



HOME OFFICE

Commentary on the

**FIREFIGHTERS'
PENSION
SCHEME**

AMENDMENTS TO COMMENTARY

LIST OF AMENDED PAGES

The provisions of the Firefighters' Pension Scheme, are changing all the time. Sometimes an amendment will be made to the Firemen's Pension Scheme Order, sometimes a court case will offer an interpretation. Other legislation which affects the way in which the Firefighters' Pension Scheme works may be amended, too. Or the responsibility for the Scheme or for State benefits is moved between government departments. These, and other changes, may require an amendment to pages of the Commentary. This Section explains which pages have been amended, why and when.

AMENDMENTS

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Amendments made at	Section	Page	Amendment
29.10.2002	Annexe 14 Annexe 14	Annexe 14-138 Annexe 14-139	Correction Correction
Amendments made at 14.4. 2002	Introduction Part B Part B Part B Part B Part G Part G Annexe 1 Annexe 2 Annexe 8 Annexe 8 Annexe 8 Annexe 10 Annexe 10 Annexe 12 Index Index	Introduction-Chart 1 B6-1 B6-Example 1 B Gen 2-3 B Gen 2-4 G2-2 G3-2 Annexe 1-5 Annexe 2-13 Annexe 8-1 Annexe 8-6 Annexe 8-7 Annexe 10-5 Annexe 10-Example 1 Annexe 12-1 Index-9 Index-10	Addition of ref. to S2P Amendment SERPS/S2P Amendment SERPS/S2P Amendment SERPS/S2P Amendment to accommodate additional text Amendment SERPS/S2P Amendment SERPS/S2P Addition for re. to S2P Addition for ref. to FSC 2/2002 Amendment SERPS/S2P Amendment SERPS/S2P Amendment SERPS/S2P Amendment SERPS/S2P Amendment SERPS/S2P New OPAS telephone number Inclusion of S2P Addition to accommodate above
Amendments made at 18.4.2002	Annexe 14 Annexe 14 Annexe 14	Annexe 14-69 Annexe 14-72 Annexe 14-76	Amendment SERPS/S2P Amendment SERPS/S2P Amendment SERPS/S2P
Amendments made at 25.4.2002	Annexe 2	Annexe 2-13	Addition of FSC 3/2002
Amendments made at 14.6.2002	Front page Introduction Introduction Introduction Part A Part A Part B Part E Part F Part F Part H Part H Part H Part H	Front page Introduction-4 Introduction-Chart 1 Introduction-Chart 1 ctd A1-1 A4-2 B6-Example 1 E9-2 F1-3 F1-Form 1 H2-2 H2-3 H2-7 H2-10	Change from DTLR to ODPM Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from COEG to NISPI Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department Change from DTLR to ODPM/Department

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Amendments made at 16.7.2002	Amendments Amendments Amendments	Front Amendments-1 Amendments-2	New New New
Amendments made at December 2002	Annexe 7 Annexe 7	Front Annexe 7-1 to 7-49	Model medical certificates
Amendments made at 21.1.2003	Part H	H2-1 to H2-Form 5	Revision of administrative arrangements for Board of Medical Referees and redesign of relevant forms
Amendments made at 27.1.2003	Part A	A10-1 A10-2 A10-3 A10-Example 1 A11-1 A13-2	Amendment to reflect guidance in FSC 3/2003 as to meaning of "permanently disabled". Consideration of medical and non-medical issues following <i>Jordan</i> ; guidance as to meaning of "permanently disabled". Clarification of pay in Example D. Amendment to numbering in "Points To Note". Amendment to "Points To Note", Point 4, to clarify effect of extension of service on commutation

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27.1.2003 (continued)	Part B	B7-2	Clarifies commutation limits on extension of service.
	Part F	F6A-1	Amendment to reflect repeal of Financial Services Act 1986 by Financial Services and Markets Act 2000.
	Part H	Front	Clarification of reference to medical opinion.
		H1-1	Amended re separation of medical issues from non-medical issues following <i>Jordan</i> .
		H1-2	Adds reference to <i>Jordan</i> , FSC 2/2002, FSC 14/2002, FSC 3/2003.
		H1-3 H1-4	Amended re separation of medical issues from non-medical issues following <i>Jordan</i> and proposed requirement for independent qualified medical practitioner to give opinion.
	Part L	L3-1 L3-Example 1	Inclusion of example of starting date for spouse's pension following death of a fire pensioner.
	Annexe 2	Annexe 2-13	Addition to list of SIs and Circulars.
	Annexe 7	Annexe 2-14	Addition to list of SIs and Circulars.
	Annexe 9	Annexe 7-49	Model form "Statement of Independence".
Annexe 13	Annexe 9-4	Additional information about the tax-free status of injury pensions.	
Annexe 14	Annexe 9-5	Amendment to OPAS telephone number	
		Annexe 13-Chart 2 (continued)	Additional legislation added to list of relevant Acts, SIs, etc.
		Annexe 14-167 to 169	
Amendments made at 10.3.2003	Part H	H2-Form 2	Amendments to Model Form: H2 – Firefighter's Consent to Application for Release of Personal Medical Information.
Amendments made at 26.5.2003	Part A	A9-1	Useful reference source: addition of reference to <i>Clinch v Dorset Police Authority</i> .
		A9-2	Points To Note: addition of Point 7 - reference to <i>Clinch v Dorset Police Authority</i> .
		A11-1	Useful reference source: addition of <i>Phillips v Strathclyde Joint Police Board</i> and <i>Jennings v Chief Constable of Humberside Police</i> .
		A11-2	Points To Note: addition of Point 4 – reference to <i>Phillips v Strathclyde Joint Police Board</i> .
	Part G	G6-4	Points To Note: addition of Point 8 – reference to "purchase" factors for female firefighters.
	Part H	H2-2	How to appeal: correction of date of Data Protection Act
		H2-4	Location of hearing: additional venues. Information submitted: fire authority to give details of any dates on which they will be unable to attend hearing.
		H2-5	Reformatted to accommodate change to H2-4.
		H2-Form 1	Side Two: Additional venues for hearing.

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Amendments made at 26.5.2003 (continued)	Section	Page	Amendment
	Part I	I1-Form 1 I3-1	Notes for Reservists.
	Part L Annexe 2 Annexe 7	L3-Example 1 Annexe 2-14 Annexe 7-5	Explanation that a provision for children's pensions that existed in the 1973 Order but omitted from the 1992 Order is to be restored. Additional point of clarification in paragraph 2. Addition of FSCs 2/2003 and 5/2003. Addition of "the degree to" previously omitted from final paragraph of "Apportionment of contribution of injury to disablement".
	Annexe 12	Annexe 12-5	Explanation that IDRPs are essentially a written process.
	Annexe 14	Annexe 14-169 Annexe 14-170 Annexe 14-171 Annexe 14-172 Annexe 14-173	Addition of two new "divorce" SIs. New "General Points" section which adds general information related to the pension sharing process.



HOME OFFICE

Commentary on the

**FIREFIGHTERS'
PENSION
SCHEME**

FOREWORD

**COMMENTARY ON THE
FIREFIGHTERS' PENSION SCHEME**

This Commentary on the Firefighters' Pension Scheme has been prepared by the Home Office with help and advice from fire authorities, staff associations and other Government Departments. The purpose is to help those who use the Scheme to understand its provisions, bearing in mind that such guidance cannot replace or override those provisions.

For the most part the text uses the "second person" to keep the style informal but this does not mean it is addressed only to firefighters. It is intended mainly to help the local authority superannuation officers who have to administer the Scheme.

The Commentary follows the same sequence as the Scheme provisions to make it easier to use them together. Each section explains the purpose of the corresponding rule and how it covers typical cases. The examples at the end of the relevant Parts should help you to follow how the rules actually apply in calculating awards.

Opting-out of the Firefighters' Pension Scheme at any stage of a firefighter's career will naturally affect future entitlement to benefits and in any such case the information in the main part of the Commentary must be read in conjunction with Annex 5.

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HOW TO USE THE COMMENTARY

The Commentary and the Scheme

First you will want to know how the Commentary is constructed.

* It follows generally the sequence of the Firemen's Pension Scheme, which contains:

- 13 Parts, A to M and
- 12 Schedules

* The individual rules within each Part begin with the Part letter and are numbered in sequence:

eg Part A consists of 16 rules

- A1 to A16

* The Schedules are linked to rules in chronological order

eg Schedule 1 is linked to A2 in Part A

* The Commentary is in 13 parts, A to M:

- each Part of the Commentary explains the Part and the linked Schedule (if any).

* Part J and Schedule 11 of the Scheme deal with "special cases"

- Part J mostly covers circumstances which may affect a pension award, but which are unlikely to affect many members.

- Schedule 11 mostly covers:

- a. preserved rights for members serving (or in some cases for members who have already ceased to serve) before various dates when changes were made in the provisions of the Scheme,
- b. the continuing effect of elections made in 1973 to uprate benefits for widows and children,
- c. special provisions for firemen who were serving in 1956 and remained subject to the provision current at that time.

HOW TO USE THE COMMENTARY

Getting the general picture

You can find your way about the Commentary by looking at:

- * the Table of Contents on page i, and
- * the Index.

You may also find useful the list of:

- * Abbreviations on page v.

If the Scheme is new to you, you can get a general picture by looking at:

- a. the **BACKGROUND TO THE FIREFIGHTERS' PENSION SCHEME** on page vi:
 - which puts the scheme in context and summarises the benefits available,
- b. the opening page of each Part, eg 'C'
 - which give a short general description of what each Part covers, and
- c. the **"Chronology"** on pages xi to xiii
 - which shows the sequence of developments since 1947.

You will also like to know that where words or phrases have a special meaning:

- d. the **"Glossary"** on pages A2-2 and A2-3
 - gives you the main definitions. (The precise definitions are in Schedule 1).

In the main body of the Commentary broadly speaking, in the Parts dealing with awards:

Text and Examples etc

- * the text follows a consistent pattern, covering:

- "Who is eligible?"
- "How much is the award?", and
- "When is the award paid?".

If there are unusual cases, or something needs further explanation, this is covered after each section of text under the heading **"POINTS TO NOTE"**, to keep the main text as simple and straightforward as possible.

- * the examples cover the calculations.

Although the examples come at the end of each section, there is no reason why you should not look at them first, if this helps you get an overall picture before tackling the detail.

HOW TO USE THE COMMENTARY

<p>Cross References</p>	<p>The text is full of cross-references, because so many Parts of the Scheme are inter-related. Bold type has been used for headings, page numbers, to emphasise important points, and for cross references to other parts of the Commentary.</p> <p>Where there are cross-references to rules they are referred to as H1(1), H2(2) etc, not as "rule H1(1)" or "rule H2(2)", to save repetition.</p>
<p>Page numbers</p>	<p>The page numbering is linked to the numbering of rules themselves.</p> <ul style="list-style-type: none"> * The opening page of each Part which refers to the contents of that Part is identified by the appropriate letter, eg:- <ul style="list-style-type: none"> - A, B, C, etc. * Some Parts start with a general section, headed by the Part letter, eg:- <ul style="list-style-type: none"> - B Gen-1 * The text about each rule and any Schedule linked with it is numbered in sequence, eg:- <ul style="list-style-type: none"> - A2-1, A2-2, etc. * Examples, etc come at the end of the relevant Part and are called <ul style="list-style-type: none"> - "B1-Example 1" * There is an exception in Part B. Parts VII and VIII of Schedule 2 are explained in the general section of Part B, at pages B Gen - 2 to 8. This is because they each relate to 4 rules (B1, B2, B3, and B5).

IMPORTANT

Nothing in this Commentary can override the provisions of the Scheme or any other statutory provision to which reference is made.

**ABBREVIATIONS****ABBREVIATIONS USED IN THE COMMENTARY**

Abbreviation	Meaning	Main Reference
APP	Average Pensionable Pay	G1-1
CEP	Contributions Equivalent Premium	ANNEX 2-8
EPB	Equivalent Pension Benefit	ANNEX 2-10
CFBAC	Central Fire Brigades Advisory Council(s)	Introduction viii
FPS	Firefighters' Pension Scheme	Introduction vi
GAD	Government Actuary's Department	ANNEX 4
GMP	Guaranteed Minimum Pension	ANNEX 2-5
GPS	Graduated Pension Scheme	ANNEX 2-10
JPC	Joint Pension Committee	Introductory ix
PI	Pensions Increase	ANNEX 1
PIL	Payment in Lieu of Contributions	ANNEX 2-10
RPI	Retail Price Index	ANNEX 1-1
SDA	Severe Disablement Allowance	B4-4
SERPS	State Earnings-Related Pension Scheme	ANNEX 2-5
TV	Transfer Value	F9-1

BACKGROUND TO THE FIREFIGHTERS' PENSION SCHEME (FPS)

CONTEXT OF THE PUBLIC SERVICE

The FPS is one of the oldest in the public service.

Other schemes cover:

- * civil servants, teachers, police, local government and health service workers and members of the armed forces.

Common Features

Most public service schemes provide benefits for members and their dependants, which are:

- * index-linked, in accordance with the Pensions (Increase) Acts, and
- * contracted-out of SERPS, the state earnings-related pension scheme.

The Treasury plays a central role in co-ordinating the provisions of public service schemes.

Differences

Because of the special nature of fire-fighting duties, there are special features in the FPS different from the usual provision in the public service. The most important are:

- * A compulsory retirement age of 55 for the majority.
- * A full pension after 30 years' service instead of the usual 40; service after 20 years earning double benefit.
- * Entitlement to pension after 25 years' service on reaching age 50.
- * Benefits accrue in 60ths of pay instead of 80ths. A full pension of 40/60ths (two-thirds) of pay, of which up to 1/4 may be commuted for a lump sum, roughly equates with a pension of 40/80ths (one half of pay with a fixed lump sum of 1 1/2 years' pay). But lump sums from commutation are usually better at younger ages.
- * Enhanced benefits for the dependants of firefighters killed on duty in some circumstances.

Police officers and members of the armed forces, who also serve under active and sometimes hazardous conditions, have similar special features in their pension schemes.

**MAIN FEATURES OF
THE FIREFIGHTERS
PENSION SCHEME**

The current Scheme is:

- * The Firemen's Pension Scheme 1992 which
 - consolidated the Scheme of 1973

Members

The FPS covers:

- * regular firefighters both male and female in Great Britain. (There is a similar scheme in Northern Ireland for members of the Northern Ireland Service.)

Limited benefits, in the event of injury or death on duty, are available for:

- * retained firefighters
- * members of a brigade who are not engaged on fire-fighting terms but who are injured at a fire.

**Pensionable
pay and
service**

Contributions are paid by regular firefighters as a percentage of their pensionable pay (basic pay):

- * 11% with effect from 1 July 1991

Awards are based on:

- * pensionable pay in the last year of service, or the best year of the last 3, and
- * pensionable service which is derived from:
 - fire service,
 - a proportion of transferred-in service (pensionable service after 20 years counts double), or
 - "purchased" service.

**Pension
Awards**

Ordinary pensions of half pay (30/60ths) are paid on retirement to members who are aged 50 or over and have 25 years' service. Maximum pensions of 2/3rds pay (40/60ths) are paid after 30 years' service to members who are aged 50 or over.

Short service pensions are paid to members who reach compulsory retirement age (55 for junior ranks) before completing 25 years' service.

Ill-health pensions are paid to members who have to leave on health grounds with at least 2 years' service, or with an injury on duty. Enhanced rates apply to those with at least 5 years' service.

Lump sum payments of two years' pensionable pay are made in respect of members who die in service on or after 1 July 1991.

On death, whether in service or in retirement; there are provisions for:

- * spouses' pensions generally at the rate of half the member's pension or prospective pension,
- * allowances for dependent children, and
- * in some circumstances, allowances for dependent adults

For the first 3 months after a member's death, the family benefits are increased to equal the member's own last rate of pay or pension.

Early Leavers may:

- * Transfer their pension rights to another occupational pension scheme, to a personal pension scheme or to an approved insurance contract,
- * preserve their benefits to be paid as a deferred pension for themselves at age 60 if they have at least 2 years' service, or
- * receive a refund of their contributions if they have less than 2 years' service.

Where benefits are preserved, spouses' and children's benefits are also preserved.

Awards on injury or death from a qualifying injury

In the event of an injury or death resulting from a qualifying injury, higher awards are paid. An injured member who can no longer serve has a guaranteed level of income which takes account of other benefits received, including state benefits, for the injury.

Other Provisions

There are also provisions for:

- * commutation or allocation of part of a member's pension,
- * cancellation of ill-health or injury pensions on full recovery, and revision of injury pensions if the extent of disablement changes,
- * forfeiture of awards in exceptional circumstances,
- * appeal to the courts about awards, or to a medical referee about medical decisions,
- * increase of pensions after award in line with the Pensions (Increase) Acts.

**THE LAW ABOUT
FIREFIGHTERS'
PENSION**

The Scheme is made under:

- * Section 26 of the Fire Services Act 1947 (the Act).

The Act

The Act enables the Home Secretary to make a "Firemen's Pension Scheme" Order

- with the consent of the Treasury
- after consultation with the Central Fire Brigades Advisory Councils for England and Wales and for Scotland, and
- (so far as appeal tribunals are concerned) after consultation with the Council on Tribunals.

