

Section 1: Personal details

Your full name and title:	Address lines 1 to 5 Postcode	Date of birth:	National Insurance number:
Partnership status: [See note 1]		Payroll number:	Your reference number:
Fire authority at 31 March 20XX: [note 2]		Date began employment:	Firefighters Pension Scheme 2015 start date: [note 3]
Firefighters Pension Scheme at 31 March 20XX: [note 4]			

Please note: The benefits calculated in this statement are based on the pensionable pay figures provided by your employer. It is important that you check these. If they are not correct, contact your employer. [notes 9 and 14]

Section 2: Summary of total benefits at 31 March 20XX

Your benefits built up to 31 March 20XX (as set out in sections 3 and 4)	Benefits paid if you die in service (at 31 March 20xx)	
Annual pension at 31 March 20XX: £ [note 5]	Death in service lump sum: £ [note 6]	Annual survivor's pension: £ [note 7]
Recorded beneficiaries: [note 8]		

Keep it safe! Remember – this statement contains personal information

Section 3: Career-average pension benefits as at 31 March 20XX

Pensionable pay for year ending 31 March 20XX: £
[note 9]

Please note: The benefits calculated in this section of the statement are based on the pensionable pay figures opposite. It is important that you check these and the pension 'build-up' on the line below and contact your employer by [DATE] if you think they may be incorrect.

Amount of pension built up in scheme year 20XX/XX

20XX/XX: Earned pension

Additional pension bought

Transfers in

Total

Pensionable pay x 1/59.7 = £

£ [note 10]

£ [note 11]

Total = £ [note 12]

Total career average pension to 31 March 20XX:

Opening balance at 1 April 20XX

+

Increase for the cost of living
(added 1 April 20XX)
£[note 13]

+

In-year build-up (as shown
above)
£

=

Closing balance at 31 March 20XX
£

Section 4: Value of [1992/2006/modified] pension benefits as at 31 March 20XX

Final salary pensionable pay:
£ [note 14]

Annual pension: £
[note 15]

Includes: LSI £ APBE [note 16]

Section 5: Estimates if you continue to contribute to the scheme until your normal retirement date

DD/MM/YYYY [note 17]

Pension at dd/mm/yyyy: £ [note 18]

Including estimated 2015 Scheme pension = £ [note 19]

and estimated [1992/2006/modified] Scheme pension to normal pension age [note 20]= £

Maximum lump sum:

£ [note 21]

Includes £final salary £career average

Possible survivor's yearly pension if you stay in the scheme to normal pension age: £ (including £XX from the 2015 Scheme and £XX from the [1992 / 2006 / Modified] Scheme) [note 22]

Section 6: Value of pension debits as at [note 23]

Divorce debit: £

Scheme Pays debit: £

Section 7: Annual allowance as at [note 24]

[Pension input](#) amount: £

Section 8: Lifetime allowance details as at [note 25]

Value of crystallised benefits: £

Section 9: Service history details [note 26]

Breakdown of your service history in this employment

{Note users of this template should pick one of the following paragraphs to use}

[Insert name] Fire Authority is a data controller under the General Data Protection Regulations. This means we store, hold and manage your personal information in line with Government requirements to help us manage your pension rights. To do this, we sometimes have to share your information with certain people or organisations, but will only do so in limited circumstances. For more information about how we hold your information, who we share it with and what rights you have to request information from us, please visit [\[link to online privacy notice\]](#).

[Administrator name] is a data processor under the General Data Protection Regulations and we handle your information as instructed by your fire authority. This means we store, hold and manage your personal information in line with Government requirements to help us to provide fire and rescue authorities, and you as members, with pension administration services. To allow us to carry out our pension administration service, your fire authority may ask us to share your information with certain people and organisations, but we will only do so in limited circumstances. For more details about how we hold your information, who we share it with and what rights you have to request information from the Fund (or similar), please visit [\[link to online privacy notice\]](#).

Notes to the statement

We have provided these notes to explain your annual benefit statement (ABS) 2019. They cannot cover every circumstance and, if there is a dispute relating to this statement, the appropriate law will apply. Example calculations are based on service up to 31 March 2018 and will be updated every two years.

The notes do not give you any rights under contract or by law.

1. [1]For the purposes of this statement, we have assumed your partnership status is 'married' or 'in a civil partnership'.

or

[2]Your partnership status reflects our current records. Your partner's pension will be calculated based on your partnership status at the date of your death.

Please see [Annex F](#) for more information on surviving partner pensions.

