on voluntary early retirement under B5 and commutes part of the reduced pension for a lump sum. Scheme member's pension before actuarial reduction = £10,000 less £1,500 for actuarial reduction leaving £8500 as the pre commutation amount due to the firefighter. He/she elects to commute one quarter £8500/4 = £2,125. This is deducted from the £10,000 = £7,875. Half of this would be £3,937.50 which would be the survivor's pension.</i></p>
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<p>pension, ½ of the pension before actuarial reduction has been applied but less the amount commuted (see example (2) below under `For information only-` )</p> <p>Where the scheme member or former member has been the subject of a pension sharing Order, C4 will apply.</p> <p>A pension paid to an eligible survivor will be paid for life unless the rules of forfeiture at K3 were subsequently found to apply (e.g. the death of the scheme member resulted from criminal action by the survivor).</p> <p>In the case of spouses or civil partners, the retired member should be required to notify the scheme administrator of any marriage or civil partnership or change in circumstances post retirement in order to establish the eligibility of the spouse or civil partner.</p> <p>In the case of nominated partner, the requirement for serving members to nominate their partnership with scheme administrators, should be extended to retired members, who should also notify any other changes in circumstances post retirement in order to establish eligibility of any post retirement unmarried partner.</p> <p>Survivor pensions will not be withheld or restricted even if the spouse/partner is estranged. Potential entitlement to a survivor pension would cease in the case of:</p> <ul style="list-style-type: none"> <li>• divorce, at the date of decree absolute;</li> <li>• civil partnership, at the date of dissolution of partnership;</li> <li>• nominated partner, at the date a revocation of the nomination is made.</li> </ul>	
<p><b>Survivor much younger than member</b> <b>C2</b></p> <p>Where a pension is payable under C1 to a person who is more than 12 years younger than the deceased, the pension will be subject to a reduction of 2.5% for every year or part year above 12 years that the survivor is younger than the deceased scheme member, up to a maximum of 50%. That amount is the lesser of–</p> <p>(a) 50% of the pension as calculated under B1, B2, B3, B5 (in regard to this provision this would be the pension calculated under B1 less any amount that may have been commuted as set out in B10) , B6 and B7 or</p> <p>(b) the pension so calculated x 2.5% x N,</p> <p>where N is the number of whole years or part years in excess of 12 by which the beneficiary is younger than the member.</p> <p>Where under B5 the scheme member’s pension has been reduced the survivor pension`</p>	<p><i>See the Principal Civil Service Pension Scheme 2002, rule E7(1). See E7(2) for the formula for reducing the pension.</i></p>
<p><b>Short-term increase in survivor pensions</b> <b>C3</b></p> <p>Where a survivor pension is payable under C1 this can be supplemented for the first 13 weeks following the death of the member:</p> <ul style="list-style-type: none"> <li>• in respect of a serving member to the level of the scheme member’s pensionable pay; or</li> </ul>	<p><i>Unlikely to affect scheme members, but HMRC has advised that these would be unauthorised payments if the member is a serving member on or after age 75. OR, if in the unlikely</i></p>



<ul style="list-style-type: none"> <li>in respect of a retired member to the level of the retired scheme member's pension .</li> </ul> <p>The amount to be adjusted so that it would be the difference between the pension under C1 and the rate of pay or pension of the scheme member under this provision and would be payable as a separate pension for the relevant 13 weeks.</p> <p>The supplemented pension under this provision would not be payable in the case of an optant-out (A13) or in respect of someone with a deferred pension entitlement that had not yet come into payment (B3).</p> <p>Where no survivor pension is payable but there is an eligible child who will be entitled to a child's pension under C6 this separate (supplemented) pension may be transferred to that child (or children) for the 13 week period or the date that the child ceases to be an eligible child whichever is the earlier. Where a survivor's pension is payable and the short-term increase is being paid, but the survivor dies within the relevant 13 weeks the balance of the increase would be transferred to the eligible child for the remainder of the 13 weeks period or the date the child ceases to be an eligible child, whichever is the earlier.</p>	<p><i>event that the member is a serving member on or after age 75 and there are other dependants' pensions that in aggregate lead dependants' pension to exceed 100% of member's pension.</i></p>
<p><b>Pension debit members</b> <b>C4</b></p> <p>Where a pension debit member dies and a survivor pension is payable under C1 the amount payable will take account of the reduction in pension benefits following from the pension sharing order issued by a court on divorce or annulment of marriage or any similar pension sharing order in respect of dissolution of a civil partnership.</p>	<p><i>See FPS 1992 - Order no. 3691 rule C10.</i></p>
<p><b>Commutation of small pension</b> <b>C5</b></p> <p>Where the survivor's pension together with any other pensions (from this scheme or other sources) that may be payable to him/her is less than 1% of the standard life time allowance as defined by s214 – 226 of the Finance Act 2004 the FRA may with the consent of the survivor commute the pension for a gratuity (in accordance with Para 7 of Schedule 29 of the Finance Act 2004 and s164(b) and s166(1)(e)). The member giving rise to the pension must have died before age 75 and the payment must be made before the date the member would have reached their 75<sup>th</sup> birthday. The commuted amount will be calculated in accordance with tables prepared from time to time by the scheme actuary. The commutation will extinguish all the survivor's entitlement to benefits under the pension scheme, which would include the Death Benefit Grant under D1 or the guaranteed pension under D2 which may have been payable to the survivor . The lump sum would be subject to s636C Income Tax (Earnings and Pensions) Act 2003 (as inserted by Schedule 31 of the Finance Act 2004).</p>	<p><i>Needs to be consistent with amendments for the FPS 1992. See E5, E6 and E7 of the FPS Order 1992. See Section 218 of Finance Act 2004 for Standard Lifetime allowance.</i></p>
<p><b>CHILDREN'S PENSIONS</b></p>	

<b>PART C (2)</b>	
<p><i>To set out:</i></p> <ul style="list-style-type: none"> <li>• <i>eligibility and payment of a child's pension</i></li> <li>• <i>child's pension in respect of debit member</i></li> <li>• <i>commutation of small pensions</i></li> </ul>	
<p><b>Child's pension</b> <b>C6</b></p> <p>A pension will be paid from the day after the date of death, to an eligible child of</p> <ul style="list-style-type: none"> <li>• a scheme member who has qualified for a pension under A6 and who dies in service; or to</li> <li>• the child of a former scheme member now receiving a pension; or to</li> <li>• the child of a former scheme member who has resigned and has been awarded a deferred pension not yet in payment.</li> </ul> <p>The calculation of such awards would be as follows:</p> <ol style="list-style-type: none"> <li>(i) where the scheme member dies in service the child's pension would be worth up to ¼ of the notional ill health award to which the firefighter would have been entitled had he/she retired on health grounds immediately following the date of death.</li> <li>(ii) Where there is more than one eligible child the maximum children's pension will be ½ the notional higher tier ill health award where the scheme member dies in service so that the percentage amount is shared between the children.</li> <li>(iii) Where a former member dies the child's pension will be ¼ of the scheme member's pension – this may be a deferred pension or may already have come into payment - (if commutation has taken place it will be ¼ of the post commutation pension).</li> <li>(iv) Where a voluntary early retirement pension (an actuarially reduced pension) under B5 is in payment, it will be ¼ of the pre-actuarially reduced pension, but if part of that pension was commuted, it will be ¼ of the post commuted pension. (See example below under `For information only-`)</li> <li>(v) Where there is more than one eligible child the maximum pension will be ½ of the former scheme member's pension (after commutation if this has taken place) so that the percentage amount is shared between the children.</li> </ol> <p>Where a pension sharing Order has been made the provisions of C8 would apply i.e. the amount deducted from the scheme member's pension will be ignored for the calculation of the child's pension.</p> <p>If there is no survivor's pension payable under C1 the percentage payable as a child(ren)'s pension would be increased by an amount equivalent to any survivor benefit which would have been paid (divided equally between the eligible children). The amount paid to any individual child will not be increased further as any child ceases to be eligible. The increased amount would cease at the same time as the child(ren)'s pension under this</p>	<p><i>Need to take account of the pension death benefit rules at paras 15 &amp; 16 of Schedule 28 of the Finance Act 2004. .</i></p> <p><u><i>Calculation of child's pension when someone has taken a pension under B5</i></u></p> <p><i>Example of the eligible child's pension payable on the death of a former scheme member who goes on voluntary early retirement under B5 and does not commute part of the reduced pension - scheme member's pension = £10,000 which on actuarial reduction is for example £8,500, the child' pension would be £2,500 i.e. ¼ of the £10,000.</i></p> <p><i>(2) Example of the survivor's pension payable on the death of a former scheme member who goes on voluntary early retirement under B5 and commutes part of the reduced pension for a lump sum. Scheme member's pension before actuarial reduction = £10,000 less £1,500 for actuarial reduction leaving £8,500 as the pre commutation amount due to the firefighter. He/she elects to commute one quarter £8500/4 = £2,125. This is deducted from the £10,000 = £7,875. ¼ of this would be £1,968.75 which would be the child's pension.</i></p>

<p>provision would cease ie when the child(ren) is no longer an eligible child.</p> <p>Where there is no survivor's pension payable under C1 then the increase in pension that would have been paid to the survivor under C3 will be transferred to the child(ren) awarded a child's pension. That is the child's pension may be supplemented for the first 13 weeks following the death of the member as follows:</p> <ul style="list-style-type: none"> <li>• in respect of a serving member to the level of the scheme member's pensionable pay following death; or</li> <li>• in respect of a retired member to the level of the retired scheme member's pension following the death.</li> </ul> <p>The amount payable for the relevant 13 weeks in these circumstances would be the difference between the pension under C6 and the rate of pay of the deceased serving member or pension of the deceased retired member and would be payable as a separate pension for that period or until the child is no longer an eligible child whichever is the earlier. Where a survivor's pension is payable and the short-term increase is being paid, but the survivor dies within the relevant 13 weeks the balance of the increase would be transferred to the eligible child for the remainder of the 13 week period or when the child ceases to be an eligible child, whichever is the earlier.</p> <p>An eligible child is as set out at A3 and Part N.</p>	
<p><b>Child's pension limitations</b> <b>C7</b></p> <p>A child's pension will only be payable if the eligible child is below age 18 (<i>and substantially dependent</i>) on the scheme member or former scheme member at the date of death unless:</p> <ul style="list-style-type: none"> <li>• the child is in full-time education, in which case the pension is payable whilst full-time education continues but not beyond the child's 23<sup>rd</sup> birthday; or</li> <li>• the child is dependent by reason of permanent disability at the date of death of the scheme member, in which case the pension is payable for life unless under K1 the review shows the child to be no longer eligible (recovery from disability). A child who becomes permanently disabled whilst in receipt of a pension cannot then be paid a pension for life.</li> </ul> <p>No pension is payable to any child under age 18 who has left full-time education; or marries or forms a civil partnership.</p>	<p><i>See D5 of the FPS 1992.</i></p> <p><i>Payment of children's pensions should be in line with the Finance Acts 2004 and 2005. See also proposals for Police Pension Scheme.</i></p>
<p><b>Child's award in respect of pension debit member</b> <b>C8</b></p> <p>Where a pension debit member dies and a child's pension is payable any pension sharing order issued by a court on divorce or annulment of marriage or dissolution of a civil partnership will be disregarded for the purposes of assessing a child's pension.</p>	<p><i>See D6 of the FPS (2001 Order No. 3691)</i></p>
<p><b>Commutation of small pension</b></p>	<p><i>Needs to be consistent</i></p>

**C9**

Where the child's pension together with any other pensions (from this scheme or other sources) that may be payable to him/her is less than 1% of the standard life time allowance as defined by s214 – 226 of the Finance Act 2004 the FRA may with the consent of the child's remaining parent or guardian or, if he has neither the child him/herself, commute the pension for a gratuity (in accordance with Para 7 of Schedule 29 of the Finance Act 2004 and s164(b) and s166(1)(e)). The member giving rise to the pension must have died before age 75 and the payment must be made before the date the member would have reached their 75<sup>th</sup> birthday.

The commuted amount will be calculated in accordance with tables prepared from time to time by the scheme actuary.

The commutation will extinguish all the child's entitlement to benefits under the pension scheme, which would include the Death Benefit Grant under D1 or the guaranteed pension under D2 which may have been payable to the survivor .

The lump sum would be subject to s636C Income Tax (Earnings and Pensions) Act 2003 (as inserted by Schedule 31 of the Finance Act 2004).

*with amendments for the FPS 1992.  
See Section 218 of Finance Act 2004 for Standard Lifetime allowance.*

**AWARDS ON DEATH  
PART D**

*Part D to set out:*

- *payment of death grant*
- *guaranteed payment of pension – supplementary death grant*

**Death Grant****D1**

On the death of a serving member the FRA shall pay a death grant, which would be construed for the purposes of s168 of the Finance Act 2004 as a defined benefits lump sum death benefit. The amount would be 3 x pensionable pay, where pensionable pay is defined as the greater of:

(i) pensionable pay at the date of death (where the scheme member was working part-time at the date of death this would be at the part-time rate) expressed as an annual rate;

or

(ii) a proportion of whole-time pensionable pay at the date of death expressed as an annual rate based on the proportion that pensionable service, excluding any additional service that may have been purchased under G, represents against qualifying service;

or

(iii) where there has been a split pension awarded under B7 pensionable pay based on proportions of pensionable pay at the date of the split pension and at the date of death.

See Appendix 4 for examples.

Where pensionable pay at the date of death is used for the death grant, if the scheme member was absent from duty without pay immediately before the date of death, the last pensionable pay day expressed as an annual rate should be used as at G1.

Where the scheme member was absent from duty without pay (regardless of whether they are whole-time or part-time), immediately before the date of death, and had made an option to buy back the unpaid period of service under E4 and E5 but had died before payment could be made e.g. unpaid maternity leave, it would be the pensionable pay that would have been paid had the person not been on unpaid leave. The FRA would recover the unpaid contributions under G2 and L11 from the death grant.

The FRA shall have discretion to pay the grant to the person or persons nominated by the scheme member to receive it. Where a nomination has not been made or the FRA decide not to pay the grant to the nominee(s) and the FRA consider it appropriate they may pay the grant to the spouse or civil partner or registered nominated partner or to the member's personal representatives. Nomination for receipt of the death grant will be by the scheme member completing a Death Grant Nomination which should be registered with the FRA. If a nomination is made, more than one beneficiary can be named.

If the FRA decides to pay all or part of the grant to persons so nominated and more than one individual has been so nominated, the payment is to be made to them in such proportions as the FRA consider appropriate.

The nomination would be invalid if, after making it, the scheme member marries, enters into a civil partnership or registers an unmarried partnership. The nomination would be invalid if the nominee had died, or if the nominee was subsequently convicted of the murder or manslaughter of the scheme member. See K3.

The onus should be on the scheme member to ensure that the nomination is amended if circumstances change

**Guaranteed payment of pension - D2**

Where a pension (under B1, B2, B3, B5 or B6 – early payment of deferred pension) is in payment and the pensioner dies within 5 years of the pension coming into payment, the FRA will pay a death grant of an amount equal to 60 x the monthly instalments of scheme pension minus any instalments of scheme pension that may have been paid and any commuted lump sum that has been paid. Any increases in the pension which might have become payable after the date of death are disregarded for these purposes. The amount to be paid in these circumstances would be construed as a defined benefits lump sum death benefit for the purposes of s168 of the Finance Act 2004.

