



Government Actuary's Department

The Firefighters' Pension Scheme 2015 (England) **Age Additions and Assumed Age Additions**

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1 Introduction

- 1.1 The Secretary of State, as responsible authority under Schedule 2 paragraph 6 of the Public Service Pensions Act 2013 ('the responsible authority') is required under the Firefighters' Pension Scheme (England) Regulations 2014 ('the 2015 Scheme Regulations') (SI 2014/2848), to issue actuarial guidance on Age Additions and Assumed Age Additions (Regulations 26 and 27 of the 2015 Scheme Regulations).
- 1.2 The scheme managers are required to determine:
- > the Age Addition to be awarded for a Scheme Year by reference to the opening balance for the previous Scheme Year under Regulation 26(2) of the 2015 Scheme Regulations, and
 - > the Assumed Age Addition for the amount of accrued earned pension and accrued added pension (if any) specified in a deferred member's account or retirement account under Regulation 27(2) of the 2015 Scheme Regulations when the accounts are established.
- 1.3 The remainder of this introduction contains:
- > Details of the implementation and future review of this guidance
 - > Statements about the use of this note and third party reliance
- 1.4 In the remainder of this note:
- > Section 2 describes the issues and sets out the formulae and factors
 - > Sections 3 and 4 set out worked examples
 - > Appendix A sets out some important limitations
- 1.5 The Government Actuary's Department (GAD) seeks to achieve a high standard in all our work. Please go to our [website](#)¹ for details of the standards we apply.

Implementation and Review

- 1.6 The responsible authority is required to consult the scheme actuary before issuing actuarial guidance under the 2015 Scheme Regulations.
- 1.7 As part of this consultation the responsible authority has asked GAD, as scheme actuary, to recommend actuarial guidance in respect of the regulations detailed below. This document forms GAD's recommendation for the actuarial guidance required by these regulations.
- 1.8 This note has effect only when this guidance is issued by the responsible authority to scheme managers as defined in Regulation 4 of the 2015 Scheme Regulations, and is subject to the implementation instructions provided at that time.
- 1.9 This note relates to Age Additions and Assumed Age Additions in accordance with Regulations 26 and 27 of the 2015 Scheme Regulations. It sets out the general

¹ <https://www.gov.uk/government/organisations/government-actuaries-department/about/terms-of-reference>



method for assessing the additions that should be applied in accordance with the Regulations.

- 1.10 This guidance relates only to benefits accrued under the 2015 Scheme Regulations. Some firefighters may also have benefits under the 1992 Scheme or the NFPS which should be dealt with separately according to relevant scheme guidance.
- 1.11 This guidance has been written for pension administrators and assumes some knowledge of general pension terminology, and some familiarity with retirement calculations for the Firefighters' Pension Scheme 2015 (England). Any questions concerning the application of the guidance should, in the first instance, be referred to the Firefighters' Pensions teams at DCLG.
- 1.12 The factors contained in this note will be reviewed periodically. This will depend on external circumstances, for example when changes in the actuarial assumptions adopted for other scheme factors take place; or following each cycle of future valuations of the Firefighters' Pension Scheme 2015 (England).
- 1.13 Scheme managers and administrators should ensure that they use the latest factors in circulation.

Use of this note

- 1.14 This note has been prepared for the responsible authority and can be relied upon by them. We are content for this note to be released to third parties, provided that:
 - > it is released in full;
 - > the advice is not quoted selectively or partially; and
 - > GAD is identified as the source of the note.
- 1.15 Third parties may wish to seek their own actuarial advice where appropriate. GAD has no liability to any person or third party for any act or omission taken, either in whole or in part, on the basis of this note.

Third party reliance

- 1.16 When issued by the responsible authority in accordance with paragraph 1.8 above, this note should be used as the actuarial guidance required under the regulations cited. Other than for this purpose, no person or third party is entitled to place any reliance on the contents of this note, except to any extent explicitly stated herein.



