



# **Firefighter Pension Scheme Guidance for Scheme Managers and Payroll: Determining Member Contribution Rates from 1 April 2026**

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## Introduction

1. This guidance sets out how Fire and Rescue Authorities (FRAs), as scheme managers of the Firefighters' Pension Scheme 2015 ("the 2015 Scheme"), determine the appropriate member contribution rate under the revised contribution structure coming into force on **1 April 2026**. In developing this guidance, legal advice has been sought to ensure the approach aligns with the intent and requirements of the regulations.
2. The government [response](#) published on **8 December 2025** confirmed that contribution thresholds will be based on **actual pensionable pay**, with flexibility to adjust a member's contribution band where there is a **scheme employment or material change** affecting pensionable pay. The revised contribution rates and thresholds take effect from **1 April 2026**, with annual CPI indexation of thresholds commencing **1 April 2027**.
3. This guidance is intended to support consistent interpretation of the regulations, particularly in scenarios that FRAs identified as requiring clarity during the consultation, including mid-year joiners and leavers, members with variable pay, Retained Duty System (RDS) employees, and the meaning of "material change".
4. Scheme managers are strongly encouraged to follow this guidance to ensure administrative consistency, compliance with the regulations, and a fair and transparent approach for all members.

## Legislation

5. Member contributions under the 2015 Scheme are governed by the [Firefighters' Pension Scheme \(England\) Regulations 2014](#), as amended.
6. [Regulation 110\(1\)](#) sets out how the initial contribution rate is determined at the start of each scheme year and for mid-year joiners. The contribution band is based on the **annual pensionable pay in the pay period in which 1 April falls**, or for mid-year joiners, the **annual pensionable pay at commencement**.
7. [Regulation 110\(5\)](#) permits a change to the contribution band **only** where:
  - there is a **change in scheme employment**; or
  - there is a **material change** affecting pensionable pay; **and**
  - this results in the revised pensionable pay falling into a different contribution band.
8. Legal advice confirms that:
  - [Regulation 110\(5\)](#) **does not apply** when a member **leaves employment**.
  - [Regulation 110\(5\)](#) is **prescriptive** and provides **no discretion** to re-band outside the specific circumstances listed.
  - There is no power elsewhere in [Regulation 110](#) to retrospectively re-band based on actual annual earnings where there has been **no change in scheme employment or any material change**.

- Mid-year joiners should have their earnings **annualised**, rather than assessed based on part-year pay.
- Scheme managers **must** apply the regulations as drafted. Guidance cannot create a discretion where one does not exist.

## Overview of the New Contribution Structure

9. From 1 April 2026, member contributions will be based on actual pensionable earnings. The bandings and rates for scheme year 2026/27 are set out in the table below:

Band	Annual pensionable pay	Contribution rate
1	Up to £36,130	11.09%
2	£36,131 to £45,407	12.59%
3	£45,408 to £66,908	14.09%
4	£66,909 to £190,691	15.59%
5	£190,692 or more	17.09%

10. From 1 April 2027, these thresholds will be updated each year in accordance with the annual increase in the Consumer Prices Index (CPI) for the 12-month period ending the previous September.
11. In circumstances where the September CPI rate is nil or a negative figure then bandings for the following scheme year remain unchanged.

## Determining Contribution Bands

### Annual Assessment (1 April)

12. [Regulation 110\(1\)](#) states that an active member must pay contributions based on the *annual pensionable pay they are receiving in the pay period in which 1 April falls*. In practice, this means that the contribution band for the year is determined using the pensionable pay earned in the pay period that includes 1 April.
13. Pensionable pay includes all components classed as pensionable under [Regulation 17](#), including pensionable allowances.
14. Each firefighter employment must be banded **separately** where a member holds multiple roles.

15. To apply this correctly the following approach should be used:

**1. Identify the pay period that includes 1 April**

This will depend on the FRA's payroll cycle:

- **Monthly payroll:** the April pay period
- **Four-weekly payroll:** the pay period that covers 1 April

**2. Take the pensionable pay earned in that pay period**

Use the actual pensionable pay for that specific period.

