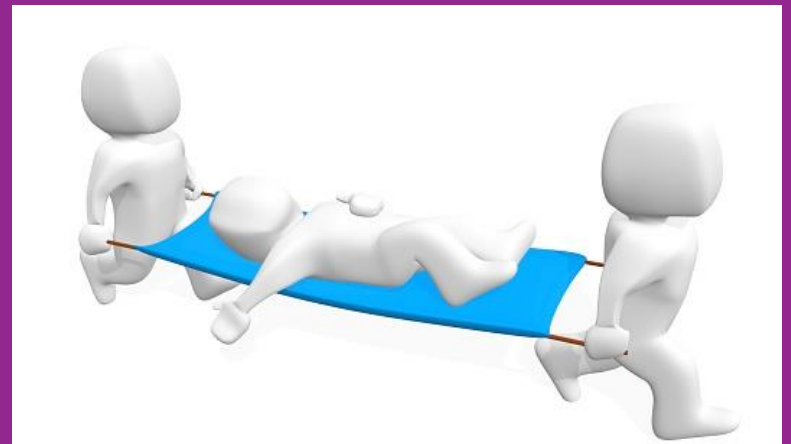


# One-pot III-Health and Death Recap

**Clair Alcock**



# 9 different types of ill-health

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

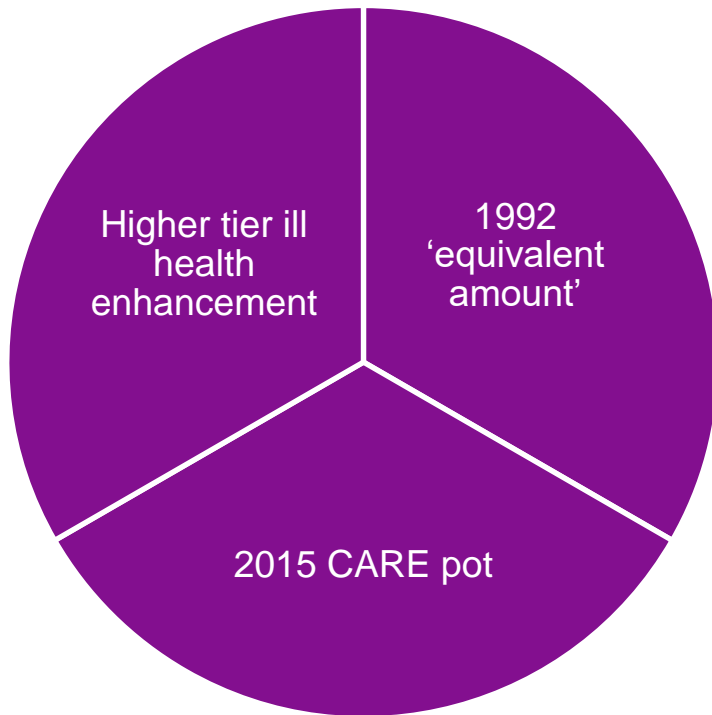
# Certificates

	FPS 1992	FPS 2006	FPS 2015
Cert A (Active)	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>
Cert B (Deferred)	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>
Cert C (Review on new evidence)	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>
Cert D (Periodic review of ill-health)	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>
Cert E (Periodic review of deferred ill-health)	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>	<u>Clean</u> , <u>marked</u> and <u>notes</u>

# III-Health - Eligibility

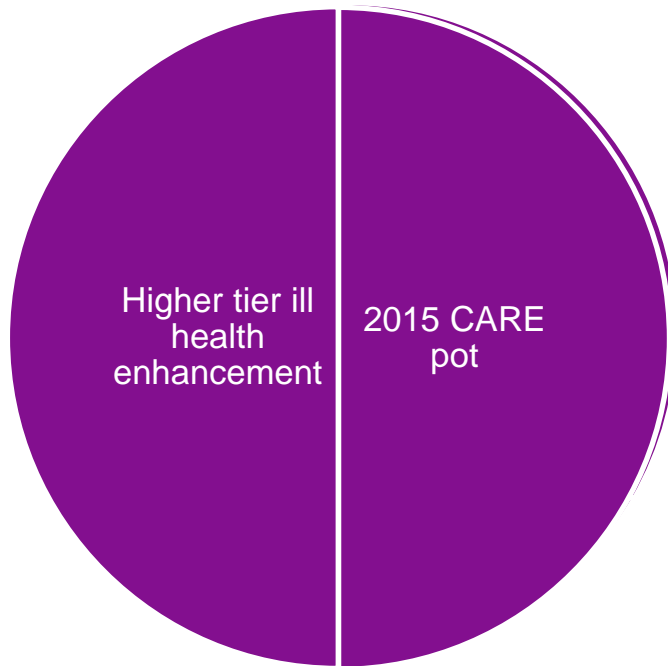
	FPS 1992 [Part B]	FPS 2006 Standard and Special Members [Part 3, Para 2]	FPS 2015 [Part 6]
Lower Tier	Where the firefighter is <u>capable</u> of undertaking regular employment [Rule B3, para 3]	Leaves employment by reason of permanent disablement [Sub-Para 2 (1)]	In opinion of IQMP member is incapable of performing duties of the role [65(1a)]
Higher Tier	Where the firefighter is <u>incapable</u> <b>at the time of assessment</b> of undertaking regular employment [B3, para 4]	Where the firefighter is <u>incapable</u> of undertaking regular employment [Part 3, para 2 (3c)]	in the opinion of an IQMP the member is permanently incapable of undertaking regular employment [65 (2a)]
Permanency	Whether the disablement will continue to <b>normal retirement age</b> [A10 (1A)]	Whether the disablement will continue to normal retirement age [Part 1, Para 3 (3)]	Incapacity will continue until <b>normal pension age</b> [65 (1a)]

