



Mr P Burns
7 Kings Drive
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PR2 3HN

Please ask for: Bob Waren
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Email: bobwarren@lancsfireandrescue.org.uk
Your Ref:
Our Ref: BW/HLG
Date: 18 April 2013

Dear Mr Burns

FIREFIGHTER'S PENSION SCHEME 1992

I refer to your query in respect of the pension benefits payable to you that you raised during the recent court proceedings.

I thought the logical way to respond to your document would be to go through each of the regulations, B1, B2 & B3 in turn and explain how they relate to your retirement on ill health on 31 January 1997 with pensionable service of 33 years 188 days.

Ordinary pension entitlement under regulation B1

B1.—(1) Subject to paragraph (2), this rule applies to a regular firefighter who retires if he then—

- (a) has attained the age of 50, and
- (b) is entitled to reckon at least 25 years' pensionable service, and
- (c) does not become entitled to an ill-health award under rule B3.

(2) This rule does not apply—

- (a) to a person whose notice of retirement states that he is retiring for the purpose of joining another brigade, or
- (b) unless his notice of retirement was given with the permission of the fire authority, to a chief officer, or in Scotland a firemaster, who retires before attaining the age of 55, or
- (c) where immediately before the person's retirement an election under rule G3 not to pay pension contributions had effect.

(3) A person to whom this rule applies becomes entitled on retiring to an ordinary pension calculated in accordance with Part 1 of Schedule 2.

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As your retirement was due to ill health you became entitled to an ill health pension under regulation B3 therefore the ordinary pension under regulation B1 is not due, as indicated in part (1) (c) of the extract above .

Short service award under regulation B2

B2.—(1) This rule applies, unless immediately before his retirement an election under rule G3 not to pay pension contributions had effect, to a regular firefighter—

- (a) who retires as required by rule A13 (compulsory retirement on account of age) and does not on retiring become entitled to an ordinary pension under rule B1, or
- (b) who retires on or after attaining the age of 65, is entitled to reckon at least 2 years' pensionable service, and is not entitled to any other pension or gratuity under this Part.

(2) A person to whom this rule applies becomes entitled on retiring—

- (a) if he is entitled to reckon at least 2 years' pensionable service, to a short service pension calculated in accordance with Part II of Schedule 2, and
- (b) in any other case, to a short service gratuity calculated in accordance with Part IV of Schedule 2.

As your retirement was due to ill health and not compulsory due to age or on or after attaining age 65 (which are the qualifying conditions for a short service award indicated in (1) (a) or (b) above) , the short service award under regulation B2 is not due.

Ill-health award under regulation B3

B3.—(1) This rule applies, unless immediately before his retirement an election under rule G3 not to pay pension contributions had effect, to a regular firefighter who is required to retire under rule A15 (compulsory retirement on grounds of disablement).

(2) A person to whom this rule applies becomes entitled on retiring—

- (a) if he is entitled to reckon at least 2 years' pensionable service or the infirmity was occasioned by a qualifying injury, to an ill-health pension calculated in accordance with Part III of Schedule 2, and
- (b) in any other case, to an ill-health gratuity calculated in accordance with Part IV of Schedule 2.

Calculation of ill-health award under regulation B3 from Schedule 2 Part B, Part III

1.—(1) Paragraphs 2 to 5 have effect subject to Parts VII and VIII of this Schedule, and paragraphs 3 and 4 have effect subject to paragraph 5.

(2) In paragraphs 2 to 4, A is the person's average pensionable pay.

2. Where the person has less than 5 years' pensionable service, the amount of the ill-health pension is—

$$A \times B / 60$$

where B is the greater of one year and the period in years of his pensionable service.

3. Where the person has at least 5 but not more than 10 years' pensionable service, the amount of the ill-health pension is—

$$2 \times A \times C / 60$$

where C is the period in years of his pensionable service.

