

PART G

PENSIONABLE PAY AND CONTRIBUTIONS

Part G defines pay for the purposes of calculating contributions and awards (G1), sets the rate of contribution (G2) and allows regular firefighters to opt out of their occupational pension scheme (G3). Rule G4 deals with the continuing liability to make payments under elections to uprate widow's benefits. Rules G5 to 8 provide for the purchase of increased benefits by lump sum or periodical contributions . The payments due and the resulting effects on FPS entitlements are covered in Schedule 8. **The position of a regular firefighter who has opted out of the FPS under rule G3 is covered in Annex 5.**



⑤

What is pensionable pay?

Your pensionable pay at any time is:

- * the rate of pay
- determined in relation to your rank, or
- if you are a chief officer or firemaster or assistant chief officer or firemaster determined in relation to your post.

Pensionable pay is central to the calculation of:

- * contributions,
- * transfer values,
- * pensions,
- * allowances, and
- * gratuities.

(See "POINTS TO NOTE 4, G1-2".)

⑥

What is average pensionable pay? (APP)

Your average pensionable pay (APP) is:

- * the sum total of your pensionable pay during the last year, on the date when it needs to be decided (the "relevant date"), with the following exceptions:
 - a. if you have received pensionable pay for only part of a year, the pay you have received will be multiplied up to get an annual equivalent (see G1-Example 3),
 - b. if your pensionable pay would have been more, but for a temporary reduction in pay by way of punishment, the higher pay will count (otherwise there would be double punishment); similar provisions apply if pay is reduced because of sick leave,
 - c. if your APP on any date would have been more had it been calculated on a date 1 year earlier, or 2 years earlier, the highest of the 3 figures will count (see G1 - Examples 2 and 4 and "POINTS TO NOTE 5, G1-2").
- * The "relevant date" for calculating your APP for an award is your last day of service as a regular firefighter or, if a serving firefighter opts out of the FPS, for purposes of calculating the APP for a deferred pension or a transfer value to a personal pension plan it would be the last day of service as a member of the FPS.
- * Where it is necessary to determine your average pensionable pay for a week the APP figure calculated as above is divided by 52 1/6th.

Effect of "Earnings Cap"

If you joined the fire service after 31 May 1989 there is an upper limit for the amount of your pay which is "pensionable" in any tax year. This measure was introduced following the 1989 Budget. The limit was fixed at £60,000 in 1989 and has since been increased annually in line with rises in the retail price index. If this rule applies in your case you would not be liable for pension contributions on your pay in excess of the "earnings cap". By the same token you would not qualify for the benefits in respect of the excess earnings.

PENSIONABLE PAY AND
AVERAGE PENSIONABLE PAY

POINTS TO NOTE

To do with
"pensionable pay"

1. Rates of pay do not include irregular additions to earnings such as overtime which are thus not pensionable. London weighting is pensionable as is flexible duty allowance. If the pensionable status of a particular payment is in doubt this will normally be clarified in the NJC Conditions of Service Booklet.
2. Rule G1(1) relates the pensionable pay of chief fire officers and assistant chief fire officers to the pay determined for their post (as opposed to rank for other firefighters). This is simply because the pay for these posts varies according to the population size of their Brigade. There is no suggestion that anything other than basic pay should be included in the pensionable pay calculation.
3. Pay on temporary promotion is pensionable (but not acting-up allowance).
4. Awards which are not based on your pensionable pay include:
 - a gratuity which is of a standard amount as part of a spouse's augmented award, or a child's special gratuity, or
 - a flat-rate award.

To do with
"average pensionable
pay"

5. If you are working out your APP, and your pay rate changed during the year in question, you:
 - multiply each of your annual salary rates by the number of days during which that rate was paid and divide the result by 365 in an ordinary year and by 366 in a leap year (ie a period of a year including a 29 February). The total of these sums is your APP (see G1 - Examples 1 to 4).
6. If you have been a serviceman during the last 3 years, your APP will be worked out as if you had continued to receive a firefighter's pay while you were a serviceman (see "POINTS TO NOTE 3", I2-1).

To do with the
"earnings cap"

7. The "earnings cap" figure appears in Orders made by the Treasury under Section 590 C(6) of the Income and Corporation Taxes Act 1988.
8. Certain exceptions are allowable in respect of temporary absences, for those who started serving before 1 June 1989. These appear in regulation 4 of the Retirement Benefit Schemes (Tax Relief on Contributions) (Disapplication of Earnings Cap) Regulations 1990 (SI 1990/586).



