



East Sussex
Fire & Rescue Service

A GUIDE TO

THE NEW FIREFIGHTERS'
PENSION SCHEME 2006
(ENGLAND)

FOR REGULAR FIREFIGHTERS
(WHOLE-TIME AND PART-TIME)

April 2014

THE NEW FIREFIGHTERS' PENSION SCHEME (ENGLAND)

When people first start working, a retirement pension is often one of the last things they think about. Then, as they get older and take on more responsibilities, they begin to wonder how they will manage in retirement or how, if anything were to happen to them, their family would manage.

If left too late there may not be enough time to build up a pension to meet retirement needs. It's never too early to start a pension.

Your job allows you to be a member of the New Firefighters' Pension Scheme (England). As a member, you belong to a public service scheme which provides very good benefits.

These benefits include the following –

- an inflation-proofed pension based on your final pay and length of pensionable service
- an option to convert part of the pension to a lump sum
- payment of pension before normal retirement age if:
 - you have to retire on grounds of permanent ill-health,
 - you are required to take authority-initiated early retirement, or
 - you choose to take member-initiated early retirement
- death-in-service cover providing a lump sum death grant equal to three times pensionable pay
- a pension for your widow (er), civil partner, or nominated partner
- children's pensions.

This booklet is a brief guide to the New Firefighters' Pension Scheme ("NFPS") for whole-time and part-time regular firefighters. It summarises the main rules which apply at the date of issue (see page 2) but nothing it contains can override pension legislation. In the event of a dispute or disagreement the rules and regulations which govern the Scheme would be used to reach a decision.

For retained firefighters there are two separate booklets, explaining how the Scheme rules would work for them. One of the booklets sets out the special provisions which apply to a retained firefighter serving immediately before 6 April 2006 and who has elected for the "modified" NFPS. i.e. a version of the Scheme which mirrors some of the provisions of the Firefighters' Pension Scheme 1992. The other booklet (this one) sets out the standard NFPS provisions for retained firefighters as they apply to those appointed after 5 April 2006 or who were not eligible for or declined cover under the modified NFPS.

As a firefighter you are also covered by the Firefighters' Compensation Scheme (England) which would pay benefits to you, and/or to your dependants, should you become disabled or die as a result of an injury received in the exercise of your duties as a firefighter. The rules of the Compensation Scheme are set out in separate booklets, too.

All of these guides can be obtained from the authority's pensions administrator. Contact details are given in "Where can I get more information?" on page 28 of this booklet.

A Guide to The New Firefighters' Pension Scheme 2006 (England) for regular firefighters (whole-time and part-time)

This guide reflects the rules of the New Firefighters' Pension Scheme contained in the Firefighters' Pension Scheme (England) Order 2006 (as amended) as they apply to serving regular firefighters at the date of issue.

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BACKGROUND

The first national pension scheme specially designed for firefighters was introduced in 1926. This booklet explains the rules of the New Firefighters' Pension Scheme ("NFPS") as set out in the Firefighters' Pension Scheme (England) Order 2006 which came into effect on 6 April 2006. The previous Scheme – the Firefighters' Pension Scheme 1992 – continues in force for firefighters who were serving before that date and who wish to remain members of that Scheme. Pension provision for firefighters is likely to be subject to substantial changes in 2015. You will be given information about the effect of those changes when they are confirmed.

The NFPS is a statutory, public service pension scheme made under section 34 of the Fire and Rescue Services Act 2004.

Unlike occupational pension schemes in the private sector, the NFPS does not have trustees, nor does it have the type of pension fund which uses investments to help meet its liabilities. Although each fire and rescue authority is required to maintain a "Firefighters' Pension Fund" which –

- receives contributions from firefighter members and from the employing fire and rescue authority,
- pays out benefits to and in respect of members, and
- makes and receives transfer payments to and from other pension schemes

the authority does not have the power to invest the money. If the Fund has insufficient money to meet all of its pension liabilities, the Secretary of State will make up the shortfall; if the Fund is in surplus, the Secretary of State will take the excess to cover any shortfall in the Funds of other authorities.

Social Security rules can have an impact on the way pension schemes work. The NFPS is "contracted-out" of the State Second Pension arrangements, i.e. those which provide the additional element of pension paid on top of the Basic State Pension. To be given contracted-out status a pension scheme has to meet certain minimum requirements. Members of a contracted-out scheme pay a lower, contracted-out rate of National Insurance contributions.

The NFPS is a registered pension scheme for the purposes of the Finance Act 2004. This means that HM Revenue and Customs allow certain tax concessions. Pension contributions attract tax relief and certain benefits, provided they are within set limits, are exempt from tax charges.

Like other pension schemes, the NFPS must comply with Pension Acts although, as a public service scheme, it is exempt from some requirements. Regulations made under Pension Acts require you to be given items of basic information about the Scheme; this booklet has been written to comply with those Regulations.

Some pension terms may be unfamiliar to you or have a special meaning in the context of the NFPS. An explanation of terms and expressions is given on pages 24 and 25.

If you would like more information about the NFPS, see the contact details on page 28.

WHO CAN JOIN?

Membership of the NFPS is open to any person taking up employment with a fire and rescue authority as a firefighter on terms under which he or she is, or may be, required to engage in firefighting, and whose role includes resolving operational incidents, or leading and supporting others in the resolution of such incidents. It does not matter what duty system they are contracted to work – they can be whole-time or part-time regular firefighters, volunteers, or retained duty system firefighters. (Other employees of the authority are covered by the Local Government Pension Scheme).

If you are eligible to join the NFPS, you would be admitted automatically upon taking up your employment.

Once admitted to the NFPS, if you are required to perform duties appropriate to your role but not specifically those outlined above (e.g. if you become unfit for "operational" work), provided there is no break in the continuity of your employment you would be allowed to remain a member.

OPTING OUT

If you do not want to be a member of the NFPS you can opt out at any time by giving a signed, written notice to the fire and rescue authority. (If the notice is in electronic format, you must include a statement confirming that you personally submitted the notice.) The notice would take effect from the start of the following pay period. If you opt out, this will be in respect of the whole Scheme; you cannot, for example, choose to opt out of just the Additional Pension Benefit provision.

If you have less than 3 months' qualifying service at the time the notice takes effect, you would normally receive a refund of the contributions you have paid (see page 9).

If you have 3 months' or more qualifying service you would have a choice of –

- a transfer of accrued pension rights to another pension arrangement (see page 14), or
- a deferred pension (see page 12).

You would cease to have any further cover under the NFPS (other than that provided by any deferred pension). You would, however, continue to be covered by the provisions of the Firefighters' Compensation Scheme in the event of a qualifying injury.