4. Where the person has more than 10 years' pensionable service, the amount of the ill-health pension is the greater of—

$$20 \times A / 60$$

and

$$(7 \times A / 60) + (A \times D / 60) + (2 \times A \times E / 60)$$

where—

D is the period in years of his pensionable service up to 20 years,
and

E is the period in years by which his pensionable service exceeds 20 years.

5.—(1)Where—


(a) if the person had continued to serve until he could be required to retire on account of age, he would have become entitled to an ordinary or short service pension ("the notional retirement pension"), and

(b) the amount calculated in accordance with paragraph 3 or 4 exceeds the amount of the notional retirement pension,

the amount of the ill-health pension is that of the notional retirement pension.

(2) The notional retirement pension is to be calculated by reference to the person's actual average pensionable pay

When you retired your pensionable service was more than 10 years therefore we use the provisions of paragraph 4 above to calculate the ill health pension. However we also need to take account of paragraph 5 that advises us of the restriction on the pensionable service we can use and any ill health enhancement awarded. The restriction is such that we cannot calculate a higher pension than would have become payable had you retired normally on account of age i.e. at age 55 and become entitled to an ordinary pension.

Therefore as you had 33 years 188 days service at retirement we need to calculate your pension as an ordinary pension under regulation B1 as follows 

Calculation of an ordinary pension regulation B1 from Schedule 2 Part B, Part I

Subject to Parts VII and VIII of this Schedule, the amount of an ordinary pension is—

$$(30 \times A / 60) + (2 \times A \times B / 60)$$

where—

A is the person's average pensionable pay, and

B is the period in years (subject to a maximum of 5 years) by which his pensionable service exceeds 25 years.

The pension payable to you is therefore

$(30 \times \text{£}35,031.36/60) + (2 \times \text{£}35,031.36 \times 5/60) = 17,515.68 + 5,838.56 = \text{£}23,354.24$

Short Service or ill health gratuity payable under Schedule 2 Part B, Part IV

1. Where the person's pensionable service is less than one year, the amount of the gratuity is that of his aggregate pension contributions.

2. Where the person's pensionable service is one year or more, the amount of the gratuity is the greater of—

(a) his aggregate pension contributions, and

(b) 1/12th of his average pensionable pay multiplied by the period in years of his pensionable service.

3. Where the person ceased to serve after the beginning of the tax year in which he attains state pensionable age, the gratuity calculated in accordance with paragraph 1 or 2 shall be reduced by the capitalised value, as calculated by the Government Actuary, of any pension paid to him under rule J1 (guaranteed minimum).

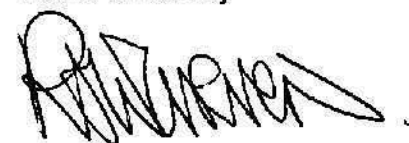
Regulation B3 paragraph 2 instructs us that a person who is entitled to reckon at least 2 years' pensionable service, becomes entitled to an ill health pension calculated in accordance with Part III of Schedule 2, as covered above. It then goes on to advise that in any other case, an ill-health gratuity calculated in accordance with Part IV of Schedule 2 becomes due. Therefore as you are entitled to receive the ill health pension under the regulations a Short Service or ill health gratuity is not due. In effect a short service or ill health gratuity can only be paid in circumstances where a member retires on the grounds of ill health with less than 2 years service.

Taking into account all of the above regulations the pension benefits paid to you are correct.

I would also advise you that your Injury Pension has been put back into payment from 12 April 2013. The current rate of this pension is £185.19 per month and arrears for the period 12th – 30th April amounting to £117.29 will be paid into your bank account within the next few days. The injury pension will be paid at the new monthly rate of £189.26 from 1st May 2013 after applying Pensions Increase of 2.2% from 8th April. Arrears of pensions increase for the period 8th – 30th April will be paid with your May pension.

Should you require any additional details please do not hesitate to contact Julie Wisdom on 01772 532091

Yours sincerely



Bob Warren
Director of People & Development