## One-pot = all paid from 2015 scheme



- Ill Health – [Rule 65](#) (amended by [transitional regs](#) and [amendment regs](#))

## Member reaches normal retirement age (i.e first of 30 years service or age 55 in 1992 scheme)



## Equivalent Amount

Part 4 of Schedule 2, deferred pension.

$B \times C \div D$

Where

B = Notional Pension

C = Period in years of pensionable service

D = Period in years of notional service



[\[65\(4b\)\]](#) confirms the equivalent amount is calculated under rule B3 of the 1992 regulations (ill health awards).



[Rule B3](#) confirms that ill health pension is calculated in accordance with Paragraph 2 of Part 3, schedule 2



Ill health therefore calculated in line with Part 4 of Schedule 2, deferred pension.

# The member

## The member

Sarah joined the scheme on 1<sup>st</sup> October 1998 and retires from ill-health on 27<sup>th</sup> October 2022.

Sarah was born on 28<sup>th</sup> August 1973 and would have reached age 55 (27<sup>th</sup> August 2028) before completing 30 years.

Sarah transitioned into the 2015 scheme on 1<sup>st</sup> April 2022, after having completed 23 years 182 days service.

At 27<sup>th</sup> October 2022, Sarah would have 10 years 304 days service until age 60

## The formula

$$B = \quad \mathbf{\pounds 26542.47}$$

$$[39 \frac{297}{365}] \div 60 \times \pounds 40,000]$$

$$C = \quad 23 \text{ years } 182 \text{ days}$$

$$D = \quad 29 \text{ years } 331 \text{ days}$$

$$B \times C \div D$$

$$\mathbf{\text{Total} = \pounds 20,855.14}$$

$$(26,542.47) \times (23 \frac{182}{365} \div 29 \frac{331}{365})$$



# CARE Pot

Date from	Date to	Account Balance	Reval rate	Opening Balance	Actual Pay	Pension Build Up	Closing Balance
01/04/2022	27/10/2022	£0.00		£0.00	£23,333 <sup>1</sup>	£390.84	<b>£390.84</b>