**3. Annualise the figure**

To convert the pay for that period into an annual amount:

- **Monthly payroll:** multiply the April pensionable pay by **12**
- **Four-weekly payroll:** multiply the pensionable pay for that period by **13**

This gives you the **annual pensionable pay** required by the regulation.

**4. Use the annualised figure to determine the contribution band**

Once annualised, this figure should be compared against the contribution table to identify the correct band for the member for that scheme year.

### Mid-Year Joiners

16. [Regulation 110\(1\)](#) states that for active members whose membership commences after 1 April the contribution band is determined by *the annual pensionable pay the member receives at the commencement of that membership*. This means the contribution band for the remainder of the scheme year is determined using the pensionable pay earned in that pay period.

17. To apply this correctly, the following approach should be used:

**1. Identify the first pay period in which the member joins the scheme**

This is the pay period that contains their start date, regardless of whether they joined at the beginning, middle, or end of that period.

**2. Take the pensionable pay earned in that pay period**

Use the actual pensionable pay the member receives in that first period.

**3. Annualise the pensionable pay**

To convert the pay for that period into an annual figure:

- **Monthly payroll:** multiply the pensionable pay by **12**
- **Four-weekly payroll:** multiply the pensionable pay by **13**

This annualised figure is then used to determine the correct contribution band.

**4. If the member joins mid-pay-period**

Where the member has not received a full period's worth of pensionable pay (for example, they joined partway through the month or four-week cycle), the pay must first be **grossed up** to reflect what they would have earned for a full pay period.

This ensures the annualised figure is a **true and fair reflection** of their pensionable earnings and avoids placing the member in an incorrect contribution band.

**Example:**

If a member joins halfway through a monthly pay period and earns £1,000 for that half-month, you should first gross this up to a full month (£2,000), then multiply by 12 (or 13 for four-weekly pay periods) to determine the annual pensionable pay (£24,000).

**5. Determine the contribution band**

Once the annualised figure is calculated, compare it to the contribution table to identify the correct band for the member.

**Mid-Year Leavers**

18. Legal advice confirms that Regulation 110(5) does not permit re-banding on leaving employment.
19. Therefore:
  - the band must **not** be adjusted when a member leaves;
  - contributions continue at the existing rate until the final day of service.

**Scheme Employment and Material Changes During the Year**

20. A contribution band must be changed during the scheme year where:
  - there is a **change in scheme employment** or
  - there is a **material change** affecting pensionable pay.
21. In accordance with the consultation response a material change must:
  - be **permanent or expected to continue**; and
  - move the member's actual pensionable pay **into a different band**.
22. Examples of scheme employment and material changes may include, but are not limited to:
  - Moving from wholetime to RDS
  - Moving from RDS to wholetime
  - Changes to contracted hours
  - Changes in availability for RDS firefighters
  - Promotion
  - Demotion
  - Introduction or removal of pensionable allowances
  - Pay increases i.e. changes to competent rate of pay (Trainee - Development – Competent) and pay awards.
23. Temporary fluctuations — such as increased callout rates for RDS Firefighters — do **not** trigger re-banding alone.

## Backpay

24. When determining a member's contribution band, it is important to distinguish between **backpay**, and the **material change** that gave rise to it.
25. A **material change** is what triggers a reassessment of the member's contribution band. The **backpay itself does not trigger a band change**.

## Regulatory Position and Scheme Manager Discretion

26. Following legal advice, it is recognised that the regulations are **not prescriptive** on how retrospective pay awards that trigger a contribution re-banding should be applied. Regulation 110(5) requires the contribution rate to be reviewed where there is a **change in scheme employment**, or a **material change** in the member's pensionable pay. The wording of this provision provides an element of **scheme manager discretion**, allowing each FRA to determine how re-banding should be applied in cases involving backdated pay awards.
27. Accordingly, it is for **each FRA**, acting as scheme manager, to determine the approach it will adopt when applying a revised contribution band following a **backdated pay award**. Two approaches are considered permissible under the regulations:

### **Approach 1: Apply the New Band from the Effective Date of the Material Change (Retrospective Application)**

Under this approach, the FRA applies the revised contribution band **from the effective date of the underlying change**, even if payment is made retrospectively.