How much must be paid in contributions?

Pension contributions are payable only if you are a regular firefighter (see "POINTS TO NOTE 1", below).

- * Basic contributions are payable at the rate of 1p a week less than:
 - 11% of your pensionable pay, or
 - if you are a 1956 optant (see Part IV of Schedule 11) 7.75% of your pensionable pay.

POINTS TO NOTE

1. If you are:
 - a whole-time member of a brigade, but not a regular firefighter, or,
 - a part-time firefighter,
 you pay no contributions because you are entitled only to injury benefits under the pension scheme, the costs of which are met by fire authorities.
2. Earlier rates were (apart from the 1p reduction):

<u>Period</u>	<u>Firefighters other than 1956 Optants</u>	<u>1956 Optants</u>
Before 25 August 1966	5%	5%
26 August 1966 to 31 March 1972	6% \emptyset	5%
1 April 1972 to 30 April 1983	6.75%	5%
1 May 1983 to 31 October 1983	8.75%	6.25%
1 November 1983 to 30 June 1991	10.75%	7.5%
From 1 July 1991	11%	7.75%
\emptyset The rate remained at 5% for those who were serving on 26 August 1966 who did not elect to join the "widow's third" pension scheme.		

3. The deduction of 1p a week from the percentage contribution rate dates back to 5 July 1948, when a deduction of 2d (2 old pence) was made from everyone's contribution rate, to take account of injury benefits which were previously available to the fire service and which were provided, for the firefighter as well as others, as part of new national insurance benefits introduced from that date. The 2d was decimalised on 15 February 1971 and became 1p. (See ANNEX 2-3).
4. Until 31 March 1980 there was a further deduction from the percentage contribution rate, of 5p a week, for those whose pensions would be reduced at state pensionable age in respect of the state flat-rate retirement pension. This was known as "flat-rate modification." Flat rate modification of pensions ended with effect from 1 April 1980 in respect of service on or after that date. Since then all regular firefighters have paid the "unmodified" rate of pension contributions (see ANNEX 2-3 to 4).



PENSIONABLE CONTRIBUTIONS

How are contributions paid?

Your pension contributions are deducted from your pay before it is assessed for income tax, so you get full income tax relief on all your contributions (see **ANNEX 3-3**).

Other contributions

As well as your basic contributions, you may have other contributions to pay:

- * if you had service before 1 April 1972, which you elected to uprate for half-rate widow's and children's benefits by payment of additional or further contributions (see **G4-1**), or
- * if you have elected to purchase increased benefits (see **G-7**).

Refunds of contributions

When you leave the fire service, if you have less than 2 years' service and you are not entitled to any other award or a transfer value, you may be entitled to an award under **B6** by way of repayment of your aggregate pension contributions, subject to deductions for tax and "buying back" into **SERPS** (see also **ANNEX 2-8** and **ANNEX 3-3**).

Under the requirements of the Social Security Act 1986 membership of the FPS is not compulsory. You have the right to opt out of the scheme once during any period of service. There is no automatic right to rejoin. If you do decide to opt out of the FPS you must either join SERPS or start a personal pension arrangement.

How to opt
out of the FPS

The FPS provides valuable benefits and you should consider your position very carefully before opting out. On joining the fire service you will be assumed to be a member of FPS unless you indicate otherwise. If you so decide to opt out you should ask your fire authority to let you have the necessary option form which will be similar to the example at G3-Form. When completed this should be submitted to your fire authority.

When does the
option take
effect?

Your contributions to the FPS stop from the first pay date after the fire authority receive your completed form, unless you are within your first 3 months of service in which case it will apply from your joining date. Where it applies within 3 months of joining you will be assumed never to have been a member of the FPS and your contributions will be refunded.

What about
rejoining
the scheme

You will not be allowed to rejoin the FPS if:
* you are age 45 or over at your date of application; or,
* your fire authority are not satisfied that you are in good health (see "POINTS TO NOTE 1", below).

Where your application is accepted you will be deemed to have rejoined the FPS from the first pay date after your application is received.

How opting out
will effect
your position
under the FPS

ANNEX 5 explains which provisions of the Scheme may still have an effect if you opted out of the FPS at any stage of your career.

POINTS TO NOTE

1. If your authority have doubts about your health they can ask you to undergo a medical examination (which would be at your expense) to help them decide on the matter.