The Superannuation Act 1972 ensures that:

- members who have already ceased to serve and their dependants are not made worse off by any change in the Scheme unless they elect otherwise.

The Central Fire Brigades Advisory Councils

- * The Central Fire Brigades Advisory Councils were set up under the Fire Services Act 1947, to advise the Home Secretary and the Secretary of State for Scotland about various aspects of the running of the fire services.

The Councils set up a Joint Pensions Committee (JPC) to fulfil their functions regarding the pension scheme.

The JPC:

- is chaired by a senior Home Office official,
- has a membership representing fire authorities, staff associations and the Home Departments, and
- has a secretary from the Home Office.

Thus fire authorities and representatives of the staff interests can discuss and comment on proposals for changes in the pension scheme and put forward proposals of their own.

The FPS is administered and awards paid by:

HOW THE PENSION SCHEME IS RUN

- * fire authorities. These include
 - fire authorities of brigades defined in the Fire Services Act 1947, and
 - a Secretary of State, where deemed to be the fire authority for certain members of the scheme.
- * The Home Departments:
 - the Home Office and
 - the Scottish Office
 can give a view on how the Scheme applies in a particular case.

When a Firemen's Pension Scheme Order or amending Order is made, the Home Departments issue circulars to fire authorities explaining the resulting changes.

But the Home Departments cannot give a binding interpretation of the law, which is a matter for the courts.

- * Members who require further information about their position may consult:
 - their fire authority, or
 - their staff association.
- * The appeal system to:
 - a medical referee, or
 - the courts (or a tribunal)
 is a backstop in the event of unresolved dissatisfaction.
- * In certain circumstances members may be able to apply to the Pension Ombudsman where they have a complaint about possible maladministration but not regarding disputes about entitlement. Fire authorities will be able to provide details of the procedure as required.

**THE COST OF
THE SCHEME**

Overall cost

The overall cost of the FPS (excluding the death grant and injury benefits) was last assessed by the Government Actuary in 1991, as:

- * 37.5% of pensionable pay over an average career. This is known as:
- * "the new entrant contribution rate", because it is expressed in terms of:
 - a percentage of pensionable pay which, if paid throughout the career of the average new entrant, would exactly cover the cost of his or her benefits if the actuarial assumptions proved to be correct.

The financial basis of the scheme is kept under general review although, because the scheme is unfunded, there is no statutory requirement for periodic revaluations.

Pay as you go

The cost of the scheme is met on a "pay as you go" basis. There is no pension fund into which contributions are paid or from which future expenditure on benefits will be met.

- * Income:
 - from members' contributions, and incoming transfer values, and
- * Expenditure:
 - on pension benefits for former members and outgoing transfer values,
 is part of normal fire service financing.

Contributions

In the FPS, members' contributions meet nearly 30% of the estimated cost of providing their pensions.

The remaining cost is met by:

- * fire authorities in the first instance, with
- * the balance of expenditure being taken into account in reckoning entitlement to revenue support grant, through which central government contributes towards local authority expenditure generally.

**CHANGES IN THE
PROVISIONS OF
THE SCHEME**

A pension scheme is dynamic and can be amended to suit changing circumstances of employment and changing social conditions. However, the scheme may apply differently in respect of members with service before certain specified dates, or according to how options were exercised, eg:

- * improvements to the scheme normally relate only to service after the date when the improvement is introduced,
- * changes which would otherwise worsen the pensions expectations of members already serving or who have ceased to serve may be expressly limited to those who enter the scheme (or cease to serve) after the date when they are introduced, and
- * there are occasions when members are given a chance to elect for certain benefits if they are serving on a particular date.

The Superannuation Act 1972 (Section 12(4)) protects the rights of members, once they have retired, so that neither they nor their dependants may be made worse off by a change in the scheme.

1 April 1948

This was the appointed day for the purposes of the Fire Services Act 1947 (16 May 1948 for Scotland).

This was also the operative date of the Firemen's Pension Scheme Order 1948 (SI 1948 No.604), made under Section 26 of the 1947 Act, and the first scheme set out in a statutory instrument. Before that members of fire brigades had pension entitlements under various enactments, including the Fire Brigade Pensions Act 1925. Section 27 of the 1947 Act provided for modifications of schemes made under Section 26 for persons who had preserved rights under such enactments.

5 July 1948

This was the beginning date of the basic, flat-rate state retirement pension (see ANNEX 2-3).

- * The link between the state pension scheme and the FPS was close from the beginning.

10 July 1956

Persons serving on this date had the option to continue serving on the terms applying before that date (see J6-1 to 2).

3 April 1961

The beginning of the state graduated pension scheme (GPS), which continued until 5 April 1975. Regular firefighters were contracted-out of this scheme (see ANNEX 2-10).

- * Provision is still needed to ensure that:
 - a. appropriate reductions are made in FPS pensions for those who participated in the GPS (Schedule 2, Part VII), and
 - b. the secured portion of a pension is safeguarded (see ANNEX 2-11).

26 August 1966

The "widow's one-third" pension scheme was introduced on this date. Firemen serving then could elect that it should apply to them.

- * If they did, they began to pay pension contributions related to 6% of their pensionable pay and were required to uprate their earlier service to the one-third rate.
- * If they did not, they continued to pay pension contributions related to 5% of their pensionable pay and remained entitled only to flat-rate pensions for their widows.

Provision is still needed for service before 1 April 1972 to count at the one-third rate or the flat-rate, according to elections made in 1966 (Schedule 11, Part I) (Children's awards were not paid with widows' one-third rate pensions).

1 April 1972
1 July 1973
1 October 1973

Widows' pensions at the rate of one-half of their husband's pension were introduced with effect from 1 April 1972, by the Firemen's Pension Scheme Order 1973 (SI 1973 No 966). The Scheme came into operation on 1 July 1973, but had effect from 1 April 1972.

Pension contributions at the rate of 6.75% were paid from 1 April 1972 until 30 April 1983. (These rates were introduced voluntarily from 1 April 1972, to avoid arrears becoming due once the Scheme became operative in July 1973). The 6.75% contribution rate took account of half-rate widows' pensions. Revised arrangements were also introduced for injury awards.

Firemen had an option to uprate their service before 1 April 1972 for widows' and children's benefits. Elections for this purpose had to be made by 1 October 1973, and any lump sum payments had to be made by that date (except where the fireman died before 1 October 1973, when his widow had 3 months from the date of his death to make the election he might have made).

* Provision is still needed to give effect to elections made in 1973 (Schedule 11, Parts I and II).

1 January 1974

Revised interchange arrangements were introduced with effect from this date.

* The arrangements were introduced administratively in advance of the amending Order, which became operative on 1 October 1978 (the Firemen's Pension Scheme (Amendment) Order 1978 (SI No 1228)). Special provision was made for firemen who transferred between 1 January 1974 and 30 September 1978 inclusive.

5 April 1975

This date saw the end of the state graduated pension scheme (GPS) (see entry under 3 April 1961).

6 April 1975

The Social Security Act 1973 introduced provisions to safeguard certain pension rights of early leavers from this date. These are reflected in the entitlement to a deferred pension under B5.

1 May 1975

Since this date each day of service to a maximum of 30 years counts towards a fire pension, whereas formerly only complete years and half years counted.

* Provision is needed to ensure that benefits are calculated according to the old system in respect of firemen who retired before that date (Schedule 11, Part III).

6 April 1978

The Social Security Pensions Act 1975 introduced the state earnings-related pension scheme (SERPS) from this date. Regular firefighters are contracted-out of SERPS (see ANNEX 2-5).

* Provision is needed for the payment of an award at least equal to a guaranteed minimum pension (GMP) and for related purposes (rule JI).

1 April 1980

Modification of FPS pensions in respect of the state flat-rate retirement pension ended from 1 April 1980 in respect of service on and after that date (see ANNEX 2-3).

* Provision is needed to ensure that the unsecured portion of any ordinary, short service, ill-health or deferred pension is reduced for firemen whose service was modified in respect of service between 5 July 1948 and 31 March 1980 inclusive (Schedule 2, Part VII, paragraph 1 and rules B1, B2, B3 and B5).

1 January 1986

New rights to transfer benefits based on "cash equivalent" transfer values under the Social Security Act 1985 (see FGen-2,3).

6 April 1988

Membership of the FPS is no longer compulsory in accordance with the requirements of the Social Security Act 1986 (see G3-1 and ANNEX 5). The 1986 Act also introduced provisions for free-standing Additional Voluntary Contributions which enables members of occupational schemes to supplement their scheme benefits through separate arrangements with a commercial pension provider of their choosing. (However, because of the scale of benefits which the FPS provides there is only limited scope for firefighters to invest in FSAVC's. See Fire Service Circulars Nos 12/1988 and 4/1990 dated 12 December 1988 and 23 March 1990, respectively and their Scottish Office equivalents).

1 July 1988

Personal pensions became available for the first time.

1 July 1991

Introduction of death grant in respect of serving firefighters (see E1-1).

PART A

GENERAL PROVISIONS AND RETIREMENT

Part A deals with legal formalities (A1,2), the scope of the provisions (A3 to 6) and certain key definitions which govern entitlements (A7 to 12). These include reckoning of service (A7), qualifying injury (A9) and disablement (A10). Part A also lays down the circumstances in which regular firefighters can be compulsorily retired (A13 to 16). Rule A2 refers to Schedule 1 which contains a glossary of expressions.

The glossary

This rule introduces the glossary which is in Schedule 1 and which explains the meaning of most of the expressions commonly used throughout the scheme.

- A glossary based on the one in Schedule 1, Part 1 is at A2-2 to 3. Some of the definitions are simplified to give a more general explanation. If you need exact definitions you need to refer to Schedule 1.

Expressions related to National Insurance and Social Security Acts

- Explanations of terms arising from Social Security legislation which are based on Schedule 1, Part II can be found at ANNEX 2. Again, if you need exact definitions you should refer to Schedule 1.



<u>Expression</u>	<u>Meaning</u> (unless the context otherwise requires)
"Aggregate pension contributions"	See rule A8.
"Amount"	In relation to a pension or allowance, its annual amount.
"Appointed day"	In relation to England and Wales, 1 April 1948; in relation to Scotland, 16 May 1948.
"Approved scheme"	Superannuation arrangements which- (a) are contained in a public general Act of Parliament or were made under such an Act by a Minister of the Crown, or (b) are contained in Northern Ireland legislation within the meaning of section 24 of the Interpretation Act 1978 or were made under such legislation by a Minister of the Crown (including a Northern Ireland Minister) or by a Northern Ireland ministry, department or head of department, or (c) are approved under Chapter I of Part XIV of the Income and Corporation Taxes Act 1988 and do not fall within section 591(2)(h) of that Act, or (d) provide for the payment of transfer values in respect of persons who become regular firefighters calculated in like manner as under arrangements falling within (a) above.
"Award"	A pension, allowance, gratuity or repayment of pension contributions.
"Brigade"	A fire brigade maintained under the Fire Services Act 1947.
"Cash equivalent", "part cash equivalent"	The first expression means a cash equivalent mentioned in paragraph 12(1) of Schedule 1A to the Social Security Pensions Act 1975; the second expression means the cash equivalent of any part of the benefits mentioned in that sub-paragraph which is prescribed under sub-paragraph (2A) (continuation in employment after termination of pensionable service).
"Child"	In relation to a person who has died, a legitimate or illegitimate child, step-child or adopted child of that person; any other child who was substantially dependent on that person and either is related to him/her or is the child of his/her spouse. "Parent" is to be construed accordingly.
"Club scheme"	Superannuation arrangements which fall within (a), (b) or (d) of the definition of "approved scheme".
"Disabled", "disablement", "permanently disabled"	See rule A10.

GLOSSARY

<u>Expression</u>	<u>Meaning</u>
"Eligible person"	See rule G5(2).
"Half-rate service"	See paragraph 1(1) of Part III of Schedule 3.
"Injury"	Includes disease.
"Mixed-rate service"	See paragraph 1(2) of Part III of Schedule 3.
"1973 Scheme"	The Firemen's Pension Scheme 1973.
"Pension"	Pension payable under the provisions of the Firemans Pension Scheme 1992.
"Pensionable pay", "average pensionable pay"	See rule G1.
"Pensionable service"	See rule F1.
"Personal pension scheme"	The meaning given in section 84(1) of the Social Security Act 1986.
"Principal Act"	The Fire Services Act 1947.
"Qualifying injury"	See rule A9.
"Rank"	Includes the post of chief officer or, in Scotland, of firemaster.
"Regular firefighter"	A whole-time member of a brigade appointed on terms under which he or she is or may be required to engage in fire-fighting whose appointment is not a temporary one.
"Relevant service in the armed forces"	See rule A12.
"Retire"	See rule A16.
"Retirement date"	See rule G5(3).
"Scheme managers"	In relation to a scheme falling within (a) or (b) of the definition of "approved scheme", the Minister of the Crown or local or other authority or other person administering the scheme; in relation to any other scheme, the person responsible for its management.
"Serviceman"	See rule I1(1).
"Service pension"	An armed forces pension or allowance payable in pursuance of a Royal Warrant or other instrument.
"Surviving spouse"	A widow or widower.
"Tax year"	The 12 months beginning with 6 April in any year.
"War service"	See paragraph 1 of Part II of Schedule 7.
"Weekly rate"	The weekly rate of a pension is its amount divided by 52 1/6th.

Regular firefighters

The FPS provides benefits in the form of:

- pensions,
- allowances,
- gratuities, and
- death grant

for:

- * regular firefighters, and
- * their dependants.

No similar benefits under any other statutory provision may apply to regular firefighters or their dependants.

**Persons who are not
members of a fire
brigade**

If you are not a member of a fire brigade, but:
* some provisions of the FPS apply to you as if you were a regular firefighter (see rules A4 and A5):
- rule A3 will not prevent you from getting pension benefits from another source.

General

This rule enables an award to be paid to you if you cease to be a regular firefighter to become:

- * an instructor at a central training institution or centre,
- * a temporary inspector or assistant inspector,
- * a temporary instructor for training members of the armed forces in firefighting, or
- * a temporary instructor or adviser about firefighting outside the UK,

in accordance with arrangements made by a Secretary of State.

The awards become payable by treating you as if you were still a regular firefighter and a member of a brigade.

- * The Secretary of State becomes your fire authority,
- * references to a brigade are treated as references to your employment, and
- * you are treated as if your pay and rank were the same as if you had gone on serving as a regular firefighter.

In normal circumstances appointments of this nature will be for a limited period of two to three years. At the end of this period you would be expected to return to your former brigade to resume duties as a regular firefighter.

As your appointment is on the basis that you are expected to return to your parent brigade you would not be expected to retire while on "central service". If the question of retirement arises you would be expected to return to your former brigade before any decision on retirement is reached so that that brigade will be your pension paying authority.

Awards are only likely to arise where a person dies during a period of central service. In this situation the Secretary of State becomes liable for payment of the awards in the role of fire authority (see "POINTS TO NOTE 4", A4-2).

APPLICATION TO
TEMPORARY EMPLOYMENT
CONNECTED WITH FIRE
SERVICES

During your time on central service:

Right of
Appeal

If you were covered by rule A4(2)(d) (temporary instructor or adviser about firefighting outside the UK) when you left the fire service and you are dissatisfied with your award you should give notice of appeal to the Secretary of State. He will then set up an appeal tribunal under H3(4) to hear your appeal (see H3 - 2). The same arrangements would apply if your widow(er), or a dependant were dissatisfied with an award payable in respect of your service.

POINTS TO NOTE

1. You normally transfer to central service and, at the end of your tour, transfer back to your own brigade (see also "POINTS TO NOTE 4"). A net transfer value (TV) is usually paid on your return by the Home Office or the Scottish Office. (The net TV system is explained in "POINTS TO NOTE 2", F8-2).
2. The arrangements for the payment of TVs have no bearing on the length of service you count while you are on central service or on your return. You continue to count each day you serve towards your pensionable service (see F8-1).
3. Your pensionable pay while you are on central service is your pay as determined in relation to your rank (G1(1)) on central service. This is the rate of pay on which you pay pension contributions, and which would be taken into account in calculating your pension if you retired within a year of your return from central service (or within 3 years of your return if G1(7) applies). It would also be used for calculating your own or your widow(er)'s or dependants' awards, if you were to be permanently disabled or die while on central service.
4. Should you die while on central service, the Home Secretary or the Scottish Secretary, as your fire authority, will be responsible for awards to your dependants. It is usual in these circumstances for your fire authority to take on all the pension arrangements and for the Home Department concerned to reimburse that authority for the cost of any awards paid on their behalf.
5. If you take up a short term appointment of this kind, of about 6 months or less, you may be regarded as on loan from your parent brigade. In this case:
 - you will not be covered by rule A4,
 - no transfer values will pass,
 - your parent fire authority will remain your fire authority,
 - your fire authority will continue to pay your salary and allowances as appropriate and claim reimbursement from the appropriate Home Department of your gross salary and allowances, together with an amount representing an employer's pension contribution (currently 30% of pensionable pay).