If you subsequently change your mind and wish to rejoin the NFPS you may do so, provided you satisfy the membership conditions at that time. Your written, signed election to rejoin would take effect from the start of the following pay period.

Also, under "automatic enrolment" requirements introduced by the Pensions Act 2008 and which impact on all UK employers, the authority will have to periodically re-enrol optants-out back into a pension scheme. (You would have the right to opt out again if you wish). Seek independent financial advice if you are thinking about opting out of the NFPS. You would save the cost of contributions but may pay more by way of tax (contributions attract tax relief) and National Insurance contributions (while a member of the NFPS you pay the lower, contracted-out rate). And you and your dependants would cease to have the pension cover which active membership of the NFPS provides.

WHAT ABOUT PREVIOUS PENSION RIGHTS?

On taking up your employment you will be asked to give details about any previous membership of a pension scheme and to indicate whether or not you would like the fire and rescue authority to explore the possibility of a transfer of pension rights to the NFPS. The NFPS can accept a transfer from –

- another occupational pension scheme registered with HM Revenue and Customs (this includes some overseas schemes), or
- a personal or stakeholder pension scheme

but will not accept a transfer of pension credit rights, i.e. rights based on a portion of the pension of a former spouse or civil partner as required under a pension sharing order on divorce or dissolution of a civil partnership.

Depending upon the type of pension scheme from which the transfer is requested, certain restrictions and time limits may apply – the fire and rescue authority will advise you. An application for a transfer must be made in writing. The authority would provide you with an estimate of the benefits the requested transfer would "purchase" in the NFPS. You should compare this with any pension options offered by your previous scheme and decide, within the time limits, whether you wish the transfer to proceed.

If you do have pension rights in some other arrangement but have lost contact with the administrators, the Department for Work and Pensions offer a Pension Tracing Service. All pension schemes (including the NFPS) have to be registered with them and the Tracing Service can help pension holders and/or their dependants trace "lost" pension rights. They can be contacted at –

Tyneview Park, Whitley Road, Newcastle upon Tyne, NE98 1BA Tel: 0845 6002 537

HOW MUCH DO I PAY IN CONTRIBUTIONS?

As a member of the NFPS you pay a contribution which is a percentage of your pensionable pay. Current contribution rates are shown on page 23. The fire and rescue authority pay an employer's contribution and additional charges for ill-health awards plus the cost of exercising certain discretions allowed under the rules. Employees' and employers' contributions are determined by the Secretary of State on the advice of the Scheme Actuary who will have regard to the total cost of Scheme benefits. They are reviewed regularly.

The pensionable pay upon which the contributions are assessed is the amount determined in relation to the duties of your role and certain payments which the authority may, at their discretion, treat as pensionable for providing "Additional Pension Benefits" – see page 13.

If you are part-time, contributions will be deducted on your part-time pay.

There is an "earnings cap" on pensionable pay, based on that which used to be imposed by HM Revenue and Customs. For tax year 2014/15 this is £145,800. This means that contributions will not be deducted, and benefits will not be assessed, on pay above this amount.

CONTRIBUTIONS FOR UNPAID LEAVE

During paid maternity, paternity or adoption leave you would pay contributions on whatever rate of pay you receive; if a period of additional maternity, paternity or adoption leave is unpaid, you will have the option to pay contributions on the rate you were receiving immediately before pay ceased (disregarding any "Keeping in Touch" days), if you wish to count that period as pensionable service.

If you have an unpaid period of absence for other reasons (including authorised sick leave), you will have the option to pay contributions (based on the pay you would have received but for the absence) in order that the period can count as pensionable service. You would be required to pay both the employee's and employer's contribution. (At their discretion the fire and rescue authority may agree to pay the employer's contribution for you.)

HOW MUCH SERVICE DO I NEED TO QUALIFY FOR A PENSION?

To be eligible for any of the pensions mentioned in this booklet, you must have at least 3 months' qualifying service in the NFPS. If you have less, you would still be eligible if you have had a transfer of personal pension scheme rights into the NFPS, or have reached normal retirement age (age 60).

AT WHAT AGE WOULD I BE PAID MY PENSION?

Normal retirement age for all regular firefighter members of the NFPS is age 60. If you choose to retire at or after this age, your pension would be put into immediate payment. (See "Age retirement pension" on page 10.)

If you have reached age 55 but not age 60, you could –

- at the fire and rescue authority's discretion, be granted an "authority-initiated early retirement pension" (see page 10). This may be awarded in circumstances where the fire and rescue authority determine that you should be retired in the interests of the economical, effective and efficient management of the service. There would be no reduction to the pension.
- choose to take a "member-initiated early retirement pension" (see page 11). In this case, however, your pension would be reduced to reflect early payment.

An ill-health pension (see page 11) may be payable at any age.

If you leave the NFPS before becoming entitled to payment of any of the above awards you may be awarded a deferred pension (see page 12). This would be payable from –

- normal benefit age (65), or
- at your request, between ages 55 and 65, but subject to the reduction which would apply in the case of a member-initiated early retirement pension, or
- at your request and subject to appropriate medical certification, at any age, on grounds of permanent disability which prevents you from undertaking regular employment.

CAN I HAVE A REFUND OF CONTRIBUTIONS?

If you opt out of the Scheme within three months of joining (or of being automatically enrolled – see "Opting Out" on page 6) you are treated as if you have never been a member. The contributions you have paid would be returned through payroll with appropriate adjustments made to tax and National Insurance. If you leave the Scheme in other circumstances and you –

- have less than 3 months' qualifying service in the NFPS, and
- have not reached normal retirement age (60), and
- a transfer of personal pension rights has not been paid into the Scheme

the contributions you have paid would be returned as a Scheme refund. Deductions would be made from the Scheme refund in respect of –

- the certified amount of any Contributions Equivalent Premium due; this is a payment that has to be made to "buy" you back into the State Second Pension – while a member of the NFPS you would have been contracted out of that element of the State Pension Scheme; and
- tax – under current HM Revenue and Customs rules this is currently 20% in respect of the first £20,000 refunded and 50% in respect of any amount in excess of £20,000.

HOW IS A PENSION CALCULATED?

How the various types of pension are calculated is explained on the following pages, but there are certain basic principles.

The NFPS is a final salary pension scheme which means that your pension will be a proportion of final pensionable pay. The proportion will depend, in part, upon how much pensionable service you have at the time of leaving the Scheme. For each year of pensionable service, you will get 1/60th of final pensionable pay. Each day of pensionable service will count as 1/365th of 1/60th. For example, if you retire at age 60 with 35 years 28 days of pensionable service and final pensionable pay of £32,000, your pension would be assessed as –

$$35 \frac{28}{365} \times \frac{1}{60} \times £32,000 = £18,707.58 \text{ a year}$$

WHAT IS PENSIONABLE SERVICE?