2. This is the fire and rescue authority who you were employed by at the date of this statement.
3. This is the date you joined or will join the 2015 Scheme.
4. This is the Firefighters Pension Scheme you are a member of at the date of this statement. If you are a [taper-protected](#) member and have not reached your taper date, you will join the Firefighters Pension Scheme 2015 on the date stated.
5. This is the total current value of your pension benefits in this employment if you left the scheme at the date of this statement, and which would be paid at the deferred pension age that applies to the scheme you are a member of at the date of this statement, as shown in the table in [Annex A](#).

This value may be adjusted for a number of reasons. Please see [Annex G](#) for more information.

6. The current value of the death in service lump sum has been based on the scheme you are a member of at the date of this benefit statement, as shown in the table in [Annex F](#).
7. This is the current value of survivor's benefits due if you die as an active member of the scheme at the date of this statement, based on your partnership status as set out in [Annex F](#).

Death in service survivor's pensions are paid at 50% of the higher-tier ill-health pension that would have been due. Please see [Annex F](#) for more information on death benefits.

8. These are the recorded beneficiaries as held on your record for 2006, Special Modified 2006 and 2015 Scheme members. (A recorded beneficiary is the person you have chosen to receive a survivor's pension if you die.) Members of the 1992 Scheme do not have the option to record a beneficiary, as a survivor's pension is not paid to a cohabiting partner under the 1992 Scheme rules.

Please see [Annex F](#) for more information on recording beneficiaries.

9. The pensionable pay should equal the amount of pay you have received and paid pension contributions on as a member of the 2015 Scheme during the scheme year. **[Please contact x if you have any questions about pay, including what is included in pensionable pay.]**
10. If you have chosen to buy added pension through additional contributions, this is the value of the additional pension benefits bought for the current scheme year.
11. This is the value of any benefits you opted to transfer into the 2015 Scheme from another pension provider during the scheme year.
12. This is the total value of 2015 pension built up in the scheme year.
13. Your 2015 Scheme pension is increased by a [revaluation order](#) each year on 1 April. This statement reflects the adjustment applied as a result of this order to your pension as at 31 March (closing balance).
14. The final salary pensionable pay used to calculate your final salary benefits is the full-time equivalent (FTE) pay as supplied by your authority for the 'Scheme Year' ending at the date of the statement.
[Please contact x if you have any questions about pay, including what is included in pensionable pay.]
15. The current value final salary pension is the pension that is due if you left the scheme at the date of your statement and would be paid at the deferred pension age, as shown in Annex A.

Please see [Annex A](#) for examples of how this has been calculated.
16. Your final salary pension may include an amount relating to long service increment (LSI) and additional pension benefit (APB).

Please see [Annex B](#) for more details on LSI and APB.
17. Your estimated pension is based on your NPA (normal pension age).

Please see [Annex C](#) for details on retiring from the scheme.
18. This is the total value of your estimated benefits at your [normal pension age](#), and may include both final salary and 2015 Scheme pension.

This value may be adjusted for the reasons listed in [Annex G](#).
19. The estimated value of the 2015 Scheme pension is calculated based on the 2015 pension built up to the date of your statement, plus your estimated service from that date to your normal pension age (age 60), multiplied by $1/59.7^{\text{th}}$ of your pensionable pay for the scheme year as shown.

If, at the date of your statement, you have not yet moved into the 2015 Scheme but will do so by your normal retirement age, the salary used to estimate your benefits is your current actual pay.

The value of this estimate does not include any adjustment for future revaluation under Treasury Revaluation Orders.

Please see [Annex D](#) for an example of how this is calculated.

20. This is the estimated value of your final salary pension (1992, 2006 or Special Modified 2006). See [Annex E](#) for more information.
21. You can exchange part of your pension (up to 25%) for a lump sum. Due to tax regulations, members of the 1992 Scheme (including protected, taper-protected and unprotected members) may choose to adjust the amount of lump sum that relates to their 1992 Scheme pension to avoid a tax charge or limit the amount of pension they exchange to the maximum tax-free amount available.

A [commutation factor](#) is applied to the part of the pension you give up to calculate the amount of the lump sum.

22. How the survivor's pension is calculated will depend on which pension scheme you were a member of at the date you retire.

A survivor's pension is normally paid if, when you die, you are married, have a civil partner or an eligible cohabiting partner (someone you live with who would be entitled to a survivor's pension).

See [Annex F](#) for more information.

23. At retirement your pension will be reduced by any pension debit in place. See [Annex G](#) for more details.
24. This is the estimated annual amount of [pension growth](#) during the [Pension Input Period](#). For the purposes of this statement this has been calculated using your pensionable pay at 31 March.

Tax may be due if your pension growth is either more than the standard annual allowance limit of £40,000 or more than your tapered annual allowance of between £10,000 and £40,000. Please see [Annex H](#) for more details.