*The tax rules do not allow a lump sum to be paid after age 75 and this would therefore become an unauthorised payment subject to a tax charge..*

The FRA may pay the death grant to the person or persons nominated by the pensioner member or to the pensioner member's personal representatives. The payment would be made in respect of a pensioner member where he/she was also an active member (*eg pensioner re-employed*). Nomination for receipt of the lump sum in these circumstances would be by the pensioner member completing a Nomination which should be registered with the FRA. If a nomination is made, more than one beneficiary can be named. The nomination would be invalid if, after making it, the scheme member marries, enters into a civil partnership or registers an unmarried partnership. The nomination would be invalid if the nominee had died, or if the nominee was subsequently convicted of the murder or manslaughter of the pensioner member. See K3.

The Nomination may be revoked and a new nomination made within the 5 years following retirement. The onus would be on the pensioner member to ensure that the nomination is amended if circumstances change. The Nomination will lapse at the end of the 5 year period.

See Appendix 4 for examples.

***QUALIFYING AND PENSIONABLE SERVICE***  
***PART E***

*Part E to set out:*

- *qualifying service*
- *reckoning of pensionable service*
- *non-pensionable service*
- *treatment of unpaid periods*
- *treatment of maternity, paternity and adoption leave*

**Qualifying Service**

**E1**

Qualifying service is the amount of time the scheme member has been in the scheme and is used to decide whether the person has qualified for a pension award. The qualifying period is set out under A6.

For part-timers qualifying service will be greater than pensionable service. (Qualifying service will be the length of time the part-time scheme member has been in the scheme. Pensionable service will be the service for which pension contributions have been paid).

Qualifying service will include:

(a) the period during which the person is a member of the scheme and for which he/she receives earnings that are pensionable pay for the purposes of the Scheme;

(b) any period of unpaid leave other than an unauthorised absence (*or during suspension from the scheme*) while the person is still a scheme member where the scheme member buys back the period under E4.

(c) any period of service brought into the scheme as a result of a transfer value under F6, this would include the service credited to the scheme as a result of the transfer and in accordance with s71(7) of the Pension Schemes Act 1993 the service upon which entitlement to benefits under the exporting scheme was based except that this period of service would not

<p>count for assessing entitlement to benefits for a part-time scheme member nor would it count for deciding if a scheme member is entitled to ill health benefits under B2 nor assessment under D1 for the calculation of the Death Grant.</p> <p>(d) in the case of a member who under B7 is awarded a split pension because of a change in roles or pay within the role, the qualifying service used to determine eligibility for the split award will count towards the qualifying period for any subsequent award; and</p> <p>(e) where a former scheme member of the FPS 1992 left that scheme to join this scheme, the service used to determine eligibility for any pension awarded under the FPS 1992 may count towards qualifying service for an award under this scheme.</p> <p>(f) any periods of service that may be credited to the scheme member under E5 or G3 resulting from maternity, paternity or adoption leave.</p> <p>Qualifying service will not include:</p> <p>(a) any additional period the member is entitled to count under G for the purchase of additional service;</p>	
<p><b>Reckoning of pensionable service</b></p> <p><b>E2</b></p> <p>A7 sets out that pensionable service will be worked out as a number of years and any excess days counting as so many 365ths of year. Part-time service would be a proportion of whole time service for which the calculation is set out at A7.</p> <p>Pensionable service for those on the RDS would be assessed as a proportion of whole time service for which the calculation is set out at A7. Pensionable service counts towards the pension benefits and is used to calculate pension awards. A7 sets out the amount of pensionable service that can be used in pension awards.</p> <p>Pensionable service will include:</p> <ul style="list-style-type: none"> <li>• service as a scheme member where pension contributions are paid.</li> <li>• Service that has been credited to the scheme as pensionable service a result of the acceptance of a transfer value from some other pension scheme or arrangement under F.</li> <li>• Any period of service that may have been included in a deferred or split award under this new scheme providing that in accordance with B4 or B8 the award has been cancelled and the scheme member has been re-employed and has rejoined the pension scheme.</li> <li>• Any period of unpaid service purchased under E4.</li> <li>• Any period of service where the scheme member has left the employment of the FRA with an ill-health pension under B2, which has been terminated under K1 and has become a scheme member in the employment of that or another FRA the pensionable service accrued before ill health retirement (but not any enhancement that may have been included as part of a higher tier ill health award) should count again as pensionable for a deferred pension that replaces the ill-health award. Where the deferred pension is cancelled under B4 the pensionable service used to calculate that pension may be aggregated with pensionable service accrued on re-employment to count towards a single pension when the scheme</li> </ul>	<p><i>See Part F of the FPS Order 1992</i></p>

<p>member leaves the scheme.</p> <ul style="list-style-type: none"> <li>• Any period of service where a former scheme member left without a pension and without a transfer value or cash equivalent becoming payable by the FRA, and has not received a refund of pension contributions may if re-employed count that earlier service towards any new pension.</li> <li>• Any additional period of service purchased or being purchased under G5 to 9 will be pensionable service and will count when determining the amount of pension payable to the scheme member under Part B or to his/her survivors under Part C and it will be taken into account in the assessment of the amount of service a scheme member has or may accrue in the scheme under A7. It will not be taken into account in assessing the amount of enhancement under the higher tier ill health retirement pension under B2 nor the amount of Death Grant under D1.</li> </ul>	
<p><b>Service that will not count as pensionable service</b> <b>E3</b></p> <p>The following periods of service will not count for pension purposes other than for assessing whether a person has sufficient service to qualify for a pension (see qualifying service at E1):</p> <ul style="list-style-type: none"> <li>• Unpaid absences, <b>unless</b> the scheme member has bought the service under E4.</li> <li>• Any service that is the subject of other deferred pension awards under this scheme, which have not been the subject of cancellation under B4.</li> <li>• Any periods of service already included - <i>no double counting of a particular period.</i></li> <li>• Any period of absence from duty, which results from sickness or injury due to his/her own misconduct which the FRA determine should be unpaid periods.</li> <li>• Any period of additional maternity leave or adoption leave where the person had had the opportunity to pay contributions, but has declined.</li> </ul>	
<p><b>To reckon an unpaid period of absence</b> <b>E4</b></p> <p>A serving scheme member may reckon as pensionable service all or part of any period of absence from duty without pay, if the scheme member elects to pay employer and scheme member contributions. The FRA may have the discretion to pay the employer contributions.</p> <p>Unpaid contributions must be paid within 6 months of the election to repay them.</p> <p>The scheme member must give written notice by election within 6 months of returning to duty.</p>	<p><i>See F4(1) (a) (b) (c) of the FPS Order 1992</i></p>
<p><b>Maternity, paternity and adoption leave</b> <b>E5</b></p> <p>Maternity, paternity and adoption leave should count for pension purposes on the following basis:</p> <p>A female firefighter would be entitled to reckon as pensionable the</p>	<p><i>Treatment of maternity, paternity and adoption leave should be consistent with the FPS 1992. See FPS Rule F2A (2004 Order)</i></p>



following service:

- paid maternity leave
- unpaid ordinary maternity leave
- unpaid maternity leave in respect of which she has paid pension contributions to the FRA in accordance with G3.

A person serving as a firefighter is entitled to reckon as pensionable service any period of:

- paternity leave (as defined in the Paternity and Adoption Leave Regulations 2002.)
- ordinary adoption leave (as defined in sections 75A and 75B of the Employment Rights Act 1996)
- paid additional adoption leave (as defined in sections 75A and 75B of the Employment Rights Act 1996)
- unpaid additional adoption leave in respect of which he/she has paid pension contributions to the FRA in accordance with G2.

Any period of maternity or adoption leave in respect of which the person has the right to, but does not, pay contributions - any periods of pensionable service before and after any period of maternity or adoption leave in respect of which the person has the right to, but does not pay, contributions shall be treated as continuous.

Maternity leave to be construed under sections 71 and 73 of the Employment Rights Act 1996 or any legislation replacing it.

**TRANSFERS INTO AND OUT OF THE SCHEME  
PART F**

New Part F - *Based on Civil Service Pension Scheme, Part F Transfer provisions.*

*Part F to set out:*

- *Right to transfer value out of the scheme*
- *Application for statement of entitlement*
- *Application for payment of a transfer value*
- *Ways in which transfer value may be applied*
- *Calculating amount of transfer value payments*
- *Application for a transfer value into the scheme*
- *Procedure of transfers into the scheme*
- *Acceptance of a transfer value*
- *Calculation of transferred-in pensionable service*
- *Transfer payments into and out the scheme between Fire and Rescue Authorities*

*Note: The aim is that the new scheme will be able to become a member of the Public Sector Transfer Club arrangements. Transfers between Club schemes mean the scheme member would receive a broad equivalence of service credit in the new scheme, regardless of any increase in salary on moving to the new employer.*

**TRANSFERS OUT OF THE SCHEME**  
**Right to transfer value out of the scheme**  
**F1**

*See F1 of civil service scheme*  
*See F6 of civil service scheme*

<p>Chapter IV of Part IV of the Pension Schemes Act 1993 provides for a scheme member to seek a transfer value in respect of the rights to benefits that have accrued to or in respect of him/her in the scheme.</p> <p>To set out that an active or deferred scheme member, but not a pensioner member, may apply to transfer accrued pension rights less any pension debit for pension sharing out of the scheme into a registered pension scheme or a qualifying overseas scheme as set out in s.169(1) of the Finance Act 2004. This does not apply if the contributions for his/her pensionable service have been repaid to him/her.</p> <p>Where a transfer value payment is made the scheme member's rights under this scheme are extinguished.</p> <p>This option would not include rights that are directly attributable to a pension credit.</p> <p>A pensioner member may apply for a transfer statement required for divorce purposes.</p>	
<p><b>Applications for statement of entitlement</b> <b>F2</b></p> <p>To set out that the scheme member should apply in writing to the FRA for a statement of the transfer value which is the cash equivalent of the member's accrued benefits under the scheme at the guarantee date.</p> <p>The guarantee date means:</p> <p>(a) within 3 months of the date of the application for a statement, or such longer period (but not exceeding 6 months) as the FRA may require to obtain the information to calculate the cash equivalent,</p> <p>(b) specified in the statement, and within the period of 10 days (ignore Saturdays, Sundays, Christmas Day, New Year's Day and Good Friday) ending with the date on which the member is provided with the statement.</p> <p>The member may withdraw his/her application by notice in writing at any time before the statement is provided.</p> <p>A member may make two applications for statements in any period of 12 months beginning with the date of the first application. The FRA may charge the scheme member for the cost of providing any further statements.</p>	<p><i>See F2 civil service scheme</i> <i>See also Disclosure of Information legislation</i></p>
<p><b>Application for the payment of a transfer value</b> <b>F3</b></p> <p>To set out that once a member who has applied for and received a statement under rule F2 can then apply in writing to the FRA for the transfer value payment set out in the statement to be made. The FRA may extend any time limit applying to an application to transfer if it considers it reasonable to do so in the circumstances.</p> <p>If the payment is made later than 6 months after the guarantee date (see F2) it will be increased by: the amount it would have been had the guarantee date been the date which the payment had been made, or if it is greater and there was no reasonable excuse for the delay in payment, interest on the amount calculated on a daily basis over the period from the guarantee date when the payment is made at an annual rate of 1% above base rate.</p> <p>The transfer amount would be "the guaranteed cash equivalent transfer value payment".</p>	<p><i>See F3 civil service scheme</i></p>

<p>An application must be made before the end of the period of three months beginning with the guarantee date (see F2), and the payment must be made no later than—</p> <ul style="list-style-type: none"> <li>(a) six months after that date, or if earlier</li> <li>(b) the date on which the member reaches normal retirement age.</li> </ul> <p>The application must set out the pension scheme or other arrangement to which the payment is to be made.</p> <p>An application by a person who is entitled to apply for a guaranteed cash equivalent under Chapter IV of Part IV of the Pension Schemes Act 1993 (see F1) may only be made before—</p> <ul style="list-style-type: none"> <li>(a) one year before the member reaches pension age, or</li> <li>(b) 6 months beginning with the day after that on which the member’s pensionable service ends, provided that service ends at least one year before pension age, whichever is the later.</li> </ul> <p>The exception being that an application for a transfer value to be made under the public sector transfer (Club) arrangements may only be made—</p> <ul style="list-style-type: none"> <li>(a) within the first 12 months of becoming eligible to be an active member of the scheme to which the transfer is to be made, or where the employer offers more than one scheme, within 12 months of becoming eligible to join that scheme, if the club arrangements are to apply, and</li> <li>(b) before the member reaches pension age.</li> </ul> <p>An application by a person who is not entitled to apply for a guaranteed cash equivalent transfer value payment under Chapter IV of Part IV of the Pension Schemes Act 1993 (see Sections 94 and 98 of the 1993 Act) may only be made—</p> <ul style="list-style-type: none"> <li>(a) within the first 12 months the applicant ceases to be an active member of the Scheme, and</li> <li>(b) before reaching pension age.</li> </ul> <p>An application may be withdrawn by notice in writing, unless an agreement for the application of the whole or part of the guaranteed cash equivalent transfer value payment has been entered into with a third party before the notice is given.</p>	
<p><b>Ways in which transfer value payments may be applied</b></p> <p><b>F4</b></p> <p>A member who is entitled to a guaranteed cash equivalent transfer value payment under the 1993 Act may only require the FRA to apply the guaranteed cash equivalent transfer value payment in one or more of the ways permitted under section 95 of that Act.</p> <p>A member who is not entitled to a guaranteed cash equivalent transfer value payment under the 1993 Act may only require the FRA to apply the guaranteed cash equivalent transfer value payment in one of the ways permitted under section 95 of that Act.</p> <p>The whole of the guaranteed cash equivalent transfer value payment must be applied, unless the benefits attributable to—</p> <ul style="list-style-type: none"> <li>(a) the member’s accrued rights to a guaranteed minimum pension, or</li> </ul>	<p><i>See F4 of civil service pension scheme</i></p>

<p>(b) the member's accrued rights attributable to service in contracted-out employment on or after 6 April 1997, may be excluded from the guaranteed cash equivalent transfer value payment if section 96(2) of 1993 Act applies (trustees or managers of certain receiving schemes or arrangements able and willing to accept a transfer payment only in respect of the member's other rights).</p>	
<p><b>Calculating amounts of transfer value payments</b>  <b>F5</b>  The guaranteed cash equivalent transfer value payment is to be calculated in accordance with guidance and tables provided by the Scheme actuary for use at the guarantee date (see F2), except that if the amount calculated is less than the minimum transfer value, the amount would be increased to equal the minimum. The `minimum transfer value` would mean any transfer value payments that have been made to the Scheme in respect of him/her or any contributions paid by him/her.</p> <p>In preparing the tables the Scheme actuary must have regard to section 97 of the Pension Schemes Act 1993 and regulations made under that Act (whether or not the payment is in respect of a person entitled to a guaranteed cash equivalent transfer value payment under that Act).</p> <p>If the transfer value payment is made under the public sector transfer arrangements (Club), the amount of the transfer value payment is calculated by reference to the guidance and tables provided by the Government Actuary for that purpose.</p> <p>Where a member has a pension sharing order the sending scheme should initially calculate a gross Club transfer for Club schemes that ignores the pension debit.</p> <p>Where the transfer is under the Club arrangements any service which was (or potentially would have been) subject to the Cap (under Regulation 4 of the Retirement Benefit Scheme (Tax Relief on Contributions) (Disapplication of Earnings Cap) Regulations 1990 the service should continue to be subject to the Cap in the receiving scheme.</p> <p>Where the transfer is under the Club arrangements to a Club scheme and the receiving scheme does not provide for `nominated registered partner pensions` the transfer should reflect the partner's benefit, but the receiving scheme will offer credits greater than year-for-year.</p> <p>See Appendix 5 for example</p>	<p><i>See F5 of civil service pension scheme</i></p>
<p><b>TRANSFERS INTO THE SCHEME</b>  <b>Application for a transfer value into the scheme</b>  <b>F6</b>  To set out that the FRA may accept a transfer value offered to them by a registered pension scheme or a qualifying overseas registered scheme in accordance with s.169(1) of the Finance Act 2004 in respect of a scheme member for some or all of the rights that have accrued to or in respect of</p>	<p><i>See F7 of the civil service pension scheme</i>  <i>Final paragraph - HM Treasury have advised that taxpayers should not be asked to take on the extra risk posed by concurrent stakeholder</i></p>