2 Age Additions and Assumed Age Additions

Age Additions

2.1 The Age Addition percentages to be applied in respect of an active member's benefits under Regulation 26(2) of the 2015 Scheme Regulations are as follows.

Age addition percentage (active member account)										
Age at Start of Scheme Year	Years									
Months	60	61	62	63	64	65	66	67	68	69
0	0.1%	2.4%	2.5%	2.6%	2.7%	2.9%	3.0%	3.2%	3.3%	3.5%
1	0.3%	2.4%	2.5%	2.6%	2.8%	2.9%	3.0%	3.2%	3.3%	3.5%
2	0.5%	2.4%	2.5%	2.6%	2.8%	2.9%	3.1%	3.2%	3.3%	3.5%
3	0.7%	2.4%	2.5%	2.6%	2.8%	2.9%	3.1%	3.2%	3.3%	3.5%
4	0.9%	2.4%	2.5%	2.6%	2.8%	2.9%	3.1%	3.2%	3.4%	3.5%
5	1.1%	2.4%	2.5%	2.7%	2.8%	2.9%	3.1%	3.2%	3.4%	3.5%
6	1.3%	2.4%	2.5%	2.7%	2.8%	3.0%	3.1%	3.2%	3.4%	3.5%
7	1.5%	2.4%	2.5%	2.7%	2.8%	3.0%	3.1%	3.2%	3.4%	3.6%
8	1.7%	2.4%	2.6%	2.7%	2.8%	3.0%	3.1%	3.3%	3.4%	3.6%
9	1.9%	2.4%	2.6%	2.7%	2.9%	3.0%	3.1%	3.3%	3.4%	3.6%
10	2.1%	2.5%	2.6%	2.7%	2.9%	3.0%	3.1%	3.3%	3.4%	3.6%
11	2.2%	2.5%	2.6%	2.7%	2.9%	3.0%	3.2%	3.3%	3.4%	3.6%

Age addition percentage (added pension account)										
Age at Start of Scheme Year	Years									
Months	60	61	62	63	64	65	66	67	68	69
0	0.2%	5.1%	5.2%	5.4%	5.5%	5.7%	5.8%	5.9%	6.1%	6.3%
1	0.6%	5.1%	5.2%	5.4%	5.5%	5.7%	5.8%	6.0%	6.1%	6.3%
2	1.1%	5.1%	5.3%	5.4%	5.5%	5.7%	5.8%	6.0%	6.1%	6.3%
3	1.5%	5.1%	5.3%	5.4%	5.5%	5.7%	5.8%	6.0%	6.1%	6.3%
4	1.9%	5.2%	5.3%	5.4%	5.6%	5.7%	5.9%	6.0%	6.1%	6.3%
5	2.3%	5.2%	5.3%	5.4%	5.6%	5.7%	5.9%	6.0%	6.2%	6.3%
6	2.8%	5.2%	5.3%	5.4%	5.6%	5.7%	5.9%	6.0%	6.2%	6.3%
7	3.2%	5.2%	5.3%	5.5%	5.6%	5.7%	5.9%	6.0%	6.2%	6.3%
8	3.6%	5.2%	5.3%	5.5%	5.6%	5.8%	5.9%	6.0%	6.2%	6.4%
9	4.0%	5.2%	5.3%	5.5%	5.6%	5.8%	5.9%	6.1%	6.2%	6.4%
10	4.5%	5.2%	5.3%	5.5%	5.6%	5.8%	5.9%	6.1%	6.2%	6.4%
11	4.9%	5.2%	5.4%	5.5%	5.6%	5.8%	5.9%	6.1%	6.2%	6.4%

2.2 Notes

- > Two tables have been provided as different Age Addition percentages need to be applied to a member's active member account and separately to any added pension account they may also have.
- > The calculations should be referred to GAD in the unlikely event a member retires on or after age 70 or if the active member account includes transferred-in Club pension.
- > The tables are based on a member's age in complete years and months at the start of the current Scheme Year.