25. This is the total amount of pension benefits you have built up at the statement date. If this is over £1 million, you may have to pay tax. Please note that any tax due is only payable at retirement. See [Annex H](#) for more details.
26. Service history details: It may not be possible to supply a full service history on this statement. If you have any questions about your service history, please contact < >.

Financial advice

Your fire authority and pension administrator cannot give you financial advice about the information contained in your annual benefit statement. If you need help to find an independent financial advisor, you can use the following link. www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser

Note on the regulations

The benefits in this statement have been calculated under the Firefighters Pension Scheme Regulations as at 31 March 2019.

These notes are an informal interpretation of the Firefighters Pension Scheme Regulations, as only a court can provide a definitive interpretation of the law.

Annex A – Notes on the current value of benefits at the date of this statement

This is the total current value of your pension benefits in this employment if you left the scheme at the date of the statement, and which would be paid at the deferred pension age, as set out in the table below.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	State Pension age

- **Final salary pension**

2006 Scheme (Standard and Special members)

Protected

The current value of benefits for the final salary 2006 Scheme is calculated based on service up to the date of the statement divided by an accrual rate, multiplied by your final pensionable pay. The table below lists the accrual rate that applies.

Taper-protected and unprotected members

The current value of your benefits for the final salary 2006 Scheme is calculated based on your service up until you joined the 2015 Scheme, divided by an accrual rate, multiplied by your final pensionable pay. The table below shows the accrual rate that applies.

	2006 Scheme (Standard member)	Special Modified 2006 (Special member)
Accrual rate	1/60th	1/45th

The examples below show how this is calculated.

- **Example A – 2006 Scheme final salary current value (protected members)**
- **Example B - 2006 Scheme final salary current value (tapered or unprotected members)**

Example A

2006 Scheme final salary current value (protected members)

Sam is a protected member of the 2006 Scheme, who joined the New Firefighters Pension Scheme on 6 April 2006 as part of the options exercise and converted six years of 1992 Scheme pension to a 2006 Scheme pension of four years.

Sam was born on 25 November 1960 and is a protected member, due to being 50 or over at 1 April 2012.

Annex A – Notes on the current value of benefits at the date of the statement

At the date of the statement, Sam has pensionable service of 15 years 360 days, with average pensionable pay of £31,686.

Calculation

The deferred pension calculated at the statement date will be as follows.

$$(\text{£}31,686 \div 60 \times 15 \text{ years } 360 \text{ days}) = \text{£}8442.37$$

Example B

2006 Scheme final salary current value (taper or unprotected members)

Jo is an unprotected member of the 2006 Scheme, who joined the New Firefighters Pension Scheme on 29 September 2008.

Jo was born on 4 April 1985 and is an unprotected member, and moved into the 2015 Scheme on 1 April 2015.

At the date of the statement, Jo has final salary pensionable service of 6 years 184 days (29 September 2008 to 31 March 2015), with average pensionable pay of £27,500.

Calculation

The deferred pension calculated at the statement date will be as follows.

$$(\text{£}27,500 \div 60 \times 6 \text{ years } 184 \text{ days}) = \text{£}2,981.05$$

1992 Scheme

If you are a member of the 1992 Scheme, your deferred pension is calculated as a proportion of the double accrual pension you would have expected at normal pension age, which is age 55 or at 30 years' service, whichever happens first, spread over years actually served. (See page 19 for more information about double accrual.)

$$\mathbf{B \times C \div D}$$

B = notional pension

C = period in years of pensionable service

D = period in years of notional service

Notional service and pension is the service and pension a firefighter would have expected to receive if they had not left the scheme. The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

Annex A – Notes on the current value of benefits at the date of this statement

The examples below show how this is calculated if you are a protected member or tapered or unprotected member.

- Example A – **1992 Scheme final salary current value (protected members)**
 - Example B – **1992 Scheme final salary current value (tapered or unprotected members)**
- Example)**

Example A

1992 Scheme final salary current value (protected members)

Jane is a protected member of the 1992 Scheme, who joined the Firefighters Pension Scheme on 31 July 1990.

Jane was born on 1 September 1966, and would expect to retire on 30 July 2020, having completed 30 years' service.

At 31 March 2018, Jane has completed 27 years and 244 days of service. Her final salary pensionable pay is £32,000.

Calculation

Her deferred pension calculated at 31 March 2018 will be as follows.