This is your period of service as a member of the NFPS and in respect of which you have paid contributions. If your hours of employment are less than whole-time, the "calendar" (qualifying) length of service would be pro rated to reflect your part-time hours. For example if you work half-time and have completed six "calendar" years of service, your pensionable service will be three years.

Various other periods may count as pensionable service, e.g. service credited on receipt of a transfer value from another pension arrangement, or unpaid leave (including additional maternity, paternity and adoption leave) where you have paid contributions, or "purchased" service where you have paid contributions to improve retirement benefits, or service which previously counted towards a NFPS pension which has been cancelled.

WHAT IS FINAL PENSIONABLE PAY?

In most cases this will be your pensionable pay averaged over the last 365 days of pensionable service. It would not, however, include those payments which have been treated as pensionable for providing "Additional Pension Benefits" (see page 13).

If either of the two preceding periods of 365 days would produce a greater amount, the final pensionable pay from one of those earlier periods could be substituted. This protects your pension if you have a reduction in pay in your last couple of years' service. If you have a reduction in pay earlier on in your service, the "two pension option" (see page 12) could help you.

If your hours of employment are less than whole-time, although your pensionable service will be pro rated to reflect your hours, the final pensionable pay used in the pension calculation will be the final pensionable pay you could have counted if you had been whole-time.

AGE RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 8) and who retires at or after age 60. The basic formula is used, i.e.

- annual pension = $1/60 \times$ pensionable service \times final pensionable pay

For example, a firefighter who has completed 40 years' pensionable service and whose final pensionable pay is £30,000 would receive immediate payment of a pension of –

- $40/60 \times$ £30,000 = £20,000 a year

Part of the annual pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 14.

AUTHORITY-INITIATED EARLY RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 8), who has reached age 55 but not age 60, and whose fire and rescue authority have determined that he/she should be retired in the interests of the economical, effective and efficient management of their functions. The basic formula is used, i.e.

- annual pension = $1/60 \times$ pensionable service \times final pensionable pay

For example, a firefighter aged 55 who has completed 10 years' pensionable service and whose final pensionable pay is £27,000 would receive immediate payment of pension of –

- $10/60 \times$ £27,000 = £4,500 a year

There would be no reduction of the pension to take account of the fact that it is being paid early (the authority would meet the cost of early payment). Part of the annual pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 14.

MEMBER-INITIATED EARLY RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 8), who has reached age 55 but not age 60, and who voluntarily chooses to retire with immediate payment of benefits. (The fire and rescue authority have not determined that he/she should be retired on grounds of ill-health or in the interests of the management of the service.)

The first part of the calculation uses the basic formula, i.e.

- $\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$

but then a reduction based on the Scheme Actuary's guidance is applied to reflect the cost of early payment.

For example, a firefighter who retires at age 58, having completed 10 years' pensionable service with final pensionable pay of £27,000 and a relevant actuarial factor (at the date of issue of this guide) of 0.689, would have entitlement to a pension assessed as –

- $(1/60 \times 10 \times £27,000) \times 0.689 = £3,100.50$ a year

Part of the annual pension (after reduction) can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 14.

ILL-HEALTH PENSION

A firefighter who has sufficient service to qualify for a pension (see page 8) and who is permanently disabled for the performance of the duties of his/her role may be considered at any age for an ill-health pension. There are two tiers of ill-health award –

- a lower tier award which provides a lower tier ill-health pension based on the formula:
 $1/60 \times \text{pensionable service} \times \text{final pensionable pay}$
- a higher tier award which provides a lower-tier ill-health pension as shown above plus a higher tier ill-health pension based on the formula:
 $(2\% \times \text{pensionable service}) \times \frac{\text{prospective pensionable service to age 60}}{60} \times \frac{\text{final pensionable pay}}{60}$

The higher tier award is made where the firefighter has at least 5 years' qualifying service and is permanently disabled from undertaking regular employment.

For example, a firefighter aged 50 who has completed 12 years' service and whose final pensionable pay is £30,000 retires on grounds of ill-health with a lower tier award. He would receive immediate payment of a pension of –

$$12/60 \times £30,000 = £6,000 \text{ a year}$$

If, instead, he is given a higher tier ill-health award, the higher tier pension would be –

$$(2\% \times 12) \times 10 \times £30,000/60 = £1,200 \text{ a year}$$

In total, the higher tier ill-health award would be –

$$£6,000 \text{ (lower tier pension)} + £1,200 \text{ (higher tier pension)} = £7,200 \text{ a year}$$

Part of the lower-tier pension can be commuted to provide a lump sum – see page 14.

DEFERRED PENSION

If you leave the NFPS (either because you cease to be a firefighter or because you opt out of the Scheme) having sufficient service to qualify for a pension (see page 8) but not being eligible for immediate payment because you are not old enough nor retiring on grounds of ill-health, then you would be entitled to a deferred pension. This would be assessed on the basic formula, i.e.

$$\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, a firefighter aged 27 who has completed 6 years' pensionable service and whose final pensionable pay is £28,000 would be entitled to a deferred pension of –

$$6/60 \times £28,000 = £2,800 \text{ a year}$$

As its name suggests, payment of a deferred pension would not be immediate. It would normally be put into payment at age 65. You could, however, request earlier payment at or after age 55. If the fire and rescue authority agree to the earlier payment then the pension plus any Pensions Increase (i.e. "cost of living" increases) would be paid right away but subject to a similar actuarial reduction as would apply in the case of a member-initiated early retirement pension (see page 11). If the firefighter in the above example requests payment at age 59, then assuming a Pensions Increase factor of 2.3 and an actuarial reduction factor of 0.725, the firefighter would receive immediate payment of

$$£2,800.00 \times 2.3 \times 0.725 = £4,669.00 \text{ a year}$$

A firefighter entitled to a deferred pension who suffers ill-health before it is due to come into payment, to the extent that he/she is permanently disabled from undertaking regular employment (i.e. a similar test to that which decides if a serving firefighter would be eligible for a higher tier ill-health award), can have the deferred pension put into immediate payment without reduction. (However, there would be no higher tier ill-health pension element as there would be in the case of the higher tier ill-health award.)

Part of a deferred pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 14.

TWO PENSION OPTION ("SPLIT AWARD")

Unlike the other pensions mentioned here, which generally reflect the age and/or grounds for retirement, the two pension option is a device to protect the final salary benefits of a firefighter who has a reduction in pensionable pay. In the event of such a reduction, the pension rights accrued up to the date of leaving would be assessed as if a deferred pension, and a second pension would start to accrue from the following day.

