Firefighters’ Pensions Year End

Contributions banding

The following factsheet reminds FRAs of the contribution rates that apply to 2018-19 as set out in the scheme regulations.

FPS 2015 Additional Pension purchase limit applicable for 2018/19

As detailed in bulletin 2, no determination under rule 2, (1)(b)(i) of schedule 1 was made by Treasury on the overall limit of extra pension for 2017-18, or subsequently 2018-19.

Paragraphs (1)(b)(ii) and (2)(a)&(b) confirm that the limit on the Additional Pension that can be purchased in the 2015 scheme is therefore increased on the 1 April for any scheme year beginning on or after 1st April 2016 as if it were a pension beginning on the first day of the previous scheme year to which the Pensions (Increase) Act 1971 applies.

The pensions increase due at 1 April 2018 is that from 10 April 2017 (since the 2018 PI date is the 9 April 2018) and so the Additional Pension limit has increased from £6,500 by 1% to £6,565 from 1 April 2018.

For completeness, the limit for 2017-18 remained at £6,500 as PI was 0% at the relevant date (11 April 2016).

Public Service Pension Indexation and Revaluation 2018

HM Treasury have issued a written statement confirming the Public Service Pension Indexation and Revaluation for 2018.

Public service pensions will be increased from 9 April 2018 by 3%, as set out in the Pension Increase (Review) Order 2018 [SI 2018/333] in line with the annual increase in the Consumer Prices Index up to September 2017.

FPS 2015 will use the figure of 3% as set out in the Public Service Pensions Revaluation Order 2018 [SI 2018/338] for the earnings element of revaluation for active members to be applied at one second after midnight on 31 March 2018.
HMRC limits applicable from 6 April 2018

The Finance Act 2004 (Standard Lifetime Allowance) Regulations 2018 have amended the Lifetime Allowance limit to £1,030,000 from the 6 April 2018.

The Annual Allowance limit as defined by the Finance Act 2004 (as amended) remains unchanged at £40,000 for 2018/19.

Automatic Enrolment Earnings Bands

Those employers who have already passed their staging date for the purposes of automatic enrolment under the Pensions Act 2008 or whose staging date will fall in 2018/19 will need to be aware of the earnings bands for 2018/19. These are contained in The Automatic Enrolment (Earnings Trigger and Qualifying Earnings Band) Order 2018 [SI 2018/367] and are reflected in the following tables. It should be noted that the earnings trigger for 2018/19 (£10,000) is the same as the earnings trigger for 2015/16, 2016/17 and 2017/18.

<table>
<thead>
<tr>
<th>2018/19</th>
<th>Age</th>
<th>16 - 21</th>
<th>22 - &lt;SPA*</th>
<th>SPA* - &lt;75</th>
</tr>
</thead>
<tbody>
<tr>
<td>Earnings**</td>
<td>Under lower earnings threshold (£6,032***</td>
<td>Entitled worker</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Between £6,032*** and £10,000</td>
<td>Non-eligible jobholder</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Over earnings trigger for automatic enrolment (£10,000)</td>
<td>Non-eligible jobholder</td>
<td>Eligible jobholder</td>
<td>Non-eligible jobholder</td>
</tr>
</tbody>
</table>

* State Pension Age

** Earnings: separate contracts treated separately

*** To align with National Insurance contributions lower earnings limit

Year End update 2018 26/03/2018