B = notional pension

As Jane will be able to complete 30 years' service before age 55, her notional pension will be 40/60ths x £32,000.

$$B = 40 \div 60 \times £32,000 = £21,333.33$$

C = Period of years of pensionable service to 31 March 2018

$$C = 27 \text{ years and } 244 \text{ days}$$

D = Period of years of notional service

$$D = 30 \text{ years}$$

$$(\text{£}21,333.33 \times 27 \text{ years } 244 \text{ days} \div 30 \text{ years}) = \text{£}19,675.37$$

Annex A - Notes on the current value of benefits at the date of this statement

Example B

1992 Scheme final salary current value (tapered or unprotected members)

The calculation for a taper-protected or unprotected member is the same formula as for a protected member. However, the period of years of pensionable service (C) is calculated to the date of joining the 2015 Scheme.

The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

Example

Ben is an unprotected member of the 1992 Scheme, who joined the Firefighters Pension Scheme on 1 December 1997.

Ben was born on 30 March 1972, and will retire on his 55th birthday (29 March 2027), having completed 29 years and 119 days.

His final salary pensionable pay is £42,000.

Calculation

His deferred pension calculated at the date of his statement will be as follows.

B = notional pension

The notional pension is calculated as the pension Ben would have received at age 55.

29 years 119 days service plus 9 years 119 days (double accrual) = 38 years 238 days ÷ 60ths.

$38 \text{ years } 238 \text{ days} \div 60 \times £42,000 = £27,056.44$

B = £27,056.44

C = Period of years of pensionable service in the 1992 Scheme (to 31 March 2015)

C = 17 years 121 days

D = Period of years of notional service

D = 29 years 119 days

$(£27,056.44 \times 17 \text{ years } 121 \text{ days} \div 29 \text{ years } 119 \text{ days}) = \mathbf{£15,990.19}$

Annex A - Notes on the current value of benefits at the statement date

- **Career-average pension**

2015 Scheme

The current value of your 2015 Scheme pension is your closing balance at the date of this statement.

This is calculated using the closing balance from your last year's statement, adding the increase for [revaluation](#) and adding the pension built up in the current scheme year.

Example

Pensionable pay

1 April 2015 to 31 March 2016 – £34,160

1 April 2016 to 31 March 2017 – £34,501.60

1 April 2017 to 31 March 2018 – £34,846.62

Current value 2015 Scheme pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£572.19 (£34,160 x 1 ÷ 59.7)	£572.19
1 April 2016 to 31 March 2017	£572.19	at 2% £11.44	£577.92 (£34,501.60 x 1 ÷ 59.7)	£1,161.55
1 April 2017 to 31 March 2018	£1,161.55	at 2.6% £30.20	£583.70 (£34,846.62 x 1 ÷ 59.7)	£1,775.45

Annex B – Notes on LSI and APB

- **Long service increment (LSI)**

LSI is calculated in line with the formula:

$$\frac{A + (B \times 2) \times \text{£}990}{60}$$

A is the number in years (counting part of a year as the appropriate fraction) by which the pensionable service up to and including 30 June 2007 is more than 15 but less than 20.

B is the number in years (counting part of a year as the appropriate fraction) by which the pensionable service up to and including 30 June 2007 is more than 20.

- **Additional pension benefit (APB)**

An additional pension benefit (APB) is paid where the fire and rescue authority decides that the benefits listed (a) to (d) below are pensionable.

The amount of APB is calculated by multiplying the pension contributions made on the APB payment by an age-related factor provided by the scheme actuary.

You can find more information and factors for APBs [here](#).

Additional pensionable payments

Plain English Campaign’s Crystal Mark does not apply to the text in quotation marks below.

“The Firefighters’ Pension Scheme (England Only) Regulations, Part B, Rule B5C, paragraph 5 lists the benefits pensionable under an APB as below -

<http://www.legislation.gov.uk/ukxi/2013/1392/schedule/paragraph/2/made>

a) any allowance or supplement to reward additional skills and responsibilities that are applied and maintained outside the requirements of the firefighter’s duties under the contract of employment but are within the wider functions of the job;

(b) the amount (if any) paid in respect of a firefighter’s continual professional development;

(c) the difference between the firefighter’s basic pay in their day to day role and any pay received whilst on temporary promotion or where he is temporarily required to undertake the duties of a higher role;

(d) any performance related payment which is not consolidated into his standard pay.”

Example

A member of the 1992 Scheme is age 50 on 1 July 2019. The relevant age-related factor is 21.1. The APB in the year to 30 June 2019 attracts pension contributions of £150. The additional benefit is calculated as £150 ÷ 21.1 = £7.11 per year.

Annex C – Notes on retiring from the scheme

- **Normal retirement**

Entitlement to benefits is from normal pension age:

1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Age 55, or 30 years' service, whichever happens first	60	55	60

1992 taper-protected or unprotected members

Taper-protected or unprotected members with benefits built up in the 1992 Scheme can retire and take their 1992 pension at the retirement age for the 1992 Scheme. The earliest age you could retire is 50 (with 25 years' service).