When the firefighter eventually leaves in circumstances where the second pension becomes payable, the first pension would be payable too. Alternatively, the firefighter could choose to add the service upon which the first pension would be based, to the service upon which the second service is based and have a single pension calculated on the second period's final pensionable pay. This could be the best option if pensionable pay in the second period now exceeds pensionable pay for the first (allowing for inflation).

Part of split pensions can be commuted to provide a lump sum – see page 14.

ADDITIONAL PENSION BENEFITS ("APBs")

Additional Pension Benefits ("APBs") are a form of contributions-based pension paid in addition to the main final salary NFPS pension. They are a method of ensuring that an element of pay, which is treated as pensionable but which may not be present at the end of a firefighter's service, will nevertheless be recognised in respect of contributions paid.

APBs were first introduced to cater for the impact on pensionable pay of the phasing out of Long Service Increment ("LSI"). The removal of LSI affected the pension expectation of those firefighters who were receiving it. The only members of the NFPS who will have entitlement to a LSI APB are those longer-serving firefighters who transferred from the Firefighters' Pension Scheme 1992. No further LSI APBs will be awarded. It was a one-off form of protection.

However, APBs remain available to cater for other elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the authority, at their discretion, may allow to be treated as pensionable.

The way in which APBs work is that you pay basic pension contributions on the relevant element of pay, and the authority pays contributions at the employer's contribution rate. The contributions which have been paid by you and the authority over the previous 12 months are totalled on every 1 July and the sum is then used to "buy" an amount of APB for that year by reference to factors provided by the Scheme Actuary. The amounts of APB at the end of each year are index-linked. They are totalled and paid to you as an additional pension when you become eligible to receive your main NFPS pension. (But note that if your main NFPS pension is paid on member-initiated or authority-initiated early retirement, the APB would be subject to an actuarially assessed reduction.)

CAN I PURCHASE ADDITIONAL SERVICE?

If you are an active member of the Scheme, and will not be able to accrue 40 years' pensionable service by age 60, you can purchase additional service by the payment of additional contributions or by lump sum. The additional contributions or lump sum would be based on factors provided by the Scheme Actuary.

Purchased service would count as pensionable service in the assessment of benefits.

To pay additional contributions, an election to do so must be made at least 2 years before normal pension age (60) and you must not be due to retire (e.g. on health grounds) in the immediate future. They would be deducted with effect from your next birthday following your election, along with your basic contributions. They would be assessed on your pensionable pay excluding any element treated as pensionable for APBs.

If you leave or cease paying contributions for any other reason before reaching age 60, you would be credited with the appropriate portion of service "purchased" to date. If you choose to pay by lump sum you must make your election to do so within 12 months of the date you became a firefighter, and the payment must be made within 3 months of the date on which you gave notice that you wished to pay. The fire and rescue authority can give you further details about purchase.

TRANSFER OF PENSION RIGHTS OUT OF SCHEME

If you leave the NFPS having sufficient service to qualify for a pension (see page 8) but not eligible for immediate payment because you are not old enough, nor retiring on grounds of ill-health, as an alternative to a deferred pension you could request that your pension rights should be transferred to some other pension arrangement. A transfer value, a sum representing the capital value of your pension rights, would be assessed in accordance with guidance provided by the Scheme Actuary and offered to the trustees or managers of your new pension scheme. The transfer would take place only if you so instruct and if the fire and rescue authority are satisfied that the new scheme has the necessary approval of HM Revenue and Customs.

You may leave employment with the fire and rescue authority to transfer to another authority where you remain a member of the NFPS. (If the new employment is at a lower rate of pay, the two pension option (see page 12) would be available to you). Although your pension rights will normally transfer with you, payments of transfer value are not exchanged between English fire and rescue authorities. However, a transfer value would be paid between an English authority and an authority in Wales, Scotland or Northern Ireland where different funding arrangements apply.

COMMUTATION

If, on retirement, you prefer to have a lump sum as well as a pension you can provide one by “commutation”. To do this you must give written notice to the fire and rescue authority, no earlier than 4 months before your intended retirement and no later than the day before your pension is due to come into payment. You would state how much of your pension (including any Additional Pension Benefit) should be commuted, i.e. converted into a lump sum. (Note that you may not commute any portion of a higher tier ill-health pension.)

You can commute as much or as little as you like provided that it is not more than one quarter of your pension (or reduced pension if you have chosen to receive it early).

For each £1 of pension that you commute, you would receive £12 as a lump sum. For example, if you were entitled to a pension of £16,000 a year and you chose to commute the maximum portion of one quarter, this would be £4,000. Your total benefits would be:

Pension: £16,000.00 - £4,000.00 = £12,000.00 a year

Lump sum: £4,000.00 x 12 = £48,000.00

Please be aware that HM Revenue and Customs limit the amount of lump sum which a pension scheme member can receive tax-free. If it looks as if limits are likely to be exceeded, the authority’s pensions administrator will be able to tell you how much you can commute while remaining within the tax limits.

ALLOCATION

Allocation is an option to give up part of your pension at retirement to provide, on your death, a pension for a spouse, civil partner, nominated partner or other dependant. It is an old

provision which has carried forward to the NFPS from earlier versions of the Scheme even though dependants' benefits have improved from their original levels.

An election to allocate must be given no later than the day before benefits become payable and no earlier than 2 months before. It is subject to medical evidence of good health and normal life expectancy. The amount provided as a pension on allocation depends upon the age and sex of the firefighter and of the nominee.

The fire and rescue authority's pensions administrator can give you a personalised quote before your pension becomes due if you are interested in this option.

DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP

THE EFFECT ON PENSION RIGHTS

In the event of divorce, dissolution of civil partnership, annulment or judicial separation, a court may order a pension scheme to pay all or part of a member's entitlement to pension to his/her former spouse or civil partner. This could be in accordance with an attachment order, sometimes referred to as an "earmarking" order, or under the terms of a "pension sharing" order.

The authority's pensions administrator can provide pensions information, if so requested, for the court proceedings.

An earmarking order could apply to all or part of your retirement pension, potential lump sum, or possibly your death grant. If you have already retired, the order may require immediate payment of pension to your former spouse or civil partner. If you are an active or deferred member the order would not have effect until the benefits become payable.

A pension sharing order would have immediate effect. The court would instruct that a percentage of the value of your benefits should be deducted to provide "pension credit rights" for your former spouse or civil partner (who becomes a "pension credit member" of the NFPS). The pension credit rights would remain in the NFPS until the pension credit member is eligible to draw them at age 65, or put into immediate payment if he/she has already reached that age.