General

This rule applies when you cease to be a regular firefighter to take up a permanent appointment as an instructor at the central training institution or any training centre maintained by the Secretary of State. In practice appointments of this nature tend to be made on a temporary basis under rule A4 as this is more convenient administratively.

The awards become payable by treating you as if you were still a regular firefighter and a member of a brigade.

- * the Secretary of State becomes your fire authority, and
- * references to a brigade are treated as references to your employment.

The FPS does not provide for compulsory retirement of an Instructor at any particular age as it would in normal circumstances for a regular firefighter (rule A13) nor is there provision for retirement on grounds of the efficiency of the brigade (rule A14) or on grounds of disablement (rule A15).

When this type of appointment was made it would have been a condition that you would ultimately be expected to return to your former brigade so that the compulsory retirement provisions could properly apply in your case.

In the unlikely event that an award did arise under A5 in respect of your employment as an Instructor your average pensionable pay (see G1-1) would reflect your pay entitlement as an Instructor.

**Auxiliary
firefighters**

- * The Auxiliary Fire Service (AFS) was formed in 1939 and absorbed into the National Fire Service (NFS) in August 1941.
- * In 1942, on the amalgamation of about 1400 local fire brigades, all auxiliaries became part of the NFS.
- * The NFS was disbanded in 1948.
- * The Fire Service Act 1947 reinstated local authority fire brigades. Since then no auxiliary firefighters have been recruited.

**Former auxiliary
firefighters**

- * Special arrangements were made for the counting of AFS or NFS service towards pensionable service by those who became members of local authority fire brigades.
- * Although there are no longer any auxiliary firefighters serving as such, provision is still needed to make it clear that benefits under the FPS do not apply to former auxiliary firefighters who have not become members of local authority fire brigades, nor to their dependants.

General

This is the rule which enables you to count your pensionable service in years and fractions of a year.

(see "What is pensionable service?" F1-1)
Every day of service counts, so that the fraction of service in excess of completed years is the number of days over a year you have served, divided by 365.

The fraction is always 1/365th, even in a leap year. Thus, for instance in 1988, if you joined the fire service on 1 January, you would complete a year's service on 30 December (365/365ths). You would not, however, count an extra day for 31 December, as your service during 1988, or any leap year could not be more than 1 year in all.

For anyone who left the fire service before 1 May 1975, service counts in completed years and half years and not in days (rule A7(3) and Schedule 11, Part III).

Awards

Nearly all awards payable to you, or in respect of you, under the scheme depend on the length of your service.

Exceptions

Awards which are not affected by your length of service include:

- * an injury pension, under rule B4, if your degree of disablement is more than 75%, (see B4-3),
- * a spouse's special pension, under rule C2, which is equal to 45% of your APP (or 50% if augmented under rule C3), (see C2-1 and C3-1),
- * a child's special allowance, under rule D2, which is payable in similar circumstances to a spouse's special pension, and is a percentage of your APP (see D2-1),
- * a flat-rate spouse's pension or child allowance, under rule E9 (see E9-1) and
- * the increase in spouse's pension or child allowance during the first 13 weeks, under rule E8 (see E8-1).

Service before and
after a specified
date

Rule A7(2) enables you to check the period to which pensionable service "belongs", if it counts (as a result of transferring in) at a different length from the employment from which it derives.

- * Where pensionable service counts as a result of a transfer value, it "belongs" to a period before or after a specified date:
 - in the same proportion as the actual service or employment on which the transfer value was based took place before or after that date.
- eg. if you served 4 years in local government (half before and half on or after 6 April 1978) and counted 3 years' pensionable service as a result:
- half those 3 years (1½ years) would count as your pensionable service before 6 April 1978.

**FIREMAN WHO
CEASED TO SERVE
BEFORE 1 MAY 1975**

Who is affected?

Before 1 May 1975 pensionable service counted towards an award only in completed years and half years:

- any days over a year which did not make up a half year, and
 - any days over a half year which did not make up another year,
- were ignored for the purpose of calculating an award.

- Service over 20 years counted towards an ordinary pension at the rate of 1/60th of APP for each completed half year.

The provisions, enabling each day of service to count pro rata towards an award, apply only to those who ceased to serve on or after 1 May 1975.

How much service counts?

- * If you ceased to serve before 1 May 1975, only completed years and half years of your pensionable service will count towards:
 - a personal award,
 - a widow's award, or
 - a child's award

Pensionable service, for the purpose of calculating an award, is governed by A7, which enables each day of pensionable service to count for an award. Paragraph (3) ensures that A7 applies as described in Schedule 11, Part III which provides that service counts in completed years and half years, as it did before 1 May 1975.

How do the provisions work?

Schedule 11, Part III works by turning the relevant provisions of the Scheme back to where they were before 1 May 1975, for anyone who ceased to serve before that date.

AGGREGATE PENSION CONTRIBUTIONS FOR PURPOSES OF AWARDS

What are
aggregate
pension
contributions?

<p>Your aggregate pension contributions are:</p> <ul style="list-style-type: none"> * all the contributions you have paid, for personal or dependants' benefits, since you last became a regular firefighter, * any sums you have paid to a fire authority in order to count earlier fire or other service for personal or dependants' benefits, which is pensionable service still counting when you leave the fire service, and * an amount equal to any refund of contributions you would have been due for on leaving another job, if you had not had a transfer value paid to your fire authority in respect of that other job, : <ul style="list-style-type: none"> - if you count pensionable service in the FPS, as a result of transferring in pension rights from that other job. * If you previously retired with an ill-health pension, part of which was cancelled under K1(3) and you are not entitled to any other benefit <ul style="list-style-type: none"> - you will be entitled to a refund of the balance of your aggregate pension contributions under K1(5). They will be calculated as at the time of your previous retirement.

POINTS TO NOTE

1. The principle is that if you are entitled to an award by way of repayment of your aggregate pension contributions, you get back out of the scheme what you paid into it, subject to statutory deductions.
2. Other awards which are calculated on a similar principle include:
 - an award following the termination of an ill-health pension (K1(5)),
 - a short service or ill-health gratuity (Schedule 2, Part IV)
 - a gratuity payable to a dependent relative (E3(3)).
 - a gratuity payable to your estate (E4(4)).
3. Additional, further, and special payments by way of contributions or lump sums, to uprate any fire or other service for family benefits, are part of your aggregate pension contributions, unless they have previously been refunded to you (see F4(5)).
4. If you have transferred from one brigade to another, all your contributions to your former fire authority (or authorities) count as part of your aggregate pension contributions.
5. If you count pensionable service in the FPS because you have transferred in pension rights from another contributory scheme, you will be able to count as part of your aggregate pension contributions, any refund of similar payments you would have received from that other scheme, if you had retired voluntarily from it, instead of transferring. Your fire authority will need to check with the managers of your previous scheme how much those contributions were.
6. You will of course need to bear in mind that the circumstances in which you may be eligible for an award by way of repayment of your aggregate pension contributions are limited (see "Who is eligible?", B6-1).

General

It is necessary to establish whether there has been a "qualifying injury" for the purpose of the following awards:

- * an ill-health pension, if you have less than 2 years' service (B3(2)(a)),
- * an injury award (B4 (1)),
- * a spouse's special award (C2(1)),
- * a spouse's augmented award (C3(1)),
- * a child's special allowance (D2(1)),
- * a child's special gratuity (D3(1)),
- * an adult dependent relative's special pension (E2(1)).

What is a qualifying injury?

A qualifying injury is one received without your own default in the execution of your duties as a regular firefighter. (The position of retained firefighters is covered in J4-1).

Default

An injury will be treated as being received without your own default unless it was caused mainly by your serious and culpable negligence or misconduct. There would have to be very exceptional circumstances for any injury award to be refused on grounds of your default. It is unlikely for instance that an error of judgement on your part causing a road accident would fall into this category.

Execution of Duties

The FPS refers to an injury received in the "execution of your duties". This particular expression is not further defined in the scheme rules. Obviously if you are injured while attending a fire or after being called out for any other type of incident, this will be covered, as would an injury received during a recognised fitness training programme during duty hours. On the other hand if you were injured in an unauthorized sporting activity, even though this took place during duty hours, it is doubtful whether this could be regarded as an injury received in the "execution of your duties".

Conversely, there may be circumstances where you are not actually on duty but the circumstances of your injury are such that it might be appropriate for your fire authority to treat it as a qualifying injury. In this connection the National Joint Council for Local Authorities' Fire Brigades have agreed that where a firefighter is travelling direct from home to a training centre outside the Brigade area that journey will be deemed to be in the execution of duty (although the person will not actually be on duty) if the circumstances of an injury otherwise warrant consideration of an injury award. Advice to this effect was issued in NJC Circular 1/1992 dated 29 January 1992.

POINTS TO NOTE

QUALIFYING INJURY

1. The definition of a "qualifying injury" may include a case in which the condition causing permanent disablement results from the cumulative effect of a series of identifiable and distinct incidents.
2. If you are seconded to an outside body but continue to be paid by your fire authority your duties will be regarded as those of a regular firefighter during the secondment period for the purposes of an injury award.



DISABLEMENT

General

It will be necessary to establish whether you are permanently disabled for the purpose of the same awards listed at A9-1.

It may also be necessary to establish whether a child is disabled, for the purpose of:

* a child's allowance or gratuity (D5(3), (4), and (7)).

What is disablement?

Disablement is incapacity through physical or mental infirmity for the performance of duty.

A child is disabled if unable to earn a living because of physical or mental infirmity.

What is permanent disablement?

You (or a child) are permanently disabled if, at the time in question, your disablement is considered likely to be permanent.

This depends on the medical evidence available at the time (see "Questions which must be referred to a medical practitioner", H1-1).

Date of disablement

If you retire before you are disabled and the date on which you became disabled cannot be established, that date will be taken as the date when you made your claim of disablement to your fire authority.

② Degree of disablement

This means the extent to which your earning capacity has been affected by your injury. The link with earnings is necessary because injury pensions are based on a system of "minimum income guarantees" designed to bring your total income in retirement up to a certain level. The table on A10-2 shows how the "income guarantee" would be fixed in each case.

How is degree of disablement assessed?

See explanation on A10-2 and 3.

DISABLEMENT

Degree of disablement	Minimum income guarantee expressed as % of average pensionable pay			
	Less than 5 years' relevant service	5 or more but less than 15 years' relevant service	15 or more but less than 25 years' relevant service	25 or more years' relevant service
25% or less (slight disablement)	15%	30%	45%	60%
More than 25% but not more than 50% (minor disablement)	40%	50%	60%	70%
More than 50% but not more than 75% (major disablement)	65%	70%	75%	80%
More than 75% (severe disablement)	85%	85%	85%	85%

For example, if you have been found to have a "degree of disablement" of 35% with 10 years' service your "income guarantee" would be 50% of your average pensionable pay. Your fire authority would make a deduction in respect of $\frac{1}{3}$ of any other pension and for certain DSS benefit entitlements and pay you the balance as an injury pension (see B4-1).

Clearly a medical practitioner may have difficulty in putting an exact figure on the extent to which earnings capacity has been affected by the qualifying injury, particularly as the criteria are different from those applying to DSS awards where it is only the extent of the physical or mental disablement as a percentage of "normal" functioning which is relevant. The task is made slightly easier by the fact that the "degree of disablement" column is divided into 4 bands - slight, minor etc. Where you are placed within each band does not affect your award. There is a right of appeal (see H2-1) to an independent medical referee if you consider that the assessment has put you in the wrong band.

In order to assess your "degree of disablement" the medical practitioner selected by your fire authority would need to consider (by reference to your background, skills, qualifications etc) what kind of employment you could undertake in retirement, allowing for your particular health problem. He/she may seek information from the fire authority to help with this assessment. There would then need to be a direct comparison between your earnings when employed as a firefighter and your potential earnings in an outside job. If you have actually found another job at the time of the assessment you should expect the medical practitioner to take this factor into account, although it is not necessary for you to have found work for an assessment to be made of your "earning capacity".

Please remember that although you may be disabled from being a firefighter, where fitness standards are exceptionally high, you may be fully capable of taking up other employment.

If your employment prospects are such that you could be expected to earn as much if not more than a firefighter in an outside occupation you must expect the medical practitioner to conclude that your degree of disablement is virtually nothing, which would put you into the "slight disablement" category. At the other extreme the scheme rules make it clear that if you are receiving hospital in-patient treatment as a result of a "qualifying injury" you will be deemed to be totally (ie 100%) disabled.

Example

Here is an example of how the degree of disablement should be assessed. Say you had earnings as a firefighter of £20,000 a year and it is thought that you could manage a job outside the brigade as a fire safety officer on £16,000 a year. The loss of earning capacity would be £4,000 (out of £20,000) - that is 20% which would place you in the "slight disablement" band. No account would be taken of your firefighter's pension in calculating the potential earnings figure.

POINTS TO NOTE

1. Please note that your degree of disablement will depend on the extent to which your earning capacity has been affected by your "fire injury". If your disablement is deemed to have been caused by a qualifying injury, for the purpose of A11, the medical practitioner will still need to establish the extent to which your earning capacity has been reduced by that injury, rather than by another cause, for the purpose of his assessment.
2. After the assessment of degree of disablement has been made, there is provision for it to be reviewed by the fire authority from time to time (see K2-1), but nothing would be done unless it was found that your degree of disablement had substantially altered. You would have a right of appeal to an independent medical referee, against any such change, as for the original decision.



DEATH OR INFIRMITY
RESULTING FROM INJURY

Effect of an
injury



If a qualifying injury substantially contributes to:
- your death, or
- your disablement,
the injury will be deemed to be the cause of it.

POINTS TO NOTE

1. If you have a chronic medical condition, but you are nevertheless able to carry out your duties, and an injury on duty so aggravates that condition as to give rise to your death or disablement:
- that injury will be regarded as the cause.
In other words the test of "substantially contributes" would be met if, without the injury on duty, you would not at that time have died, or become disabled for the performance of your duty. Please note the change of effect from the 1973 to the 1992 scheme in that the wording "contributed to" has been substituted for "aggravated" - see the Table of Derivations which accompanied Fire Service Circular No 2/1992 dated 28 February 1992 and its Scottish Office equivalent.
2. The purpose of this rule is to establish your entitlement, or that of your dependants, to an award which depends on your having been disabled as a result of a qualifying injury. It has no bearing on your "degree of disablement". (See "POINTS TO NOTE 1", A10-3).

RELEVANT SERVICE
IN THE ARMED FORCES

Servicemen

This rule relates to "servicemen", who may have an entitlement under Part I of this scheme.

Relevant service
in the armed forces

If you are, or have been a "serviceman" (see I1-1), your FPS benefits will be affected by the length of your "relevant service in the armed forces". This includes:

"National service
men"

- * National service, under:
- the National Service Act 1948, which repealed and consolidated earlier Acts.

The relevant parts of the National Service Act 1948 were repealed by the Statute Laws (Repeals) Act 1977.

No one can serve in this capacity in future, but the provisions relating to:

- awards
- pensionable service, and
- pensionable pay

will apply for the purpose of any awards still being paid, or to be paid, in respect of national service men.

"Reservists"

- * Service as a "reservist":
- a. specified in Schedule 1 to the Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951 (the "Act of 1951"), or
 - b. short periods of training or instruction given to reservists such as territorials.

(Parts of Schedule 1 of the Act of 1951 have been repealed by the Statute Law (Repeals) Act 1977. The remaining parts are paragraphs 1(i), (ii), and (v), 4 and 7).

COMPULSORY RETIREMENT
ON ACCOUNT OF AGE

Compulsory retirement age

Compulsory retirement ages are laid down for all whole-time members of brigades who may be required to engage in fire fighting.

The ages of compulsory retirement are set out below.

Rank	Age of compulsory retirement
Station Officers or below	55
Assistant Divisional Officer or above	60

Note:

If you are required to retire on your birthday, your last day of service must be the previous day. Your birthday will be your first day of retirement (see A16-1).

Effect of compulsory retirement age

- * If you complete at least 25 years' service before your compulsory retirement age:
 - you will be entitled to an ordinary pension on your retirement (see B1-1).
- * If you cannot complete at least 25 years' service before your retirement age:
 - you will be entitled to a short service award if you retire on attaining your retirement age (see B2-1),
 - you will be entitled to a deferred pension if you retire voluntarily before your retirement age (see B5-1), and
 - if you retire on grounds of permanent disablement you will be entitled to an ill-health award. If it is an ill-health pension, it must not exceed the ordinary or short service pension you would have got had you served on to your retirement age (see "How much is the pension?", B3-2).
- * If you retire on attaining your retirement age:
 - you will be entitled to commute up to 1/4 of any ordinary, short service, ill-health or deferred pension to which you may be entitled (see B7-2).

Postponement of compulsory retirement age

Your compulsory retirement age may be postponed for a further period:

- * if your fire authority think it would be in the interests of efficiency.

You may apply for an extension of service, or in some cases you may be invited to stay on.