<p>him/her.</p> <p>This would not apply to pension credit rights.</p> <p>This would not apply to savings contracts (concurrent stakeholder pension savings) entered into after the date the scheme member began his/her current period of active membership.</p>	<p><i>pension savings.</i></p>
<p><b>Procedure of transfers into the scheme</b> <b>F7</b></p> <p>To set out that an application from a scheme member must be:</p> <ul style="list-style-type: none"> <li>• made in writing, and</li> <li>• set out the scheme or arrangement from which the transfer value payment is to be made and should be</li> <li>• made before the beginning of the period of one year ending on the date the member reaches pension age, except that for transfer values made under the Public Sector (Club) arrangements, the application must be made during the period of one year beginning with the day on which the member becomes eligible to be an active member, and must be received by the FRA before the applicant reaches normal retirement age under the scheme by which the transfer value is to be made.</li> </ul>	<p><i>See F8 of the civil service scheme</i></p>
<p><b>Acceptance of a transfer value</b> <b>F8</b></p> <p>Where an application to transfer has been accepted the scheme member would be entitled to count the period of service bought by the transfer value as pensionable service in the scheme.</p> <p>A transfer value may not be accepted:</p> <ul style="list-style-type: none"> <li>• If there is a Guaranteed Minimum Pension provided by the previous scheme unless that scheme is a club scheme or the transfer value offered is of at least the required amount. The required amount is <math>A \times B</math>, where A is the annual amount of the Guaranteed Minimum Pension to which he/she would be entitled under J1 if the transfer value were accepted; and B is the factor from the Table supplied by the Scheme actuary; or</li> <li>• If the transfer value is in respect of any pension credit rights.</li> <li>• If the receipt of a transfer value plus prospective service to the normal retirement age would exceed 40 years.</li> </ul> <p>Where a previously deferred member of a Club scheme has transferred those deferred benefits to this club scheme and has then been granted additional service credit (<i>following a claim by a part-time employee for pension rights back to 8 April 1976 - `Preston case`</i>) and applies for a transfer of those benefits to this scheme, the exporting scheme should calculate the additional transfer value using current factors, relevant date, age and Adjusted for Market Conditions and allowing for pension increase. In such circumstances, the FRA will have discretion with regard to time-limits.</p>	<p><i>See F9 of the civil service scheme</i></p>
<p><b>Calculation of transferred-in pensionable service</b> <b>F9</b></p>	<p><i>See F10 of the civil service scheme</i></p>

To set out that the amount of pensionable service bought by the transfer value would be calculated on the date on which the payment is received by the FRA using the guidance and tables provided by the Scheme actuary. The calculation would be based on the cash equivalent basis (unless the provisions of the Pension Scheme Act 1993 require otherwise) but the factors for Club and Non-Club schemes would be different.

In the calculation, the earnings to be used should be those at-

- (a) two months after the application under F6 is received, or
- (b) the date on which the transfer value is received,

whichever is the later, and, in a case where the transfer value payment is received earlier than two months after that application is received, any necessary adjustment is to be made to that calculation to reflect any change in the amount of those earnings.

See Appendix 5 for an example

Where a member has a pension sharing order the sending scheme should initially calculate a gross Club transfer for Club schemes that ignores the pension debit.

Where in respect of any transfer using the Club arrangements any service which was (or potentially would have been) subject to the Cap (under Regulation 4 of the Retirement Benefit Scheme (Tax Relief on Contributions) (Disapplication of Earnings Cap) Regulations 1990 the service should continue to be subject to the Cap in this scheme.

Where the transfer is under the Club arrangements from a Club scheme and the exporting scheme does not provide for `nominated registered partner pensions` the transfer will reflect this and as a consequence the service credit will be less than year-for-year.

Where a transfer is to be made under the Club arrangements, but service credit would be greater if the transfer were treated under the non-club arrangements, the FRA could proceed on the basis of a non-club transfer.

**MISCELLANEOUS PROVISIONS**

**Transfer of Pension History between English Fire and Rescue Authorities**

**F10**

Where a scheme member leaves his employing FRA in England and moves to another FRA in England as a firefighter and remains in the scheme, under the new financing arrangements there will no longer be a need for a transfer value to be paid. It will be necessary for the former FRA to provide details of pension history to the new FRA via a `certificate of pensionable service` within 6 months of the move. The former FRA should copy the certificate together with an explanation of the loss of entitlement to an award from the former FRA to the scheme member. On acceptance of a certificate by the new FRA any entitlement of the scheme member to an award from the former FRA is cancelled.

Where the scheme member disagrees with the information contained within

*See F8 of the FPS 1992 and 2001 (no. 3691).*

*See F1 of the FPS 1992 Order and proposals for the Police Pension Scheme*

the Certificate of Pensionable Service, he/she may appeal under the Internal Disputes Resolution Procedure as set out at H3 to the importing FRA.

Where a firefighter leaves the scheme in England and is employed in Scotland, Wales or Northern Ireland as a firefighter and joins the equivalent scheme in those administrations, he/she may request a transfer of his/her pension rights. The transfer would be under the Public Sector (Club) arrangements.

## ***PENSIONABLE PAY AND CONTRIBUTIONS*** ***PART G***

*Part G to set out:*

- *Pensionable pay*
- *Pension contributions*
- *Optional pension contributions during maternity and adoption leave*
- *Election not to pay pension contributions*

### **Pensionable Pay**

#### **G1**

To define pensionable pay:

- pensionable pay is the pay determined by the employee's role or in the case of a principal fire officer the salary appropriate to the overall responsibilities of the post;
- pensionable pay will be defined as core pay plus any flexible duty allowance or allowance for temporary promotion paid and all permanent emoluments, including any Retaining Allowance paid to a scheme member on a Retained Duty contract.
- Temporary emoluments, payments for acting up and emoluments such as overtime, pay in lieu of notice or untaken annual leave or any allowance subject to review based on performance will not be pensionable. The long service bounty payment or any compensation payments for loss of earnings in primary employment payable to retained firefighters will not be pensionable.
- the pensionable pay for a part-time regular firefighter is the pay on which contributions are based.

Where the scheme member was part-time final pensionable pay as used in the calculation of pension awards will be at the whole-time rate except where otherwise set out (e.g. for the death grant when it may be the part-time rate).

Where a scheme member gives up the right to receive part of his/her pay in return for the employer's agreement to provide the scheme member with some form of non-cash benefit the amount sacrificed will continue to form part of the scheme member's pensionable pay for the calculation of awards and pension contributions.

Where a scheme member is on the RDS final pensionable pay will be determined by reference to the equivalent whole-time rate.

Pensionable pay is the pay on which:

- pension contributions are deducted; and
- which is used directly for calculating certain benefits; and
- which is used in the assessment of final pensionable pay for calculating other benefits.

Final pensionable pay as used in the calculation of pension awards is the aggregate of pensionable pay during the year ending with the relevant date.

The relevant date is:

- for scheme member, survivor (spouse, civil partner, nominated partner) and child pension the date of the scheme member's last day of service (in death in service cases this would be the date of death);
- for an optant-out (A13) it would be the last date of membership; and
- for split pension awards (B7) it would be the last day at the higher pay rate before changing roles and accepting a reduction in pensionable pay.
- In death in service cases this would be the date of death or where at the date of death the scheme member was on unpaid absence the relevant date would be the last day which could count as pensionable service before the unpaid period commenced.

Where final pensionable pay ending on the relevant date is less than it would have been ending on the corresponding date in whichever of the two preceding years yields the highest amount, the final pensionable pay will be based on the higher rate.

In this connection, one year will equal 365 consecutive pensionable pay days. In these circumstances, the relevant date will be that last day falling within the period of three years ending with the last pensionable pay day.

Where the scheme member is entitled to count only part of a year (e.g. as under A6), as a period of membership of the scheme, his/her final pay will be pay during the period concerned multiplied by 365 days and divided by the number of days in the period.

*(Example: pensionable service of 91 days, pensionable pay paid during that period £6250 ( pensionable pay for whole period would have been £25,000)*

*A/B x 365 = C*

*A pensionable pay (£6250)*

*B number of pensionable pay days (91)*

*C pensionable pay*

*£6250/91x 365 = £25,068.68)*

Pensionable pay for contribution purposes during a period of maternity, paternity or adoption leave shall be the pay actually received, including the value of any statutory maternity, paternity or adoption pay under the Social



Security Contributions and Benefits Act 1992(a).

Any reduction of pensionable pay as a result of any -

- sick leave;
- stoppage of pay by way of punishment;
- ordinary maternity, ordinary adoption or paternity leave;
- paid additional maternity or additional adoption leave;
- unpaid periods where the scheme member has paid the contributions; or
- unpaid additional maternity or additional adoption leave where contributions have been paid.

shall be disregarded.

If sick pay ceases so that contributions are no longer being paid, service for that unpaid period will not reckon for pension purposes neither will the period reckon for pensionable pay purposes.

Where the scheme member moves to a post with a lower pensionable pay a Split award under B7 will be calculated using either final pensionable pay at that date or the best of the preceding two years as set out above. The scheme member will then start a second pension based on pensionable service from the current date and final pensionable pay at the end of the second period of service. At normal retirement age or when the scheme member leaves the scheme an assessment will be made and the scheme member will decide whether to receive two pensions or whether the Split pension should be cancelled and the two periods of service joined together for one award based on the total service and current final pensionable pay (which would be the best of the last three years).

## **Pension Contributions**

### **G2**

To set out:

- the rate of pension contributions will be 8.5% of pensionable pay the make up of which would be set out in G1.
- Tax relief will be given on pension contributions deducted from pensionable pay subject to the provisions of the S.188 Finance Act 2004.

Pension contributions will be paid as each instalment becomes due except that the FRA may determine to collect in some other way by arrangement e.g. as a simple contract of debt in any court of competent jurisdiction, or by deducting it from any payment by way of benefits to or in respect of the person in question.

Pension contributions will be deducted from pensionable pay, which may include non-cash benefits (*see G1*), and that they will include:

- all payments made by him/her to the FRA and not refunded;
- all payments made by him/her and not refunded as a result of an election to purchase additional service;
- any payments made under E4 to purchase unpaid absences;
- any payment made under G3.

<p>During a period of paid maternity, paternity or adoption leave basic pension contributions are not assessed on pay in relation to role but on the pay the scheme member was entitled to for that period including any statutory maternity, paternity or adoption pay under the Social Security Contributions and Benefits Act.</p>	
<p><b>Optional pension contributions during maternity and adoption leave</b> <b>G3</b></p> <p>A scheme member who is on maternity or adoption leave which would not otherwise count as pensionable service and who for the whole or part of the leave period is not entitled to receive pay (including statutory maternity or adoption pay under the Social Security Contributions and Benefits Act 1992), may elect to pay pension contributions in respect of that leave.</p> <p>The contributions will be calculated by applying G2 to the pensionable pay (including any statutory maternity or adoption pay under the Social Security Contributions and Benefits Act 1992) received by him/her immediately before the start of the unpaid period in question.</p> <p>An election must be made by giving notice in writing to the FRA before the expiry of the period of 30 days (or such longer period as the FRA) may allow) beginning with:</p> <ul style="list-style-type: none"> <li>• the day on which he/she returns to work, or</li> <li>• if he/she does not return to work after the leave period, the day he/she ceases to be employed by the FRS.</li> </ul> <p>Where the scheme member dies before the end of the period of 30 days to give notice of an election to pay `missing` contributions without having given the required notice, he/she shall be deemed to have given the notice and to have paid the contributions.</p> <p>Where a FRA receives a written election from a scheme member to pay the `missing contributions` they shall notify the person of the amount to be paid.</p> <p>Where the contributions are not paid within 6 months of the day of notice, the person concerned shall be entitled to reckon as pensionable service such proportion of the period in respect of which contributions were due, as the contributions paid relate to the total amount of contributions due.</p>	<p><i>Needs to be consistent with FPS 1992. See G2A of FPS Order 2004.</i></p>
<p><b>Election not to pay pension contributions</b> <b>G4</b></p> <p>Where under A13 the scheme member opts out of the scheme no pension contributions will be due.</p>	
<p><b><i>PURCHASE OF ADDITIONAL SERVICE</i></b></p>	
<p><i>To set out:</i></p> <ul style="list-style-type: none"> <li>• <i>election to purchase additional service</i></li> <li>• <i>purchase of additional service</i></li> </ul>	

<ul style="list-style-type: none"> <li>• <i>payment of periodical contributions for increased benefits</i></li> <li>• <i>effect of ceasing payment of periodical contributions before normal retirement age</i></li> <li>• <i>discontinuance of periodical contributions</i></li> <li>• <i>effect of purchase additional service by lump sum</i></li> </ul>	
<p><b>Election to purchase additional service</b>  <b>G5</b>  A serving member of the scheme - i.e. a scheme member but NOT a pension credit member - may subject to certain conditions purchase additional service by giving notice in writing to the FRA stating</p> <ul style="list-style-type: none"> <li>• how much service he/she wishes to purchase; and</li> <li>• indicating whether he/she wishes to purchase by lump sum or periodical contributions.</li> </ul> <p>The election to purchase additional service is irrevocable, but see G9.</p>	<p><i>See B14. Prior to 6 April 2006, the pension credit member (ex-spouse) disregarded the pension credit to purchase additional benefits in his/her own occupational pension scheme, but if the pension debit member (the scheme member) wished to purchase additional benefits from the FPS the value of the pension debit had to be taken into account. This thwarted the scheme member who wanted to pay to make up for the pension loss. With effect from 6 April 2006 this restriction will not apply from 6 April 2006.</i></p>
<p><b>Purchase of additional service</b>  <b>G6</b>  A scheme member may purchase additional whole-time service provided:</p> <ul style="list-style-type: none"> <li>• the person is a member of the scheme and has not opted out; and</li> <li>• the scheme member would be entitled to less than 40 years' pensionable service by the normal retirement age.</li> </ul> <p>The scheme member can purchase whole and/or part years so that the amount purchased plus prospective service up to the normal retirement age does not exceed 40 years.</p> <p>The purchase can be by lump sum or periodical contributions. Periodical contributions will be a percentage of pensionable pay. The rate of contributions to be deducted from pensionable pay to secure the additional benefits will be determined by the Government Actuary. A table will be provided.</p> <p>The FRA will have discretion to permit a part-time scheme member buying by periodical contributions to purchase pro-rata rate rather than at the whole-time percentage rate. Where the FRA exercises its discretion in this regard the accrual rate should reflect the variation in hours.</p> <p>The scheme member will not be able to purchase additional service if he/she is already under notice to leave the scheme under B1, B2, B3, B5, B6.</p> <p>The FRA should have the discretion to cancel an election to purchase and refund the contributions paid to the person or their estate if subsequently they are satisfied that the conditions to purchase have not been complied with.</p>	

**Payment of periodical contributions for increased benefits**

**G7**

An election to pay periodical contributions must be made at least 2 years before the scheme member's normal retirement age, and no such election may be made where there is agreement that he/she will leave the scheme under B1, B2, B3, B5, or B6 :

Where a person has elected under G5 to pay periodical contributions they are payable from his/her next birthday and continue to be payable until the earliest of -

- his/her normal retirement age
- the last day of service where a deferred pension B3 or split pension B7 is awarded
- the date he/she ceases employment
- the date of any election to opt out of the scheme – see A13.