The pension credit cannot be transferred to another pension arrangement. If the pension credit member dies before, or within five years of, payment of his/her pension, a death grant would be paid. There are no survivor pensions attached to a pension credit.

SURVIVOR PENSIONS

In the event of a NFPS member's death (whether before or after retirement) a pension will be paid to a surviving spouse, or civil partner, or nominated partner and/or child. (See the definitions in "Explanation of expressions" on pages 24 and 25).

If the deceased was a serving NFPS member –

- the spouse's or partner's pension would be half of the higher tier award to which the firefighter would be entitled if he/she had retired on health grounds on the date of death;
- the child's pension would be one quarter of the higher tier ill-health award; where there is more than one eligible child, the pension would be one half of the higher tier award divided between the children.

If the deceased had left the NFPS, was entitled to a deferred pension, but that pension had not yet come into payment –

- the spouse's or partner's pension would be half of the deferred pension;
- the child's pension would be one quarter of the deferred pension; where there is more than one eligible child, the pension would be one half of the deferred pension divided between the children.

If the deceased was in receipt of pension from the NFPS at the time of death –

- the spouse's or partner's pension would be half of the deceased's pension*;
- the child's pension would be one quarter of the deceased's pension*; where there is more than one eligible child, the pension would be one half of the deceased's pension* divided between the children.

*i.e. the value of the pension before any reduction for early payment but after commutation.

Note that if the spouse or partner is more than 12 years younger than the deceased, the spouse or partner's pension as mentioned above in respect of serving, deferred and pensioner members, will be reduced by 2.5% for every year or part year above the 12 years, to a maximum of 50%.

If the deceased leaves no eligible spouse or partner but there is an eligible child or children, the pension paid to the child/children would be equivalent to that which would have been paid to an eligible spouse or partner. If there is more than one child, the pension would be divided equally between the children. It would stop when the children cease to be eligible.

For the first 13 weeks following death, the spouse or partner will receive a “bereavement pension”. In effect, this tops up their pension to the level of the deceased's pensionable pay (death in service) or pension (death after pension comes into payment). If no pension is payable to a spouse or partner but a pension is payable to a child or children, they would receive the bereavement pension. (If there is more than one child, the bereavement pension would be divided between them).

There is no bereavement pension due in the case of a deferred pension which had not come into payment at the date of death.

A spouse's or partner's pension is payable for life, even if he/she marries, remarries, forms a civil partnership or a subsequent civil partnership. Also, there is no difference in treatment according to whether the marriage/partnership commenced before or after the Scheme member's retirement.

A child is eligible to receive a pension if below age 18, or below age 23 and in full-time education. Eligibility ceases on marriage, civil partnership or upon ceasing full-time education and entering remunerated employment, if earlier. A child who is permanently

disabled and dependent on the firefighter at the date of death may be entitled to receive a pension for life.

Contact the fire and rescue authority's pensions administrator if you wish to have more detailed information on any of these points, or would like to discuss your personal circumstances.

DEATH GRANT

If you were to die in service as a member of the NFPS, a death grant would be payable. This would normally be three times your pensionable pay as at the date of death. (If you were absent from duty without pay at that time, the death grant would be three times your pensionable pay on the last occasion that you received it).

If you are working part-time hours the pensionable pay would be the part-time rate. For someone who has worked variable hours, account would be taken of this. In these circumstances the death grant would be the greater of –

- 3 x part-time rate of pensionable pay based on hours at date of death, or
- 3 x whole-time pensionable pay x pensionable service/qualifying service.

Similarly, if the firefighter had a split pension (see page 12), the death grant would be the greatest of –

- 3 x pensionable pay at the date of death (if part-time, this would be the part-time rate based on hours at the date of death), or
- 3 x whole-time pensionable pay x pensionable service/qualifying service, or
- 3 x pensionable pay based on a proportion of the pensionable pay at the date at which the pension was split and at the date of death.

The fire and rescue authority has absolute discretion as to whom to pay the death grant but you may nominate the person(s) that you would wish to be the recipient(s). The authority would take your wishes into account when making their decision.

A death grant on the above principles would be payable only where a firefighter dies while a serving member of the NFPS. But a death grant may also be payable if a former firefighter dies after retirement, having been in receipt of pension payments for less than five years. In these circumstances, the death grant would be equivalent to the total pension that would have been paid for five years less the instalments paid up to the date of death. It is, in effect a five year "guarantee" of pension. Again, the fire and rescue authority has absolute discretion as to whom the death grant should be paid but they may have regard to a nomination made by the firefighter.

There is no death grant payment in respect of a deferred pension which has not come into payment at the date of death of the firefighter.

COMMUTATION OF TRIVIAL PENSIONS

If a pension payable to a member of the NFPS, or to an eligible dependant, is less than limits set by HM Revenue and Customs, subject to certain other requirements of the tax rules being satisfied (e.g. the age of the pensioner) the fire and rescue authority may commute the pension to a lump sum.

Alternatively, the authority may decide to pay a small pension at less frequent intervals than the intervals at which they normally pay pensions.

EFFECT OF TAX RULES

The NFPS has to comply with rules set by HM Revenue and Customs. There are, for example, limits on the amount of pension and lump sum which can be taken by a pension scheme member before tax charges apply.

The two main limits on your benefits are the annual allowance and the lifetime allowance.

The growth in the value of your pension each year (based on a "pension input period" – see "Explanation of Expressions" on page 25) must be compared with an annual limit set by the Treasury. If the value exceeds the limit, tax would be due, payable through self-assessment. Or you could elect that the fire and rescue authority should make the payment on your behalf and collect the sum due from your benefit entitlement (this is referred to as the "scheme pays" method).

When benefits are due the total value must be tested against the lifetime allowance, also set annually. If the value exceeds the limit, tax would be deducted by the fire and rescue authority and paid over to HM Revenue and Customs.

The testing of the value of benefits is in respect of all pension benefits you may have accrued, including from arrangements other than the NFPS. Consequently the fire and rescue authority will ask you to provide statements in respect of any other pension arrangement you may have so that they can check the total value of benefits before making payment from the Scheme. The authority can give you more details of the way in which tax rules work, how benefits are valued, current limits and the tax chargeable.

PENSIONS INCREASE

Benefits payable under the NFPS are increased in accordance with Pensions Increase Acts and Orders. Any increase due is paid with immediate effect on ill-health pensions and pensions for widow(er)'s, civil partners and children. Otherwise it may be put into payment at or after age 55 when the pension to which it relates is put into payment. In the case of deferred benefits the increase would accrue from the day after the date of leaving the NFPS and paid when the deferred pension is paid.