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1. Annual salary is £40,000

## III Health Retirement - Enhancement

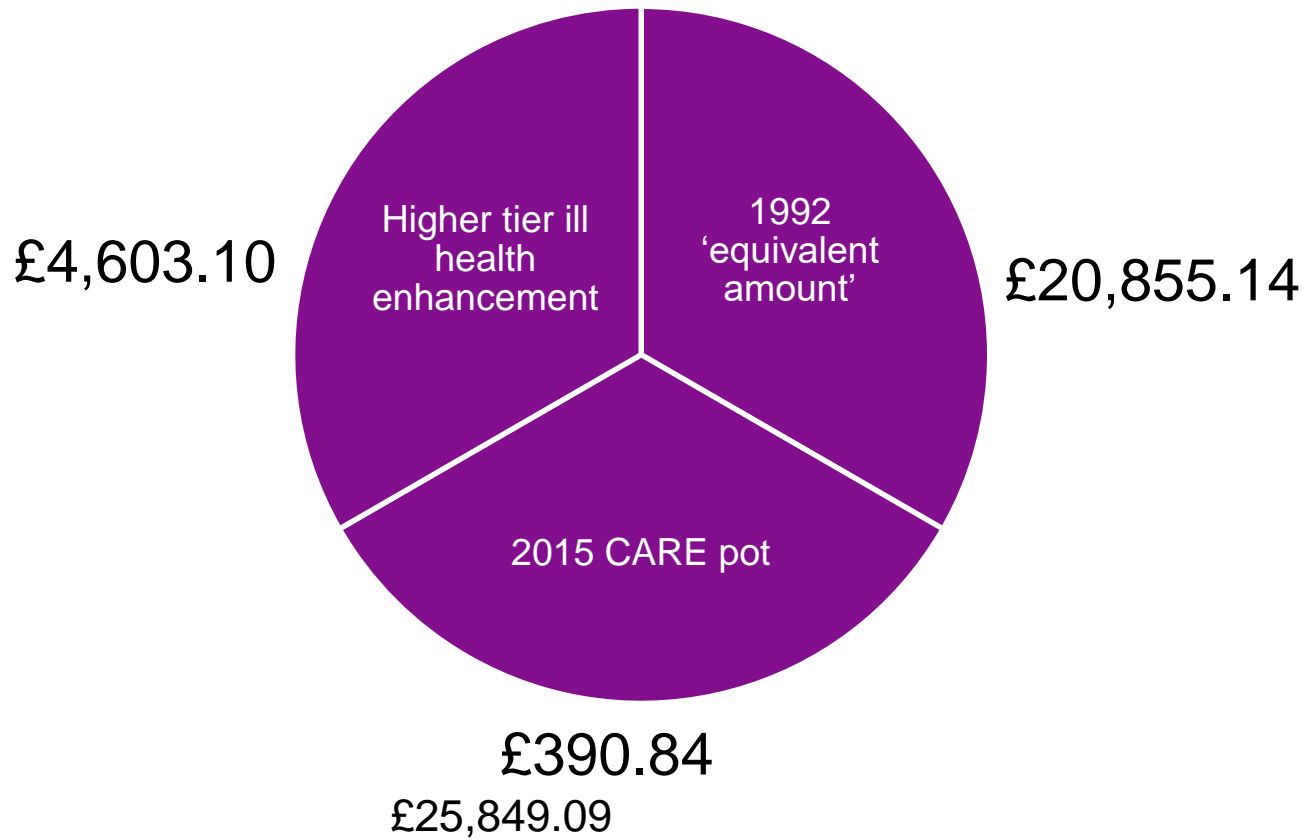
### Lower tier ill health

- Immediate pension calculated as for ordinary retirement without addition to pensionable service, or reduction for early payment.
- £20,855.14 + £390,84 =  
£21,245.98

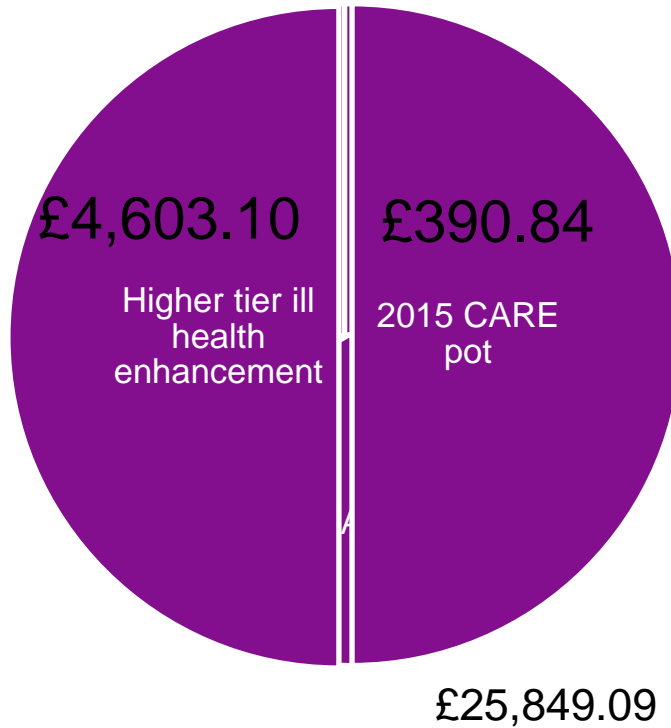
### Higher tier ill health

- Enhancement based on 2% of lower tier ill health pension x service to NPA.
- $(£21,245.98 \times 10^{304/365}) \times 2\% =$   
£4,603.10