- > The factors are the percentage additions to the pension accounts for the current Scheme Year based on the opening balance at the start of the previous Scheme Year.

Assumed Age Additions

2.3 The Assumed Age Addition percentages to be applied in respect of an active member's benefits under Regulation 27(2) of the 2015 Scheme Regulations are as follows.

Assumed age addition percentage (active member account)											
Term in months between normal pension age (or start of Scheme Year if later) and date of leaving or retirement	Age (in complete years at the start of the Scheme Year or normal pension age if later)										
	59	60	61	62	63	64	65	66	67	68	69
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.3%	0.3%
2	0.4%	0.4%	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.6%	0.6%
3	0.6%	0.6%	0.6%	0.7%	0.7%	0.7%	0.8%	0.8%	0.8%	0.9%	0.9%
4	0.8%	0.8%	0.8%	0.9%	0.9%	1.0%	1.0%	1.1%	1.1%	1.1%	1.2%
5	1.0%	1.0%	1.0%	1.1%	1.1%	1.2%	1.3%	1.3%	1.4%	1.4%	1.5%
6	1.2%	1.2%	1.3%	1.3%	1.4%	1.5%	1.5%	1.6%	1.7%	1.7%	1.8%
7	1.4%	1.4%	1.5%	1.5%	1.6%	1.7%	1.8%	1.9%	1.9%	2.0%	2.1%
8	1.6%	1.6%	1.7%	1.7%	1.8%	1.9%	2.0%	2.1%	2.2%	2.3%	2.4%
9	1.8%	1.8%	1.9%	2.0%	2.0%	2.2%	2.3%	2.4%	2.5%	2.6%	2.7%
10	2.0%	2.0%	2.1%	2.2%	2.2%	2.4%	2.5%	2.7%	2.7%	2.8%	3.0%
11	2.2%	2.2%	2.3%	2.4%	2.5%	2.7%	2.8%	2.9%	3.0%	3.1%	3.3%

Assumed age addition percentage (added pension account)											
Term in months between normal pension age (or start of Scheme Year if later) and date of leaving or retirement	Age (in complete years at the start of the Scheme Year or normal pension age if later)										
	59	60	61	62	63	64	65	66	67	68	69
0	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
1	0.4%	0.4%	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%
2	0.9%	0.9%	0.9%	0.9%	0.9%	0.9%	1.0%	1.0%	1.0%	1.0%	1.1%
3	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	1.5%	1.5%	1.5%	1.6%	1.6%
4	1.7%	1.7%	1.7%	1.8%	1.8%	1.9%	1.9%	2.0%	2.0%	2.1%	2.1%
5	2.1%	2.1%	2.2%	2.3%	2.3%	2.3%	2.4%	2.5%	2.5%	2.6%	2.7%
6	2.6%	2.6%	2.6%	2.7%	2.8%	2.8%	2.9%	3.0%	3.1%	3.1%	3.2%
7	3.0%	3.0%	3.0%	3.2%	3.2%	3.3%	3.4%	3.4%	3.6%	3.6%	3.7%
8	3.4%	3.4%	3.5%	3.6%	3.7%	3.7%	3.9%	3.9%	4.1%	4.1%	4.3%
9	3.8%	3.8%	3.9%	4.1%	4.1%	4.2%	4.4%	4.4%	4.6%	4.7%	4.8%
10	4.3%	4.3%	4.3%	4.5%	4.6%	4.7%	4.8%	4.9%	5.1%	5.2%	5.3%
11	4.7%	4.7%	4.8%	5.0%	5.0%	5.1%	5.3%	5.4%	5.6%	5.7%	5.9%

2.4 Notes

- > Two tables have been provided as different Assumed Age Addition percentages need to be applied to a member's active member account and separately to any added pension account they may also have.
- > The calculations should be referred to GAD in the unlikely event a member retires on or after age 70 or if the active member account includes transferred-in Club pension.