PAYMENT OF BENEFITS

Pensions are paid in arrears in monthly instalments by the fire and rescue authority. Lump sums by commutation are paid by the authority as soon as possible after they become due.

The authority has discretion as to whom an award for a minor (a person below age 18) will be paid but they must have assurance that it would be used for the benefit of the minor. Similarly, if payment is due to a person who has become incapable of managing his/her affairs, the authority has discretion to pay it to another person as they think best.

If there has been a loss to the funds of the authority because of fraud, theft or negligence on the part of a firefighter in connection with his/her employment, the authority may withhold all or any of the sum lost subject, in the event of dispute, to the order of a court. (See also "Withdrawal of pension" on page 19).

WITHDRAWAL OF PENSION

In certain circumstances a benefit payable under the NFPS can be reduced or withdrawn.

Benefits may be reduced by an "earmarking" or pension sharing order issued on divorce, dissolution of a civil partnership, annulment or judicial separation – see page 15.

A fire and rescue authority may withdraw the whole or part of a retired NFPS member's pension for any period during which that person is serving as a firefighter with any fire and rescue authority (i.e. on re-employment after retirement) and can abate a pension for the period that a pensioner is employed in any capacity with any fire and rescue authority.

They may also withdraw part or all of a pension, permanently or temporarily, if the person otherwise entitled to the pension has been convicted of an offence –

- of treason, or under the Official Secrets Acts 1911 to 1989 (in the case of a dependant the offence must have been committed after the death of the Scheme member);
- committed in connection with his/her service as an employee of a fire and rescue authority which is certified by the Secretary of State either to have been gravely injurious to the interests of the State or likely to lead to serious loss of confidence in the public service; or
- under section 34(6) of the Fire and Rescue Services Act 2004 (acts or omissions for obtaining awards or other sums).

A pension is not payable to a dependant convicted of the murder of the firefighter from whose pension rights the pension derives; in the case of manslaughter, the fire and rescue authority have discretion to withhold all or part of the pension.

If a person has been receiving an ill-health pension for less than 10 years, and has not reached State pension age, the authority must, at such intervals as they think fit, review his/her continuing entitlement to receive the pension. To do this they will consider, with the help of a medical opinion, whether the person has recovered sufficiently to be capable of carrying out any duty appropriate to the role from which he/she was retired on health grounds. If a higher tier ill-health pension is in payment, the authority must also consider if the person has become fit enough to undertake any regular employment.

In the case of a lower tier award, if the person's condition has improved to the point at which he/she could return to his/her role as firefighter and the fire and rescue authority offer such employment, the pension will cease. A person who takes up the employment would have the ill-health pension cancelled but the service upon which it was based would count towards a subsequent pension. If the person refuses the job offered, the ill-health pension would be cancelled and the service upon which it was based would count towards a deferred pension payable, when eligible, under deferred pension rules – see page 12.

In the case of a higher tier award, if the person is considered fit to return to his/her former role as a firefighter, the position would be as described above (but service counting towards further pension entitlement would not include the higher tier “enhancement”). If not considered fit enough to be a firefighter, but fit enough for regular employment, the lower tier ill-health pension would continue in payment but not the higher tier.

Deferred pensions in payment early on grounds of ill-health must be reviewed too. If the person is found fit for regular employment, payment is suspended until age 65.

RIGHTS OF APPEAL

If a NFPS member, or a dependant, is dissatisfied with a decision made by a fire and rescue authority (or the failure to make a decision) there are rights of appeal available.

The NFPS contains arrangements for Internal Dispute Resolution Procedures (“IDRP”) based on the requirements of the Pensions Act 1995. There are also provisions for medical appeal if a person is dissatisfied with a medical opinion upon which a determination of award is based.

Looking at the medical appeal route first, if an authority are considering whether or not to make an award of an ill-health pension to a firefighter (or to allow early payment of a deferred pension on health grounds), they must first obtain the written opinion of an independent qualified medical practitioner (“IQMP”) as to whether the person is permanently disabled for the duties of his/her role and, if so, whether he/she would be capable of any other regular employment. The authority must notify the firefighter of their decision as to award and supply a copy of the medical opinion upon which their determination is based.

If the NFPS member is dissatisfied with the award and believes the problem lies in the medical opinion, then he/she can appeal against the opinion to a Board of Medical Referees. (Before this stage, however, if the member provides new evidence of a medical nature and the member and the authority agree, the IQMP can be asked to review the medical opinion in the light of the new evidence.)

A similar process applies if an ill-health award is reviewed and the person is dissatisfied with the outcome – see “Withdrawal of pension” on page 19.

If the grievance of the NFPS member, a dependant, or a pension credit member is with a decision made by the fire and rescue authority rather than with the content of a medical opinion, or is in respect of a non-medical aspect of the opinion, he/she can use IDRP to seek resolution. The grievance will be considered and a written response made.

Full details of the medical appeal procedures, the IDRP process, and relevant time limits can be supplied by the fire and rescue authority.

THE PENSIONS ADVISORY SERVICE ("TPAS")

TPAS is an independent voluntary organisation which provides information and guidance on pension matters. They are available at any time to assist occupational pension scheme members and beneficiaries in connection with any pension query they may have or any difficulty which they have failed to resolve with their pension scheme administrators. Their service is free. TPAS cannot enforce pensions action but, if felt appropriate, could recommend a person to put his/her case to the Pensions Ombudsman. They can be contacted at –

The Pensions Advisory Service,
11, Belgrave Road, London, SW1V 1RB

Telephone: 0845 601 2923

Website: www.pensionsadvisoryservice.org.uk

THE PENSIONS OMBUDSMAN

The Pensions Ombudsman can investigate a pension scheme member's complaint of maladministration or a dispute of fact or law between a scheme member and pension scheme managers or employer. However, the Ombudsman cannot help if court proceedings have begun in respect of the dispute or if an appeal has been made to the Board of Medical Referees under NFPS rules.

The Ombudsman will expect the case to have first been put through Internal Dispute Resolution Procedures. Also, a complainant who writes to the Ombudsman direct will normally be requested to have the case dealt with initially by The Pensions Advisory Service (see page 20).

The Pensions Ombudsman can be contacted at –

The Office of the Pensions Ombudsman,
11 Belgrave Road, London, SW1V 1RB

Telephone: 020 7630 2200

Website: www.pensions-ombudsman.org.uk

THE PENSIONS REGULATOR

The Pensions Regulator is a regulatory body which came into existence on 6 April 2005 having been set up under the Pensions Act 2004. (It replaced the earlier Occupational Pensions Regulatory Authority). It ensures that pension scheme members' interests are protected and that schemes comply with the law.