Where a scheme member pays additional contributions to purchase service the purchased service will accrue annually in respect of the contributions paid.

**Effect of ceasing payment of periodical contributions before normal retirement age**

**G8**

Where a scheme member purchasing additional service by periodical contributions leaves the scheme before completing the contract the amount of service purchased up to the date of leaving will be credited. Calculated as follows:

A x B/C where:

- A = the number of 60ths/service the scheme member elected to purchase
- B = the total period(s) for which contributions had been made
- C = the total period for which the contributions were due to have been made.

If the scheme member does not complete the contract, the amount of service purchased will be calculated and used in the award as follows:

- Where an ill health pension is awarded under B2 and where the calculation of a notional ill health pension is required to determine the amount of a survivor's pension under Part C the amount of service purchased up to the date of leaving will be added to the pensionable service after any enhancement, if applicable, is calculated.
- If a pension is paid earlier than the normal retirement age by the FRA under B6 (approved early retirement), the amount of service purchased up to the date of leaving the scheme will be added to the pensionable service.
- If the scheme member requests early payment of the pension on an actuarially reduced basis under B5, the amount of service purchased up to the date of leaving the scheme will be added to the award before the actuarial reduction is calculated and the total pension will be subject to the actuarial reduction.
- Where a scheme member qualifies for a deferred award (B3) and leaves before completing the election to purchase, the amount of

<p>service purchased up to the date of leaving the scheme will be added to pensionable service already accrued before the deferred award is calculated.</p> <ul style="list-style-type: none"> <li>• Where a scheme member qualifies for a split award under B7 and begins a second period of service, the amount of service purchased up to the last day of service used in the split pension will be added to that award and the contract to purchase additional service will continue to run and subsequent service purchased will be added to the second pension.</li> </ul>	
<p><b>Discontinuance of periodical contributions</b>  <b>G9</b></p> <p>A scheme member who has elected to purchase additional service by the payment of periodical contributions may request a discontinuance of those contributions for an agreed period with the FRA of no more than 6 months because of financial difficulties. The amount of service already purchased will be calculated as follows: <math>A \times B/C</math> where:</p> <p>A = the number of 60ths/service the scheme member elected to purchase  B = the total period(s) for which contributions had been made  C = the total period for which the contributions were due to have been made. No refund of contributions already made will be permissible.</p> <p>If on re-starting the contract following the discontinued period the scheme member wishes to buy the discontinued period then in view of the actuarial loss of the `delayed` payment of pension contributions an interest adjustment will be made by deducting the `missing` contributions from salary received on re-starting. If salary has reduced then contributions should be paid at the rate that would have been had the contract not been interrupted. Otherwise the `missing period` will be deducted from the period the scheme member opted to purchase.</p> <p>Where there are periods of unpaid service falling within the period of the contract the scheme member may within one month of the unpaid absence occurring ask to make up the missing contributions by deduction from salary. Otherwise the `missing period` will be deducted from the period the scheme member opted to purchase. To take account of the actuarial loss of the `delayed` payment of pension contributions an interest adjustment will be made by deducting the contributions from current salary. If salary has reduced then contributions should be paid at the rate that would have been had the contract not be interrupted.</p> <p>Where additional maternity leave, adoption leave or unpaid absences including strike action is unpaid but is still counted as pensionable under G (although no contributions are paid), if the scheme member has elected to purchase additional service the scheme member would need to pay those contributions during the unpaid period or within 6 months of returning to duty (or to such longer period as the FRA may agree) to be able to include that period in final pensionable service otherwise the period will be treated as if there had been a discontinuance of periodical contributions. If paying, contributions should be at the rate of the pensionable pay that would have</p>	

<p>been paid during that period.</p> <p>Where the scheme member wishes to cease contributions for more than 6 months the amount of service already purchased will be calculated as above, but if person wishes to restart the purchase of additional service, he/she will have to make a new election to purchase. This means making a fresh application in accordance with G6.</p>	
<p><b>Effect of purchasing additional service by lump sum</b></p> <p><b>G10</b></p> <p>Where a scheme member purchases additional service by a lump sum payment, he/she must do this within the first 12 months of service and if the lump sum is not paid within 3 months after the date on which the notice to purchase was given, shall be treated as not having been made. On completion of the purchase, his/her pensionable service will be increased by the full amount of the election for any award paid, subject to the following:</p> <ul style="list-style-type: none"> <li>• Where an ill health pension is awarded under B2 and where the calculation of a notional ill health pension is required to determine the amount of a survivor's pension under Part C the amount of the election will be added to the pensionable service after any enhancement, if applicable, is calculated.</li> <li>• If the firefighter requests early payment of the pension on an actuarially reduced basis under B5, the amount of service purchased will be added to the award before the actuarial reduction is calculated and the total pension will be subject to the actuarial reduction.</li> <li>• If an approved early retirement pension is paid under B6 the amount of service purchased will be added to the award.</li> </ul>	

***DETERMINATION OF QUESTIONS AND APPEALS  
PART H***

<p><i>Part H to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>Determination by FRA</i></li> <li>• <i>Appeal against opinion on a medical issue</i></li> <li>• <i>Disputes under the Internal Disputes Resolution Procedure</i></li> </ul>	
<p><i>In principle, it is proposed that H (Determination of Questions, etc) should be the same for both the 1992 FPS and the new pension arrangements, as well as for any death and injury compensation scheme. For this reason these instructions identify the changes which need to be made to Part H and Schedule 9 of the 1992 Scheme Order.</i></p>	
<p><b>Determination by Fire and Rescue Authority</b></p> <p><b>H1</b></p> <p>Entitlement to any and if so what awards payable to scheme members under the Scheme shall be determined in the first instance by the FRA, who will need to consider the following questions (the questions specified here will differ in so far as the Firefighters' Compensation scheme questions dealing with qualifying injuries and degree of disablement will not be appropriate here and some changes could be made to reflect the application of the DDA to the FRS):</p>	<p><i>See H1 of the FPS 1992-draft differs.</i></p>

<ul style="list-style-type: none"> <li>• Whether the person has been disabled.</li> <li>• Whether any disablement is likely to be permanent (see A12)</li> <li>• Whether the person would be able to undertake other regular employment for the purposes of B2 (ie to determine the level of ill health retirement award). Or</li> <li>• Any other issue wholly or partly of a medical nature</li> </ul> <p>Before considering these questions the FRA will need to seek the written opinion of an independent qualified medical practitioner (see Glossary of Expressions) selected by them and the opinion of the independent qualified medical practitioner on these issues shall be binding on the FRA.</p> <p>If by reason of the person’s wilful or negligent failure to submit to medical examination by the practitioner selected by them the authority are unable to obtain the opinion mentioned they may –</p> <ul style="list-style-type: none"> <li>(a) on such other medical evidence as they think fit, or</li> <li>(b) without medical evidence,</li> </ul> <p>give such decision on the issue as they may in their discretion choose to give.</p> <p>The FRA and the person concerned may, by agreement, refer any opinion of the independent qualified medical practitioner which has been given under Rule H1 for reconsideration on fresh evidence, and he shall accordingly reconsider his opinion and, if necessary, issue a fresh certificate which, subject to any further reconsideration under this provision, shall be final.</p>	
<p><b>Appeal against opinion on medical issues</b>  <b>H2</b></p> <p>Where an opinion has been given under H1 the FRA's shall supply a copy of the decision to the person concerned within 14 days together with a statement informing the person that he/she may appeal against it in accordance with the provisions of the Scheme.</p> <p>Other changes which we would propose to the current arrangements are that:</p> <ul style="list-style-type: none"> <li>• The FRA should supply a copy of the decision to the scheme member and should advise him/her of the time-limits for an appeal;</li> <li>• the scheme member will have 28 days in which to give notice of the intention to appeal and to provide a statement of the grounds for the appeal. The FRA should then forward these to the Secretary of State who would ask the Chairman, or member, of the Board of Medical Referees to review. He/she would then indicate whether the appellant should be advised that there was a possibility that the appeal would be regarded as frivolous, vexatious or manifestly ill-founded and that therefore the full costs of any hearing might have to be paid by the appellant;</li> <li>• the appellant and the FRA must submit all the evidence upon which they propose to rely 28 days before any hearing.</li> <li>• in the event of the board determining that an appeal was frivolous, vexatious or manifestly ill-founded the FRA may require the</li> </ul>	<p><i>See H2 of the FPS 1992 but see H2 for this scheme e.g. H2(1) (b) re requirement for FRAs to supply copy of the decision.. (This differs from H2 in the existing FPS).</i></p> <p><i>As currently drafted, the appeal provisions would include those where the individual disputes a decision as to whether he/she falls within the first or second tier for ill health retirement.</i></p> <p><i>For section headed Rules see Schedule 9 of the FPS 1992 with some amendments.</i></p>

appellant to pay the board's total fees and allowances.

If the person concerned is dissatisfied with the opinion which has been supplied to him under paragraph (1), he may appeal against it by giving notice to the FRA in accordance with paragraph 1 of the rules set out below.

The FRA shall be bound by any decision on any issue referred to in H1. Further provisions as to appeals under this rule are contained below.

### ***Rules***

**1.** (1) Subject to sub-paragraph (2), written notice of appeal against the opinion of the kind mentioned in rule H1 stating –

- (a) the grounds of the appeal, and
- (b) the appellant's name and his address,

must be given to the FRA within 28 days of the date on which he/she is supplied by them with a copy of the opinion, together with a statement of the grounds for the appeal..

(2) Where –

- (a) notice of appeal and the statement are not given within the period specified in sub-paragraph (1), but
- (b) the FRA is of the opinion that the person's failure to give them within that period was not due to his/her own default,

they may extend the period for giving notice and providing a statement to such length, not exceeding 6 months from the date mentioned in sub-paragraph (1), as they think fit.

**2.** (1) On receiving a notice of appeal the FRA shall supply the Secretary of State with 2 copies of the notice and statement and 2 copies of the opinion and other relevant documentation, including medical evidence..

(2) The Secretary of State shall refer the appeal to a board of medical referees (the board) and shall supply them with a copy of the notice, statement and a copy of the opinion And other relevant documentation.

**2A.** (1) The board shall consist of not less than three medical practitioners appointed by, or in accordance with, arrangements made by the Secretary of State.

(2) One member of the board shall be a specialist in a medical condition relevant to the appeal.

(3) One member of the board shall be appointed as Chairman.

(4) Where there is an equality of votes among the members of the board, the Chairman shall have a second or casting vote.

**3.** The board shall secure that the appellant and the FRA have been informed –

- (a) that the appeal is to be determined by it, and
- (b) of an address to which communications relating to the appeal may be delivered to the board.

**4.** (1) Subject to sub-paragraph (4), the board –

- (a) shall interview and medically examine the appellant at least once, and
- (b) may interview or medically examine him/her or cause him/her to be interviewed or medically examined on such further occasions as the board thinks necessary for the



- purpose of deciding the appeal.
- (2) The board shall –
    - (a) appoint, and
    - (b) give the appellant and the FRA not less than 2 months’ notice of, the time and place for every interview and medical examination; if the board is satisfied that the appellant is unable to travel, the place shall be the appellant’s place of residence.
  - (3) The appellant shall attend at the time and place appointed for any interview and medical examination by any member of the board or any person appointed by the board for that purpose.
  - (4) If –
    - (a) the appellant fails to comply with sub-paragraph (3), and
    - (b) the board is not satisfied that there was reasonable cause for the failure, the board may dispense with the interview and medical examination required by paragraph 4(1)(a) or, as the case may be, with any further interview, and may decide the appeal on such information as is then available.
  - (5) Any interview under this paragraph may be attended by persons appointed for the purpose by the FRA or by the appellant or by each of them.
- 5.** (1) Where either party to the appeal intends to submit written evidence or a written statement at an interview held under paragraph 4, the party shall, subject to sub-paragraph (2), submit it to the board and to the other party not less than 28 days before the date appointed for the interview.
- (2) Where any written evidence or statement has been submitted under sub-paragraph (1) less than 28 days before the date appointed for the interview, any written evidence or statement in response may be submitted by the other party to the board and the party submitting the first-mentioned evidence or statement at any time up to, and including, that date.
- (3) Where any written evidence or statement is submitted in contravention of sub-paragraph (1), the board may postpone the date appointed for the interview and require the party who submitted the evidence or statement to pay such reasonable costs of the board and of the other party as arise from the adjournment.
- 6.** The board shall supply the Secretary of State with a written report of its decision on the relevant medical issues and the Secretary of State shall supply a copy of the report to the appellant and to the FRA.
- 7.** (1) There shall be paid to the board –
- (a) such fees as are determined in accordance with arrangements made by the Secretary of State, or
  - (b) where no such arrangements have been made, such fees and allowances as the Secretary of State may from time to time determine.
- (2) Any fees and allowances payable to the board under sub-paragraph (1) shall
- (a) be paid by the FRA, and
  - (b) be treated for the purposes of paragraph 8 as part of the FRA’s expenses.
- 8.** (1) Subject to paragraph 5(3) and sub-paragraphs (2) to (5), the

<p>expenses of each party to the appeal shall be borne by that party.</p> <p>(2) Where the board –</p> <p>(a) decides in favour of the FRA, and</p> <p>(b) reports that in its opinion the appeal was frivolous, vexatious or manifestly ill-founded,</p> <p>the FRA may require the appellant to pay them such sum not exceeding the amount of the fees and allowances payable under 7(1) and 7(2), as they think fit.</p> <p>(2A) Where the appellant gives notice to the board of withdrawing the appeal within a period of 10 working days prior to the date appointed for an interview or medical examination by the board under paragraph 4(2), the FRA may require the appellant to pay such sum as they think fit, not exceeding the board’s total fees and allowances under paragraph 7(1).</p> <p>(3) Where the board –</p> <p>(a) decides in favour of the appellant, and</p> <p>(b) does not otherwise direct,</p> <p>the FRA shall refund to the appellant the amount specified in sub-paragraph (4).</p> <p>(4) The amount is the total of –</p> <p>(a) any personal expenses actually and reasonably incurred by the appellant in respect of any interview under paragraph 4, and</p> <p>(b) if any such interview was attended by a qualified medical practitioner appointed by the appellant, any fees and expenses reasonably paid by the appellant in respect of such attendance.</p> <p>(5) For the purposes of sub-paragraphs (2) and (3) any question arising as to whether the board’s decision is in favour of the FRA or of the appellant shall be decided by the board, or in default by the Secretary of State.</p> <p><b>9.</b> Any notice, information or document which an appellant is entitled to receive for the purposes of this Part shall be deemed to have been received by him if it was duly posted in a letter addressed to him at his last known place of residence.)</p>	
<p><b>Appeal to the Fire and Rescue Authority Disputes under the Internal Disputes Resolution Procedures</b></p> <p><b>H3</b></p> <p>To set out the requirements of the Internal Disputes Procedure (IDRP), if required.</p> <p>The Internal Disputes Resolution Procedure in accordance with Section 50 of the Pensions Act 1995 and Occupational Pension Schemes (Internal Disputes Resolution Procedures) Regulations 1996 provides for appeals to Fire and Rescue Authorities in connection with the application of the rules of the scheme but not disputes where other proceedings have already begun in any court or tribunal or the Pensions Ombudsman has commenced an investigation into a complain made or dispute referred to him. The following persons may submit an appeal:</p> <p>(a) active, deferred and pensioner members of the scheme,</p> <p>(b) those receiving survivor pensions in respect of deceased scheme</p>	<p><i>Rule H3 in the FPS 1992 Order is not being repeated in the scheme. Crown Courts have limited experience of such appeals and it is burdensome for a Crown Court judge to have to adjudicate on what is essentially a civil matter. This being the case it may be necessary to set out the IDRP procedure as a replacement H3. H3(4) of the 1992 Order provides for the appointment of an appeal tribunal when a person is</i></p>