Effect of
postponement

- ⊙
- * If you are considering asking for an extension of service, or if you are offered one, you should consider your position carefully in the light of the fact that you will now have a new age of compulsory retirement.
- a. If you continue to serve until your new compulsory retirement age:
- the effects will be the same as if you had retired at your old retirement age (except you will have a bit more service and possibly a higher average pensionable pay).
- b. If for any reason you decide to leave voluntarily before completing your extension of service, and therefore before reaching your new compulsory retirement age:
- if you have between 2 and 25 years' service, you will be entitled to a deferred pension payable at age 60, rather than a short service pension payable on retirement (if you are 60 or nearly 60, the deferred pension may be worth having, as it is likely to be slightly bigger than a short service pension) (see B2-2 and B5-2),
 - if you have between 25 and 30 years' service, you will be entitled to an ordinary pension, but you will not be entitled to commute up to 1/4 of it, as you would have been had you waited until your new retirement age (see B7-2), and
 - if you require a transfer value to be paid to a new pension scheme, it will be based on your hypothetical service to your new retirement age.

CAUTION!

POINTS TO NOTE

1. If you are considering an extension of service, you may find it better to accept a short extension in the first instance, i.e. for a period during which you are unlikely to wish to leave voluntarily.
2. If you have to retire on grounds of disablement during your period of extension, the ill-health pension limitation will be extended to the ordinary or short service pension you would have got had you served on to your new retirement age (see B3-3).

RULE A14

**COMPULSORY RETIREMENT
ON GROUNDS OF
EFFICIENCY OF BRIGADE**

Who is affected?

Any whole-time member of a brigade who may be required to engage in firefighting.

**What is
the effect?**

Your fire authority may require you to retire in the general interests of efficiency once you are entitled to an ordinary pension.

POINTS TO NOTE

1. Your fire authority may exercise this power, even though your personal efficiency may not be in question, because of general considerations relating to the efficient running of the brigade as a whole.
2. If you are required to retire under rule A14, you will be entitled to the same pension as if you had retired voluntarily.
3. A firefighter who has a period of service during which an election under G3 not to contribute to the FPS was effective is liable to retirement under this rule from the time that he would have qualified for an ordinary pension but for his election.



**COMPULSORY RETIREMENT
ON GROUNDS OF DISABLEMENT**

Who is affected?

A regular firefighter,

What is the effect?



If your fire authority consider that you are permanently disabled (see A10-1), they may:
* require you to retire on whatever date they choose.

This decision may only be taken on medical advice (see H1-1) and you have a right to appeal to a medical referee against the medical advice (see H2-1).

If the medical referee decides that you are not permanently disabled your retirement will be void (but see POINTS TO NOTE 1 below).

POINTS TO NOTE

1. The employers' side of the National Joint Council agreed at a meeting on 11 July 1983 that in the case of an appeal against retirement on grounds of permanent disablement, retirement should be held in abeyance until the appeal was decided. In the circumstances the following two points would not normally arise.
2. If your retirement is void, you will be entitled to your pay during the period concerned, and required to pay the appropriate rate of pension contributions.
3. If you appeal against your retirement on grounds of disablement, your fire authority may delay your retirement, or withhold payment of your ill-health award, until your appeal is decided (see under "Result of the hearing", H2-2).

EFFECTIVE DATE
OF RETIREMENT

When do you
"retire"?

You will be taken to retire immediately following
your last day of service

If you are required to retire on attaining a
certain age:

- your last day of service will be the day before
your birthday,
- you will retire at midnight on that day, and
- your birthday will be your first day of
retirement.

POINTS TO
NOTE

1. This "last day of service"/"first day of retirement" can be confusing.
It is important to bear this distinction in mind when:
 - working out any entitlement to an award, or to commute or allocate,
 - checking any award calculations, and
 - looking at the examples in this commentary.

PART B

PERSONAL AWARDS

Part B deals with the qualifying conditions for the main personal awards - ordinary pension (B1), short service (B2), ill - health (B3), injury(B4), deferred pension (B5), and repayment of contributions (B6).

Arrangements to commute or allocate a pension are covered in rules B7 to 10. The calculation of awards is covered by the appropriate part of schedule 2. Rule B11 deals with taxation. The introductory section (B Gen) covers certain standard deductions in respect of state pensions and for uprating pre - 1972 service for the purpose of dependants' benefits.



PERSONAL AWARDS

**PART B
B Gen - Example 1**

GENERAL

This Part describes the awards which the FPS provides for you when you leave the fire service. It is meant only to give you a general idea of the main awards available to regular firefighters. For details you need to look at the Parts or the rules concerned.

When you leave the fire service you will usually take out in pension benefit a great deal more than you put in by way of contributions.

- * If you leave with no other entitlement to an award, you will usually receive a refund of your own contributions to the scheme.
- * If you die in service:
 - a death grant (see E1) will be payable to your spouse, and your spouse and dependants will be eligible for awards, or if you have no spouse or dependants the death grant and a payment equal to your pension contributions will be made to your estate.

Awards for your spouse and dependants are described in Parts C, D and E.

Most awards payable under the scheme are based on:

- * your pensionable service (see Part F), and
- * your average pensionable pay (APP) (see G1-1).

REDUCTION OF PENSION



Your ordinary, short service, ill-health or deferred pension may be reduced:

- * at state pensionable age:
 - for flat-rate modification in respect of your entitlement to a state basic retirement pension, if you had "modified" service before 1 April 1980 (Schedule 2, Part VII, paragraph 1),
 - for modification in respect of your entitlement to a state graduated pension, if you had "participating" service between 1961 and 1975 (Schedule 2, Part VII paragraphs 2 and 3),
 - for modification in respect of your "secured portion" of another pension (Schedule 2, Part VII, paragraph 4,) or
- * when it comes into payment:
 - if you had service (usually before April 1972), which you are uprating for widow's benefit (Schedule 2, Part VIII).

Reductions of pension under Schedule 2, Parts VII and VIII, which relate to awards under rules

- * B1, ordinary pension,
- * B2, short service pension,
- * B3, ill-health pension, and
- * B5, deferred pension

are explained in the following pages.

Your pension may also be reduced in respect of:

- * Commutation (see B7-1 to B7-5), and
- * Allocation (see B9-1 to B9-4).

SCHEDULE 2, PART VII

REDUCTION OF PENSION AT STATE PENSIONABLE AGE

GENERAL

ANNEX 2, "STATE PENSIONS", explains the background to:
* the state basic retirement pension, and
* the state graduated retirement pension on account of which your pension may be reduced at state pensionable age.

REDUCTION IN RESPECT OF STATE BASIC RETIREMENT PENSION

Who is affected?

6

This reduction can apply to you, only if:
- you have "modified" service as a regular firefighter before 1 April 1980, in respect of which you paid pension contributions at a rate reduced by 6p a week (1s 2d before decimalisation in 1971). (This applies even after a break in service).

How much is the reduction in your pension?

6

Your pension (at the rate originally awarded) will be reduced at the rate of £1.70 a year for each period of "modified" service up to 30 years. Thus the biggest reduction possible would be £51 a year. (Rule A7(1) explains how to calculate a period in years). When the state retirement pension (and any state graduated pension) comes into payment, the FPS pension, as originally awarded, is reduced as provided for in Part VII of Schedule 2 of the Scheme and Pensions Increase is then recalculated on your reduced pension. It should be noted that the reduction is not based on the current rate at which these state benefits are payable, which is linked to cost of living increases since they were earned. This adjustment is known as National Insurance Modification and an example of the calculation can be found at B Gen-Example.

When is the reduction?

The reduction will begin when you reach state pensionable age and continue the whole time your pension is in payment.

POINTS TO NOTE

1. "Modified" service is explained in ANNEX 2 - 3 and 4.
2. The reduction in your pension will be less than £1.70 a year if you gave notice under Article 38 of the Firemen's Pension Scheme Order 1948 that you wished your service to be modified and you were aged 23 or more on
 - 1 April 1948 if you were a fireman in England or Wales, or
 - 16 May 1948, if you were a fireman in Scotland.
 In this case the reduction will be made in accordance with the table prepared by the Government Actuary, set out in sub-paragraph (2) of paragraph 1.
3. The secured portion of your pension cannot be reduced. This could be significant if you had lost the rest of your pension. (see K1 and K5).
4. The calculation of your "flat-rate modification" may form part of a transfer value calculation.

⑥

**REDUCTION IN RESPECT
OF STATE GRADUATED PENSION
- PARTICIPATING
EMPLOYMENT**

Who is affected? This reduction can apply to you only if:

- you have a period of "participating employment", which can be in respect of either:
 - a. outside service in respect of which you count pensionable service, or
 - b. fire service.

How much is the reduction in your pension? Your pension will be reduced:

- in case a., by the amount by which your benefit in your previous employment would have been reduced, or
- in case b., by the amount of graduated pension to which you are entitled in respect of the service concerned.

As explained in ANNEX 2-10, the highest amount of basic GPS benefit is:

- £45.50 a year for a man, or
- £37.93 a year for a woman.

The annual basic amount may be calculated as follows:

- ⑥
1. No. of weeks participating fire service:
 - a. to 5.1.64 multiplied by 25.5 and
 - b. from 6.1.64 multiplied by 38.3.
 2. Add these amounts together and divide by:
 - a. 7.5 in the case of a man, or
 - b. 9 in the case of a woman,
 to obtain the number of units of graduated benefit.
 3. The annual rate of graduated retirement benefit is the number of units multiplied by £1.30 (the annual value of 1 unit).

However, fire authorities may make a simpler calculation using tables in DSS leaflet NI 114. (This leaflet was last issued in July 1972, and further copies are no longer obtainable).

⑥

When is the reduction?

The reduction will begin when you reach state pensionable age and continue the whole time your pension is in payment.

POINTS TO NOTE

1. "Participating employment" is explained in ANNEX 2 - 10.
2. If you count pensionable service in respect of previous employment which was partly "participating" and partly not, only the "participating" period will count towards the reduction of your pension under these provisions.
3. If in your previous employment, you counted "back service" (in respect of some earlier employment still) the back service will be treated as if it were part of your previous employment, and count for the purpose of any reduction in your pension, just as it would have done in your previous employment.
4. Your fire authority may rely on a certificate from your previous employer's pension scheme to ensure that the authority reduces your pension by the appropriate amount in respect of your previous "participating employment" with them.

5. If you have some "non participating employment" in respect of which you have a "secured portion" (ANNEX 2 - 13), as well as some "participating employment", the secured portion of your pension cannot be reduced in respect of your "participating employment". (This could be significant if you lost the unsecured portion of your pension under K1 or K5).
6. The calculation of your GPS benefit may form part of a transfer value calculation.

- SECURED PORTION

Who is affected? If you are counting a period of service again, after the unsecured portion of your ill-health pension has been cancelled (see "How much previous service will reckon?", F3-1):

- the unsecured portion of any ordinary, short service, ill-health or deferred pension to which you may later become entitled for that service, will be reduced.

How much is the reduction in your pension? The reduction will equal the secured portion of your former ill-health pension.

When is the reduction? The reduction will begin when you reach state pensionable age (when the secured portion of your former ill-health pension will come into payment) and will continue the whole time your pensions are in payment.

POINTS TO NOTE

1. The purpose of this paragraph is to prevent duplication. The secured portions of your two pensions are in respect of the same period of service, but neither secured portion can be reduced. The reduction is therefore made from the unsecured portion of your second pension.
2. In practice the amount you receive in pension remains the same before and after state pensionable age. The reduction in your second pension is exactly balanced by the coming into payment of the secured portion of your first, ill-health pension.

SCHEDULE 2
PART VIII

REDUCTION OF PENSION RELATED TO
UPRATING OF WIDOW'S PENSION

GENERAL

Who is affected?

Schedule 2 Part VIII can apply to you only if you are a male regular firefighter and have pensionable service which does not count in full towards a half-rate pension for your widow.

Your pension will be reduced to uprate any such service to count for a widow's half-rate pension, unless:

- a. you elected in 1973 not to uprate it, and that election stands, or
- b. you elected in 1973 to uprate it by paying:
 - i. a lump sum, or
 - ii. contributions, and that election stands.

So if you do not have any service which needs uprating, you can forget about Part VIII (see "POINTS TO NOTE 1", below).

POINTS TO NOTE

1. "Exempted service"
Pensionable service which never needs uprating includes service:
 - a. as a regular firefighter on or after 1 April 1972,
 - b. which counts under F7 (current interchange arrangements),
 - c. which counts under I6, or
 - d. which counted on 1 July 1973, was not service as a regular firefighter on or after 1 April 1972 and amounted to less than 1 year.

* Service for which you paid contributions before 1 April 1972 at a rate related to 6% of your pensionable pay, never needs uprating to the 1/3 rate.
2. Pensionable service which always needs uprating includes service:
 - a. which counts on or after 1 July 1973 under Articles 51 or 52 of the 1973 Scheme (previous interchange arrangements),
 - b. which counts on or after 1 July 1973 under F4 or Articles 48 or 49 of the 1973 Scheme (previous service reckonable on payment), with one exception.

* The exception is if you uprated your service to the 1/3 rate or to the 1/2 rate by the payment of a lump sum in 1973, then left the fire service with an entitlement to a deferred pension, and later came back to count your service under F4(1) (or 1973/Article 48(1)) on relinquishing your deferred pension entitlement. In this case your uprating election is allowed to stand and your pension will not be reduced in respect of the uprating (ie to the 1/3 rate, or to the 1/2 rate, or to both) for which you paid with your lump sum. (See "POINTS TO NOTE 4", F4-3).

HOW THE REDUCTION WORKS

Part VIII works by providing for your pension (paragraphs 1 and 4) to be reduced:

- under paragraph 2, for uprating from flat-rate to 1/3 rate, and
- under paragraph 3, for uprating from 1/3 rate to 1/2 rate.

Which pension?

PARAGRAPHS 1 AND 4

The reduction will apply to your:

- ordinary,
- short service,
- ill-health, or
- deferred pension.

No account will be taken of any reduction in your pension:

- for commutation,
- for allocation,
- due at state pensionable age, or
- under one paragraph of Part VIII, where a reduction under another paragraph of Part VIII is being calculated.

PARAGRAPHS 2 AND 3

Uprating:
flat rate to 1/3
rate

Paragraphs 2 and 3 each work independently, to allow for the possibility that:

- a. some service may need uprating only from the 1/3 rate to the 1/2 rate, eg:
 - if you paid contributions related to 6% of your pensionable pay before 1 April 1972, or you may have uprated your service from the flat-rate to the 1/3 rate by one method and from the 1/3 rate to the 1/2 rate by another method.
- b.

POINTS TO NOTE

1. You were entitled to make an uprating election in 1973, if on 1 July 1973:
 - a. you were serving as a regular firefighter and had service other than "exempted service", or
 - b. having retired on or after 1 April 1972, you were entitled to:
 - an ordinary,
 - short service,
 - ill-health, or
 - deferred pension.

If you are in any doubt about your 1973 election, you can check your position with your fire authority.
2. If you were not entitled to make an uprating election in 1973, but you are now entitled, or become entitled, to count service which is not "exempted service" (see "POINTS TO NOTE 1", B Gen-5):
 - your pension will be reduced to uprate that service:
 - i. to the 1/3 rate under paragraph 2 (for this purpose "exempted service" includes service for which you had paid contributions at the 6% rate) and
 - ii. to the 1/2 rate under paragraph 3.
3. If you were entitled to make an uprating election in 1973:
 - a. if you have had no break in service since, your pension will be reduced only if you elected for a reduction, and according to whether your election covered uprating to the 1/3 rate only, to the 1/2 rate only or to both, and
 - b. if you had a break in service since 1 July 1973, your pension will be reduced to uprate any service which is not "exempted service", unless the exception explained in "POINTS TO NOTE 2" applies.

PERSONAL AWARDS

SERVICE		PARAGRAPH 2 (Flat-rate to 1/3 rate)	PARAGRAPH 3 (1/3 rate to 1/2 rate)
Exempted service (see "POINTS TO NOTE 1", B Gen 5)		No reduction (Exempted service includes service before 1 April 1972 for which fireman paid contributions related to 6% of his pensionable pay, or which he elected in 1966 to uprate by payments of additional contributions.)	No reduction (Exempted service does <u>not</u> include service before 1 April 1972 for which fireman paid contributions related to 6% of his pensionable pay)
Other	Fireman not entitled to make uprating election in 1973	Reduction in respect of all such service	Reduction in respect of all such service
	Fireman entitled to make uprating election in 1973	Reduction in respect of all such service, but only if: a) fireman elected in 1973 to uprate it to 1/3 rate by reduction of pension b) fireman agreed to such a reduction of pension as a condition of counting this service on or after 1 July 1973, under 1973/48*, 49*, 51 or 52, or c) fireman became entitled to count this service, under F4* after 1 March 1992.	Reduction in respect of all such service, but only if: a) fireman elected in 1973 to uprate it to 1/2 rate by reduction of pension, b) fireman agreed to such a reduction of pension as a condition of counting this service on or after 1 July 1973, under 48*, 49*, 51 or 52, or c) fireman became entitled to count this service, under F4* after 1 March 1992.

*Unless the exception explained in "POINTS TO NOTE 2", B Gen-5 applies.

PARAGRAPH 6

**Completing
contribution
payments by
reduction of
pension**

If you are (or were) uprating service for widow's pension by paying additional or further contributions because of an election in 1973, and you retired (or have retired) with an ordinary pension before those contributions would have stopped had you continued to serve:

- your ordinary 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.