CONTINUED PAYMENT OF
ADDITIONAL AND
FURTHER CONTRIBUTIONS

This rule preserves the provisions of the 1973 Scheme for the payment of extra contributions to uprate widow's benefits insofar as they still have effect.

What are additional and further contributions?

- * Additional contributions are those you may have elected to pay in 1966 or 1973 to uprate your service before 1 April 1972 to count towards a widow's pension at the one-third rate, instead of at the flat-rate.
- * Further contributions are those which you may have elected to pay in 1973 to uprate your service before 1 April 1972 to count towards widow's and children's benefits at the half-rate.
- * You could not elect in 1973 to uprate your widow's benefit to the half-rate unless it already counted at the one-third rate or you also elected to uprate it from the flat rate to the one-third rate, because the payments due related to the difference in cost between third and half rate benefits.

When must additional and further contributions be paid?

- * Your additional or further contributions are payable until:
 - a. you complete 25 years' service since your election in the case of a 1973 election (not counting any pensionable service you are entitled to reckon because of service or employment before 1 July 1973, which you were not already entitled to reckon on 1 July 1973), or
 - b. you retire, whichever happens first.
- * If you retire or have retired with an ordinary pension before your additional or further contributions would have stopped had you continued to serve:
 - your pension will be reduced by the rate at which you were paying those contributions when you retired, until they would have stopped had you continued to serve (see para 6 of Part VIII of Schedule 2, B Gen-8 and "POINTS TO NOTE 2", G4-2).

POINTS TO NOTE

1. Additional or further contributions were one of 3 methods of uprating service for widow's benefits in 1973. The other 2 methods were:
 - a. reduction of pension, (see B GEN-5 to 8), or
 - b. a lump payment.
 (All lump sum payments had to be made by 1 October 1973, so that there is no continuing provision for such payments).

**CONTINUED PAYMENT OF
ADDITIONAL AND FURTHER CONTRIBUTIONS**

2. The only way in which you could be required to have your ordinary pension reduced, to complete your additional or further contribution payments, would be if you became entitled after 1 July 1973, to reckon pensionable service because of service or employment before that date. This would enable you to complete 25 years' service (and thus qualify for an ordinary pension) before you would otherwise have done so. This would upset the basis on which your contributions were calculated, unless you continued paying (see B GEN-8 and "How much must be paid?" below).

**How much
must be paid?**

If you are paying additional or further contributions, you are probably aware how they are calculated. The Table in Schedule 7 of the 1973 Scheme was prepared by the Government Actuary on the basis that the cost of uprating earlier service to the one-third and half rate for widow's benefit would be shared equally between members and fire authorities.

If you will not be in a position to earn a full ordinary pension by your compulsory retirement date you may be eligible to buy extra benefits under the FPS.

Conditions for
eligibility

The basic qualifying conditions are you must be a regular firefighter:

- who has not opted out of the FPS (see G3),
- whose compulsory retirement date (see A13) is at least 9 years after the date your current period of service started,
- who would not have completed 30 years' pensionable service by your compulsory retirement date, and
- who is not a "1956 Optant".

POINTS TO NOTE

1. Your compulsory retirement date for this purpose is the date at which you would be required to retire if you remained in your present rank.
2. You are required to meet the whole cost of the extra benefits and it will therefore seem more expensive than under the normal arrangements for reckoning service, where you pay less than one third of the cost.

SCHEDULE 8, PART I
G6 - Example 1 and 2**How to make
an election**

You should apply in writing to your fire authority stating that you wish to buy a specified number (this need not be a whole number) of sixtieths of your average pensionable pay. (See "POINTS TO NOTE 1", G6-1). You should indicate whether you wish to pay by lump sum or by periodical contributions. Your election takes effect on the day it is received by your fire authority and it is irrevocable. The effect continues notwithstanding any subsequent change in your compulsory retirement date.

**Payment by
lump sum**

You can only opt to pay by lump sum during your first 12 months of service. (If payment in full is not made within 3 months of the date of your notice of purchase, your election will be cancelled). The sum due is calculated from tables provided by the Government Actuary (Schedule 8, Part I). Your fire authority will be able to provide details. The example at the end of this Part shows how much this is likely to cost (G6-Example 1).

**Payment by
periodical
contributions**

You cannot opt to pay by this method if:

- you are within 2 years of your compulsory retirement date,
- you are under notice of retirement on grounds of ill-health (A15) or in the interests of efficiency of the brigade (A14), or
- you are unable to satisfy your fire authority that you are in good health (see "POINTS TO NOTE 2", below).