<p>members,</p> <p>(c) prospective members of the scheme i.e. persons who under their contract of employment can or will become members,</p> <p>(d) Pension credit members i.e. ex-spouses and civil partners with pensions rights granted by a pension sharing order made on divorce or annulment of marriage or dissolution of a civil partnership,</p> <p>(e) A former scheme member who has opted out.</p> <p>(f) Persons whose claims to be in one of categories (a) to (d) are the subject of dispute.</p> <p>The application can be made by the applicant in person or by a nominated representative (which could be a family member), personal representatives where the person has died, or some other suitable representative in the case of a minor or a person incapable of acting for him or herself.</p>	<p><i>temporarily employed under Rule A4(2) of the 1992 Order. We are not aware that this provision has ever been used and do not consider that it is required.</i></p>
<p><b>IDRP Procedures</b></p> <p><b>H4</b></p> <p>The procedures for appeals will fall into 2 stages:</p> <p>1<sup>st</sup> stage - The FRA will nominate a person to consider appeals made under these procedures e.g. the Chief Fire Officer, or in metropolitan or larger fire authorities the Chief Fire Officer may nominate a named representative.</p> <p>The appeal should be in writing (<i>this may need to be in a set format</i>).</p> <p>The nominated person:</p> <ul style="list-style-type: none"> <li>• will acknowledge receipt of the appeal within xxx days,</li> <li>• make a decision within 2 months from the date of the appeal application was received,</li> <li>• where a decision cannot be given within 2 months, provide an interim reply setting out the reasons for the delay and the expected date for the decision,</li> <li>• give a decision in writing, providing details of the evidence used in making the decision.</li> </ul> <p>2<sup>ND</sup> Stage In the event that the appellant is dissatisfied with the outcome of the appeal, he/she may make a second appeal in writing to the FRA (which it may delegate to a separate Committee) within 6 months of the decision. This should be submitted with a copy of the first decision and any documents considered by the appellant to be relevant to the appeal to the nominated represented of the Appeals Committee.</p> <p>The FRA or selected committee will in writing:</p> <ul style="list-style-type: none"> <li>• acknowledge the appeal,</li> <li>• refer the application to the Committee for the issue of a decision within 2 months from the date the application was received,</li> <li>• where a decision cannot be made within this time, they will send an interim reply setting out the reasons for the delay and the expected date for the issue of a decision</li> <li>• issue a decision providing details of how the decision was reached and setting out that the Pensions Ombudsman may investigate and determine any complaint or dispute of fact or law in relation to a pension scheme. The Pensions Advisory Service (TPA) is available</li> </ul>	

<p>to assist appellants.</p> <p>In the event that the appellant is still dissatisfied, he/she would be able to refer their case to the Pensions Ombudsman.</p>	
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**RESERVISTS  
PART I**

<p><i>Part I to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>those covered by the provisions</i></li> <li>• <i>awards</i></li> <li>• <i>awards on death of reservists</i></li> <li>• <i>reservists who resume duty</i></li> <li>• <i>reservists who do not resume duty</i></li> <li>• <i>pensionable service</i></li> <li>• <i>pension contributions</i></li> </ul> <p><i>There needs to be consistency with the Part I of the FPS 1992.</i></p>	
<p><b>Preliminary</b> <b>I1</b></p> <ul style="list-style-type: none"> <li>• A reservist will be a person subject to A11 and for this part of the scheme is a person who immediately before undertaking relevant service in the armed forces was a firefighter and is subject to call up in the Reserve Forces; and</li> <li>• while in the reserve forces the person is to be treated as having continued to be a firefighter during his/her period of relevant service in the armed forces, unless it is clear that this is not to be the case.</li> </ul> <p>To set out the position regarding contributions and what is paid by MOD.</p>	<p><i>See Part I of 1992 Order.</i></p>
<p><b>Awards to reservists</b> <b>I2</b></p> <p>A reservist permanently disabled from performing the duties of a firefighter at the end of his/her mobilisation would be entitled to an ill-health under B2 pension if:</p> <ul style="list-style-type: none"> <li>• the disability is unrelated to injury received during forces service or is not a qualifying injury as a firefighter, and:</li> </ul> <p>and injury benefit will be payable under the proposed Firefighters' Compensation Scheme if the injury was received during forces service or from a qualifying injury before the period of forces service began.</p>	<p><i>See Part I of the FPS Order 1992</i></p>
<p><b>Awards on death of reservists</b> <b>I3</b></p> <p>Awards on death may be payable to or in respect of a reservist in the following circumstances:</p> <ul style="list-style-type: none"> <li>• where death occurs during a period of relevant service in the armed forces;</li> <li>• where the individual dies either from the effects of an injury that occasioned the incapacity for the performance of duty or while receiving a pension; or</li> <li>• where death occurs during forces service which does not result from a qualifying injury, the benefits payable will be in accordance</li> </ul>	<p><i>See I3 of 1992 Order</i></p>

<p>with proposed Parts C and D of the pension scheme.</p>	
<p><b>Reservists who resume service as firefighters</b>  <b>I4</b>  If as a result of an injury received during his/her forces period a reservist who has resumed duty as a firefighter -</p> <ul style="list-style-type: none"> <li>• is permanently disabled, or</li> <li>• dies, whether or not while serving as a firefighter</li> </ul> <p>the FRA shall in relation to any award payable have regard to the Firefighters' Compensation Scheme.</p>	
<p><b>Reservists who do not resume duty with their former Fire and Rescue Authority</b>  <b>I5</b>  If the reservist does not return to his/her former FRA after ceasing to be in the reserve forces, within one month of leaving the armed forces he/she should be treated as having left at the end of the period of relevant service in the armed forces.  A deferred pension under B3 would be awarded if the former firefighter satisfies the requirements on the basis of service in the FRS &amp; the reserve forces. He/she would be able to seek a transfer value of the deferred benefits to another pension scheme under F.</p>	
<p><b>Pensionable Service</b>  <b>I6</b>  A reservist will be treated as having continued during forces service to serve in his former FRA for pensionable service purposes under E1.</p> <p>Where the person had opted to purchase additional service under Part G by periodic instalments he/she will need to pay the additional contributions for that period to count as pensionable service. If the person was paying contributions under E4 to enable unpaid periods to count as pensionable service these would need to be paid to enable the period to count as pensionable.</p>	<p><i>See Rule I6 of the FPS Order 1992 No. 129</i></p>
<p><b>Pension Contributions</b>  <b>I7</b>  For the purposes of pension contributions a reservist's pay for the duration of forces service will be the pay he/she would have received if he/she had continued to serve in his/her former Fire and Rescue Service.  To set out that a reservist shall for the purposes of pensionable contributions be treated as having no pensionable pay (and accordingly not liable to pay contributions) in respect of any period during which the total of -</p> <ul style="list-style-type: none"> <li>• His/her pay, and</li> <li>• Any payments under Part V of the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951(a),</li> </ul> <p>is less than the pensionable pay described as the pay he/she would have received if he/she had remained in the former FRA.</p>	<p><i>See Rule I7 of the FPS Order 1992</i></p>

See The Reserve Forces (Call-out) (Financial Assistance) Regulations 2005. Regulation 5 covers pension payments.	
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***SPECIAL ISSUES***  
***PART J***

*Part J to set out:*

- *Tax limits*
- *Guaranteed minimum pensions*
- *Survivor guaranteed minimum pensions*
- *Disclosure of information to scheme administrators*

**Guaranteed Minimum Pensions – *contracting out arrangements***  
**J1**

Where a scheme member has an entitlement to a guaranteed minimum pension under section 14 of the Pensions Schemes Act 1993 the scheme needs to pay a pension that is at least equivalent to the guaranteed minimum earned when the person was contracted out from the State Earnings Related Pension Scheme between 6 April 1978 and 5 April 1997. The entitlement and liability to pay would be in relation to benefits under this scheme and would result from the transfer in of other pension benefits (e.g. from the Firefighters' Pension Scheme Order 1992 or other pension schemes). He/she would be entitled from the date of attaining state pensionable age to a pension equal to his/her guaranteed minimum.

Where a member has a guaranteed minimum the following would apply:

- If no pension is payable to the member under the Scheme, or the weekly rate of the pension payable would be less than the guaranteed minimum, a pension, the weekly rate of which is equal to the guaranteed minimum, would be payable to the member for life from the date on which the member reaches state pension age.
- If when the member reaches state pension age he/she is still in employment (whether or not it is scheme employment), and if it is not scheme employment, he/she consents to a postponement of the entitlement payment can be delayed until he/she leaves employment.
- Where the member continues in employment for a further period of 5 years after reaching state pension age, and does not then leave it, he/she would be entitled from the end of that period to so much of his/her pension as equals the guaranteed minimum, unless he/she consents to a further postponement of the entitlement.
- Where postponement applies the amount of the guaranteed minimum to which the member is entitled would be increased in accordance with section 15 of the Pension Schemes Act 1993.
- Where a scheme member has ceased to be in employment that is contracted-out by reference to the scheme, and either all his/her rights to benefits under the scheme, except rights in respect of

*See FPS Order 1992 Rule J2*

*See Armed Forces Pension Scheme 2005 D1 for template.*

<p>his/her guaranteed minimum or rights under section 9(2B) of the Pension Act 1993 (“his contracting-out rights”), have been transferred under F, and he/she has no rights to benefits under the scheme apart from his/her contracting out rights, then from the date of reaching state pension age, he/she would be entitled to a pension payable for life equal to his guaranteed minimum. But the person is not to be regarded as a pensioner for the purposes of death benefits.</p> <ul style="list-style-type: none"> <li>• The guaranteed minimum would be payable from the date on which he/she is entitled to a lump sum and pension in respect of his/her rights under section 9(2B) of the Pension Schemes Act 1993.</li> </ul> <p>No guaranteed minimum would be payable if the pension is forfeited under Part K (conviction of treason or Official Secrets Acts offences), or the pension is commuted under provisions for the commutation of small pensions and the conditions in regulation 60 of the Occupational Pension Schemes (Contracting-out) Regulations 1996 are met, but if any other provision of the Scheme is inconsistent with this, this prevails.</p>	
<p><b>Survivor guaranteed minimum pensions – <i>contracting out arrangements</i></b>  <b>J2</b></p> <p>This applies where the surviving spouse or civil partner of a deceased active, deferred or pensioner member has a guaranteed minimum under section 17 of the Pension Schemes Act 1993 in relation to benefits in respect of the deceased member under this scheme, he/she is entitled to a pension equal to half the deceased's guaranteed minimum.</p> <p>If no pension would be payable to the surviving spouse or civil partner or the weekly rate of the pension payable would be less than the guaranteed minimum, a pension the weekly rate of which is equal to the guaranteed minimum is payable to the surviving spouse or civil partner for life.</p> <p>This would not apply if the pension is forfeited under K in a case where there has been a conviction for treason or a breach of the Official Secrets Acts.</p>	<p><i>See Armed Forces Scheme 2005 rule E28. This would only apply if a transfer of pension rights into the scheme had included a guaranteed minimum.</i></p>
<p><b>Disclosure of information to and by scheme administrators</b>  <b>J3</b></p> <p>The FRA may require any person receiving a pension to provide information in support of a claim for the payment of benefits under this Scheme or to establish</p> <ul style="list-style-type: none"> <li>• identity, and</li> <li>• continuing entitlement to payment of any amount</li> </ul> <p>If evidence is not provided, the FRA may withhold the whole or any part of any benefits payable.</p> <p>The FRA will issue annual benefit statements to scheme members (in accordance with the Occupational Pension Schemes (Disclosure of Information) Regulations 2006 in relation to any period beginning on or after 6 April 2007 within a reasonable period following the end of each scheme year. The scheme year will defined as 1 April up to and including 31 March.</p>	<p><i>See the Principal Civil Service Pension Scheme 2002 Rule J7.</i></p>

**REVISION AND WITHDRAWAL OF AWARDS  
PART K**

*Part K to set out:*

- *review and cancellation of ill health pensions*
- *withdrawal of pension*
- *withdrawal of pension on conviction of certain offences – forfeiture*

**Review and cancellation of ill health pensions**

**K1**

As long as a person—

- is in receipt of an ill-health pension, and
- has not reached the normal benefit age under B3 or the award has not been in payment for 10 years, whichever is the earlier.

the FRA shall consider, at such intervals as they in their discretion think proper whether he/she has become capable of:

- carrying out any duty appropriate to the role from which he/she was retired on ill health grounds;
- and where a higher tier ill health pension was awarded
- whether he/she is fit to undertake other regular employment.
- The FRA shall also review pensions paid where the person —
- is entitled to a deferred pension, and
  - has begun to receive payments in respect of the pension on becoming permanently disabled under B5.

**Higher tier ill health award** - if the condition has improved so that the former scheme member could seek regular employment the higher tier ill health pension (the enhanced pension) would be cancelled and the lower tier pension based only on the service that was accrued while the person was an active scheme member would continue to be paid.

**Lower tier ill health pension** – If the condition worsens there would be no provision for substituting the lower tier award with a higher tier one. Nor could a lower award be replaced by a higher one because of general deterioration in health. If the condition has improved to the point where the individual could return to a role as firefighter and the FRA re-employ him/her in that capacity the lower tier pension would be cancelled and replaced by a deferred award (B3). If the individual refuses the job offered by the FRA, the pension would be cancelled and replaced by a deferred award. If the individual rejoined the scheme, B4 would apply when the scheme member next left the service.

If the condition that lead to ill health retirement resulted from a work related injury (a qualifying injury), the individual would be able to ask for a review under the Firefighters’ Compensation Scheme.