* This paragraph ensures that, if you retire with an ordinary pension, you complete any contribution payments which are outstanding when you leave the fire service. It is, however, a provision which will rarely apply (see "When must additional and further contributions be paid?", G4-1).

POINTS TO NOTE

1. If you are due to uprate service for a widow's half-rate pension by reduction of your own pension, her benefit will not depend on the extent to which that reduction takes place.
 - a. If she is entitled to a widow's ordinary pension, her pension will be calculated under Part I of Schedule 3, even if you should die before any reduction of your own pension has taken place.
 - b. If she is entitled to a widow's accrued pension, her pension will be calculated under paragraphs 2 and 3 of Part III of Schedule 3. The proportion of your service which counts at the half-rate for her pension will depend on how long you remained in the fire service after you made your election.

**How much is
the reduction
in your pension?**

Your pension will be reduced by a percentage which is set out in the Table in paragraph 5 of Part VIII of Schedule 2, under the appropriate column, and the reduction will continue as long as your pension remains in payment.

This Table was prepared by the Government Actuary in 1973, on the basis that the cost of uprating earlier service for widows' pension would be shared equally between members and fire authorities.

The Table does not apply where your pension is reduced under paragraph 6, because this is completing an uprating calculated under G4.

The reduction of your pension under Part VIII is usually ignored where the amount of your pension is used in calculating another award, eg:

- a widow's pension, or
- a child's allowance.

It is taken into account, however, in determining how much of your pension you may commute (see "How much pension may be commuted?" B7-2.)

Who is eligible?

In the first place, you must be a regular firefighter, have completed 25 years' pensionable service and have reached age 50, to be eligible for an ordinary pension.

If you are a chief officer, or in Scotland a firemaster, you need the consent of your fire authority:

- * to retire with an entitlement to an ordinary pension before age 55.

POINTS TO NOTE

1. If you are thinking of transferring to other employment:
 - a. once your ordinary pension comes into payment, no transfer value can be paid (see F9(4)),
 - b. if a transfer value is paid for you (before your ordinary pension comes into payment) your pension will cease to be payable (F9(9)).
2. If you retire with 25 years' service or more, but are not eligible for an ordinary pension because you have not fulfilled the other conditions, you are likely to be entitled to a deferred pension under B5.

How much is the pension?

The sums are set out in Examples 1 and 2. The basis of the calculations is explained here.

A firefighter's basic ordinary pension is at least $\frac{1}{2}$ and not more than $\frac{2}{3}$ of average pensionable pay (APP).
It equals:
1/60th of APP for each year of service up to 20,
plus
2/60ths of APP for each year of service over 20,
with a maximum of 40/60ths of APP.
(Each day counts as 1/365th of a year even in a leap year).

Reductions

- * Your basic ordinary pension may be reduced:
 - because you have commuted or allocated part of it (see B7 and B9)
 - to uprate any service not fully paid up for widow's and children's benefit (see B.Gen-5),
 - at state pensionable age, if you have "modified" or "participating" service relating to certain state benefits (see B.Gen-2).

0

ORDINARY PENSION

Pensions increase (PI)

- * Your basic pension will be increased:
 - when you qualify for PI (see ANNEX 1).

POINTS TO NOTE

1. Your minimum ordinary pension will be 30/60ths (1/2) of your APP, because you must complete 25 years' service to qualify.
2. **0** Your maximum ordinary pension of 40/60ths (2/3rds) of your APP will be earned in 30 years. If you serve longer you cannot earn more 60ths, but your APP may increase to make your pension bigger.
3. In deciding when to retire you will need to consider how your pension would be affected by:
 - likely future pay increases,
 - likely future increases in the retail price index (which affects pensions increase),
 - when you will qualify for pensions increase,
 - how much you may commute, and
 - your age in relation to the commutation factors, as well as your personal circumstances.

When is the pension paid?

Your pension will normally start when you retire (see L3-1).

POINTS TO NOTE

0

1. You will not qualify for pensions increase until you are 55, unless you are also permanently unfit for regular full-time work of any kind (see "When is the pension paid?", "POINTS TO NOTE 1" on page B5-3 and "Who is eligible for increases?" ANNEX 1-2).

RULE B2

SCHEDULE 2, PARTS II AND IV

B2 - Examples 1 to 3

SHORT SERVICE
AWARD

Who is eligible?

You must be a regular firefighter and required to retire on account of age (see A13-1) with less than 25 years' service to be eligible for a short service award.

However, you may also be entitled to this award, if:

- * you retire at age 65 or over entitled to reckon at least 2 years' service, and not entitled to any other pension or gratuity under Part B.

Gratuity	Your short service award will be a <u>gratuity</u> if: * you have less than 2 years' service.
Pension	Your short service award will be a <u>pension</u> if: * you have at least 2 years' service.

SHORT SERVICE AWARD

How much is the gratuity?

The sums are set out in Example 1. The basis of the calculation is explained here.

A short service gratuity is never less than:
- your aggregate pension contributions (see A8-1), or
- 1/12 of average pensionable pay for each year of service if you have served for at least 1 year provided you retire before the beginning of the tax year in which you would reach state pensionable age (65 for a man; 60 for a woman).

- * If you retire with a short service gratuity after the beginning of the tax year in which you would reach state pensionable age (unlikely), your gratuity will be reduced to take account of your entitlement to a guaranteed minimum pension (GMP) under J1(2). The Government Actuary will calculate the cash value of your GMP and this amount will be deducted from your gratuity (see B3-2 and ANNEX 4-2).

SHORT SERVICE AWARD

How much is the pension?

The sums are set out in Examples 2 to 3. The basis of the calculations is explained here.

The principle is that you count as many 60ths of your average pensionable pay (APP) towards your basic short service pension as you would for an ordinary pension:

1/60th of APP for each year of service up to 20, plus
2/60ths of APP for each year of service over 20.

(Each day counts as 1/365th of a year even in a leap year).

A short service pension will always be less than 30/60ths of APP because pensionable service must be less than 25 years.

Reductions

- * Your basic short service pension may be reduced:
 - because you have commuted or allocated part of it (see B7 and B9),
 - to uprate any service not fully paid up for widow's and children's benefit (see BGen-5).
 - at state pensionable age, if you have "modified" or "participating" service relating to certain state benefits (see BGen-2 and 3).

Pensions increase (PI)

- * Your basic short service pension will be increased by PI (see ANNEX 1).

When is the award paid?

Your gratuity will be paid, or your pension start, when you retire (see L3-1).

Who is eligible?

You must

- * be a regular firefighter, or be treated as one, and
- * be permanently disabled, and
- * retire on account of your disablement, to be eligible for an ill-health award.

Gratuity. Your ill-health award will be a gratuity if:

- * you have less than 2 years' service, and
- * you were not disabled through a qualifying injury.

Pension. Your ill-health award will be a pension if:

- * you have at least 2 years' service, or
- * you were disabled through a qualifying injury.

POINTS TO NOTE

1. You will not be eligible for an ill-health award if you retire on some other ground and later find you are permanently disabled, even if it is clear that you were so disabled when you left. This is because an ill-health pension is meant to compensate you for having to retire for medical reasons when you would not otherwise have done so.
2. If you are permanently disabled through a qualifying injury you will also be eligible for an injury award under B4.
3. You are disabled if you are unable to carry out the duties of your rank, because of physical or mental infirmity (see A10(2)).
4. You are permanently disabled if at the time in question your disablement is considered likely to be permanent. This depends on the medical evidence available at the time (see A10(1)).
5. Entitlement to an award on grounds of disablement is decided in the first place by your fire authority having considered the medical advice of at least one qualified medical practitioner (usually that of the brigade medical officer).
6. If you are dissatisfied with any decision based on medical evidence, you may appeal to a medical referee appointed by the Secretary of State (usually the Home Secretary or the Secretary of State for Scotland). In some cases an appeal may be made to the Crown Court (Sheriff Court in Scotland), but not to question medical evidence (see Part H).
7. Your fire authority may check from time to time if you are still disabled. K1 and K2 deal with what happens if you become fit enough to rejoin the fire service.

How much is the gratuity?

The sums are set out in Examples 2 and 3. The basis of the calculations is explained here.

An ill-health gratuity is never less than:
 - your total pension contributions, or
 - 1/12 of average pensionable pay for each year of service if you have served for at least 1 year, provided you retire before the beginning of the tax year in which you would reach state pensionable age (65 for a man, 60 for a woman).

* If you retire with an ill-health gratuity after the beginning of the tax year in which you would reach state pensionable age (unlikely), your gratuity will be reduced to take account of your entitlement to a guaranteed minimum pension (GMP) under J1(2). The Government Actuary will calculate the cash value of your GMP and this amount will be deducted from your gratuity (see B2-1 and ANNEX 4-2).

How much is the pension?

The sums are set out in Examples 1 and 4 to 7. The basis of the calculations is explained here. A firefighter's basic ill-health pension is never less than 1/60th of average pensionable pay (APP) and never more than 40/60ths (2/3rds) of APP, or what could have been earned by compulsory retirement age.

* The principle is that you count as many 60ths of APP towards your basic ill-health pension as you would for an ordinary pension:
 1/60th of APP for each year of service up to 20, plus
 2/60ths of APP for each year of service over 20.

* In addition you count extra 60ths of APP ("ill-health enhancement") if you have 5 years' service or more.

Your basic ill-health pension is:

<u>length of pensionable service</u> (1)	<u>No of 60ths of APP counting for pension</u> (2)
less than 5 years	1 for each year (but never less than 1/60th)
5 - 10 years	2 for each year.
10 - 13 years	20
more than 13 years	7 and 1 for each year up to 20 and 2 for each year over 20

- (1) each day counts as 1/365th of a year even in a leap year.
- (2) never more than 40/60ths of APP, or what you could have earned by your compulsory retirement age.

Reductions

- * Your basic ill-health pension may be reduced:
- because you have commuted or allocated part of it (see B7 and B9),
 - to uprate any service not fully paid up for widow's and children's benefit (see BGen-5).
 - at state pensionable age, if you have "modified" or "participating" service relating to certain state benefits (see BGen-2 and 3).

Pensions increase (PI)

- * Your basic ill-health pension will be increased by PI (see ANNEX 1).

When is the award paid?

Your gratuity will be paid, or your pension start when you retire (see L3-1).

- (1) each day counts as 1/365th of a year even in a leap year.
- (2) never more than 40/60ths of APP, or what you could have earned by your compulsory retirement age.

Reductions

- * Your basic ill-health pension may be reduced:
- because you have commuted or allocated part of it (see B7 and B9),
 - to uprate any service not fully paid up for widow's and children's benefit (see BGen-5).
 - at state pensionable age, if you have "modified" or "participating" service relating to certain state benefits (see BGen-2 and 3).

Pensions increase (PI)

- * Your basic ill-health pension will be increased by PI (see ANNEX 1).

When is the award paid?

Your gratuity will be paid, or your pension start when you retire (see L3-1).

B4 - Examples 1 to 4 and
 B3 - Example 1

Who is eligible?

You must:
 * have ceased to serve as a regular firefighter, and
 * be permanently disabled as a result of a qualifying injury to be eligible for an injury award.

Gratuity The injury award will consist of a gratuity, and sometimes also an injury pension.

Pension An injury pension is payable if certain social security (DSS) benefits payable in respect of your injury, when added to 3/4 of any other pension to which you are entitled under the FPS, fall short of a "minimum income guarantee". This "minimum income guarantee" depends on:
 - how long you have served (your pensionable service),
 - how seriously you are disabled (your degree of disablement), and
 - your average pensionable pay (APP).

* You will see, under "Amount of Pension", B4-2, how an injury pension would "top up" other benefits to meet the minimum income guarantee in each case.

POINTS TO NOTE

1. "Disablement" and "permanent" are defined in A10 (see A10-1).
2. A "qualifying injury" is defined in A9 (see A9-1).
3. You are treated as disabled as a result of an injury, if the injury either caused or substantially contributed to the infirmity which constituted your disablement (see A11-1).
4. If you are permanently disabled as a result of a qualifying injury you will be entitled to an injury award whether you ceased to serve on account of your injury or for some other reason. (In rare cases the effect of an injury may not come to light until several years later) (see "POINTS TO NOTE 2", H2-3).
5. Entitlement to an award on grounds of disablement as a result of a qualifying injury is decided by your fire authority having considered the medical advice of at least one qualified medical practitioner (usually that of the brigade medical officer).
6. If you are dissatisfied with any decision based on medical evidence, you may appeal to a medical referee appointed by the Secretary of State (usually the Home Secretary or the Secretary of State for Scotland). In some cases an appeal may be made to the Crown Court (Sheriff Court in Scotland), but not to question medical evidence (see PART H)



INJURY AWARD

7. Your fire authority will check from time to time that you are still disabled. K2 deals with what happens if the degree of your disablement changes but you remain disabled for duty.

How much is the gratuity and pension?



The sums are set out in Examples 1 to 4 and also B3-Example 1. The basis of the calculations is explained here. The amount of an injury award (both gratuity and pension) depends on your "degree of disablement".

* "Degree of disablement" is defined in A10(3) (see page A10-2). The doctor will advise on the extent of your disablement according to your loss of earning capacity, as follows:

<u>Loss of earning capacity</u>	<u>Degree of Disablement</u>
25% or less	Slight
More than 25% up to 50%	Minor
More than 50% up to 75%	Major
More than 75%	Severe



* If you are well qualified to work in other fields, it is possible that your general earning capacity may not be reduced by your injury. You would, however, still be entitled to the gratuity and pension payable on slight disablement.

Amount of pension



To work out how much your injury pension would be, you need to know:

- * Your minimum income guarantee, which depends on your pensionable service, your degree of disablement and your APP,
 - * The amount of any other pension to which you are entitled under the FPS for the same pensionable service, and
 - * The amount of social security (DSS) benefits which need to be taken into account.
- Your injury pension will be an amount which, when added to 3/4 of your other pension and the DSS benefits, will equal your minimum income guarantee.



If 3/4 of your other pension and the DSS benefits together equal or exceed your minimum income guarantee, no injury pension will be payable.

Amount of gratuity



<u>Degree of disablement</u>	<u>Gratuity as a percentage of APP</u>
Slight	12.5%
Minor	25%
Major	37.5%
Severe	50%



INJURY AWARD

Minimum income guarantee
(as a percentage of APP)

Degree of disablement	Years of pensionable service			
	Less than 5	5 to less than 15	15 to less than 25	25 or more
Slight	15%	30%	45%	60%
Minor	40%	50%	60%	70%
Major	65%	70%	75%	80%
Severe	85%	85%	85%	85%

Other pension



Your other pension will usually be an ill-health pension, but it could be an ordinary, short service, or deferred pension if you retired with such a pension before the effect of your injury came to light. Where there is another pension to be taken into account, the amount of that pension is taken before adding pensions increase to it, or reducing it for widow's benefit, commutation or allocation. As only 3/4 of the other pension is taken into account, any amount you may commute will be ignored, and if you do not commute, or commute less than 1/4 of your pension, you will have the benefit of extra income.

Social security (DSS) benefits

- * It is important that you claim any relevant DSS benefits, because the FPS requires your fire authority to take account of any such benefits to which you are entitled whether you claim them or not (in other words you are not allowed to "opt" to get all your injury benefit from the FPS and none from DSS). Your fire authority may obtain this information from DSS if you do not provide it yourself.
- * It is important that you tell your fire authority when you become entitled to a new DSS benefit, or cease to be entitled to one. This will avoid your fire authority having to recover overpayments from you, or paying you late in respect of underpayments.
- * DSS benefits are deducted from your prospective injury pension at the scale at which they were payable when you left the fire service.

The DSS benefits which need to be taken into account include any of the following benefits (or parts of such benefit) to which you may be entitled under the Social Security Act 1975:

**Benefits
in respect of
industrial injury**

- a. Disablement pension, payable under section 57 of the Social Security Act 1975, because of the same injury for which your injury pension is paid (see "POINTS TO NOTE 3", B4-4):

- together with any increase in the relevant part of that pension



INJURY AWARD

- (i) unemployability supplement (under section 58),
 - (ii) special hardship (under section 60),
 - (iii) dependants (under section 64 or 66), or
 - (iv) hospital treatment (under section 62).
- (Each of these increases is treated as a separate benefit in working out the rate at which it has to be deducted).



b. Reduced earnings allowance, payable under section 59A, because of the same injury for which your injury pension is paid.
Disablement gratuity, payable under section 57 (see "POINTS TO NOTE 4", below).

Benefits
not depending on
industrial injury

- c. Until the first day when you are capable of working again:
 - i. Sickness benefit, payable under section 14:
 - together with any earnings-related supplement,
 - ii. Invalidity pension, payable under section 15,
 - iii. Severe disablement allowance, payable under section 36.
- (Each of the benefits under c. is treated as a separate benefit in working out the rate at which it has to be deducted). (See "POINTS TO NOTE 5", B4-5).



Pensions increase (PI)
 * Your basic injury pension will be increased:
 - when you qualify for PI (see ANNEX 1-6).