The payments due will be calculated from tables provided by the Government Actuary, (Schedule 8, Part I), details of which can be obtained from your fire authority. The example at the end of this Part gives an idea of how much this is likely to cost (G6-Example 2).

POINTS TO NOTE

1. The number of sixtieths specified in your election must not be more than the number required to make your potential entitlement up to 40 sixtieths of your average pensionable pay.
2. Your fire authority may ask you to undergo a medical examination if there is doubt about your state of health. The examination would be at your own expense.

**PAYMENT OF PERIODICAL
CONTRIBUTIONS FOR
INCREASED BENEFITS**

**Duration of
payment of
periodical
contributions**

Once your application under G6 has been accepted by your fire authority contributions will start from your next birthday and will continue until the earliest of the following events:-

- your compulsory retirement date (see G5-1) as it was at the date of your application,
- the date you cease to serve as a regular firefighter, and
- you opt out of the FPS (see G3).

POINTS TO NOTE

1. Your fire authority can allow you to discontinue payments for any particular period if they are satisfied that they are causing, or likely to cause financial hardship.
2. If you are on a period of unpaid leave the payments would be due as if you have continued working.
3. If you are re-employed as a regular firefighter after being retired on ill-health grounds, or you opt back into the FPS you will again become liable for payment for periodical contributions.
4. There is a limit of 15% of pensionable pay for the total of your normal contributions to the FPS and the amount you are contributing to buy extra benefits. Any payment in excess of this figure would have to be paid as a lump sum calculated by the Government Actuary (unless the excess results directly from the increase in the contribution rate from 10.75% to 11% on 1 July 1991 for those already buying extra benefits at that date in which case a concession has been granted).

SCHEDULE 8, PART II
G8-Example 1

This rule covers the effect of buying extra benefits. You should note that although your election will increase the amount of your pension and any dependant's benefits, it will not increase the length of your pensionable service.

What are the limitations for reckoning the increased benefit?

- * It will not affect double reckoning nor the qualifying period for double reckoning.
- * It will not enable you to retire earlier than you would otherwise have done, eg, it will not affect the requirement to complete 25 years' service to qualify for an ordinary pension under B1.
- * It will not allow you to qualify for a benefit to which you would not otherwise be entitled, nor to have your basic award calculated differently eg, a regular firefighter who left on health grounds (but without a qualifying injury) with less than 2 years' service would not qualify for an ill-health pension as a result of his election.
- * It cannot be taken into account for assessing any ill-health enhancement entitlement.

What happens if you retire on health grounds or die?

All the increased benefit would count whether it had been bought by the lump sum method, or was being bought by the contributions method, provided the lump sum or at least one periodical contribution had been paid; except that where a fire authority had previously exercised their discretion (see G7) to allow discontinuance of payment by periodical contributions, a proportion of the whole would count, equal to the proportion of the time during which payments had actually been made to the time during which they would have been made had they continued until the date of death or ill-health retirement.

What happens if you retire with an ordinary pension before your compulsory retirement age; with a deferred pension; or a transfer value?

If the increased benefit were being bought by the lump sum method, it would reckon only if the lump sum payment had been made, and then subject to a reduction, in the case of an ordinary pension, which would be assessed actuarially to balance the extra cost of paying the benefit early, ie before the age of retirement for the rank in which the election was made.

If the increased benefit were being brought by the periodical contribution method, it would reckon only if at least one payment had been made and then subject to the following reductions:-

- (a) in all cases a pro rata reduction according to how many contributions out of the potential total had actually been made; and

**EFFECT OF PAYMENT
FOR INCREASED BENEFITS**

- (b) in the case of an ordinary pension, a further reduction assessed actuarially to balance the extra cost of paying the benefit early, ie before the age of retirement for the rank in which the election was made.

What happens if you are promoted?

If you elected to make payments when in a rank with a retirement age of 55, and were later promoted to a rank with a retiring age of 60, your original election would stand, and you would have to continue making payments until attaining age 55, whether or not you still needed those years for a full pension. You would, however, get credit for them in the event of ill-health retirement or death.

How would other awards under the FPS be affected?

Your right to commute will relate to your increased pension. However, if you have less than 30 years' pensionable service you will only be able to commute an ordinary pension to the extent permitted under B7(5) (see B7-4).

A transfer value will be calculated by reference to your notional deferred pension (as increased) and your spouse's notional accrued pension (as increased).