- **Early retirement**

The minimum pension age for taking the 2015 Scheme pension is age 55.

If you take your 2015 Scheme pension earlier than your normal pension age, an early retirement factor will apply – see the box below.

Active factors

If you choose to retire and take your benefits from the 1992 Scheme at the age of 55 or over, you can draw the 2015 Scheme pension early. A reduction factor depending on your age (as in the table below) will be applied to the value of your 2015 Scheme pension at the date you want to retire.

	Age 55	Age 56	Age 57	Age 58	Age 59
England	21.3%	17.7%	13.7%	9.5%	4.9%
Wales	9.8%	8.1%	6.2%	4.3%	2.2%
Scotland	10.2%	8.4%	6.5%	4.5%	2.3%

Or, you can retire and take your benefits from the 1992 Scheme and defer payment of your 2015 Scheme pension until your [State Pension age](#), when it would be paid unreduced.

Deferred factors

If you choose to retire and withdraw your benefits from the 1992 Scheme before age 55, the 2015 pension benefits are deferred to your State Pension age and paid at an unreduced rate. However, you can draw your deferred benefits early, from age 55. A reduction factor depending on your age (as in the table below) will be applied to the value of your 2015 Scheme pension at the date you want to retire.

	Age 55	Age 56	Age 57	Age 58	Age 59
England	46.6%	44.1%	41.5%	38.7%	35.7%
Wales	46.6%	44.1%	41.5%	38.7%	35.7%
Scotland	47.9%	45.4%	42.8%	40%	36.9%

Annex D – Notes on calculating the estimated value of the 2015 Scheme Pension at retirement

2015 Scheme – estimated pension

The estimated value of the 2015 Scheme pension is calculated based on the 2015 pension built up to the date of your statement, plus your estimated service from that date to your normal pension age (age 60), multiplied by the 2015 Scheme pay, multiplied by $1/59.7^{\text{th}}$ of your pensionable pay for the [scheme year](#).

If, at the date of your statement, you have not yet moved into the 2015 Scheme but will do so by your normal retirement age, the salary used to estimate your benefits is your current actual pay.

The value of this estimate does not include any adjustment for future revaluation under Treasury Revaluation Orders.

The three examples below show how this would be calculated at different dates of joining the scheme.

- Example A – Unprotected member who joined the scheme at 1 April 2015
- Example B – Taper-protected member who hasn't yet joined the 2015 Scheme but will do so in the future
- Example C – Taper-protected member who joined the scheme during the scheme year

Example A – Unprotected member who joined the scheme at 1 April 2015

Sarah's date of birth is 25 May 1972. Sarah moved into the 2015 Scheme as an unprotected member on 1 April 2015 and will reach normal pension age (age 60) on 25 May 2032.

Pensionable pay

1 April 2015 to 31 March 2016 – £34,160
1 April 2016 to 31 March 2017 – £34,501.60
1 April 2017 to 31 March 2018 – £34,846.62

Current value 2015 Scheme Pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£572.19 (£34,160 x $1 \div 59.7$)	£572.19
1 April 2016 to 31 March 2017	£572.19	at 2% £11.44	£577.92 (£34,501.60 x $1 \div 59.7$)	£1,161.55
1 April 2017 to 31 March 2018	£1,161.55	at 2.6% £30.20	£583.70 (£34,846.62 x $1 \div 59.7$)	£1,775.45

Estimated projection to normal retirement age (60)

Service from 1 April 2018 to 24 May 2032 (last day of service) of 14 years and 54 days multiplied by £34,846.62 x $1 \div 59.7$, equals a total estimated pension of **£8,258.09**.

Total estimated 2015 Scheme pension at normal retirement age

Current value (£1,775.45) plus estimated projection (£8,258.09) = **£10,033.54**

Annex D – Notes on calculating the estimated value of the 2015 Scheme pension at retirement

Example B – Taper-protected member who hasn't yet joined the 2015 Scheme but will do so in the future

Gary is a taper-protected member, whose date of birth is 15 July 1969. He will move into the 2015 Scheme on 23 April 2018. Gary will reach normal pension age (age 60) on 15 July 2029.

Gary's current actual pay at the date of the statement is £29,345.

His service from 23 April 2018 to 14 July 2029 (last day of service) is 11 years and 83 days.

His estimated 2015 Scheme pension is calculated as $£29,345 \times 1 \div 59.7$ multiplied by 11 years 83 days. This equals a total estimated pension of **£5,518.73**

Example C – Taper-protected member who joined the scheme during the scheme year

Mo is a taper-protected member, whose date of birth is 22 January 1971. He will move into the 2015 Scheme on 6th September 2015. Mo will reach normal pension age (age 60) on 22 January 2031.