It deals with issues about pension schemes as a whole. It does not deal with queries about individual's pension benefits but recommends that a person seeking free information and advice on all types of pensions should approach The Pensions Advisory Service (see page 20).

INTER-RELATIONSHIP WITH THE STATE PENSION SCHEME

Your entitlement to the Basic State Pension is accruing completely separately from your benefits under the NFPS but the Schemes are inter-related because the NFPS is a “contracted-out” pension scheme.

The State Earnings Related Pension Scheme (“SERPS”) was introduced on 6 April 1978. It provided a second tier element to the Basic State Pension. Occupational pension schemes that could guarantee to offer benefits at least as good as SERPS were allowed to “contract out”. Members of a contracted-out scheme pay a lower, contracted-out rate of National Insurance. The guaranteed element of the benefits is called a “Guaranteed Minimum Pension” or “GMP”. The GMP for a scheme member is notified to the pension scheme administrator by the National Insurance Contributions Office of HM Revenue and Customs. The pension scheme administrator must then ensure that the scheme pension paid to the member or spouse or civil partner meets the guaranteed level. Another feature of contracting-out is that, at State Pension Age, the State takes over full or partial responsibility for paying Pensions Increase on that portion of an occupational pension which is equivalent to the GMP.

With effect from 6 April 1997 the terms under which pension schemes could contract out were changed. From this date, a contracted-out pension scheme simply had to guarantee that at least 90% of members would receive benefits equivalent to or better than those set out in a reference scheme test defined by the Department for Work and Pensions. There was no longer a guarantee on an individual basis.

GMPs do not apply to benefits accrued on and from 6 April 1997. The NFPS came into effect on 6 April 2006; therefore the only NFPS members who will have a GMP entitlement will be those who have transferred pension rights to the NFPS from a contracted-out pension scheme in which they were a member before 6 April 1997.

SERPS was replaced by the State Second Pension (also known as “S2P”) on 6 April 2002. S2P is still in force. Like SERPS it provides a second tier element of State retirement benefits on top of the Basic State Pension. The NFPS is contracted out of S2P. Consequently, while a member of the NFPS you will not be contributing to S2P.

As you can see from the very brief outline given above, the State Pension Scheme rules can be quite complicated and will vary from person to person. However, you can request a forecast of your State Retirement Pension from the State Pension Forecasting Team of the Department for Work and Pensions. The Team can be contacted at:

State Pension Forecasting Team, Future Pension Centre, Tyneview Park, Whitely Road, Newcastle upon Tyne, NE98 1BA

Telephone: 0845 3000 168

Website: www.gov.uk/future-pension-centre

PENSION CONTRIBUTION TABLE

The following Table sets out the appropriate contribution rates according to a firefighter's pensionable pay. It is current with effect from 1 April 2014.

Pensionable pay	Contribution rate from 1 April 2014
Up to and including £15,000	8.5% of pensionable pay
More than £15,000 and up to and including £21,000	9.4% of pensionable pay
More than £21,000 and up to and including £30,000	10.4% of pensionable pay
More than £30,000 and up to and including £40,000	10.9% of pensionable pay
More than £40,000 and up to and including £50,000	11.2% of pensionable pay
More than £50,000 and up to and including £60,000	11.3% of pensionable pay
More than £60,000 and up to and including £100,000	11.7% of pensionable pay
More than £100,000 and up to and including £120,000	12.1% of pensionable pay
More than £120,000	12.5% of pensionable pay

The pensionable pay shown in Column 1 of the Table should not include any elements of pay over and above that determined in relation to the duties of the role, e.g. temporary payments and Continual Professional Development payments which would form the basis of Additional Pension Benefits. But, having established the appropriate contribution rate in Column 2 by disregarding such payments, they are taken into account when contributions are assessed and deducted.

In the case of a part-time regular firefighter, the pension contribution rate is assessed by reference to the pay that would have been received if whole-time. But contributions are then deducted on the part-time rate of pay.

Where there is a permanent material change to the terms and conditions of a firefighter's employment, which affects pensionable pay, from the date of the change the contribution rate must be re-assessed.

EXPLANATION OF EXPRESSIONS

Expression	Explanation
active member	A serving firefighter who is a member of the New Firefighters' Pension Scheme, i.e. not having opted out or retired on pension.
additional pension benefits ("APBs")	See the explanation on page 13.
age retirement pension	See the explanation on page 10.
authority-initiated early retirement pension	See the explanation on page 10.
child	A natural, adopted or step-child of the firefighter, or any other child who was dependent on him/her and who is either related to the firefighter or a child of his/her spouse, or civil partner, or nominated partner. Dependency has to be established in accordance with the rules of HM Revenue and Customs.
civil partner	The person with whom a firefighter has formed a civil partnership.
commutation	The conversion of part of an annual pension into a lump sum payment – see page 14, or the whole of a "trivial" pension – see page 17.
contracted-out	See "Inter-relationship with the State Pension Scheme" on page 22.
death grant	A lump sum payable on the death of a serving firefighter, or a pensioner or pension credit member of the NFPS in certain circumstances – see page 17.
deferred pension	See the explanation on page 12.
final pensionable pay	See the explanation on page 10.
ill-health pension	See the explanation on page 11.
Internal Dispute Resolution Procedures	See "Rights of Appeal" on page 20.
medical opinion/certification	A certificate containing the opinion of an independent qualified medical practitioner.
member-initiated early retirement pension	See the explanation on page 11.
nominated partner	<p>The partner of a firefighter, who is neither a spouse nor a civil partner, and who together with the firefighter has completed a joint declaration of partnership and registered it with the fire and rescue authority. For entitlement to benefits, at the time of the firefighter's death the nominated partner must have been living with the firefighter in an exclusive, committed, long-term relationship (normally for at least two years) and both the firefighter and partner must have been free to marry or form a civil partnership. The partner must have been financially dependent on the firefighter, or the partner and the firefighter must have been financially interdependent.</p> <p>Details of how to nominate a partner can be obtained from the fire and rescue authority.</p>