An injury pension would not stand to be increased as a result of your election, i.e. "purchased" service is not "relevant" service for assessing the percentage of pensionable pay due as a guaranteed minimum. However, where an injury pension is to be reduced by "three-quarters of the amount of any other pension payable to the person concerned" (see B4-1), the reduction will relate to that other pension before it is increased as a result of an election.

POINTS TO NOTE

1. If you opt out of the FPS under G3 (unless you paid by the lump sum method) there will be a pro rata reduction of your "increased benefits" according to how many contributions out of the potential total you have actually made at that date.
2. Further information on the potential effects of an election can be obtained from your fire authority. Advice was given in Fire Service Circular No 5/1987 dated 28 August 1987 and its Scottish Office equivalent.

Example 1

The firefighter retires at midnight on 1 September 1991 after 30 years' service. His average pensionable pay is the aggregate of his pensionable pay during the period of a year ending on the date of his last day of service.

Pensionable pay:

From	To	Days		
2. 9.90	6.11.90	66/365	@ £13707pa	= £2478.53
7.11.90	1. 9.91	299/365	@ £15009pa	= £12295.04
				= £14773.57

Average pensionable pay = £14773.57

Example 2

The firefighter joined the fire service on 7 December 1987 and retired at midnight on 15 July 1991. She was on unpaid maternity leave for one year from 16 July 1990 to 15 July 1991. Her average pensionable pay is calculated for the preceding year ie from 16 July 1989 to 15 July 1990.

Pensionable pay:

From	To	Days		
16. 7.89	6.11.89	114/365	@ £10572pa	= £3301.94
7.11.89	6.12.89	30/365	@ £11481pa	= £943.64
7.12.89	15. 7.90	221/365	@ £12051pa	= £7296.63
				= £11542.21

Average pensionable pay = £11542.21

Example 3

The firefighter joined the fire service on 6 February 1978 and retired at midnight on 13 December 1990. He was on unpaid leave from 9 June 1990 to 13 December 1990. His average pensionable pay is calculated for part of a year ie from 14 December 1989 to 8 June 1990 (177 days) and the aggregate multiplied by the reciprocal of the fraction of the year for which he was in receipt of pensionable pay.

Pensionable pay:

From	To	Days		
14.12.89	5.2.90	54/365	@ £10959pa	= £1621.33
6. 2.89	8.6.90	123/365	@ £11481pa	= £3868.94
				= £5490.27

Average pensionable pay:

$$£5490.27 \times \frac{365}{177} = £11321.74$$

Average pensionable pay = £11321.74

PENSIONABLE PAY AND AVERAGE PENSIONABLE PAY

Example
4

The firefighter retires on 8 September 1991 as a Station Officer after 30 years service aged 51. In the year prior to his last year of service he was in receipt of temporary salary as a Station Officer on the flexible duty system.

Pensionable pay for his last year of service:

From	To	Days			
9. 9.90	6.11.90	59/365	@	£18027pa	= £2913.95
7.11.90	8. 9.91	306/365	@	£19740pa	= £16549.15
					= £19463.10

Average pensionable pay = £19463.10

Pensionable pay for the year preceding his last year of service:

From	To	Days			
9. 9.89	6.11.89	59/365	@	£16599pa	= £2683.13
7.11.89	8. 9.90	306/365	@	£18027pa	= £15113.05
					= £17796.18
				20% FDS allowance	= £ 3559.24
					<u>£21355.42</u>

Average pensionable pay = £21355.42

The firefighter's pension is consequently based upon his pensionable pay for the year preceding his last year of service.

The firefighter would not normally qualify for Pensions Increase until his 55th birthday. The beginning date of the pension for PI is 9 September 1990.

**FIREFIGHTERS' PENSION SCHEME
APPLICATION TO LEAVE THE SCHEME**

Please read and carefully consider the explanatory leaflet describing the benefits available under the Firefighters' Pension Scheme before deciding whether or not you wish to opt out of the Scheme. This form should be completed only by those who wish to contribute to SERPS or a personal pension scheme; no action is required if you wish to remain in the Firefighters' Pension Scheme.

PERSONAL DETAILS

To be completed in BLOCK CAPITALS

Surname -----

Forenames -----

Rank -----

Date of Birth -----

DECLARATION

I have read the explanatory leaflet on the Firefighters' Pension Scheme and I do not wish to remain a member of the Scheme.