Pensionable pay

Mo's current actual pay at the date of his statement is £31,815.90.

6 September 2015 to 31 March 2016 ($207 \div 365 \times £31,189$) = **£17,688.01**

1 April 2016 to 31 March 2017 – **£31,500.89**

1 April 2017 to 31 March 2018 – **£31,815.90**

Current value 2015 Scheme pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
6 September 2015 to 31 March 2016	£0.00	£0.00	£296.28 (£17,688.01 x 1 ÷ 59.7)	£296.28
1 April 2016 to 31 March 2017	£296.28	at 2% £5.93	£527.65 (£31,500.89 x 1 ÷ 59.7)	£829.86
1 April 2017 to 31 March 2018	£829.86	at 2.6% £21.58	£532.93 (£31,815.90 x 1 ÷ 59.7)	£1,384.37

Estimated projection to normal retirement age (60)

Service from 1 April 2018 to 21 January 2031 (last day of service) of 12 years and 296 days multiplied by $£31,815.90 \times 1 \div 59.7$, equals a total estimated pension of **£6,827.34**.

Total estimated 2015 Scheme pension at normal retirement age

Current value (£1,384.37) plus estimated projection (£6,827.34) = **£8,211.71**

Annex E – Notes on calculating the estimated value of the final salary scheme pension at retirement

This is the estimated value of your final salary pension (1992, 2006 or Special Modified 2006).

- **Protected members**

A protected member is somebody who is protected by legislation to stay in the existing final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so will not move into the 2015 Scheme.

If you qualify as a protected member, your estimated pension is calculated based on your service up to your normal retirement date divided by an accrual rate multiplied by your final pensionable pay at the date of this statement.

The table below shows the accrual rate that applies.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme
Accrual rate	1/60th for first 20 years 2/60ths for each of the following years	1/60th	1/45th

- **Taper-protected and unprotected members**

2006 Scheme (Standard and Special members)

If you are a taper-protected or unprotected member, your estimated pension is calculated based on your service until you join the 2015 Scheme, divided by the relevant accrual rate (as in the table above) multiplied by your final pensionable pay at the date of this statement .

1992 Scheme

Taper-protected and unprotected members of the 1992 Scheme are protected by the double accrual guarantee. This guarantee protects the 'double accrual' they would have expected to get for working over 20 years, and is set out in legislation. [<http://www.legislation.gov.uk/uksi/2015/589/schedule/3/paragraph/9/made>]

Annex E – Notes on calculating the estimated value of the final salary scheme pension at retirement

Double accrual guarantee

In the 1992 Scheme, a firefighter's pension scheme membership over 20 years is doubled. For example, the pension for a member with 30 years' service in the 1992 Scheme would be calculated at 40/60ths (20 + 10 + 10). This is more commonly known as 'double accrual'.

The new regulations give members who move from the 1992 Scheme into the 2015 Scheme a proportion of the double accrual they could have expected to receive had they stayed in the 1992 Scheme. Full continuous pensionable service (that is, before and after membership of the 2015 Scheme) is taken into account to calculate the benefits to be awarded under the 1992 Scheme.

The Firefighters' Pension Scheme (England only) regulations have introduced a formula in Schedule 2, Part 2, Part 2A **(A ÷ 60) x (B ÷ C) x APP** to calculate this.

[Part 2A - <http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made>]

A = Maximum 60^{ths} a member could have built up to their estimated retirement date had there been no change to the 1992 Scheme

B = 1992 service up to 31 March 2015, or the taper date.

C = Calendar years' service in both the 1992 and 2015 schemes

APP = Final salary pensionable pay

The member:

- A firefighter who joins the scheme at 1 April 1999 has 16 years' service at 31 March 2015.
- They then build up a further nine years of service in the 2015 Scheme to age 55.
- Total service = 25 years.
- So, if there had been no change to the 1992 Scheme, they would have expected their pension to be calculated on 30/60ths.

Example:

(A ÷ 60) x (B ÷ C) x APP

A = 30

B = 16 years in the 1992 Scheme

C = 25

APP = £20,000

(30 ÷ 60) x (16 ÷ 25) x £20,000 = £6,400

Annex F – Notes on the survivor’s pension

Depending on the scheme you are a member of, a survivor’s pension is paid if, when you die, you are married or have a civil partner or eligible ‘cohabiting partner’ (someone you live with who would be entitled to a survivor’s pension).

There have been recent improvements to the membership used to work out survivor benefits in the event of a member's death. The benefits paid to survivors of registered civil partnerships or same-sex marriages will now replicate the benefits provided to widows.