- > The tables are based on the term in complete months between the start of the Scheme Year of leaving or retirement (or normal pension age if later) and the date of leaving or retirement i.e. the date when the relevant deferred member's account or retirement account is established.
- > The factors are the percentage additions to the pension accounts for the current Scheme Year based on the opening balance at the start of the current Scheme Year.
- > Commutation takes place after the age addition has been applied on the establishment of a retirement account.

2.5 Worked examples have been provided in the following sections as follows:

Worked Examples	Age Additions at the start of the 2017/18 Scheme Year (Section 3)		Assumed Age Additions during the 2017/18 Scheme Year (Section 4)	
	Active Member Accounts	Added Pension Accounts	Active Member Accounts	Added Pension Accounts
Member A	Example 1(a)	Example 1(b)	Example 1(c)	Example 1(d)
Member B	Example 2(a)	Example 2(b)	Example 2(c)	Example 2(d)
Member C	N/A	N/A	Example 3(a)	Example 3(b)



3 Worked Examples – Age Additions

Active Member Accounts

3.1 Example 1(a)

Member A

Date of Birth	01/10/1956
Normal Pension Age	01/10/2016
Start of <u>current</u> Scheme Year	01/04/2017
Active member account at start of <u>previous</u> Scheme Year	£500.00
Age at start of <u>current</u> Scheme Year	60 years and 6 months
Age addition percentage	1.3%
Age addition at start of <u>current</u> Scheme Year	£500.00 x 1.3% = £6.50

3.2 Example 2(a)

Member B

Date of Birth	01/10/1953
Normal Pension Age	01/10/2013
Start of <u>current</u> Scheme Year	01/04/2017
Active member account at start of <u>previous</u> Scheme Year	£5,000.00
Age at start of <u>current</u> Scheme Year	63 years and 6 months
Age Addition percentage	2.7%
Age Addition at start of <u>current</u> Scheme Year	£5,000 x 2.7% = £135.00

Added Pension Accounts

3.3 Example 1(b) (based on Member A in Example 1(a))

Member A

Date of Birth	01/10/1956
Normal Pension Age	01/10/2016
Start of <u>current</u> Scheme Year	01/04/2017
Added pension account at start of <u>previous</u> Scheme Year	£250.00
Age at start of <u>current</u> Scheme Year	60 years and 6 months
Age addition percentage	2.8%
Age addition at start of <u>current</u> Scheme Year	£250.00 x 2.8% = £7.00

3.4 Example 2(b) (based on Member B in Example 2(a))

Member B

Date of Birth	01/10/1953
Normal Pension Age	01/10/2013



Start of <u>current</u> Scheme Year	01/04/2017
Added pension account at start of <u>previous</u> Scheme Year	£2,500.00
Age at start of <u>current</u> Scheme Year	63 years and 6 months
Age Addition percentage	5.4%
Age Addition at start of <u>current</u> Scheme Year	$£2,500 \times 5.4\% = £135.00$



4 Worked Examples – Assumed Age Additions

Active Member Accounts

4.1 Example 1(c) (based on Member A in Example 1(a))

Member A

Date of Birth	01/10/1956
Normal Pension Age	01/10/2016
Start of <u>current</u> Scheme Year	01/04/2017
Date of leaving	15/09/2017
Active member account at start of <u>current</u> Scheme Year	£1,250.00
Age at start of <u>current</u> Scheme Year	
(complete years)	60 years
Duration between start of Scheme Year and date of leaving	
(complete months)	5 months
Assumed Age Addition percentage	1.0%
Assumed Age Addition at start of <u>current</u> Scheme Year	
	$£1,250 \times 1.0\% = £12.50$