#### **Example:**

A pay award is announced in **November** but applied **retroactively to 1 July**:

- The new contribution band would apply **going forward from November**, and
- It would also apply **retrospectively** to the pensionable pay **actually received** in each pay period from **July to October**.

This ensures the member's contribution rate aligns with their pensionable pay for the full period to which the pay award relates.

### **Approach 2: Apply the New Band Only to the Pay Period in Which the Backdated Amount Is Paid (Prospective Application)**

Alternatively, the regulations do not prevent an FRA from applying the new band **only from the pay period in which the backdated pensionable pay is paid**, and to all future pay periods.

Continuing with the previous the example:

The FRA could reassess the member's contribution band based on their **November pensionable pay**, which includes both the **arrears back to July** and the **ongoing rate** from November onwards.

Under this approach, although the arrears are included in November's pensionable pay when assessing the band, the contribution rate is **not applied retrospectively** to the amounts paid between **July and October**.

This approach is administratively simpler but does not re-band the member for the earlier months to which the pay award related.

### **How to Apply This in Practice**

1. Regardless of which approach an FRA adopts, the following principles always apply:
  - A **change in scheme employment** or a **material change** in pensionable pay triggers a contribution band review.
  - If the change takes effect **retrospectively**, and this results in **backpay**, the backpay itself is **not** treated as new pensionable pay for banding purposes; it is simply the arrears owed because the change was applied late.
  - The revised contribution band must be set by reference to the member's **ongoing annual pensionable pay** following the change, not the lump-sum arrears.
2. The FRA should adopt a **consistent policy position** and apply it uniformly.

### **Sickness, Injury and Child-Related Leave**

18. In accordance with [regulation 110\(7\)](#) any reduction in pensionable pay which arises as a consequence of any of the following circumstances is to be disregarded—
  - the actual or assumed enjoyment by the member of any statutory entitlement during any period away from work;
  - child-related leave;
  - leave of absence with permission;
  - sick leave;
  - leave due to injury;
  - reserve forces service leave;
  - absence due to a trade dispute; or
  - circumstances specified by the scheme manager in a particular case.

[FRA NAME]

## Policy on Determining and Reviewing Member Contribution Bandings

### Firefighters' Pension Scheme 2015 (England)

Effective from 1 April 2026

#### 1. Purpose

- 1.1 This policy sets out how **[FRA Name]**, as Scheme Manager for the Firefighters' Pension Scheme 2015 ("the 2015 Scheme"), will determine and review member contribution bandings in accordance with the [Firefighters' Pension Scheme \(England\) Regulations 2014](#) ("the Regulations"), as amended.
- 1.2 The purpose of this policy is to ensure a **consistent, transparent and legally compliant** approach to assigning and reviewing contribution rates, including the handling of mid-year changes, variable pay, and material changes.

#### 2. Scope

- 2.1 This policy applies to:
  - All active members of the 2015 scheme (wholetime, part-time, and RDS)
- 2.2 This policy does **not** apply to deferred or pensioner members.

#### 3. Legislative Framework

- 3.1 Contribution rates are governed by [Regulation 110](#) of the Firefighters' Pension Scheme (England) Regulations 2014.
- 3.2 [Regulation 110\(1\)](#) requires that the member's contribution rate is determined based on the **annual pensionable pay received in the pay period in which 1 April falls**, or for members joining after 1 April, the **annual pensionable pay at commencement**.
- 3.3 [Regulation 110\(5\)](#) permits re-banding only where:
  - there is a **change in scheme employment**, or
  - a **material change** that affects pensionable pay,
  - and this results in the revised pensionable pay falling into a different band.

#### 4. Contribution Bands

- 4.1 From 1 April 2026, contribution rates are determined by **actual pensionable earnings**:

Band	Annual Pensionable Pay	Rate
1	Up to £36,130	11.09%
2	£36,131 – £45,407	12.59%
3	£45,408 – £66,908	14.09%
4	£66,909 – £190,691	15.59%
5	£190,692 or more	17.09%

From 1 April 2027, thresholds will increase annually in line with **September CPI**.

