

Retained settlement: Special Pensioner Member

Individual Statement of Details

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| **Personal details:** | |
| Full name |  |
| National Insurance Number |  |
| Payroll Number |  |
| Date of birth |  |
| Date of leaving | **Line 158** |
| Date you became a member of the FPS 2006 (where applicable) |  |
| Confirmed member of 1992 |  |
| Date of calculation and date interest calculated to | **Line 36** |

To allow you to make an informed choice with regards to your Retained Firefighters pension – Second options exercise (2023). The figures illustrated in the tables below show your benefit options and associated costs for the period you can purchase under this exercise. A summary of the benefits and costs are provided on page 2 with further details being provided in the subsequent pages.

You should read this statement of details alongside your [RDS Employee informal guidance (fpsregs.org)](https://lgadigital.sharepoint.com/sites/Pensions/Fire/FPS%202006%20special%20members/Template%20statements/RDS%20Employee%20informal%20guidance%20(fpsregs.org)), to help you understand your benefits options and costs. This guide can be found at <https://www.fpsregs.org/images/RDS/second-options-exercise/RDS-Employee-informal-guidance-v-1.4.pdf>)

It is important that you read them together so that you understand your options should you chose to purchase service.

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| **Benefits relating to second options exercise:** | | | |
| Period which you may purchase | **Line 172 & Line 174** | | |
| **If no conversion of pension to lump sum:** | | | |
| Current estimated value of annual special pension | **£xxxxx per annum Line 575** | | |
| Total pension arrears due | £**xxxxx Line 411** | | |
| This is your annual special pension per annum being purchased. | | | |
| **If maximum conversion of pension to lump sum:** | | | |
| Maximum lump sum | | | **£xxxxx Line** **388** |
| Current annual special pension | | | **£xxxxx Line 577** |
| **Total pension & lump sum arrears payment due** | | | **£xxxxx Line 407**  Interest included in this amount =  **£xxxxx** on backdated pension payments **Line 405**  + **£xxxxx** on commuted lump sum **Line 401** |
| **Total** **pension & lump sum arrears payment due to you *minus* contributions owed by you (detailed below)** | | | **£xxxxx Line 565 - (minus) £xxxxx Line 563 =**  **£xxxxx** |
| **The cost applicable to you:** | | | |
| Period of service that you may purchase  (XX/XX/XXXX to XX/XX/XXXX): | | **xx Year(s) xx days Line 573**  (Please note this is your pro-rated pension service and not your employment service) | |
| **Contributions Owed**  The amount of special pension contributions payable in respect of the period you are purchasing. | | **£xxxxx** (including tax relief and interest) **Line 258 or 563**  Interest on contributions = **£xxxxx** **Line 256**  Tax relief on contributions = **£xxxxx** **Line 254** | |
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| All contributions due must be paid within 6 months of your election. No pension payment can be made until this has been paid. You can elect to pay the contributions from any pension/lump sum arrears due to you, however, if there is still a balance remaining after this, this must be paid before your pension can be put into payment. | | | |

Interest amounts are subject to change, and these will increase once an actual election to proceed is received. Pension arrears and interest are subject to deductions for tax.

It is expected that you will not be able to claim income tax relief on your historic employee contributions from HMRC via established processes (PAYE or self-assessment). The contributions amount above include a reduction which reflects tax relief at the basic rate of income tax that applied in each year during the period(s) stated. If you can demonstrate that the highest rate of income tax that you paid in any of the years of during the period(s) stated was not the basic rate, then you should request a revised statement. If you elect to purchase the service and benefits above, then you will not be permitted to submit any claims to HMRC to seek further tax relief on any contributions paid.

You will need to be aware that as your pension arrears will be paid in a single tax year the amount of tax you pay will be determined by all your earnings in that year which could therefore result in you paying a higher rate of tax i.e. at 40% rather than your normal tax rate.

The LGA have explored with HMRC on whether there is an appropriate mechanism which would allow you to revisit the tax years in which your original pension payments should have been paid, and HMRC have confirmed that there is not.

The LGA continue their conversations with government on whether there is a willingness for them to explore a compensation mechanism which would allow affected members to be appropriately compensated for higher tax charges incurred due to receiving pension arrears in a single tax year. Further communication will be provided once more information is available.

Fire and Rescue Authorities can only provide a statement of cost and information about your options and cannot offer any financial advice. It is therefore your responsibility to seek independent financial advice as to how you proceed if you wish to do so.

## **Appendix A**

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| **Confirmed details of your retained employment:** | | | |
| **From** | **To** | **Fire Authority** | **Station** |
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| **Actual Pensionable Pay** | |
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| **Reference Pay** | |
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