4.2 Example 2(c) (based on Member B in Example 2(a))

Member B

Date of Birth	01/10/1953
Normal Pension Age	01/10/2013
Start of <u>current</u> Scheme Year	01/04/2017
Date of retirement	05/11/2017
Active member account at start of <u>current</u> Scheme Year	£6,000.00
Age at start of <u>current</u> Scheme Year	
(complete years)	63 years
Duration between start of Scheme Year and date of retirement	
(complete months)	7 months
Assumed Age Addition percentage	1.6%
Assumed Age Addition at start of <u>current</u> Scheme Year	
	$£6,000 \times 1.6\% = £96.00$

4.3 Example 3(a) (being a member that retires after normal pension age but before the end of the Scheme Year in which retirement takes place)

Member C

Date of Birth	05/07/1957
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Normal Pension Age	05/07/2017
Start of <u>current</u> Scheme Year	01/04/2017
Date of retirement	15/03/2018
Active member account at start of <u>current</u> Scheme Year	£1,250.00
Age at start of <u>current</u> Scheme Year	
(complete years)	59 years
Duration between normal pension age and date of retirement	
(complete months)	8 months
Assumed Age Addition percentage	1.6%
Assumed Age Addition at start of <u>current</u> Scheme Year	
	$£1,250 \times 1.6\% = £20.00$

Added Pension Accounts

4.4 Example 1(d) (based on Member A in Example 1(a))

Member A

Date of Birth	01/10/1956
Normal Pension Age	01/10/2016
Start of <u>current</u> Scheme Year	01/04/2017
Date of leaving	15/09/2017
Added pension account at start of <u>current</u> Scheme Year	£750.00
Age at start of <u>current</u> Scheme Year	
(complete years)	60 years
Duration between start of Scheme Year and date of leaving	
(complete months)	5 months
Assumed Age Addition percentage	2.1%
Assumed Age Addition at start of <u>current</u> Scheme Year	
	$£750.00 \times 2.1\% = £15.75$

4.5 Example 2(d) (based on Member B in Example 2(a))

Member B

Date of Birth	01/10/1953
Normal Pension Age	01/10/2013
Start of <u>current</u> Scheme Year	01/04/2017
Date of retirement	05/11/2017
Added pension account at start of <u>current</u> Scheme Year	£3,000.00
Age at start of <u>current</u> Scheme Year	



(complete years)	63 years
Duration between start of Scheme Year and date of retirement	
(complete months)	7 months
Assumed Age Addition percentage	3.2%
Assumed Age Addition at start of current Scheme Year	
	$£3,000 \times 3.2\% = £96.00$

4.6 Example 3(b) (based on Member C in Example 3(a))

Member C

Date of Birth	05/07/1957
Normal Pension Age	05/07/2017
Start of <u>current</u> Scheme Year	01/04/2017
Date of retirement	15/03/2018
Added pension account at start of <u>current</u> Scheme Year	£750.00
Age at start of <u>current</u> Scheme Year	
(complete years)	59 years
Duration between normal pension age and date of retirement	
(complete months)	8 months
Assumed Age Addition percentage	3.4%
Assumed Age Addition at start of <u>current</u> Scheme Year	
	$£750.00 \times 3.4\% = £25.50$



Appendix A – Limitations

- A.1 This note should not be used for any purpose other than as the actuarial guidance required under the regulations cited.
- A.2 The factors contained in this note are subject to regular review. Scheme managers and administrators need to ensure that they are using the latest factors, as relevant, when processing cases.
- A.3 This note should be considered in its entirety as individual sections, if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect.
- A.4 This note only covers the actuarial principles of calculations required under the regulations cited. Any legal advice in this area should be sought from an appropriately qualified person or source.
- A.5 Scheme managers and administrators should satisfy themselves that calculations and benefit awards comply with all legislative requirements including, but not limited to, tax and contracting out requirements.
- A.6 This guidance is based on the Regulations in force at the time of writing. It is possible that future changes to the Regulations might create inconsistencies between this guidance and the Regulations. If users of this guidance believe there to be any such inconsistencies, they should bring this to the attention of the responsible authority. In no circumstances should this guidance take precedence over the Regulations. Scheme managers and administrators should ensure that they comply with all relevant Regulations.