POINTS TO NOTE

1. You may not commute or allocate part of your injury pension (see B7(1) and B9(1)).
2. Your injury pension will not be reduced to uprate service for widow's benefit (under Part VIII of Schedule 2), nor at state pensionable age (under Part VII of Schedule 2).
3. Certain DSS benefits in respect of an industrial injury ceased for new claimants in October 1986, but references are still needed for those already receiving them who will continue to do so.
4. Disablement gratuities under section 57(5) of the Social Security Act 1975 ceased to have effect for future claims in October 1986, but a reference is needed for those who have already claimed them.
 * The annuity equivalent of a disablement gratuity which has been awarded should continue to be deducted from an injury pension as explained in Fire Service Circular Nos. 23/1982 and 11/1985 and their Scottish Office equivalents.

INJURY AWARD

5. DSS benefits which do not depend on an industrial injury are not specifically linked to the same injury for which your injury pension is payable, which might be difficult to establish. But it is likely that they will be paid in respect of the same injury when you first retire.
 - * If you become fit enough to work again (although not as a firefighter) these DSS benefits would not be deducted if you qualified for them again:
 - You get the benefit of the doubt that they might become payable for a separate disability.
 - * If you became fit enough to rejoin the fire service, your injury pension would be cancelled under K1(3), and if you later qualified again for an injury pension, your circumstances on ceasing to serve for the second time would determine the amount of your injury pension and the deductions to be made from it.

 6. Most of the other DSS benefits to be deducted, which are payable under the Social Security Act 1975, were previously payable under earlier national insurance legislation including the National Insurance (Industrial Injuries) Act 1965, which was quoted in the 1973 Scheme.

 7. DSS benefits and the circumstances in which they are payable are set out in NI leaflets which you can get from your local DSS office. NI6 deals with "Industrial injuries disablement benefit". NI.16, 16A and 252 deal with sickness benefit, invalidity pension and severe disablement allowance.
-

When is the
award paid?

see L3-1.

Who is eligible?

Usually you must be a regular firefighter who leaves the fire service with 2 or more years' pensionable service, but with no other pension entitlement, and no transfer value payable, to be eligible for a deferred pension.

* However, you may also be entitled to this award, if you have less than 2 years' pensionable service, but at least 2 years' "qualifying service". Service which counts as "qualifying service" includes:

- earlier fire service before a break in service of one month or less, even though you have not repaid a refund of your contributions to make it pensionable under F4.
- the actual length of your service in a previous job, from which you have transferred pension rights into the FPS, even though the pensionable service you could count in the FPS as a result, may be less (see F7-2).

You may qualify through a combination of these 2 circumstances.

POINTS TO NOTE

1. Your pension is called a "deferred pension", because payment is deferred usually until you are 60 (see "When is the pension paid?" B5-3).
2. You may be entitled to a deferred pension:
 - a. if you have 25 years' service, but you are not eligible for an ordinary pension because you are a chief officer or firemaster and left below age 55 without the consent of your fire authority (see "POINTS TO NOTE 2", B1-1).
 - b. if you retired from the fire service with an ill-health pension which was stopped under K1(3) (or all but the secured portion stopped), when you recovered your health, but did not rejoin the fire service. This will also depend on whether you had sufficient qualifying service when you retired.
3. The provisions which entitle you to a deferred pension stem from social security legislation, which was intended to make sure that people who leave a pension scheme before becoming entitled to full retirement benefits, get benefits of proportionate value in due course.

DEFERRED PENSION

4. If you start another job which has a pension scheme, before your deferred pension comes into payment, you may be able to give up your entitlement and transfer your pension rights in the FPS to your new scheme. But you will need to consider very carefully at the time which is the better choice. (see F9-1).
5. If you rejoin the fire service before your deferred pension comes into payment, you may either:
 - give up your entitlement and count the service on which it was based towards one pension in respect of all your service, or
 - keep your entitlement to a deferred pension for your earlier service, and earn separate benefits in respect of your later service.

You need to work out the balance between:

- a. having a pension based on your final APP for all your service, and
- b. having a deferred pension the value of which has kept pace with rises in the RPI since you left the fire service plus a pension based on your final APP for your later service.

You may also find 2 deferred pensions more valuable if you have more than 30 years' service in all.

How much is the Pension? The sums are set out in Examples 1 to 5. The basis of the calculation is explained here.

* The principle is that your deferred pension will be a proportionate amount of the pension you could have earned, had you stayed on to retire on age grounds, according to how far you have got along that road when you leave.

Your basic deferred pension is worked out on the formula

$$\frac{A}{B} \times C$$

A = your "actual service" - the pensionable service you can count when you leave.

B = your "hypothetical service" - the pensionable service you could have counted by your age of compulsory retirement (subject to a maximum of 30 years).

C = your "hypothetical pension" - the pension you could have earned by your age of compulsory retirement (based on your APP when you leave).

Your pension can never exceed 40/60ths of your APP, because "C" (your hypothetical pension) cannot exceed 40/60ths of your APP, and "A" (your actual service) can never exceed "B" (your hypothetical service).

Reductions

- * Your basic deferred pension may be reduced:
- because you have commuted or allocated part of it (see B7 and B9),
 - to uprate any service not fully paid up for widow's and children's benefit (see B Gen-5),
 - at state pensionable age, if you have "modified" or "participating" service relating to certain state benefits (see B Gen-2)

Pensions increase (PI)

- * Your basic pension will be increased once it comes into payment as soon as you qualify for PI. If you are already qualified for PI when your pension comes into payment (see "When is the pension paid?", "POINTS TO NOTE 1"), PI will bring your pension's purchasing power up to date, from the time of your date of leaving until it comes into payment, and then continue to increase it as provided in the Pensions (Increase) Acts (see ANNEX 1-6).

POINTS TO NOTE

1. Your deferred pension is sometimes referred to as calculated on the basis of "uniform accrual", because it normally accrues at the rate of 1/45th of your APP for each year of service:

$$\frac{A}{30} \times \frac{40}{60} \times \text{APP} = \frac{A}{45} \times \text{APP}$$

When is the pension paid?

Your deferred pension will start:

- * when you are 60, or
- * if you become permanently disabled before you are 60, when you become permanently disabled, unless you have relinquished it before then.

POINTS TO NOTE

1. Your pension will not normally qualify for pensions increase (PI) until you are 55. If your deferred pension comes into payment before you reach that age (as it will if, after your retirement, you become permanently disabled from being a firefighter), you will not qualify for PI unless you are also disabled by physical or mental infirmity from taking up any regular full-time employment. (The position is different if you retire with an ill-health pension before you are 55, because PI applies at once if you have to give up any job because you are disabled from doing it.) This is the effect of section 3(2) and (5) of the Pensions (Increase) Act 1971 (see ANNEX 1-2, "Who is eligible for increases?").
2. If you commute part of your deferred pension, the amount of the pension remaining in payment will be increased in line with PI, and your lump sum, worked out in terms of your pension rate at retirement, will also be increased in line with PI from your retirement until it is payable.

REPAYMENT OF AGGREGATE
PENSION CONTRIBUTIONS

Who is eligible?

You will be entitled to a refund of your aggregate pension contributions, if:

- you are a regular firefighter,
- you leave the fire service or opt out of the FPS with less than 2 years' "qualifying" service,
- you are not entitled to any other award under the FPS, and
- no transfer value is payable in respect of you.

POINTS TO NOTE

1. "Aggregate pension contributions" are defined in A8 (see A8-1).
2. "Qualifying" service means the same as for a deferred pension (see B5-1).
3. If you should die without becoming entitled to any award (other than the lump sum death grant under E1) under the FPS, for yourself or your dependants, an amount at least equal to your aggregate pension contributions will be paid to your estate under E4 (see E4-1) regardless of length of service.
4. If you are a regular firefighter and leave the fire service with less than 2 years' service after the beginning of the tax year in which you reached, or will reach, state pensionable age (this is of course very unlikely):
 - * you will be entitled to a GMP under J1(2), and
 - * you will therefore not be entitled to an award by way of repayment of your aggregate pension contributions under B6. This is a "contracting-out" requirement (see ANNEX 2-5).

How much
is the
award?

The award under B6 is "an award by way of repayment of aggregate pension contributions". The "balance" of your aggregate pension contributions may also be paid to you under K1(5) if you had an ill-health pension cancelled, were not entitled to a deferred benefit and did not come back to the fire service (see K1-1). In any of these circumstances:

REPAYMENT OF AGGREGATE
PENSION CONTRIBUTIONS

* Your contributions are repaid to you at the rate at which you originally paid them, subject to the possibility of 2 deductions:

- **TAX** - Your award is not liable to income tax, but your fire authority must deduct from your award an amount equal to the 20% tax which they are liable to pay on it (see ANNEX 3-3).
- **CEP** - If your fire authority pay a CEP to buy you back into SERPS (see ANNEX 2-5), they are entitled to deduct your share of the CEP from your award.

When is
the award
paid?

Your fire authority are entitled to withhold payment of this award until up to one year after your leaving date unless you apply for it earlier (L3(9)). This is to help establish whether or not a transfer value payment will be required.

Refunding
the award

For the circumstances in which you can refund an award by way of repayment of your aggregate pension contributions:

- to count your service again (see F4-1),
- for a transfer value to be paid (see F9-2).

RULE B7

B7 - Example 1

see also B1 - Examples 1 and 2, B2 - Examples 2 and 3
B3 - Examples 1 and 4 to 7, B4 - Examples 1 to 4,
B5 - Example 5

COMMUTATION

What is
commutation?

- * Commutation means giving up a part of your pension for a lump sum.
- * The lump sum represents the cash value of the pension which you give up and is worked out from "commutation tables" which are prepared from time to time by the Government Actuary's Department (GAD) - copies of the tables are held by your fire authority
- * You do not need a medical examination.
- * Commuting has no effect on the amount of awards to your dependants, which are based on your pension before commutation.

POINTS TO NOTE

There is no need to commute the maximum amount allowed, although many people do so.

2. It is sensible to think about the relative advantages of commuting in your own case well ahead of your retirement. The sort of things you need to consider include:
 - a. whether you have a particular purpose for which you will need a lump sum, and if so how big a lump sum,
 - b. if you take a lump sum for that purpose, whether the pension you have left will be enough for your needs,
 - c. if you plan to invest your lump sum to provide a regular income, whether you can get as much income this way as you would have received from the pension you would be giving up, bearing in mind that under present legislation:
 - ⓐ - your pension is index linked to keep pace with inflation, and
 - ⓑ - your lump sum is tax free,
 - d. if your health is uncertain, whether you could do better to take a lump sum which would be available for your dependants in the event of your death.
3. ⓐ It is your basic pension which is commuted. Only that part of your pension which remains in payment after commutation is increased under the Pensions (Increase) (PI) Acts.
 - * Your resulting lump sum may qualify for PI if paid some time after your retirement (see ANNEX 1-6 and "POINTS TO NOTE 4", ANNEX 1-7).

Who may commute?

If you are a regular firefighter, you may commute part of any of the following pensions during the 10 month period from 4 months before, until 6 months after, it is due to come into payment:

- * an ordinary pension,
- * a short service pension,
- * an ill-health pension,
- * a deferred pension.

You may not commute under B7 part of an injury pension.

How much pension may be commuted?

You may choose how much of your pension you wish to commute, within the limits laid down. The most you can commute is $\frac{1}{4}$ of your "pension".

* Your pension for this purpose means that pension to which you are entitled after any reduction to pay for a better widow's pension, for which you may have elected under article 59(2)(b) or 59(3)(b) of the 1973 Scheme, but before any reduction:

- because you have allocated part of it,
- because you have previously commuted part of an ill-health pension,
- because you are completing, in retirement, payments for a better widow's pension which began as regular contributions while you were serving, or
- for National Insurance modification at state pensionable age.

In other words any reductions which apply to your pension will be ignored except where you undertook to pay for a better widow's pension by having your own pension reduced.

* There are other limits on how much you may commute, as well as the " $\frac{1}{4}$ limit":

a. If you retire with an ordinary pension:

- i. when entitled to reckon less than 30 years' service, and
- ii. before you could be required to retire on age grounds, or
- if you retire on or after the age of 55 without the consent of your fire authority to your commutation.

you may not take a lump sum which is more than $2\frac{1}{2}$ times the annual amount of your pension (see "POINTS TO NOTE 3", B7-4).

b. If you retire with a deferred pension and have a guaranteed minimum under the state pension scheme:

- your pension remaining in payment (including pensions increase), after you have commuted and allocated, must at least equal your guaranteed minimum at the time (see B10(1)(b) and ANNEX 2-5).

- ⑥
- c. If you wish both to commute and to allocate part of your pension:
- * You must not use up more than 1/3 of your "pension" in all. Your pension for this purpose means that pension to which you are entitled before any reduction:
 - for commutation,
 - for allocation,
 - for buying a better widow's pension, or
 - for National Insurance modification at state pensionable age.
(See B10.)
- d. If you previously left the fire service with an ill-health pension, and then recovered your health and rejoined the service, your ill-health pension (except for any "secured portion") will have stopped and the service on which it was based will count towards your pension on your second retirement. But if you commuted part of that ill-health pension:
- the amount that you can commute now will be reduced by the amount you commuted before,
 - your commuted lump sum now will be reduced by the amount of your earlier commuted lump sum, and
 - your pension will be reduced in respect of both commutations (see "POINTS TO NOTE 1" below).

POINTS TO NOTE

1. Your pension will be reduced in respect of any earlier commutation of your ill-health pension, whether or not you commute again. (You may be outside the limits and not able to commute again - see B5 - Example 5).

⑥

How much is the lump sum?

The commutation tables show how much lump sum will be paid for each £100 (or part of £100) of pension you commute, according to your age next birthday when your pension becomes payable.

- * If your deferred pension comes into payment at age 60, your age next birthday is taken as 60.
- * If you are required to retire on reaching a certain age, your age next birthday is taken as that age.
- * Your commuted lump sum will be reduced by the amount of any lump sum you may have received before, if you commuted part of an ill-health pension which was later cancelled. (see d. above, under "How much pension may be commuted?")

①

POINTS TO NOTE

1. The commutation tables are prepared by the Government Actuary's Department on the basis of assumptions about future interest rates (which would affect the income likely to be received if your lump sum was invested), and life expectancy (mortality) rates (which would affect the length of time for which that income would be received). The tables may have to be altered from time to time to reflect changes in these assumptions.
2. The younger you are when you commute, the bigger your lump sum is likely to be. This is because your pension is likely to be in payment for longer, and therefore the cash value of your pension will be higher.
3. When your lump sum is limited to 2½ times the annual amount of your "pension" under B7 (5), it is your pension calculated under Part I of Schedule 2, before any reductions have been made to it. (To find out how much pension you may commute in such a case, divide the lump sum to which you are entitled by the figure in the commutation table which applies to you, and multiply the result by 100).

②

How to apply?

You should apply in writing to your fire authority to commute part of your pension:

- * not more than 4 months before you expect it to come into payment, and
- * not more than 6 months after it comes into payment.

Normally a pension comes into payment when you retire, but:

- * a deferred pension would not normally come into payment until you are 60.

A notice of commutation is of no effect if:

- * it is given outside the time limits, or
- * it relates to an ill-health pension, of which all but the secured portion has been terminated under K1(3).

A notice of commutation correctly given becomes effective from:

- * the date of retirement, or
- * the date on which the pension comes into payment, or
- * the date when the fire authority receives the notice,

whichever is later.

③

If your notice of commutation becomes effective after your pension has come into payment, a sum will be done to check how much your pension has been overpaid. This amount will be deducted from your commuted lump sum.

④

①

POINTS TO NOTE

1. Once a notice of commutation becomes effective it may not be varied in any way. You may not apply to commute a second time even though you may still be within the limits of time and amount.

②

The effect of commuting

When your notice of commutation becomes effective, your fire authority will, from that date:

- * reduce your pension in accordance with your notice (your notice must have taken account of the limits on how much you may commute):
- but if your notice relates to an ill-health pension which (except for a secured portion) has been stopped because you have recovered your health, no reduction will be made in that secured portion, even though you will already have been paid your lump sum. (See also d. under "How much pension may be commuted?", B7-3), and
- * pay you the lump sum due to you (see "How much is the lump sum?", B7-3).

POINTS TO NOTE

1. If you have commuted part of an ill-health pension which is stopped when you recover your health, and you do not rejoin the fire service, you will not have to repay any part of your commuted lump sum (nor any pension already paid to you).

③

If you are entitled to a pension or pensions which, with a pensions increase added, do not exceed £260 a year when you reach state pensionable age, your fire authority may commute them for a lump sum.

The lump sum represents the cash value of the pension or pensions to which you were entitled and is worked out from tables prepared by the Government Actuary.