In a case of early receipt of a deferred award the FRA may determine that payment of the deferred pension shall be suspended, becoming payable again at age of 65 as set out in B3. (*See Finance Acts 2004 and 2005*)

*There needs to be consistency with the FPS 1992 K1. See FPS Order 1992. See also Finance Acts 2004 and 2005. See also the Principal Civil Service Pension Scheme for wording on how to switch from a higher tier to a lower tier award.*

*Current HMRC advice is that under the tax regime the higher tier ill health award is calculated as two pensions: one pension based on accrued service and second pension based on enhanced service, it will be the 2<sup>nd</sup> pension that would be cancelled.*



<p>Where an ill-health pension is terminated, or payment of a deferred pension is suspended, under this rule any injury pension being paid under the Firefighters' Compensation Scheme will be subject to review under that scheme. The necessary provision to this effect will presumably need to be included in the Firefighters' Compensation Scheme.</p> <p>The FRAs shall have discretion about the timing of any review. In exercising that discretion the FRA should have regard to the advice of a medical practitioner.</p> <p>Where an ill health pension under B2 is cancelled any commuted lump sum paid at the time the pension came into payment would not have to be repaid and the ill health pension would be replaced by a deferred pension payable at the normal benefit age of 65 under B3. When the deferred pension is brought into payment the pension payable would be at the reduced rate that was paid on ill health retirement after commutation.</p> <p>Where following the cancellation of an ill health pension the former scheme member is re-employed by the FRA and rejoins the pension scheme he/she may under B4 when next leaving the scheme cancel the deferred award (so that all service will count towards a new pension under E2) any commutation of the new pension should be reduced by the amount of the commutation paid at the time of ill-health retirement.</p> <p>Where an eligible child under C6 is in receipt of child's pension because of disability the FRA shall consider at intervals as it considers fit whether the child remains eligible. Should the child recover so that it is no longer an eligible child under C6, the child's pension would cease.</p>	
<p><b>Withdrawal of pension during service as a firefighter</b>  <b>K2</b>  To include abatement arrangements for re-employment under s 165(3) the Finance Act 2004 as amended by Para 7 of Schedule 10 of the Finance Act 2005. The FRA from whom a pension under B is payable may, at their discretion, withdraw the whole or any part of the pension for any period during which the person entitled to it is serving as a firefighter in any FRA. Where a person may be entitled to pensions in respect of both whole-time and part-time service, and whether the two pensions would be payable by a single authority or by two authorities, it should be possible if one pension is withdrawn because the person is serving as a firefighter for the other to continue to be paid.</p>	<p><i>There needs to be consistency with the FPS 1992 for abatement of pension purposes. See K4 FPS Order 1992 –</i></p>
<p><b>Withdrawal of pension on conviction of certain offences</b>  <b>K3</b>  In the circumstances specified, the FRA by whom a pension (under B or C) is payable may withdraw the pension in whole or in part, and permanently or temporarily as they may specify.  The circumstances are—</p> <ul style="list-style-type: none"> <li>• that the person entitled to the pension ("the pensioner") has been convicted of an offence of treason or one or more offences under the</li> </ul>	<p><i>In accordance with K5 of the 1992 Order but also dealing with issues of survivors not benefiting from criminal offences against the scheme member. Excluding also reference to the `secured and unsecured pension`.</i></p>

<p>Official Secrets Acts 1911 to 1989(a), and in the case of a pension under C that the offence was committed after the death on which the pensioner became entitled to it, or</p> <ul style="list-style-type: none"> <li>• that the pensioner has been convicted of an offence committed in connection with his service as a member of a FRA which is certified by the Secretary of State either to have been gravely injurious to the interests of the State or to be liable to lead to serious loss of confidence in the public service, or</li> <li>• that the person who would receive the pension under C (widow(er), civil partner, nominated partner, or child) is convicted of the offence of unlawfully killing the scheme member.</li> </ul> <p>To set out that the offences mentioned—</p> <ul style="list-style-type: none"> <li>• an offence of treason, and</li> <li>• one or more offences under the Official Secrets Acts 1911 to 1989 for which the pensioner has been sentenced on the same occasion to a term of imprisonment of, or to two or more consecutive terms amounting in the aggregate to, at least 10 years.</li> </ul> <p>The FRA may, to such extent as they at any time in their discretion think fit—</p> <ul style="list-style-type: none"> <li>• apply for the benefit of any survivor benefits of the pensioner's, or</li> <li>• restore to the pensioner,</li> </ul> <p>so much of any pension as has been withdrawn under this rule.</p>	
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**PAYMENT OF AWARDS AND FINANCIAL PROVISIONS  
PART L**

<p><i>Part L to set out:</i></p> <ul style="list-style-type: none"> <li>• <i>payment of employers' contributions towards pension liabilities</i></li> <li>• <i>Payment of contributions when an employee has been absent without pay</i></li> <li>• <i>Payment of ill health charges</i></li> <li>• <i>Fire and Rescue Authorities (FRA) responsibility for the payment of pension awards</i></li> <li>• <i>Receipt of transfer values</i></li> <li>• <i>Transfers payments between FRAs</i></li> <li>• <i>Payment of transfer values</i></li> <li>• <i>Pension/fund</i></li> <li>• <i>Reporting</i></li> <li>• <i>Guidance</i></li> <li>• <i>Payment of awards</i></li> <li>• <i>Duplication of benefits under scheme</i></li> <li>• <i>Payment of awards – supplementary(1)</i></li> <li>• <i>Payment of awards – supplementary (2)</i></li> <li>• <i>Stakeholder pensions</i></li> </ul> <p><i>There needs to be consistency with Part LA 1-5 of the FPS 1992 in regard to financing arrangements .</i></p>	
<p><b>Payment of employers' contribution towards pension liabilities</b> <b>L1</b></p> <p>To set out that the FRA shall make an employer's contribution, as a percentage of pensionable pay (as defined in G1) towards the future</p>	

<p>pension liability for all serving members of the Firefighters' Pension Scheme into their pensions fund.</p> <p>To set out that the FRA shall pay the contribution payable by members, as a percentage of pensionable pay (as defined in G1) towards the future pension liability of all members that had not made an election to leave the Firefighters' Pension Scheme into their pensions fund.</p> <p>Where (under A13) a scheme member opts out of the scheme no employer pension contributions will be due with effect from the start of the pay period following receipt of the election not to pay contributions.</p> <p>Where under B9 a scheme member leaves the scheme with entitlement to a refund, a refund of aggregate pension contributions, such a refund may be made from the pension fund.</p> <p>Where a refund of aggregate pension contributions is made to the firefighter, a refund of the appropriate amount of employer's contributions from the pension fund to the FRA's operation account will be made.</p> <p>The arrangements for the payment of contributions by scheme members in G2 are not being altered.</p>	
<p><b>Payment of contributions when an employee has been absent without pay</b>  <b>L2</b></p> <p>Where under E4 a serving scheme member elects to pay employer and scheme member contributions or the employee pays additional contributions under Part G the contributions will be paid into the pension fund. Where the FRA exercises its discretion to pay the employer's contribution under E4 these will be made into the pension fund. Unpaid contributions must be paid within 6 months of the agreement to repay them.</p>	
<p><b>Payment of ill health charges</b>  <b>L3</b></p> <p>FRA's are required to make a payment as determined by the Secretary of State in Guidance into their pension fund for each employee who retires with an upper tier ill-health award under B2, in three annual instalments over a three year period, and a payment as determined by the Secretary of State in Guidance for each employee who retires with a lower tier ill-health award under B2 in three annual instalments over a three year period. The first payment should be made on the date the employee retires and the following two payments should be made on the two 1 Aprils following.</p> <p>When a higher tier award is cancelled following a review under K1 and a lower tier award is substituted within the three year period the FRA will receive a refund in its operating account from the pension account on the difference between the higher tier ill-health charge and the lower tier ill health charge.</p>	

<p>When an award, whether a higher or a lower tier award, is cancelled under K1 within the three year period and the former recipient does not resume active membership of the Firefighters' Pension Scheme, the FRA will make no further payments to the pension account.</p>	
<p><b>Fire and Rescue Authorities responsibility for payment of pension awards</b>  <b>L4</b>  To set out that Fire and Rescue Authorities shall have responsibility for paying firefighter pensions including the pensions of pension credit members. Payments will be made from the pension fund maintained by the FRA.</p> <p>To set out that any award to or in respect of a scheme member will be paid by the FRA by whom he/she was last employed.</p> <p>To set out that any award payable to or in respect of a pension credit member is payable by the relevant FRA employing the scheme member from whom the pension derives at the time of the pension sharing order, or if the scheme member had ceased serving as a firefighter when the order was made by the FRA where the he/she was last employed.</p> <p>To set out that where a pension is paid under B5 (voluntary early retirement where pension is paid on an actuarially reduced basis), the FRA will make the payment from the pension fund.</p> <p>To set out that where a pension is paid under B6 (approved early retirement where the whole pension is paid early), the FRA will make payment from the pension fund, but will pay to the fund the difference between the unreduced pension and the pension that would have been paid on an actuarially reduced basis.</p>	
<p><b>Receipt of transfer values</b>  <b>L5</b>  FRAs may accept a transfer value in respect of a person who takes employment with them as a regular firefighter under F6. Any payments received by the FRA should be paid into the pension fund.</p>	
<p><b>Transfer payments between FRAs</b>  <b>L6</b>  Transfer payments between FRAs in England will no longer be paid as set out at F10. They will continue to be paid in respect of transfers between England and Scotland and England and Wales. And will be paid in future in respect of Northern Ireland. Transfer values will be paid out of the FRA's pension fund.</p> <p>To set out that FRAs are required to receive into their pension fund any transfer values the FPS receives from another firefighters' pension scheme in another part of the UK.</p>	
<p><b>Payment of transfer values</b>  <b>L7</b></p>	

<p>FRAs pay transfer values in respect of any member joining an registered pension scheme or qualifying overseas scheme under F2 and F3. Transfer values should be paid out of the FRA's pension fund</p>	
<p><b>Pension fund</b> <b>L8</b></p> <p>To set out that each FRA shall maintain a separate pension fund showing all sums received or paid by them under or for the purposes of this scheme, or in consequence of rights acquired and obligations incurred by them (<i>under the 1973 scheme and previous FPSs</i>).</p> <p>To set out that any deficit on the account should be met from the operating account of the FRA, and similarly any surplus should be carried to the operating account.</p> <p>Subject to the approval of Parliament, the Secretary of State shall, if he considers that the amounts received by a FRA (whether through employer or employee contributions or otherwise) in any year are unlikely to be sufficient to satisfy the payments they are obliged to make under the Pension Scheme, to pay them an amount in respect of the shortfall.</p> <p>Any amount paid by the Secretary of State under the previous paragraph shall not exceed the maximum calculated in accordance with the calculation in guidance issued by the Secretary of State.</p> <p>The Secretary of State will recoup any surpluses from FRAs if the amounts received by a FRA (whether through employer or employee contributions or otherwise) in any year are in excess of that needed to satisfy the payments they are obliged to make under the Pension Scheme, according to calculations set out in guidance issued by the Secretary of State..</p>	<p><i>See 1992 Order Rule L2.</i></p>
<p><b>Reporting</b> <b>L9</b></p> <p>To set out that the FRA shall provide reports and returns to the Secretary of State on payments into and out of their pension fund as required.</p>	
<p><b>Guidance</b> <b>L10</b></p> <p>The Secretary of State will issue Guidance from time to time in respect of matters referred to in L8.</p>	
<p><b>Payment of awards</b> <b>L11</b></p> <p>While a pension is payable it should be paid at regular intervals and the FRA shall discharge its liability in respect of making payments in arrears normally in respect of each month unless the pension is small in which case payment may be made at intervals that the FRA determine as reasonable (<i>half-yearly/ or yearly</i>) but payment may be delayed in whole or in part to the extent necessary for determining any question as to the liability of the FRA.</p>	

<p>To set out that where-</p> <ul style="list-style-type: none"> <li>• pensions under Part C these will be paid from the day after the date of death;</li> <li>• lump sums under Part D are payable this is from the day after the date of death.</li> <li>• Pension payable to an eligible `posthumous` child born after the death of the scheme member would be payable from the date of the child's birth.</li> <li>• the FRA is not advised of the death of a pensioner of this scheme so that the pension has continued in payment, they may recover all or part of such overpayment as they think fit. This would include recovery from any payments under this scheme.</li> <li>• the person is entitled under proposed Rule B9 to a repayment of his/her aggregate pension contributions, the FRA shall make payment <i>in accordance with the requirements of the Finance Acts 2004/2005</i>.</li> </ul> <p>The FRA may recover any pension debits from pension payments. (<i>For example, this may arise where a court orders a 100% pension debit to be applied from a past date to a pension in payment</i>).</p> <p>Commutation of small pensions will be restricted to the provisions of para 7 of Schedule 29 of the Finance Act 2004 (trivial commutation lump sum).</p> <p>Where under B11, C5 or C9 the pension is commuted as a small pension, it will extinguish all rights under the scheme</p>	
<p><b>Duplication of benefits under scheme</b> <b>L12</b></p> <p>To set out that in the case of a person receiving two or more pensions under this scheme all pensions will be payable, but may be subject where appropriate to the tax lifetime allowance as set out under B15.</p>	<p><i>See FPS Order 1992 rule L4. See also Finance Acts 2004 and 2005</i></p>
<p><b>Payment of awards – supplementary (1)</b> <b>L13</b></p> <p>To set out that the FRA has the discretion to pay an award to a minor to such other person as they feel appropriate. The award must be to the benefit of the minor.</p> <p>To set out that if the FRA believe that a person entitled to an award is incapable of managing his/her affairs, they have the discretion to-</p> <ul style="list-style-type: none"> <li>• Pay all or part of the award to a person caring for the person concerned, or such other person as they determine.</li> </ul> <p>Apply the award, or the remaining part of it in such a manner as they think best for the person or his/her dependants.</p>	<p><i>See FPS Order 1992</i></p>
<p><b>Payment of awards – supplementary (2)</b> <b>L14</b></p> <p>To set out that on the death of a person to whom there was due in respect of an award a sum not exceeding the amount specified in any order for the time being in force under section 6 of the Administration of Estates (Small</p>	<p><i>See FPS Order 1992 Rule L5 (3) and (11)</i></p>

Payments) Act 1965 and apply in relation to the death, the FRA may, as they think fit, without requiring the production of probate or any other proof of title—

- Pay the sum to the person(s) nominated to receive it under D1 or D2; or
- where only one person appears to be beneficially entitled to the personal estate of the deceased, pay the sum to that person, or
- in any other case, either pay the sum to one of the persons appearing to be so entitled or distribute it among all or any of them in such proportions as the authority may determine.

To set out that-

- an assignment of or charge on an award is void to the extent that it is in favour of a person other than a dependant of the person entitled to the award.
- on the bankruptcy of a person entitled to an award the award does not pass to any trustee or other person acting on behalf of the creditors.

To set out that-

- where as a result of fraud, theft or negligence on the part of a firefighter in connection with his employment there has been a loss to the funds of a FRA, the Authority may withhold all or part of any sums becoming due to him/her from the Authority in respect of a pension.

To set out that the total amount withheld must not exceed the amount of the loss; and in the event of any dispute as to the amount of the loss nothing may be withheld unless the loss has become recoverable from the person entitled to the pension under the order of a competent court. To set out there shall not in any case be withheld any part of a sum due that is not attributable to service as a member of a FRA.

To set out that in this rule a reference to an award is a reference to a pension, allowance, gratuity or other award under this Scheme.

**Stakeholder pensions**  
**L15**  
 A FRA may pay a contribution to a Stakeholder/Group Personal Pension Scheme that the FRA may have set up prior to 6 April 2006 (for firefighters on the retained duty system) in respect of a firefighter who is not a member of this pension scheme. The contribution would be in proportion to that paid by the individual and may not exceed what the FRA would have paid into this pension scheme under the proposed financing arrangements for the scheme. Any contribution may be made from the FRA’s operating account but may not be made from the authorities pension account.]