I understand that I am giving up my right to benefits from the Firefighters' Pension Scheme (apart from those already earned). These include:

- * an index-linked retirement pension, based on final pensionable pay and length of service
- * retirement benefits normally available well below the age of 60
- * double reckoning of service after 20 years
- * option to commute part of the pension for a tax free lump sum
- * dependants' benefits
- * ill-health retirement benefits, including enhancement of service
- * death-in-service lump sum payment of 2 years' pensionable pay.

I also understand that there will be one option to rejoin the Scheme subject to certain conditions.

Signature -----

Date -----

Completed forms should be returned to your employing authority

PURCHASE OF INCREASED BENEFITS

Example
1

A firefighter elected to buy increased benefits by payment of a lump sum. He joined the fire service on 15 November 1990, aged 30. His date of birth is 15 May 1960 and his age next birthday at the date of election was 32.

The firefighter can complete only 24 years 181 days service by age 55 -

giving him a prospective pension entitlement of $\frac{28.9918}{60} \times$ average pensionable pay (APP)

Maximum benefit he could buy = $\frac{11.0082}{60} \times$ APP

He decides to buy increased benefits worth 4/60ths of his APP, by paying a lump sum at a cost of 134.4% of his aggregate pensionable pay for the period of 1 year up to the date of election (33.60% for each 60th).

Assuming that his aggregate pensionable pay at the date of election is £12200 the total cost is £12200 $\times \frac{134.4}{100} =$ £16396.80.

This sum must be paid within 3 months of his date of election.

PURCHASE OF INCREASED BENEFITS

Example
2

A firefighter elected to buy increased benefits by the periodic contributions method. He joined the fire service on 1 September 1974, aged 26. His date of birth is 7 February 1948 and his age next birthday at the date of his election was 35.

The firefighter can complete only 28 years 159 days service by age 55 -

giving him a prospective pension entitlement of $\frac{36.8712}{60}$ x average pensionable pay (APP)

Maximum benefit he could buy: $\frac{3.1288}{60}$ x APP

He decided to buy increased benefits worth 2/60ths of his APP, by paying extra contributions, at a cost of 4.06% of his pensionable pay (2.03% for each 60th).

Total pension contributions:

10.75%* normal contributions
4.06% extra contributions
14.81%

(This did not exceed the 15% limit at the date of his election).

*The increase in the contribution rate to 11% from 1 July 1991 put this case marginally over the 15% limit but in the circumstances fire authorities were not expected to cut back the contributions or tax relief in such a case.

PURCHASE OF INCREASE BENEFITS
EFFECT OF DECISION

Example

1

The firefighter described in G6-Example 2 is married with 2 children aged 10 and 8 at the date of his election. The following calculations show what would happen in his case in a variety of circumstances.

A. Retirement on 7 February 2003

Last day of service 6 February 2003

Increased contributions paid from 7 February 1984 to 6 February 2003

Ordinary pension equals -

(i) in respect of his service $\frac{36.8712}{60} \times \text{APP}$

(ii) in respect of his increased benefits
 $\frac{2}{60} \times \text{APP}$

$$= \frac{38.8712}{60} \times \text{APP}$$

On his death his widow's pension will equal his own pension for the first 13 weeks and then half this pension. His children are grown up.

B. Transfer to other employment on 6 February 1990

He can opt for a deferred pension or a transfer value.

His deferred pension would have to reflect the fact that he had only partly paid for the increased benefits. This would equal:

(i) in respect of his service -

$$\frac{15.4356}{28.4356} \times \frac{36.8712}{60} \times \text{APP}$$

(ii) in respect of his increased benefits -

$$\frac{6}{19} \times \frac{2}{60} \times \text{APP} = 0.0105 \times \text{APP}$$

On his death his widow's accrued pension would equal half this deferred pension. (She would receive a pension equal to his own pension for the first 13 weeks, only if her husband's deferred pension was already in payment when he died).

A transfer value would be calculated on the basis of his deferred pension and his widow's accrued pension as above.

C. Retirement with an ill-health pension.
Last day of service 31 August 1988

His ill-health pension would equal:

- (i) in respect of his service - $\frac{21}{60} \times \text{APP}$
- (ii) in respect of his increased benefits -
- $\frac{2}{60} \times \text{APP}$
- $= \frac{23}{60} \times \text{APP}$

D. Death on 20 October 1988, having retired.
His last day of service being 31 August 1988

His widow's pension will equal his pension of $\frac{23}{60} \times \text{APP}$ for the first 13 weeks and then half this pension.

His children (then aged 14 and 12) will be entitled to ordinary allowances each equal to 12.5% of his pension of $\frac{23}{60} \times \text{APP}$.