Expression	Explanation
NFPS	The New Firefighters' Pension Scheme, i.e. the pension scheme set out in the Firefighters' Pension Scheme (England) Order 2006.
normal benefit age	Age 65. The age at which a deferred benefit would be paid.
normal retirement age	The age at which, if a person retires, pension benefits would be payable immediately – this is age 60 in the NFPS.
partner	In this guide it means both a civil partner or a nominated partner.
pensionable pay	See "How much do I pay in contributions?" on page 7.
pensionable service	See the explanation on page 9.
pension credit rights	The pension rights, under the NFPS, of a pension credit member. These would be derived from the member's pension rights and transferred to a former spouse or a civil partner in accordance with a pension sharing order – see page 15.
pension input period	This is the 12-month period used to determine the growth in pension each year as required by HM Revenue and Customs. Fire and rescue authorities nominate 31 March as the end of each pension input period.
permanently disabled	Means that the disablement is likely to continue until normal retirement age (60) in the case of an active member, or to normal benefit age (65) in the case of a deferred member.
qualifying service	This is the service which is used to decide if a person is eligible for benefits under the NFPS. It includes – <ul style="list-style-type: none"> • the period, i.e. the full "calendar length" – even in the case of a part-time member – during which a person is a member of the NFPS and paying contributions; • any period of unpaid leave (including additional maternity, paternity and adoption leave) in respect of which contributions are paid; • service credit brought into the Scheme as a transfer of pension rights; • service which counted as qualifying for the earlier part of a split award or which counts as a result of the cancellation of a deferred or ill-health pension on re-employment; • service which counted as qualifying in the Firefighters' Pension Scheme 1992 if a person transfers from that Scheme to the NFPS.
regular employment	Employment for at least 30 hours a week on average, over a period of not less than 12 months.
spouse	The person to whom a firefighter is legally married.
State pension age	This is currently subject to change. For the latest information, see www.gov.uk/calculate-state-pension
two pension option	A way of protecting final salary pensions after a reduction in pay – see page 12
widow(er)	The person to whom the firefighter was legally married at date of death.

SUMMARY OF THE PROVISIONS OF THE NEW FIREFIGHTERS' PENSION SCHEME

Membership	is open to all firefighters whose role includes resolving operational incidents or leading and supporting others in the resolution of such incidents, regardless of duty system or hours of employment.
Basic contribution rate	is a percentage of your pensionable pay determined by the pay bands shown in the Table on page 23. Currently, contribution rates range from 8.5% to 12.5%.
Additional contributions	can be paid, by election and subject to eligibility, to "purchase" additional service or to count certain types of unpaid leave as pensionable service.
Previous pension rights	as a member of the NFPS, or with another pension arrangement (including the Firefighters' Pension Scheme 1992), may be transferred to add to current service as a Scheme member.
Normal retirement age	is age 60.
Basic principles of assessment of pension	<p>provide a proportion of final pensionable pay according to pensionable service accrued at the date of calculation:</p> $1/60 \times \text{pensionable service} \times \text{final pensionable pay}$ <p>In the case of a part-time employee, the service would reflect the part-time hours worked (e.g. half-time for two years would give one year of pensionable service) but the final pensionable pay would be based on the whole-time equivalent rate.</p>
Two pension option "split award"	is a means of protecting final salary pension rights where pay is reduced in a final salary pension scheme. At the point of reduction the first pension would be "closed" and a new pension started. When the member retires, both pensions would be paid or, if more advantageous, the service on which the two pensions are based could be added together and a single pension paid.
Additional Pension Benefits ("APBs")	APBs cater for elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the authority, at its discretion, may allow to be treated as pensionable. Contributions are paid on this element of pay by the firefighter and the authority and are used to buy an APB. The amounts of APB at the end of each year are index-linked. They are totalled and paid to you as an additional pension when you become eligible to receive your main NFPS pension.
Ill-health award	can be payable from any age if the NFPS member is permanently disabled for the performance of the duties of his/her role. It can be a lower tier award or a higher tier award. The lower tier award, which is a lower tier ill-health pension (assessed using the basic pension formula), would be paid where the member is capable of regular employment (other than as a firefighter). The higher tier award, which is a lower tier ill-health pension plus a higher tier ill-health pension (assessed using a proportion of prospective service), would be paid where the member is not capable of regular employment.

Commutation	allows a firefighter to give up part of his/her annual pension to provide a one-off payment of a lump sum.
Early leaver benefits	<p>Apply in the event of a firefighter leaving the fire and rescue service before normal retirement age. The benefits, dependent upon length of service, the nature of the termination of employment, the age of the member and/or the choice of the member are:</p> <ul style="list-style-type: none"> • a refund • a transfer of pension rights to another fire and rescue authority • a transfer of pension rights to another pension arrangement • a deferred pension • an authority-initiated early retirement pension • a member-initiated early retirement pension.
Death benefits	Are provided in the form of a death grant of three times pensionable pay for a member who dies in service or a five year guarantee where the firefighter has retired and a pension is in payment, plus dependants' benefit cover for a surviving spouse, or civil partner, or nominated partner and for children.
Effect of divorce or dissolution of civil partnership	Depends upon the decision of the court. If the court issues an "earmarking" order, all or part of the death grant, pension, or lump sum by commutation may be paid to the former spouse or civil partner at the time those benefits would normally be paid to, or in respect of, the NFPS member. If, instead, the court issues a pension sharing order, part of the firefighter's accrued value of pension rights will be deducted from the effective date of the order to provide benefits for the former spouse or civil partner who becomes a "pension credit member" in the NFPS.
Pension credit member's benefits	Are provided for the former spouse or civil partner of a NFPS member in the event of a court issuing a pension sharing order on divorce. The benefits are payable from age 65 and comprise a pension, and the option of a lump sum provided the firefighter had not already commuted part of his/her pension. A death grant of two and a quarter times the annual pension would be paid if the pension credit member dies before his/her pension is due to come into payment. There is a five year guarantee where the pension is in payment, provided the pension credit member is under age 75. In these circumstances a death grant based on the difference between instalments paid and instalments due – for five years – would be paid to the person's estate.
Pensions Increase	A "cost-of-living" increase is applied to members' and dependants' pensions, usually on an annual basis, in accordance with Pensions Increase Acts and Orders.
Rights of appeal	Can be used if dissatisfied with the decisions of the fire and rescue authority, or the medical opinion on which certain decisions are based.

WHERE CAN I GET MORE INFORMATION?

If you –

- need more information about any of the provisions of the New Firefighters' Pension Scheme,
- require forms on which to nominate a partner for death benefits, or to indicate to whom you would wish any death grant to be paid,
- would like a statement of retirement benefits or transfer value, or
- wish to see the Statutory Instruments which contain the rules of the Scheme,

you should contact the fire and rescue authority's pension's administrator:

West Yorkshire Pension Fund
P.O. Box 67
Bradford
BD1 1UP
Telephone: 01274 434999
Email: pensions@wypf.org.uk

More pension information can be found on the website:

www.esfrs.org

Please remember that although the fire and rescue authority can give you details of benefit entitlement or options under the NFPS, they are not permitted to advise you to take any particular course of action when a choice arises. If you are uncertain what steps to take, it is suggested that you seek the assistance of an independent financial adviser (some advisers may charge for this service).