POINTS TO NOTE

1. Your fire authority do not require your consent to commute a small pension, but it is likely to be to your mutual advantage that they should do so.
2. Commutation cannot take place before a GMP becomes payable at state pensionable age, because of "contracting-out" requirements (see ANNEE 2-5).
3. The limit of £260 a year is laid down in social security legislation. It could be increased by future regulations by the time you reach state pensionable age. A subsequent increase in the limit could enable a commutation to take place later.
4. Commutation tables for small pensions have not been published. If a case arises a fire authority may write direct to the Government Actuary for the amount of the gratuity giving details of the basic pension, the pensions increase added to that date, the amount of any guaranteed minimum pension (GMP) which is included and the firefighter's date of birth.
5. Small pensions like this are likely to be rare in the FPS. They could happen if for example:
 - you are entitled to a small deferred pension because you qualified for one through having a break in fire service of less than 1 month and not counting your service before the break towards your pension under F4.
6. Your widow(er)'s entitlement to an accrued pension will not be affected by a commutation of your deferred pension, under B8. His or her pension is likely to be very small if yours was not more than £260 a year, but he or she is likely to be able to elect for a flat-rate pension under E9 (see C4-2).

What is allocation?

- * Allocation means giving up a part of your own pension, if you are a regular firefighter, to provide a pension after your death for your spouse or someone else who is substantially dependent on you (the "beneficiary").
- * You may need to have a medical examination because your fire authority will need to be satisfied that you have a normal expectation of life for your age.
- * The pension payable to your beneficiary will be worked out from "allocation tables", which are prepared from time to time by the Government Actuary's Department (GAD). Copies are kept by your fire authority. These tables are designed to provide a pension which is fully paid for by the pension which you are giving up, on the basis of GAD's assumptions about average life expectancy for both firefighters and beneficiaries.

Who may allocate and when?

If you are a regular firefighter, you may allocate part of any of the following pensions:

- * an ordinary pension,
- * a short service pension,
- * an ill-health pension,
- * a deferred pension.

You may not allocate part of an injury pension.

Allocation may be made within specified time limits in the following circumstances:

- a. while still serving, after attaining age 50 and completion of 25 years' service:
 - this can apply only to a prospective ordinary or ill-health pension,
 - you may apply at any time before your intended retirement,
 - you will provide cover for your beneficiary during your remaining years of service if you make your application in good time, and your fire authority notify you that they have accepted your application, before your retirement,
 - no payment has to be made during service and your beneficiary is fully covered whether you die in service or after retirement,
 - the cost is higher than for allocation at retirement, because of the greater cover,
 - you may make more than one allocation to the same beneficiary during your remaining years of service,
 - you may allocate more pension to another beneficiary only if the previous beneficiary has died: you cannot transfer a previous allocation to a new beneficiary,
 - if your application is made too close to your retirement to take effect earlier, it will take effect from your retirement, if you are then entitled to a pension,
 - if, having made an allocation, you transfer out of the fire service, so that no pension becomes payable to you or your dependents, your transfer value is adjusted to reflect the value of benefits that would have been payable including those arising from allocation.
- b. on retirement
 - if you are due to retire shortly with an ordinary, short service, or ill-health pension, you may give notice allocating

- part of your pension, within the period of 2 months before your retirement,
- if you have already allocated part of your pension after completing 25 years' service, you may allocate more, within the period of 2 months before your retirement, to the same beneficiary, or (if that beneficiary has died) to another beneficiary.
- c. on a deferred pension coming into payment
- if you are entitled to a deferred pension which is due to come into payment shortly, because:
 - you are nearly 60, or
 - you have become disabled,
 you may allocate part of that pension during the period of 2 months before it comes into payment.
- d. on marrying or remarrying while under the age of 70
- if you are:
- retired, or
 - still serving, but have completed at least 25 years' service and at least age 50
- you may allocate part of your pension to your intended spouse, if you do so within the period of 2 months before you marry, and you are under 70 when your marriage takes place.

You may make this allocation, even if you have allocated before to someone else, provided you are still within the overall limits for allocation.

How much pension may be allocated?

You may not use up more than 1/3 of your "pension" in all for commutation and allocation.

Your pension for this purpose means the pension to which you are entitled before any reduction:

- for commutation,
- for allocation,
- for buying a better widow's pension, or
- for National Insurance modification at state pensionable age.

If you retire with a deferred pension and have a guaranteed minimum under the state pension scheme:

- your pension remaining in payment (including pensions increase), after you have commuted and allocated, must at least equal your guaranteed minimum at the time (See B10(1)(b) and ANNEX 2-5).

How much is the beneficiary's pension?

The allocation tables which are held by your fire authority decide how much pension will be paid to your beneficiary for each £1 (or part of £1) of your own pension which you allocate, according to your own age and his or her age.

POINTS TO NOTE

1. The Tables cover only the more usual cases. If you are allocating part of your pension where:
 - your allocation is in favour of your intended spouse of a forthcoming marriage, or
 - your age, or the age of your intended beneficiary, is not included in the Tables:
 * your fire authority will ask GAD how much pension is payable for each £1 you allocate. GAD will need to know:
 - your date of birth,
 - your intended beneficiary's date of birth, and
 - the date your allocation is to be effective.

ALLOCATION

- How to apply** You should apply in writing to your fire authority within the appropriate time limits, saying:
- * how much pension you wish to allocate within the limits laid down (See "How much pension may be allocated?", B9-2),
 - * who is your proposed beneficiary: and (if you are still serving and have attained age 50 and completed at least 25 years' service):
 - * whether you want the allocation to become effective:
 - when your fire authority notify you that they have accepted your application, or
 - when you retire.

POINTS TO NOTE

- If your retirement or marriage is delayed, an application which is no longer within the 2 month period beforehand will be of no effect. You need to make sure you apply again, within the time limits, if this happens.
2. Unless you are allocating in favour of your spouse, you will need to satisfy your fire authority that your intended beneficiary is substantially dependent on you.
 3. You will need to satisfy your fire authority of your good health.
 4. Allocation has been less popular since 1/2 rate widows' pensions and improved children's benefits were introduced in 1972. It is now more likely to be of help if you have a dependent who would otherwise have little or no pension entitlement.
 5. There is no need to allocate the maximum amount allowed. If you are thinking of allocating, you may find it helpful to consider a few examples of how much your intended beneficiary would get on surrender of various amounts of your own pension and compare this with other means of providing for him or her.

Effect of allocating

If you have applied to allocate, giving all the information needed, within the appropriate time limits, and your fire authority are satisfied that you have fulfilled all the conditions, they will write to accept your application.

Your allocation will become effective:

- when your fire authority inform you that they have accepted your application (but in any case not later than your date of retirement), if you have applied for cover while you are still serving,
- from the date of your marriage, if you applied to allocate to your spouse not more than 2 months before your marriage,
- from the date your pension comes into payment, if it is a deferred pension and you applied to allocate not more than 2 months before it came into payment, or
- from the date of your retirement, if you applied to allocate a short service pension, or to allocate an ordinary or ill-health pension (not asking for cover while you were still serving) and applied not more than 2 months before your retirement.

ALLOCATION

Your pension will be reduced

- from the date it comes into payment, or
- from the date your allocation becomes effective, whichever is later.

Your beneficiary's pension will become payable from the date of your death.

If you have made more than one allocation each will be treated separately.

POINTS TO NOTE

1. It is important to remember that once an allocation has taken effect it cannot be cancelled. (It would however cease to have effect if you allocated part of your pension while still serving and then transferred out of the fire service so that no pension was payable to you).
2. An allocation will remain valid even if the nominated beneficiary has died by the time your retirement benefits become payable. Your benefits would still be reduced in respect of the allocation.
3. If you allocate in favour of your spouse the allocated pension will be paid in addition to any other FPS pension or social security benefit to which he or she may be entitled. An allocated pension is payable for life and will not cease on remarriage (C9 applies only to a pension under Part C, - see C9-1).
4. An allocation in favour of your spouse would remain valid even if you later divorced, as the conditions have to be satisfied only at the time the allocation is made.

COMMUTATION AND
ALLOCATION LIMITS

Limit on how much
pension you may
commute or allocate

The limits which need to be taken into account when commuting under B7, or allocating under B9, have already been described in those sections (See "How much pension may be commuted?", B7-2 and "How much pension may be allocated", B9-2).

Which awards are affected?

The awards from which a deduction in respect of tax may be made are:

- * an award by way of repayment of aggregate pension contributions under B6,
- * an award of the balance of aggregate pension contributions under K1(5).

How much may be deducted?

These awards are not liable to income tax but tax at the rate of 20% is payable by your fire authority.

- * your fire authority will deduct from your award an amount equal to the tax they have paid

This is not tax which you have paid, so there are no circumstances in which you could reclaim it:
- however, if you repaid the award on rejoining the fire service, you would repay the amount you actually received. (See ANNEX 3-3.)

NATIONAL INSURANCE MODIFICATION

A firefighter retired at age 50 on 1 March 1980. He has 30 years' service and his pension rate at retirement was £6150 a year.

At age 65 his pension (which in the meantime will have been increased under the pensions increase legislation) has to be reduced in respect of NI modification. All of his service was before 1 April 1980 and therefore the full deduction of £51 (30 x £1.70) has to be made from the basic amount of the pension.

$$£6150 - £51 = £6099 \text{ a year}$$

This figure would be increased by the pensions increase factor for the period from retirement to the date the person reached 65 to produce his revised pension entitlement. In effect the reduction of pension at age 65 would be £51 as increased by the above factor.

FIREFIGHTER'S ORDINARY PENSION

Example
1

The firefighter retires after 30 years' service, aged 50 and commutes the maximum.

Pensionable service: 30 years

Service after 20 years counts double
(ie add 10 years): 40 years

Equivalent of 40/60ths

Average pensionable pay: £15060

Gross ordinary pension:

$$\frac{40}{60} \times \text{£}15060 = \text{£}10040$$

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\text{£}10040}{4} = \text{£}2510$$

Lump sum:

At age 50 he receives £1500 for each £100 of pension commuted:

$$\frac{\text{£}2510}{100} \times 1500 = \text{£}37650$$

Pension payable:

$$\text{£}10040 - \text{£}2510 = \text{£}7530 \text{ a year}$$

The firefighter would not normally qualify for Pensions Increase until his 55th birthday.

FIREFIGHTER'S ORDINARY PENSION

Example
2

The firefighter retires with less than 30 years' service, aged 50 and commutes the maximum.

Pensionable service: 25 years 17 days

Service after 20 years counts double
(ie add 5 years 17 days):
30 years 34 days (30.0932 years)

Equivalent to 30.0932/60ths

Average pensionable pay: £14080

Gross ordinary pension:

$$\frac{30.0932}{60} \times \text{£}14080 = \text{£}7061.87$$

Commutation:

The maximum lump sum which can be raised is:

$2 \frac{1}{4}$ x gross ordinary pension

$$2 \frac{1}{4} \times \text{£}7061.87 = \text{£}15889.21$$

At age 50 he receives £1500 for each £100 of pension commuted.

Amount commuted:

$$\frac{\text{£}15889.21}{1500} \times 100 = \text{£}1059.28$$

Pension payable:

$$\text{£}7061.87 - \text{£}1059.28 = \text{£}6002.59 \text{ a year}$$

The firefighter would not normally qualify for Pensions Increase until his 55th birthday.

FIREFIGHTER'S SHORT SERVICE AWARD

**Example
1**

The firefighter retires having completed less than 2 years' service, aged 55.

Pensionable service: 1 year 348 days
(1.9534 years)

Average pensionable pay: £11560

Short service gratuity is the greater of:

a) $\frac{1}{12} \times £11560 \times 1.9534 = £1881.78$

or

b) an amount equal to his pension contributions = £2420

Gratuity payable: £2420

**Example
2**

The firefighter retires on attaining age 57 after less than 20 years' service and commutes the maximum. (The fire authority had granted two one-year extensions of service)

Pensionable service: 10 years 123 days
(10.3370 years)

Equivalent to 10.3370/60ths

Average pensionable pay: £14080

Gross short service pension:

$\frac{10.3370 \times £14080}{60} = £2425.75$

Commutation:

He commutes 1/4 of his gross pension:
 $\frac{£2425.75}{4} = £606.44$

Lump sum:

At age 57 he receives £1330 for each £100 of pension commuted.

When a firefighter is required to retire on reaching a certain age, age next birthday is taken as that age.

$\frac{£606.44 \times 1330}{100} = £8065.65$

Pension payable:

£2425.75 - £606.44 = £1819.31 a year

A firefighter retiring on age grounds will qualify immediately for Pension Increase because he will be age 55 or over.

FIREFIGHTER'S SHORT SERVICE AWARD

Example
3

The firefighter retires on attaining age 55 having completed more than 20 years' service but less than 25 years' service.

Pensionable service: 21 years 188 days
Service after 20 years counts double
(ie add 1 year 188 days)
= 23 years 11 days (23.0301 years)
Equivalent to 23.0301/60ths
Average pensionable pay: £15040

Gross short service pension:

$$\frac{23.0301 \times \pounds 15040}{60} = \pounds 5772.88$$

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\pounds 5772.88}{4} = \pounds 1443.22$$

Lump sum:

At age 55 he receives £1390 for each £100 of pension commuted.

When a firefighter is required to retire on reaching a certain age, age next birthday is taken as that age.

$$\frac{\pounds 1443.22 \times 1390}{100} = \pounds 20060.76$$

Pension payable:

$$\pounds 5772.88 - \pounds 1443.22 = \pounds 4329.66 \text{ a year}$$

A firefighter retiring on age grounds will qualify immediately for Pensions Increase because he will be age 55 or over.

FIREFIGHTER'S ILL HEALTH AWARD - ILL HEALTH/INJURY PENSION

Example
1

The firefighter retires on grounds of ill-health as a result of an injury on duty. Aged 25, he has completed less than 5 years service.

Pensionable service: 2 years 51 days
(2.1397 years)

Equivalent to 2.1397/60ths (no "ill-health enhancement")

Average pensionable pay: £12015

Gross ill-health pension:

$$\frac{2.1397}{60} \times \text{£}12015 = \text{£}428.47$$

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\text{£}428.47}{4} = \text{£}107.12$$

Lump sum:

At age 25 he receives £1500 for each £100 of pension commuted:

$$\frac{\text{£}107.12}{100} \times 1500 = \text{£}1606.80$$

Ill-health pension payable:

$$\text{£}428.47 - \text{£}107.12 = \text{£}321.35 \text{ a year}$$

Degree of disablement: 80%

Injury gratuity: 50% of £12015 = £6007.50

Gross injury pension: 85% of £12015 = £10212.75

Less 3/4 of gross ill-health pension (£428.47)
= £321.35

Reduced injury pension: £10212.75 - £321.35
= £9891.40

Injury pension payable: £9891.40 a year

Social Security (DSS) benefits specified in paragraph 3 of Part V of Schedule 2 are deducted from the Injury Pension.



A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

FIREFIGHTER'S ILL-HEALTH AWARD - GRATUITY

Example
2

The firefighter retires on grounds of ill-health after less than one year's service, aged 25

Pensionable service: 215 days.

Aggregate pension contributions: £750.25

The ill-health gratuity is an amount equal to his aggregate pension contributions.

Gratuity payable: £750.25

Example
3

The firefighter retires on grounds of ill-health with between 1 and 2 years' service.

Pensionable service: 1 year 157 days (1.4301 years)

Equivalent to 1.4301/60ths (no "ill-health enhancement")

Average pensionable pay: £12306

$$a) \frac{1}{12} \times £12306 \times 1.4301 = £1466.57$$

or

b) his aggregate pension contributions = £1986.51

Gratuity payable: £1986.51

Example
4

The firefighter retires on ill-health grounds with between 5 and 10 years' service, aged 31.

Pensionable service: 8 years 129 days

Equivalent to 16.7068/60ths as pensionable service from 5-10 years counts double ("ill-health enhancement") which does not take him beyond what he would have reckoned by the age of compulsory retirement.

Average pensionable pay: £13215.62

Gross ill-health pension:

$$\frac{16.7068}{60} \times \text{£}13215.62 = \text{£}3679.85$$

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\text{£}3679.85}{4} = \text{£}919.96$$

Lump sum:

At age 31 he receives £1500 for each £100 of pension commuted:

$$\frac{\text{£}919.96}{100} \times 1500 = \text{£}13799.40$$

Pension payable:

$$\text{£}3679.85 - \text{£}919.96 = \text{£}2759.89 \text{ a year}$$



A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

FIREFIGHTER'S ILL-HEALTH AWARD - PENSION

Example

5

The firefighter retires on grounds of ill-health having completed more than 10 years service, but less than 20 years' service, aged 36.

Pensionable service: 15 years 3 days
(15.0082 years)

Pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement") provided it does not take him beyond what he would have reckoned by the age of compulsory retirement or 40/60ths in total.

Equivalent to 22.0082/60ths

Average pensionable pay: £14220.81

Gross ill-health pension:

$$\frac{(7 + 15.0082)}{60} \times £14220.81 = \frac{22.0082}{60} \times £14220.81 = £5216.24$$

Commutation:

He commutes part of his gross pension to produce a lump sum of £12000.00. At age 36 he receives £1500 for each £100 of pension commuted.

Amount commuted:

$$\frac{£12000 \times 100}{1500} = £800.00 \text{ (within limit of maximum } \frac{1}{4} \text{ of pension)}$$

Pension payable:

$$£5216.24 - £800.00 = £4416.24 \text{ a year}$$

- ① A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

Example
6

The firefighter retires on grounds of ill-health aged 49, having completed nearly 25 years service.