***PENSION SHARING ON DIVORCE  
 PART M***

<p><i>To set out:</i></p> <ul style="list-style-type: none"> <li>• <i>entitlement to pension for credit members</i></li> <li>• <i>commutation of pension credit benefits</i></li> <li>• <i>death grants</i></li> <li>• <i>deductions for tax purposes</i></li> </ul>	
<p><b>Pension Credit member's entitlement to pension</b>  <b>M1</b>  Pension credit member should be defined in accordance with section 124(1) of the Pensions Act 1995 i.e. the divorced spouse/civil partner of a scheme member.</p> <p>The entitlement of pension credit member to a pension when he/she attains the normal benefit age of 65 (deferred pension age) or if later when the pension sharing order under which he/she is entitled to the pension credit takes effect.</p> <p>The pension must be of an amount that its actuarial value is equal to the member's pension credit, as calculated from tables prepared by the Government Actuary and in accordance with the regulations under paragraph 5(b) of Schedule 5 to the 1999 Act.</p>	<p><i>See IA1 of the FPS 1992</i></p>
<p><b>Application of general rules for Pension Credit Members</b>  <b>M2</b>  To set out application and restriction of provisions pertaining to pension credit members.</p> <p>The provisions of the scheme specified at (a) below will apply to pension credit members and awards payable to or in respect of them, apart from where otherwise stated or where a contrary intention is otherwise indicated.</p> <p>(a)</p> <p>B15 (Deduction of tax from certain awards);  H1 (determination by FRA);  K5 (withdrawal of pension on conviction of certain offences);  L4 (Authorities responsible for payment of awards);  L8 (Pension fund);  L13 (Payment of awards – supplementary (1))  L13 (Payment of awards – supplementary (2)).</p> <p>The other provisions of the scheme shall not apply to pension credit members and benefits payable to or in respect of them, except if and to the extent that they are also members of another description; and  Where a pension credit member is entitled to pension benefits in another capacity in the scheme (e.g. as a firefighter in their own right), any pension payable as a credit member cannot be added to the pension paid in their own right to form one pension award.</p>	
<p><b>Commutation of pension credit benefits</b>  <b>M3</b>  Where a pension sharing order results in a pension that together with any other pension (from this scheme or other sources) that may be payable to the pension credit member is less than 1% of the standard life time</p>	<p><i>See IA2 of the FPS 1992.  See also L for payment of pensions – to pay small pensions over 6 monthly or yearly instalments This option may be preferable</i></p>



<p>allowance as defined by s214 – 226 of the Finance Act 2004, the FRA may at the request of the Pension Credit member (in accordance with Para 7 of Schedule 29 Finance Act 2004) commute for a lump sum the whole of the pension to which a pension credit member is entitled under M1.</p> <p>Commutation must occur during a single 12 months, selected by the pension credit member, starting no earlier than the pension credit member's 65<sup>th</sup> birthday and before his/her 75<sup>th</sup> birthday. Commutation will extinguish all rights in the scheme. The commuted amount will be in accordance with tables prepared from time to time by the scheme actuary.</p> <p>■</p> <p>A pension credit member who is not able to commute as set out above may still be able to commute up to quarter of that pension, for a lump sum. The commutation would be at the rate of £12:1. This would not apply if the pension derived from a pensioner scheme member and he/she had already commuted part of their pension before the pension sharing Order was made.</p>	<p><i>to commuting.</i></p>
<p><b>Death Grants where pension credit members die before pension credit benefits become payable</b></p> <p><b>M4</b></p> <p>If a pension credit member dies before any benefits deriving from the member's pension credit have become payable, a lump sum death grant is to be paid to the personal representatives of an amount equal to the annual rate of the pension to which the pension debit member would have been entitled if he/she had attained the normal benefit age (deferred pension) under B3 on the date of his/her death multiplied by 2.25.</p>	<p><i>See IA3 of the FPS 1992</i></p>
<p><b>Death Grant where pension credit members die within 5 years of pension credit benefits becoming payable</b></p> <p><b>M5</b></p> <p>Where a pension credit member dies within 5 years of the pension coming into payment, the FRA will pay the balance of the pension still owing up to 5 years as a death grant. The FRA may pay the balance to the person or persons nominated by the pension credit member or the pension credit member's person representatives.</p> <p>The balance would be the difference (if any) between 5 times the pension (the annual rate as at the date the pension came into payment) less any instalments of pension paid.</p> <p>Any increases in the pension which might have become payable after the date of death are disregarded for these purposes.</p>	<p><i>See also D2 of this scheme.</i></p>
<p><b>Deduction of tax from pension credit member pensions</b></p> <p><b>M6</b></p> <p>The FRA may deduct from any payment an amount, which is chargeable to tax.</p>	<p><i>See FPS 1992, B11.</i></p>

**GLOSSARY OF EXPRESSIONS**  
**PART N**  
**THE SCHEME RULE A2**

<b>Expression</b>	<b>Meaning</b>
The 1993 Act	The Pension Schemes Act 1993(a)
The 1999 Act	The Welfare Reform and Pensions Act 1999(b)
Adoption Leave	Leave under sections 75A and 75B of the Employment Rights Act 1996(a) (and "ordinary adoption leave" and "additional adoption leave" shall be construed accordingly).
Aggregate pension contributions	All payments made by the scheme member to a FRA under G2 and G3 including other contributions paid such as those in respect of additional, maternity, adoption, unpaid leave.
Amount	In relation to a pension ( <i>or allowance</i> ) the annual amount
Approved Early Retirement	Early retirement terms whereby the FRA pay a pension at or after age 55 but before the normal retirement age.
Authorised Practitioner	Scheme Administrator can authorise practitioner to act but cannot devolve registration of new scheme. Practitioner may be authorised to submit returns to HM Revenue and Customs. <i>See new tax regime.</i>
Award	A pension, ( <i>allowance, gratuity</i> ) or repayment of pension contributions.
Cash equivalent and Part cash equivalent	See the Pension Schemes Act 1993 (section 94(1)(a)). The first expression means a cash equivalent; and the second expression means the cash equivalent of any part of the benefits (continuation in employment after termination of pensionable service).
Child / Children	In relation to financial dependency on the a scheme member who has died, a natural child, step-child or adopted child of his/her; any other child who was dependent on him/her and either is related to him/her or is the child of his/her spouse or civil partner or `nominate` unmarried partner. Any child of the scheme member where the mother was pregnant with the child at the date of death of the scheme member.
Civil Partner	Construe as in the Civil Partnership Act 2004.
Club Scheme	Superannuation arrangements, which fall within (a), (b) or (d) of the definition of "approved scheme". <i>May be subject to amendment.</i>
Conditioned hours	Construe as the hours which would be worked by a whole-time firefighter in the same role.
Contracted-out employment Contracted-out scheme	Shall have the meaning as set out in the Pension Schemes Act 1993.
Contributions equivalent premium	Shall have the meaning as set out in the Pension Schemes Act 1993.
Disabled. Disablement.	Disabled and Disablement - incapacity occasioned by infirmity of mind or body so that the firefighter is unable to perform the duties appropriate to

Permanently disabled. Permanent disablement.	his/her role as a firefighter. Permanently disabled - an infirmity that is expected to continue until normal retirement age or where a deferred scheme member seeks early payment of pension under B3 the infirmity would be expected to continue until the normal benefit age.
Final Pensionable Pay	Construe as in G1. ( <i>known as average pensionable pay in FPS 1992</i> )
Firefighter	Can be either or both - <ul style="list-style-type: none"> <li>• Regular firefighter - which shall mean: "a whole-time or part-time member of a brigade, other than a retained or volunteer member of a brigade, appointed on terms under which he/she is, or may be, required to engage in fire fighting or, without a break in continuity of such an appointment, may be required to perform other duties as appropriate to his role as a firefighter (other than, or in addition to, engaging in fire fighting) and whose appointment is not a temporary one."</li> </ul> OR <ul style="list-style-type: none"> <li>• Retained Duty System firefighter - which shall have the following meaning: "A member of a FRA who- is appointed on terms under which he/she is, or may be, required to engage in fire fighting or, without a break in continuity of such an appointment, may be required to perform other duties as appropriate to his role and whose appointment is not a temporary one, and who is obliged to attend- (i) at the station to which he/she is attached at such time as the officer in charge considers necessary; and (ii) at any other station in accordance with any orders he/she receives.</li> </ul>
Former Fire and Rescue Authority	To be construed as the FRA in which the scheme member previously served.
Guaranteed Minimum and Guaranteed Minimum Pension	As construed in accordance with Pension Schemes Act 1993. Any reference to guaranteed minimum in relation to a pension under a pension scheme is a reference to the amount certified by the Department of Work and Pensions as that minimum at that time.
Higher tier ill health pension	Shall have the meaning as set out in B2.
Independent qualified medical practitioner	A medical practitioner holding a diploma in occupational medicine or an equivalent or higher qualification issued by a competent authority in an EEA State or being an Associate, a Member or a Fellow of the Faculty of Occupational Medicine(b) or an equivalent institution of an EEA State; and for the purposes of this definition "a competent authority" has the meaning given by the General and Specialist Medical Practice (Education, Training and Qualification) Order 2003. (b) The Faculty of Occupational Medicine is a registered charity no.1035415.
Injury	Includes any injury or disease, whether of body or of mind
Lower tier ill health pension	Shall have the meaning as set out in B2.

Maternity Leave	Leave under sections 71 and 73 of the Employment Rights Act 1996(e) (and "ordinary maternity leave" and "additional maternity leave" shall be construed accordingly).
Normal Benefit Age	Construe as in A8. The age at which a deferred pension or pension credit member's pension becomes payable.
Nominated Partner	The unmarried partner or unregistered civil partner of a firefighter who together with the firefighter has completed a joint declaration of partnership and registered it with the Scheme Administrator. At the time of death: <ul style="list-style-type: none"> <li>the unmarried partner or unregistered civil partner must have been living with the firefighter in an exclusive committed long-term relationship (long term in the context would normally mean for at least 2 years'); and</li> <li>the firefighter and unmarried partner or unregistered civil partner must both have been free to marry or form a civil partnership; and either the unmarried partner or unregistered civil partner was financially dependent on the firefighter or both partners were financially interdependent.</li> </ul>
Normal Retirement Age	Construe as in A8 – The earliest age a serving scheme member can take immediate payment of an ordinary pension without actuarial reduction.
Paternity Leave	Leave under regulation 4 or 8 of the Paternity and Adoption Leave Regulations 2002(f)
Pension.	Unless otherwise indicated, pension means under this Scheme
Pension credit	A credit under section 29(1)(b) of the 1999 Act, including a credit under corresponding Northern Ireland legislation.
Pension credit benefit	Construe in accordance with section 101B of the 1993 Act(c).
Pension credit member	Construe in accordance with section 124(1) of the Pensions Act 1995(a).
Pension credit rights	Construe in accordance with section 101B of the 1993 Act.
Pension debit	A debit under section 29(1)(a) of the 1999 Act.
Pension debit member	A person whose benefits or future benefits under this Scheme have been reduced under section 31 of the 1999 Act.
"Pensionable service"	Construe as in E2 – E5.
Pension sharing order	An order or provision mentioned in section 28(1) of the 1999 Act.
Qualifying injury"	Construe as in Firefighters' Compensation Scheme.
Qualifying Scheme overseas scheme	Construe in accordance with s.169(1) of the Finance Act 2004.

Qualifying Service	Construe in accordance with E1.
Reference Pay	Construe as notional whole-time equivalent pay of regular firefighter.
Registered Civil Partner	A partner registered under the Civil Partnership Act 2004
Registered Scheme	Superannuation arrangements which comply with the conditions for registration under the Finance Acts 2004 (section 153) and 2005. Registered pension scheme or a qualifying overseas scheme as set out in s.169(1) of the Finance Act 2004.
Regular employment	Not less than an average of 30 hours a week over a twelve month period.
Relevant Fire and Rescue Authority	Construe in accordance with Part L (Rule L1).
Relevant service in the armed forces	Construe in accordance with A 11 and I1.
Retirement date	Construe in accordance with A10.
Scheme administrator	Construe in accordance with the Finance Act 2004, S270. In accordance with the 2004 Act, the Administrator can devolve some responsibilities to the Authorised Practitioner.
Scheme managers	In relation to a scheme falling within (a) or (b) of the definition of "approved scheme", the Minister of the Crown or local or other authority or other person administering the scheme; in relation to any other scheme, the person responsible for its management.
Spouse	The person to whom the firefighter was legally married.
Survivor pensions	Pensions payable to the following: spouse (widow or widower); registered civil partner, or nominated partner. See terms above.

**CALCULATION OF PENSIONABLE SERVICE**

Pensionable service is set out under E2 where pension contributions have been paid with each day in excess of a year counting as so many 365ths. Pensionable service would be restricted to 40 years by the normal retirement age except where the scheme member continues to work beyond the normal retirement age and remains in the scheme.

**A8**

**To calculate pensionable service for whole time regular firefighters:**

**Example 1:**

Scheme member joined the scheme aged 25 years on 1 June 2007 and works whole-time up to the normal retirement age on 30 November 2042 paying pension contributions for the whole period with no unpaid absences.

Pensionable service = 35 years 6 months = 35 years  $\frac{183}{365}$  days = 35.5014 years.

**To calculate pensionable service for part-time regular firefighters:**

$$\frac{A \times B}{C} = D$$

- A = period of time working part-time hours
- B = weekly part-time contractual hours
- C = weekly whole-time conditioned hours
- D = pensionable service

**Example 2:**

Scheme member joined the scheme aged 35 years on 1 June 2007 and works whole-time for 10 years and then switches to part-time working of 21 hours per week for 15 years (1 June 2017 to 30 November 2032) retiring at normal retirement age on 30 November 2032 paying pension contributions for the entire period with no unpaid absences.

Pensionable service:

whole-time from 1 June 2007 to 31 May 2017 = 10 years

+

part-time from 1 June 2017 to 30 November 2032 of 21 hours per week

$$= (A) 15.5041 \times \frac{(B) 21}{(C) 42} = (D) 7.7521$$

Total = 10 + 7.7521 = 17.7521 or 17 years 275 days pensionable service

**Example 3:**

Part-time weekly contractual hours =

42 for 10 years = 10 years

21 for 15 years =  $\frac{(A) 15 \times (B) 21}{(C) 42} = (D) 7.5$  years 7 years 182.5 days

(C) 42

Total = 17 years 182.5 days or 17.5000 years

**To calculate pensionable service for retained firefighters:**

To calculate the amount of pensionable service accrued by scheme members employed on retained duty contracts it will be necessary to convert the pensionable service and pensionable pay into notional full-time equivalents. Using the following formula will mean that each year the scheme member will build up a period of pensionable service, which is linked to a consistent (and increasing) notional pensionable salary despite the person's actual earnings fluctuating. (Taken from USS Factsheet twenty-one – Employees in Variable Time Employment).

$$\frac{A}{B} \times 100\% = C \quad \times 365 \text{ to determine one year} = D$$

A = Actual salary received

B = Notional whole-time equivalent level of pay\*

\* the employer will define this figure

C = Notional part-time service fraction for retained firefighters

D = pensionable service accrued in scheme

**Example 4** (using the USS:)

Scheme member: age 30

Pensionable pay: £8000 over last 12 months

Equivalent pensionable pay for whole-time regular: £24,000

To calculate notional part-time service

$$\frac{\pounds 8,000 \text{ (A)}}{\pounds 24,000 \text{ (B)}} \times 100\% = (C) .3333 \times 365 = 121.545 \text{ days or } 122 \text{ days (D) for one year}$$

## Appendix 2

### B1 – Calculation of pension awards

Pensionable service is set out under E2 where pension contributions have been paid with each day in excess of a year counting as so many 365ths.

Pensionable service would be restricted to 40 years by the normal retirement age except where the scheme member continues to work beyond the normal retirement age and remains in the scheme.

Pensionable pay and final pensionable pay is set out under G.