## Total Ill Health Pension – One Pot



## At Normal Pension Age



# Funding

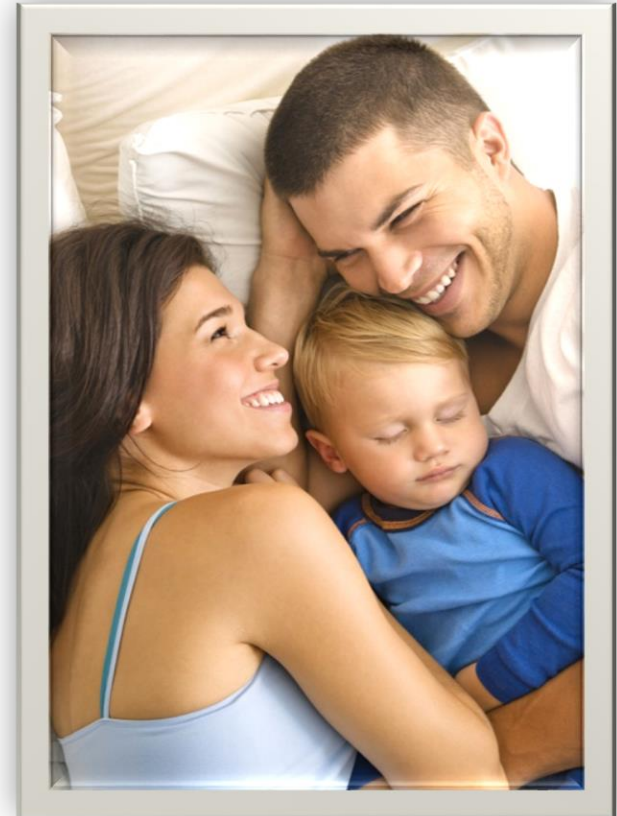
	FPS 1992 [Part LA2]	FPS 2006 Standard and Special Members [Part 13]	FPS 2015 [Part 9]
Payments into FPF	LA2	Part 13, Para 2	Regulation 123
Lower Tier III-Health charge [2 times pensionable pay]	LA2 (4)	Part 13, Para 2 (5)	Regulation 123 (c)
Higher Tier III-Health charge [4 times pensionable pay]	LA2 (3)	Part 13, Para 2 (4)	Regulation 123 (b)

**Finance Guidance dated August 2006**

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# Pensions for Survivors

- Spouse
- Civil Partner
- Co-habiting partner
- Wide age disparity clause
- Children's pension



# Types of member

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

## One-pot Death

- If a person dies in service in the 2015 scheme, even if they have transitional benefits in the 1992 scheme, the entitlement to a pension is as per the 2015 scheme rules [Rule 78](#).
  - This means that a cohabiting partner will still be entitled to half of the equivalent 1992 pension as well as the 2015 portion.
-



# Survivor Pension - Regulations

	FPS 1992 [Part C]	FPS 2006 Standard and Special Members [Part 4]	FPS 2015 [Part 6]
Entitlement	Surviving Spouse or Civil Partner [Rule C1]	Spouse, Civil Partner or Nominated Partner [Part 4, Para 1 (1)]	Spouse, Civil Partner or Co-habitee [76]
Death In Service	Half of higher tier ill health [C1(1)(a)] [Part 1 Schedule 3 (1) (2a)]	Half higher tier [Part 4, Para 2 (1a)]	Half higher tier (payable under regulation 65(2)) [78(3)]
Death In Retirement	Half of pension in payment disregarding commutation [Part 1, Schedule 3 (1) (2)]	Half of pension payable to member on death, accounting for any commutation but as if there had been no actuarial reduction [Part 4 , Para 2]	Half of pension payable to member on death accounting for any commutation but as if there had been no actuarial reduction [80(3)]

# Lump Sum – Regulations

	FPS 1992 [Part E]	FPS 2006 Standard and Special Members [Part 5]	FPS 2015 [Part 6, Chapter 4]
Death in Service lump sum?	2 x pensionable salary [E1(3)]	<b>Standard Members</b> - 3 x pensionable salary [Part 5, Para 1 (2)]  <b>Special Members</b> 2 x pensionable salary [Part 5, Para 1 (2A)]	3 x pensionable salary [96(2)]
Death in deferment lump sum?	No	No	No
Death on pension lump sum?	No	5 x pension less that already paid [Part 5 Para 2 (1)]	5 x pension less that already paid [97(3)]
Death grant paid to?	Spouse/Civil Partner or to estate [E1 (4)]	FRA discretion [Part 5, Para 1 (10)]	FRA discretion [95]

# Other regulations that may apply

	FPS 1992 [Part C]	FPS 2006 Standard and Special Members [Part 4, Chapter 1]	FPS 2015 [Part 6, Chapter 2]
Wide age disparity	Not applicable	Reduced by the lower of 50% of pension or a reduction of 2.5 per cent for each year by which the deceased's age exceeds, by more than twelve years, that of the survivor [[2.5 * (N – 12) %] where N = the number of whole years the surviving partner is younger than the member] [Part 4, Para 3]	Reduced by the lower of 50% of pension or a reduction of 2.5 per cent for each year by which the deceased's age exceeds, by more than twelve years, that of the survivor [[2.5 * (N – 12) %] where N = the number of whole years the surviving partner is younger than the member] [82]
Post-retirement marriage	[C5 (2)]	Not applicable	Not applicable

# Disclaimer

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  - **Readers should take their own legal advice on the interpretation of any particular piece of legislation.**
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# Thank you for listening

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