## 5. Determining Contribution Bandings

### 5.1 Annual Assessment (required by [Regulation 110\(1\)](#))

5.1.1 On 1 April each year, **[FRA Name]** will determine each active member's contribution band based on the **pensionable pay received in the pay period containing 1 April**, converted to an annual pensionable pay figure.

5.1.2 Annualisation will be applied as follows:

- **Monthly payroll:** pensionable pay for April × 12 *[Delete appropriately]*
- **Four-weekly payroll:** pensionable pay for the period × 13 *[Delete appropriately]*
- **If not a full period:** pensionable pay will be grossed up to a full period before annualising.

5.1.3 Each employment will be assessed **independently** for members holding multiple firefighter roles.

### 5.2 Mid-Year Joiners

5.2.1 The band will be determined based on the **annual pensionable pay the member receives in the pay period containing their start date**.

5.2.2 If the member joins mid-period, pensionable pay will first be **grossed up** to reflect a full pay period, then annualised.

### 5.3 Mid-Year Leavers

5.3.1 Contribution bands **will not** be reassessed when a member leaves.

5.3.2 Contributions will continue at the existing rate until the final day of employment.

## 6. Review of Contribution Bandings During the Year

### 6.1 When a Review is Required

6.1.1 Under [Regulation 110\(5\)](#), a review must occur when:

- there is a **change in scheme employment**, or
- a **material change** affecting pensionable pay,

- and the revised pay places the member into a different contribution band.

## 6.2 What counts as a “material change”

Material change **includes**, but is not limited to:

- Permanent promotion or demotion
- Change in role (e.g., WT ↔ RDS)
- Permanent change to contracted hours
- Permanent change in availability for RDS
- Introduction or removal of pensionable allowances
- Competence-based salary progression
- Pay awards that increase the ongoing rate of pensionable pay.

Material change **does not include**:

- Extra RDS calls
- One-off payments
- Backpay lump sums
- Temporary change to duties
- Short-term alterations unlikely to continue.

## 6.3 Effective date of re-banding

*[Approach 1 Conditional paragraph – delete appropriately]*

6.3.1 **[FRA Name]** will apply the revised contribution band **from the effective date of the material change**, regardless of when the change is processed or when any associated backpay is paid.

6.3.2 Where a pay award or other material change is announced after the fact but is **retrospectively effective**, **[FRA Name]** will:

- apply the new contribution band **prospectively** from the date the change is processed; and
- apply the new contribution band **retrospectively** to pensionable pay actually received in each pay period **from the effective date of the change to the date it was processed.**]

*[Approach 2 Conditional paragraph – delete appropriately]*

6.3.1 **[FRA Name]** will apply the revised contribution band only **from the pay period in which the material change is received and backdated pensionable pay is paid**, and to all future pay periods.

6.3.2 Where a pay award or other material change is announced after the fact but is **retrospectively effective**, **[FRA Name]** will:

- reassess the member’s contribution band using the pensionable pay figure from the pay period in which the arrears are paid; and
- apply the revised band **prospectively only**, with no adjustment to contribution rates already deducted in earlier periods.]

## 7. Sickness, Injury and Child-Related Leave

7.1 Under [Regulation 110\(7\)](#), reductions in pensionable pay caused by:

- statutory leave
  - sickness
  - injury
  - child-related leave
  - trade dispute
  - permitted absence
  - reserve forces leave
  - or any other reason determined by the Scheme Manager
- must be **disregarded** for contribution banding purposes.

## 8. Record Keeping and Audit

8.1 **[FRA Name]** will maintain clear records of:

- all banding determinations
- annualisation calculations
- evidence for material change assessments
- dates and reasons for re-banding
- communications issued to members

8.2 Records will be retained in accordance with FRA data retention schedules and pension governance requirements.

## 9. Communication with Members

9.1 Members will be informed in writing of:

- their contribution band each April
- any mid-year re-banding triggered by a material change
- the effective date of the change
- the reason for the adjustment

## 10. Review of This Policy

10.1 This policy will be reviewed:

- annually;
- upon regulatory amendment; or
- where legal advice, LGA or MHCLG guidance necessitates changes.