The formula for the calculation of an ordinary pension award is:

A = pensionable service

B = final pensionable pay

C = pension per annum (pa)

$$\frac{A \times B}{60} = C$$

#### Whole-time firefighter

##### Example 1

Scheme member: age 60

Pensionable service: 35 years

Qualifying service: 35 years

Final pensionable pay: £25,000

$$\frac{35 \times £25,000}{60} = £14,583.33 \text{ pa}$$

##### Example 2

Scheme member: age 60

Pensionable service: 42 years (40 years maximum but works another 2 years which can count under A7)

Qualifying service: 42 years

Final pensionable pay: £25,000

$$\frac{42 \times £25,000}{60} = £17,500$$

#### Part-time regular firefighter

##### Example 3

Pension for a regular part-time firefighter

A = accrued pensionable service (this will be less than qualifying service)

B = full-time equivalent final pensionable pay



C = pension

Scheme member: 60

Pensionable service: 25 years

Qualifying service: 27years 182 days

Whole-time equivalent final pensionable pay: £25,000

$$\frac{25 \times \pounds 25,000}{60} = \pounds 10,416.67 \text{ pa}$$

#### **Example 4**

Scheme member: age 60

Pensionable service: 36 years 91 days ((36.2493)

Qualifying service: 42 years

Whole-time final pensionable pay: £25,000

$$\frac{36.2493 \times \pounds 25,000}{60} = \pounds 15,103.88 \text{ pa}$$

#### **Retained firefighter**

#### **Example 5**

##### Pension for a retained firefighter

A = accrued pensionable service (Pensionable service over the qualifying period of service should be assessed as under Appendix 1 for each year and then aggregated to determine accrued pensionable service).

B = notional whole-time equivalent level of pay

C = pension

Scheme member: 60

Pensionable service: 122 pensionable days each years for 10 years – 3.3425 years

Notional whole-time equivalent final pensionable pay: £25,000

$$\frac{(A)3.3425}{60} \times (B)\pounds 25,000 = (C)\pounds 1,392.71 \text{ pa}$$

## Appendix 3

### B4 Calculation Of Ill Health Retirement Awards

**Higher Tier Awards** – payable where the person qualifies for a pension award under A6 and the scheme member is unable to undertake other regular employment.

Higher tier ill health awards will be based on the amount of pensionable service accrued in the scheme up to the date of ill health retirement plus additional service, depending on the amount of qualifying and pensionable service the scheme member has. The additional service will be known as enhancement of service. To ensure a smooth incremental enhancement the moderating factor of 2% will be used in the calculation of the enhancement.

If the member has less than 5 years qualifying service no enhancement will be added to the service already accrued in the scheme.

If the member has 5 or more qualifying years' service then an enhancement would be given by using the moderating factor plus a proportion (the same percentage) of prospective service up to 40 years by normal retirement age. An example, using a moderating factor of 2% would be:

To determine the amount of enhanced service:

$$\text{Pensionable Service already accrued in the scheme} + ( (2\% \times \text{Service}) \times \text{Prospective Service}^* ),$$

*(\*prospective service to be the time from the date of retirement to the earlier of the date of the member's normal retirement age (60th birthday), or the date on which the member would have completed 40 years service if they had continued to be contributing members of the scheme.)*

#### Whole-time

$$\text{To calculate enhancement} - (2/100 \times A) \times B = C$$

A = pensionable service accrued in the scheme

B = whole-time prospective service up to the normal retirement age restricted to 40 years

C = enhancement to be added to A

$$\text{To calculate higher tier ill health award} - (D \times E = F)$$

D = A + C the service to be used in the higher tier ill health pension award

E = final pensionable pay

F = higher tier ill health pension per annum (pa)

#### Example 1:

scheme member: age 30 years

accrued pensionable service: 7 years 68 days (7.1863)

qualifying service: 7 years 68 days (7.1863)

prospective service to normal retirement age: 30 years

final pensionable pay: £24,000.

To calculate enhancement:  $(2/100 \times (A) 7.1863) \times (B) 30 \text{ years} = (C) 4.3118$  years

To calculate pensions to be paid:

1st Pension  $\frac{(A) 7.1863 \times (E) \text{£}24,000}{60} = \text{£}2,874.52\text{pa}$

2<sup>nd</sup> Pension  $\frac{(C)4.3118 + (E)\text{£}24,000}{60} = \text{£}1,724.72$

Total = £4,599.24 pa

### **Example 2:**

scheme member: age 40 years

accrued pensionable service: 25 years 91 days (25.2493)

qualifying service: 25 years 91 days

prospective service to normal retirement age: 14.7507 years (20 years to normal retirement age but this would exceed 40 years therefore  $40 - 25.2493 = 14.7507$  years.)

To calculate enhancement:  $(2/100 \times (A) 25.2493 \text{ current service}) \times (B) 14.7507 = (C) 7.4489$  years enhancement.

To calculate pensions to be paid:

1<sup>st</sup> Pension  $\frac{(A)25.2493 \times (E)\text{£}24,000}{60} = \text{£}10,099.72 \text{ pa}$

2<sup>nd</sup> Pension  $\frac{(C)7.4489 \times (E)\text{£}24,000}{60} = \text{£}2,979.56 \text{ pa}$

Total = £13,079.28pa

### **Part-time**

Where the scheme member is or has been in the past working part-time the prospective service will need to reflect this:

To calculate prospective service:

A = pensionable service accrued in the scheme

A<sub>i</sub> = qualifying service

B = whole time prospective service

C = prospective service

$\frac{A}{A_i} \times B = C$

A<sub>i</sub>

To calculate enhancement

A to C as above

D = enhancement to be added to A

$$(2/100 \times A) \times C = D$$

To calculate higher tier ill health pension - (E x F = G)

E = A + D the service to be used in the higher tier ill health pension award

F = whole-time final pensionable pay

G = higher tier ill health pension per annum (pa)

**Example 3:**

scheme member: age 30 years

accrued pensionable service: 7 years 68 days (7.1863)

qualifying service: 10 years 182 days (10.4986)

To calculate prospective service:

$$7.1863 (A) \times 30 \text{ years } (B) = 20.5350 \text{ years } (C)$$

$$10.4986(A_i)$$

To calculate the enhancement:

$$(2/100 \times (A) 7.1863 \times (C) 20.5350 = (D) 2.9514 \text{ years}$$

$$\text{Final pensionable service} = (A) + (D) = (E) 10.1377 \text{ years}$$

To calculate pensions to be paid:

1<sup>st</sup> Pension paid if one award is paid:

$$(A)\underline{\pounds 7.1863 \times (F)\pounds 24,000} = \pounds 2,874.52\text{pa}$$

60

2<sup>nd</sup> Pension to be paid:

$$(D)\underline{2.9514 \times (F) \pounds 24,000} = \pounds 1,180.56\text{pa}$$

60

Total:  $\pounds 4,055.08$

**Example 4:**

scheme member: age 40 years

pensionable service: 20 years 182 days (20.4986 years)

qualifying service: 22 years 182 days (22.4986)

whole-time pensionable pay:  $\pounds 24,000$

To calculate prospective service:

$$20.4986 (A) \times 19.5014 (B)^* = 17.7678 \text{ years } (C)$$

$$22.4986 (A_i)$$

\*If whole time throughout service then prospective service would have been 20 years to normal retirement age (age 60), but this would need to be restricted to reflect limit of 40 years by age 60 (i.e. 19.5014)

To calculate enhancement:

$$(2/100 \times (A) 20.4986) \times (B) 17.7678 = 7.2843 \text{ years (C)}$$

$$\text{final pensionable service} = 27.7829 \text{ (D) (A + C = D)}$$

To calculate pensions to be paid:

1<sup>st</sup> Pension

$$(A)20.4986 \times (F)\pounds24,000 = \pounds8,199.44$$

60

2<sup>nd</sup> Pension

$$(C)7.2843 \times (F)\pounds24,000 = \pounds2,913.72$$

60

$$\text{Total} = (G)\pounds11,113.16\text{pa}$$

**Retained Firefighters** - Where the scheme member is a retained firefighter pensionable service will have been calculated in accordance with A8. Prospective service will need to reflect the proportion the service represents of an equivalent whole time firefighter.

To calculate prospective service:

A = pensionable service accrued in the scheme

A<sub>i</sub> = qualifying service

B = whole time prospective service

C = prospective service

$$\frac{A}{A_i} \times B = C$$

A<sub>i</sub>

To calculate enhancement

$$(2/100 \times A) \times C = D$$

To calculate pensionable service:

$$A + D = E$$

To calculate higher tier ill health pension - (E x F = G)

E = the service to be used in the higher tier ill health pension award

F = whole-time final pensionable pay

G = higher tier ill health pension per annum (pa)

**Example: 5**

scheme member: age 40 years

pensionable service: 3 years 125 days (3.3425 years)

qualifying service: 10 years

Whole-time final pensionable pay equivalent: 

£25,000

To calculate prospective service:

$$(A) 3.3425 \times (B)20 = (C) 6.6850$$

10 (Ai)

To calculate enhancement:

$$(2/100 \times (A) 3.3425) \times (C) 6.6850 = (D) .4469$$

To calculate pensionable service:

$$(A) 3.3425 + (D) .4469 = (E) 3.7894$$

To calculate award pensions to be paid:

1<sup>st</sup> Pension

$$(A)3.3425 \times (F)\pounds25,000 = (G)\pounds1,392.71\text{pa}$$

60

2<sup>nd</sup> Pension

$$(D).4469 \times (F)\pounds25,000 = (G)\pounds186.21\text{pa}$$

60

$$\text{Total} = (G)\pounds1,578.92$$

## Appendix 4

### D1 – Death Grant

(i) Pensionable pay at date of death working whole-time was £26,000

**Example:** 3 x pensionable pay expressed as an annual rate = 3 x £26,000 = £78,000

If working part-time at date of death pensionable pay would be calculated using the part-time rate.

**Example:** If working only half the whole-time hours pensionable pay at the date of death would be £13,000 and the death grant would be 3 x £13,000 = £39,000

**Or**

(ii) Where the serving scheme member would have been entitled to a split pension under B7, and dies while working whole-time, the death grant would be the greater of:

(a) three times that of the deceased's pensionable pay at the date of death, or

(b) three times the deceased's pensionable pay based on proportions of pensionable pay at the date of the split pension and at the date of death

**Example:**

(a) Pensionable pay at the date of death £20,000 x 3 = £60,000 or

(b)  $A \times B/D + C/D \times E = F \times 3 = G$  where-

A = pensionable pay on the last day of service used for the split pension (£25,000)

B = pensionable service used for the split pension (10 years)

C = pensionable service which would be included in the second period of service (20 years)

D = qualifying service (30 years) ignoring the split award (that is qualifying service used in the split and second pensions)

E = pensionable pay at the date of death (£20,000)

F = pensionable pay to be used for calculating death grant

G = death grant

$£25,000 \times 10/30 + 20/30 \times £20,000 = £21,6667 \times 3 = £65,000$

**Or**

(iii) Where the serving scheme member would not be entitled to a split pension under B7 and had worked variable hours which may include periods of whole-time during service the death grant would be the greater of:

(a) three times pensionable pay at the date of death (which if working part-time on the date of death would be at the part-time rate) expressed as an annual rate; or

(b) three times a proportion of whole-time pensionable pay at the date of death expressed as an annual rate based on the proportion that pensionable service represents against qualifying service.

**Example :**

Total pensionable service = 20 years (pensionable service) but worked over a 30 year period (qualifying service). Part-time pensionable pay = £15,000. Whole-time pensionable pay = £25,000. Therefore -

- (a)  $3 \times \text{£}15,000 = \text{£}45,000$  or  
 (b)  $A/B \times C \times 3 = D$  where  
     A = pensionable service (20 years)  
     B = qualifying service (30 years)  
     C = Whole-time pensionable pay (£25,000)  
     D = Death Grant  
 $20/30 \times \text{£}25,000 \times 3 = \text{£}50,000$

**Or**

(iv) Where the serving scheme member has a split pension and during the second period of service worked variable hours which may include whole-time, the death grant would be the greater of:

- (a) three times the deceased's pensionable pay at the date of death (which if working part-time on the date of death would be at the part-time rate) expressed as an annual rate, or  
 (b) three times the deceased's pensionable pay based on proportions of pensionable pay at the date of the split pension at the date of death  
 (c) three times a proportion of whole-time pensionable pay at the date of death expressed as an annual rate based on the proportion that pensionable service represents against qualifying service.

**Example:**

Pensionable pay at date of death £20,000  
 Pensionable pay at split award £23,000  
 Whole-time pensionable pay £25,000  
 Split pension after 10 years service  
 Service for 2<sup>nd</sup> award 15 years over 20 years  
 Total qualifying service 30 years  
 (a)  $\text{£}20,000 \times 3 = \text{£}60,000$   
 (b)  $\text{£}25,000 \times 10/30 + \text{£}20,000 \times 15/30 = \text{£}18,333.33 \times 3 = \text{£}55,000$   
 (c)  $\text{£}25,000 \times 25/30 = \text{£}20,833.33 \times 3 = \text{£}62,500$

**D 2 - Guaranteed Payment of Pension – Supplementary Death Grant**

A – B = C



A	Guaranteed pension -	5 x the pension that would have been paid	<b>Example 1</b>
B	Pension payments already made -	Total of any pension payments made + any commuted lump sum that has been paid	Pensioner awarded a pension of £5,000 pa Committed £1,250 of pension (1/4 of pension) and received a commuted lump sum of £15,000 leaving pension of £3,750 in payment
C	Supplementary Death Grant -		Pension in payment 2 years

Pensioner dies in 3 year pension is in payment

Payments received = £3,750 x 2 = £7,500 paid

Committed lump sum = £15,000

Pension payments received £15,000 + £7,500 = £22,500

Pension guarantee =

Guaranteed payment = £5,000 x 5 = £25,000 - £22,500 = £2,500 (*subject to an increase in line with pensions increases*).

### Example 2

Pensioner awarded a pension of £12,500 pa

Committed £3,125 of pension (1/4 of pension) and received a commuted lump sum of £37,500 and leaving £9,375 in payment

Pension in payment 3 years

Pensioner dies in 4th year pension is in payment

Payments received = £28,125 + £37,500 = £65,625

Pension guarantee – £12,500 x 5 = £62,500 - £65,625 = Nil

## Appendix 5

### See F5

Example of how to calculate a Cash Equivalent Transfer and a Club Transfer. The difference between Club and non-Club transfers is the factors used in the calculation.

$$\text{Preserved pension} \times \text{pension factor} = A$$

$$\text{Partner pension} \times \text{partner pension factor} = B$$

$$A + B = C$$

$$C \times \text{Pensions Increase Factor} = D$$

$$\text{Annual pre 88 GMP} \times \text{GMP factor (pre88)} = E$$

$$\text{Annual post 88 GMP} \times 45\% \times \text{GMP factor (post88)} = F$$

$$E + F = G$$

$$D - G = H$$

$$H \times \text{Adjustment for Market Conditions} = \text{Transfer Value}$$

Calculations for divorce purposes are not done on a Club basis.

### F9

Example of how calculations would be made using the Club transfers for the civil service Premium Scheme. The difference between Club and non-Club transfers is the factors used in the calculation. The factors used for Club transfers-in are the same as those used by the exporting scheme in their calculation of the transfer value to be paid.

$$\frac{\text{pensionable pay in previous scheme}}{60} \times \text{Pensions Factor} = A$$

$$\frac{\text{pensionable pay in previous scheme}}{120} \times \text{Partner's Pension Factor} = B$$

$$A + B = \text{Cost of buying 1 year's service credit (C)}$$

$$\text{TRANSFER VALUE} \div \text{Adjustment for Market Conditions factor} = D$$

$$\text{Annual pre 88 GMP} \times \text{GMP factor (pre88)} = E$$

$$\text{Annual post 88 GMP} \times 45\% \times \text{GMP factor(post88)} = F$$

$$E + F = G$$

$$D + G = H$$

$$H \div C = \text{Transferred In Service Credit}$$