The table below shows whether a surviving partner would receive a pension when you die, based on your partnership status and which pension scheme you are a member of.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Husband, wife or civil partner only	Yes	Yes	Yes	Yes
Cohabiting partner	No	Yes	Yes	Yes (if the scheme manager agrees)

We have used your partnership status recorded on this statement, as set out in [note 1](#), to decide the survivor’s benefit shown on your statement.

Survivor’s pension if you die in service

How a survivor’s pension is calculated will depend on which pension scheme you were a member of at the date of your death.

Death in service survivor’s pensions are paid to eligible partners at 50% of the higher-tier ill-health pension that would have been payable.

Under the 2006 and 2015 schemes, if your husband, wife or partner is more than 12 years younger than you there would be a reduction of 2.5% for every year or part of a year over the 12 years, to a maximum of 50%.

Death in service survivor’s benefits for members of the 2015 Scheme with an equivalent 1992 portion of pension are paid under the 2015 Scheme, which means that if you are not married when you die, a cohabiting partner will still be entitled to half of the equivalent 1992 pension as well as the 2015 portion.

We will only pay a survivor's pension to a protected member of the 1992 Scheme if you were married at the date of your death.

Annex F – Notes on the survivor’s pension

Survivor’s pension if you die after you retire

How the survivor’s pension is calculated will depend on which pension scheme you were a member of at the date you retired. Generally, a survivor’s pension for a husband, wife or partner would be half of the pension that you would be entitled to when you retire.

Under the 2006 and 2015 schemes, if your husband, wife or partner is more than 12 years younger than you, there would be a reduction of 2.5% for every year or part of a year over the 12 years, to a maximum of 50%.

If you die after you retire, and are not married or in a civil partnership, survivor’s benefits for members of the 2015 Scheme who have a 1992 portion of pension are calculated differently to those of the 2006 and 2015 schemes. This is because a survivor’s pension is only paid to a husband, wife or civil partner in the 1992 Scheme but to a cohabiting partner in the 2015 Scheme.

This means if you are not married when you die, a cohabiting partner would be entitled to half of the 2015 pension, but not to half of any 1992 portion of pension, as this is only awarded to husbands, wives and civil partners.

The table below shows survivor’s pension options in the schemes.

Taper-protected and unprotected 2015 members

Note: A transition member is a firefighter who is entitled to a pension in both the final salary scheme (1992 Scheme, 2006 Scheme or Special Modified 2006 Scheme) and the 2015 Scheme.

	Transition 1992	Transition 2006	Transition 2006 (Special member)
Transitional benefits	50% of 1992 pension due to husband, wife or civil partner	50% of 2006 pension due to surviving partner	50% of 2006 Special member pension due to surviving partner
2015	50% of 2015 pension due to surviving partner	50% of 2015 pension due to surviving partner	50% of 2015 pension due to surviving partner

Annex F – Notes on the survivor’s pension

Nominating a beneficiary

The requirement to nominate someone (a ‘qualifying partner’) who you want a survivor’s pension to be paid to has now been removed from the rules of the 2006 scheme.

However, we consider it best for members to record who they want a surviving partner’s pension to go to if they die. This saves a surviving partner from unnecessary administrative duties at what would be a sensitive time.

[Each authority to add their own instructions on how a member can access the form or make any amendments to their decision]

Death in service lump sum

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Death in service lump sum	2 x pensionable pay	3 x pensionable pay	2 x pensionable pay	3 x pensionable pay

Members of the 2006 Scheme (which includes special and standard members) and the 2015 Scheme can fill in an ‘expression of wish’ form for beneficiaries to receive the death in service lump sum, though the final decision rests with the fire and rescue authority.

[Each authority to add their own instructions on how a member can access the form or make any amendments to their decision]

The 1992 Scheme does not have the option to nominate a beneficiary. Any death in service lump sum is paid only to a surviving husband or wife or in line with the firefighter’s estate.

Annex G – Notes on adjustments to your pension

Your pension may be adjusted by any of the following.

- a) Actuarial reduction – the figures quoted may be reduced if you take them before your [deferred pension age](#).
- b) Scheme Pays – if you have chosen to use Scheme Pays (where you pay an annual allowance charge from your pension scheme), this debit is included on your statement and the figures quoted have been reduced to meet the charge. This will be recalculated when you take your pension.
- c) Pension sharing order – if a pension sharing order or earmarking order following a divorce or a dissolution of a civil partnership applies to your pension benefits, this debit is included on the statement and the figures quoted have been reduced to meet the charge. The amount of the reduction will be recalculated when you take your benefits.
- d) Split pensions – the figures on the statement do not take account of any adjustment that may be made when you retire to reflect a period at a higher pay. If the split pension applies, it will be calculated when you take your pension.

Annex H – Notes on pension growth

Annual allowance

This is the amount your pension can increase by during the tax year without giving rise to a tax charge (although you can carry over three years' previous unused allowance to offset the charge). Most people will not be affected, but if you have been contributing to the pension scheme for many years or have transferred in a large amount from a previous pension provider and are promoted and your pay increases, you may be affected.

- Standard annual allowance

The standard annual allowance for 2017/2018 was £40,000.

- Tapered annual allowance

If you have taxable income of over £150,000, a tapered annual allowance of between £40,000 and £10,000 may apply.

To calculate your annual allowance for the scheme year, you must multiply your [pension growth](#) by 16.

Example

Annual pension at 6 April 2017 = £35,000

Annual pension at 5 April 2018 = £38,000

Pension growth = £38,000 - £35,000 = £3,000 x 16 = £48,000

For the purposes of this statement your [pension growth](#) has been calculated using your pensionable pay at 31 March. If this amount is near to the £40,000 standard allowance or within £5000 of your individual tapered allowance, you should ask for a calculation of your [pension input](#) period amount, using your pay as at 5 April.

You can find more information, including an annual allowance checking tool, on the Government's website www.gov.uk/tax-on-your-private-pension/annual-allowance

Annex H – Notes on pension growth

Lifetime allowance

The lifetime allowance is the maximum amount of pension savings you can have before a tax charge is made. To calculate how much of your lifetime allowance you have used, multiply your annual pension by 20, divide this by the lifetime allowance and multiply by 100.

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

Example

- Lifetime allowance 2015/2016 = £1.25 million

Annual pension at 31 March 2016 = £35,000 x 20 = £700,000 ÷ £1,250,000 x 100 = 56% of lifetime allowance used.

- Lifetime allowance 2017/2018 = £1 million

To show the effect of the lifetime allowance reducing to £1 million from April 2016, the same pension figure would change the lifetime allowance used, as follows.

Annual pension = £35,000 x 20 = £700,000 ÷ £1,000,000 x 100 = 70% of lifetime allowance used.

You may choose to protect your lifetime allowance if it was £1 million or more at 5 April 2016 by taking Individual Protection 2016 (IP 2016). For more information, you should get independent financial advice.

Explanation of terms

1. Career-average pension

Career-average pension is the pension built up in the 2015 Scheme.

2. Commutation factors

A commutation factor, as shown in the table below, is applied to the part of the pension you give up to calculate the amount of the lump sum.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Commutation factors	Calculated by the scheme actuary and reviewed regularly	12:1	Annex ZA of 2006 regulations	12:1

[Annex ZA Firefighters' Pension Scheme (England) Order 2006 - <http://www.legislation.gov.uk/uksi/2015/590/schedule/2/paragraph/4/made>]

3. Crystallised benefits

This is the value of pension benefits measured against the lifetime allowance. This is calculated by multiplying the annual pension by 20.

4. Deferred pension age

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	State Pension age

5. Final salary scheme pension

For the purposes of these notes, final salary scheme pension is any pension built up in the 1992 Scheme, the 2006 Scheme, or the modified version of the 2006 Scheme.

6. Normal pension age

1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Age 55, or 30 years' service, whichever happens first	60	55	60

7. Pension input period

This is the period over which the pension growth is measured and is always 6 April to 5 April for all pension schemes. Pension input period is commonly abbreviated to PIP.

8. Pension growth

For defined benefit schemes, such as the Firefighters Pension Scheme, the pension growth is the measurement of the increase in pension during the PIP multiplied by a flat factor of 16.

Example

Annual pension at 6 April 2016 = £35,000

Annual pension at 5 April 2017 = £38,000

Pension growth = £38,000 - £35,000 = £3,000 x 16 = £48,000

9. Protected member

A protected member is somebody who is protected by legislation to stay in the existing final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so will not move into the 2015 Scheme.

10. Revaluation order

The revaluation order for the Firefighters Pension Scheme is based on average weekly earnings.

The revaluation order is applied to the closing balance of the career-average pension on 1 April each year.

Scheme year	Revaluation order
2015/2016	2%
2016/2017	2.6%
2017/2018	3%

11. Scheme year

The scheme year runs from 1 April to 31 March. The current scheme year to which this statement refers is 1 April 20xx to 31 March 20xx.

12. State Pension age

You can calculate your State Pension age here: <https://www.gov.uk/state-pension-age>

13. Taper-protected member

A taper-protected member is somebody who is not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so will move into the 2015 Scheme at some point between 24 May 2015 and 31 March 2022, depending on their age.

14. Unprotected member

An unprotected member is somebody who is not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so was compulsorily moved into the 2015 Scheme on 1 April 2015.