Pensionable service: 24 years 335 days

Service after 20 years counts double (ie add 4 years 335 days):
29 years 305 days (29.8356 years)

Pensionable service is enhanced by 7/60ths ("ill-health enhancement") provided it does not take him beyond what he would have reckoned by the age of compulsory retirement or 40/60ths in total.

Equivalent to 36.8356/60ths

Average pensionable pay: £14325.72

Gross ill-health pension:

$$\left(\frac{7+29.8356}{60} \right) \times \text{£}14325.72 = \frac{36.8356}{60} \times \text{£}14325.72 = \text{£}8794.94$$

Commutation:

He commutes 1/4 of his gross pension

$$\frac{\text{£}8794.94}{4} = \text{£}2198.74$$

Lump sum: —

At age 49 he receives £1500 for each £100 of pension commuted:

$$\frac{\text{£}2198.74 \times 1500}{100} = \text{£}32981.03$$

Pension payable:

$$\text{£}8794.94 - \text{£}2198.74 = \text{£}6596.20 \text{ a year}$$



A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

FIREFIGHTER'S ILL-HEALTH AWARD - PENSION

Example

7

The firefighter retires on grounds of ill-health after 27 years' 166 days service, aged 54 (ninety seven days short of age limit).

Pensionable service: 27 years 166 days

Service after 20 years counts double
(ie add 7 years 166 days):
34 years 332 days (34.9096 years)

Equivalent to 34.9096/60ths

Average pensionable pay: £15124

The pensionable service is enhanced by 7/60ths ("ill-health enhancement") subject to it not exceeding what he would have reckoned by the age of compulsory retirement (55) or 40/60ths in total.

Pensionable service at age limit: 27 years 263 days

Service after 20 years counts double
(ie add 7 years 263 days)
35 years 161 days (35.4411 years)

Equivalent to 35.4411/60ths

Gross ordinary pension at age limit:

$$\frac{35.4411 \times \text{£}15124}{60} = \text{£}8933.52$$

Gross ill-health pension: £8933.52

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\text{£}8933.52}{4} = \text{£}2233.38$$

Lump sum:

At age 54 he receives £1390 for each £100 of pension commuted:

$$\frac{\text{£}2233.38 \times 1390}{100} = \text{£}31043.98$$

Pension payable:

$$\text{£}8933.52 - \text{£}2233.38 = \text{£}6700.14 \text{ a year}$$



A firefighter retiring on ill-health grounds will qualify immediately for Pensions Increase.

FIREFIGHTER'S INJURY AWARD

Example

1

The firefighter retires on grounds of ill-health as a result of an injury on duty, aged 32. She has completed between 5 and 15 years' service. The degree of her disablement is slight.

Pensionable service: 7 years 257 days
(7.7041 years)

Equivalent to 15.4082/60ths as pensionable service from 5-10 years counts double ("ill-health enhancement") which does not take her beyond what she would have reckoned by the age of compulsory retirement or 40/60ths in total.

Average pensionable pay: £13250

Gross ill-health pension:

$$\frac{15.4082}{60} \times \text{£}13250 = \text{£}3402.64$$

Commutation:

The firefighter would be entitled to commute up to 1/4 of the above pension for a lump sum but decided not to do so.

Ill-health pension payable:

$$= \text{£}3402.64 \text{ a year}$$

Degree of disablement: 20%

Injury gratuity: 12.5% of £13250 = £1656.25

Gross injury pension: 30% of £13250 = £3975

Less 3/4 of gross ill-health pension £3402.64:
= £2551.98

Reduced injury pension:

$$\text{£}3975 - \text{£}2551.98 = \text{£}1423.02$$

The firefighter receives £1549.32 relevant Social Security (DSS) benefits, therefore the injury pension is reduced by the same amount.

Reduced injury pension: £1423.02
Less DSS benefits £1549.32

Injury pension payable: NIL

FIREFIGHTER'S INJURY AWARD

Example

1

On review the degree of disablement is re-assessed as minor disablement. It should be noted that the injury gratuity is not reviewed.

Degree of disablement: 45%

<u>Gross injury pension:</u> 50% of £13250 = £6625
Less 3/4 of gross ill-health pension (£3402.64):
= £2551.98
<u>Reduced injury pension:</u> £6625-£2551.98 =£4073.02

The firefighter receives £2100.00 relevant Social Security (DSS) benefits. The degree of disability in respect of her DSS benefits had also been re-assessed, therefore the injury pension is reduced by the same amount:

<u>Reduced injury pension:</u>	£4073.02
Less DSS benefits:	£2100.00
<u>Injury pension payable</u>	
£4073.02 - £2100.00 = £1973.02 a year	

FIREFIGHTER'S INJURY AWARD

Example
2

The firefighter retires on grounds of ill-health as a result of an injury on duty, aged 38. He has completed between 15 and 25 years' service. The degree of his disablement is major.

Pensionable service: 18 years 203 days
(18.5562 years)

Equivalent to 25.5562/60ths as pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement") which does not take him beyond what he would have reckoned by the age of compulsory retirement.

Average pensionable pay: £13956.59

$$\frac{7 \times 18.5562 \times \text{£}13956.59}{60 \quad 60} = \frac{25.5562 \times \text{£}13956.59}{60} = \text{£}5944.62$$

Commutation:

He commutes 1/4 of his gross ill-health pension.

$$\frac{\text{£}5944.62}{4} = \text{£}1486.16$$

Lump-sum:

At age 38 he receives £1500 for each £100 of pension commuted.

$$\frac{\text{£}1486.16}{100} \times 1500 = \text{£}22292.40$$

Ill-health pension payable:

$$\text{£}5944.62 - \text{£}1486.16 = \text{£}4458.46 \text{ a year}$$

Degree of disablement: 70%

$$\text{Injury Gratuity: } 37.5\% \text{ of } \text{£}13956.59 = \text{£}5233.72$$

$$\text{Gross injury pension: } 75\% \text{ of } \text{£}13956.59 = \text{£}10467.44$$

$$\text{Less } 3/4 \text{ of gross ill-health pension (}\text{£}5944.62\text{):}$$

$$= \text{£} 4458.46$$

Reduced injury pension:

$$\text{£}10467.44 - \text{£}4458.46 = \text{£}6008.98$$

Injury pension payable: = £6008.98 a year

The Social Security (DSS) benefits specified in paragraph 3 of Part V of Schedule 2 are deducted from the injury pension.

FIREFIGHTER'S INJURY AWARD

Example 3

The firefighter retires on grounds of ill-health as a result of an injury on duty, aged 22. He has completed less than 5 years' service. The degree of disablement is severe.

Pensionable service: 2 years 91 days (2.2493 years)
Equivalent to 2.2493/60ths (no "ill-health enhancement")

Average pensionable pay: £12427

Gross ill-health pension:

$$\frac{2.2493}{60} \times \text{£}12427 = \text{£}465.87$$

Commutation:

He commutes 1/4 of his gross pension:
 $\frac{\text{£}465.87}{4} = \text{£}116.47$

Lump sum:

At age 22 he receives £1500 for each £100 of pension commuted.

$$\frac{\text{£}116.47}{100} \times 1500 = \text{£}1747.05$$

Ill-health pension payable:

$$\text{£}465.87 - \text{£}116.47 = \text{£}349.40 \text{ a year}$$

Degree of disablement: 90%

Injury gratuity: 50% of £12427 = £6213.50

Gross injury pension: 85% of £12427 = £10562.95

Less 3/4 of gross ill health pension (£465.87):
= £349.40

Reduced injury pension:

$$\text{£}10562.95 - \text{£}349.40 = \text{£}10213.55$$

The firefighter receives £3000.56 relevant Social Security (DSS) benefits, therefore the injury pension is reduced by the same amount.

Reduced injury pension: £10213.55

Less DSS benefits: £3000.56

Injury pension payable:

$$\text{£}10213.55 - \text{£}3000.56 = \text{£}7212.99 \text{ a year}$$

FIREFIGHTER'S ORDINARY AND INJURY PENSION

Example
4

The firefighter retires with an ordinary pension, aged 53 and claims an injury pension two years later.

Pensionable service: 25 years 102 days
(25.2795 years)
Service after 20 years counts double
(ie add 5 years 102 days)
30 years 204 days
(30.5589 years)

Equivalent to 30.5589/60ths

Average pensionable pay: £9645

Gross ordinary pension:

$$\frac{30.5589}{60} \times \text{£}9645 = \text{£}4912.34$$

Commutation:

The maximum lump sum which the officer can raise is:

$2\frac{1}{4}$ x gross ordinary pension

$$2\frac{1}{4} \times \text{£}4912.34 = \text{£}11052.77$$

At age 53 he receives £1420 for each £100 of pension commuted.

Amount commuted:

$$\frac{\text{£}11052.77}{1420} \times 100 = \text{£}778.36$$

Ordinary pension payable:

$$\text{£}4912.34 - \text{£}778.36 = \text{£}4133.98 \text{ a year}$$

In addition to an ordinary pension the firefighter was awarded an injury pension two years later:

Degree of disablement: 20%

<u>Injury gratuity:</u> 12.5% of £9645	= £1205.63
<u>Gross injury pension</u> 60% of £9645	= £5787.00
Less $\frac{3}{4}$ of gross ordinary pension (£4912.34)	= £3684.26
<u>Reduced injury pension:</u>	
£5787.00 - £3684.26	= £2102.74

On attaining age 55 the pensions increase will be applied to the firefighter's ordinary pension from the date his pension began and the injury pension will attract the increase from the date of receipt of the letter claiming the injury award.

FIREFIGHTER'S DEFERRED PENSION

Example

1

The firefighter voluntarily retires at age 34 and could have completed 30 years' service by compulsory retirement age.

- A. Actual pensionable service: 14 years 200 days
(14.5479 years)
- B. Hypothetical service: 30 years
Equivalent to 40/60ths as service after 20 years counts double.
Average pensionable pay: £12030.00

C. Hypothetical pension:

$$\frac{40}{60} \times £12030.00 = £8020.00$$

Deferred pension:

$\frac{A}{B}$	x	C	
14.5479	x	£8020.00	= £3889.14 a year
30			

The deferred pension is payable at age 60, or earlier if the person becomes permanently disabled. The pension will attract pensions increase with effect from the date the pension began, but if brought into payment earlier because of permanent disablement will not normally attract pensions increase until the officer reaches age 55 unless he is unable to carry out any regular full-time employment.

Example

2

The firefighter voluntarily retires at age 45 and could not have completed 30 years service by compulsory retirement age.

- A. Actual pensionable service: 14 years 200 days
(14.5479 years)
- B. Hypothetical service: 26 years 199 days
(26.5452 years)

Equivalent to 33.0904/60ths as service after 20 years counts double.

Average pensionable pay: £12030.00

C. Hypothetical pension:

$$\frac{33.0904}{60} \times £12030.00 = £6634.63$$

Deferred pension:

$\frac{A}{B}$	x	C	
14.5479	x	£6634.63	= £3636.06 a year
26.5452			

See footnote to Example 1 regarding pensions increase.

Example
3

A firefighter has been granted a twelve month postponement of retirement. He retires after 23 years 200 days service at the age of 55½ years ie six months into his postponement of retirement and is awarded a deferred pension payable at age 60.

- A. Actual pensionable service: 23 years 200 days
(23.5479 years)
- B. Hypothetical service: 24 years 17 days
(24.0466 years)
- (ie service at end of postponement of retirement)

Equivalent to 28.0932/60ths as service after 20 years counts double.

Average pensionable pay: £14050

- C. Hypothetical pension:

$$\frac{28.0932}{60} \times \text{£}14050 = \text{£}6578.49$$

Deferred pension:

$\frac{A}{B} \times C$

$$\frac{23.5479}{24.0466} \times \text{£}6578.49 = \text{£}6442.06 \text{ a year}$$

See footnote to Example 1 regarding pensions increase.

- * If the firefighter had continued to serve until the completion of his postponement of the retirement on his 56th birthday, he could have retired with a SHORT SERVICE PENSION

FIREFIGHTER'S DEFERRED PENSION

Example

4

The firefighter voluntarily retires, aged 26 with less than 2 years' pensionable service having transferred in service less than its actual length. She could have completed 30 years' service by the age of compulsory retirement.

Total pensionable service: 1 year 200 days

Qualifying service with her former employer equals 2 years which converts to 1 year for FPS purposes. The total qualifying service (2 years 200 days) entitles her to a deferred pension.

- A. Actual pensionable service: 2 years 200 days
(2.5479 years)
B. Hypothetical service: 30 years

Equivalent to 40/60ths as service after 20 years counts double.

Average pensionable pay: £12510

- C. Hypothetical pension:

$$\frac{40}{60} \times £12510 = £8340$$

Deferred pension:

$$\frac{A}{B} \times C$$

$$\frac{2.5479}{30} \times £8340 = £708.82 \text{ a year}$$

See footnote to Example 1 regarding pensions increase.

FIREFIGHTER'S DEFERRED PENSION

Example
5

The firefighter retires on grounds of ill-health aged 44, having completed just over 20 years' service. He subsequently recovers his health.

Pensionable service: 20 years 335 days
(20.9178 years)
Service after 20 years counts double
(ie add 335 days):
21 years 305 days
(21.8356 years)

Equivalent to 28.8356/60ths as service over 13 years is enhanced by 7/60ths ("ill-health enhancement") provided it does not take him beyond what he could have reckoned by the age of compulsory retirement, or a maximum of 40/60ths.

Average pensionable pay: £14256

Gross ill-health pension:

$$\left(\frac{7 \times 21.8356}{60} \right) \times \text{£}14256 = \frac{28.8356}{60} \times \text{£}14256 = \text{£}6851.34$$

Commutation:

He commutes 1/4 of his gross pension

$$\frac{\text{£}6851.34}{4} = \text{£}1712.83$$

Lump sum:

At age 49 he receives £1500 for each £100 of pension commuted.

$$\frac{\text{£}1712.83 \times 1500}{100} = \text{£}25692.45$$

Pension payable:

$$\text{£}6851.34 - \text{£}1712.83 = \text{£}5138.51 \text{ a year}$$

Subsequently the ex-firefighter is found to be fit to rejoin the brigade, but he declines the offer of re-employment and is awarded a deferred pension.

- A. Actual pensionable service: 20 years 335 days
(20.9178 years)
- B. Hypothetical service: 30 years

Equivalent to 40/60ths as service after 20 years counts double.

Average pensionable pay: £14256

C. Hypothetical pension:

$$\frac{40}{60} \times \text{£}14256 = \text{£}9504$$

FIREFIGHTER'S DEFERRED PENSION

Example
5

Deferred pension:

$\frac{A \times C}{B}$

$$\frac{20.9178 \times \text{£}9504}{30} = \text{£}6626.76$$

As the person has already commuted part of his ill-health pension, the sum commuted will have to be deducted from the deferred pension. He will not be able to commute part of his deferred pension.

$$\text{£}6626.76 - \text{£}1712.83 = \text{£}4913.93 \text{ a year}$$

See footnote to Example 1 regarding pensions increase.

AWARD BY WAY OF REPAYMENT OF AGGREGATE PENSION CONTRIBUTIONS

Example
1

The firefighter resigns with under 2 years' qualifying service and is entitled to a refund of all pension contributions with deductions for CEP and income tax.

Aggregate pensions contributions: £1846.27

Calculation of Contributions Equivalent Premium:

NI contracted out earnings for 1990/1991 £6789
1991/1992 £8531

The Contributions Equivalent Premium is £888.56 ie 5.8% of £6789 and £8531. (3.8% employers, 2% employees).

Calculation of certified amount = 2% of £6789 and £8531 = £306.40

Refund:

Aggregate pension contributions (gross): £1846.27
Less Certified Amount of CEP: £ 306.40
£1539.87

Less tax at 20%: £ 307.97
Net refund: £1231.90

COMMUTATION

Example

1

The firefighter joins at age 22 and retires at age 32 with an ill-health pension and commutes one quarter of the pension. He recovers his health and returns to the fire service at age 35. The ill-health pension is cancelled. He serves until age 55 and on retirement is awarded an ordinary pension, a part of which he commutes for a lump sum.

Ill-health pension awarded at age 32.

Pensionable service: 10 years

Equivalent to 20/60ths

Average pensionable pay: £10953.00

Gross ill-health pension: $\frac{20}{60} \times £10953 = £3651.00$

Maximum amount commuted: £912.75
(1/4 of the gross ill-health pension)

Lump sum:

At age of 32 he receives £1500 for each £100 of pension commuted:

$\frac{£912.75}{100} \times 1500 = £13691.25$

The firefighter's ill-health pension is cancelled at age 35 but he is not required to repay any part of the lump sum awarded nor make any payment in respect of it until he retires with a pension.

He retires on ordinary pension at age 55 years after 30 years service.

Average pensionable pay = £15210

Gross ordinary pension:

$\frac{40}{60} \times £15210 = £10140$

Amount of pension before further commutation:
£10140 - £912.75 = £9227.25

The maximum amount of the ordinary pension which may be commuted is one quarter of the gross pension less the amount originally commuted.

1/4 of £10140 = £2535

£2535 - £912.75 = £1622.25

Lump sum:

At age 55 he receives £1390 for each £100 of pension commuted.

$\frac{£1622.25}{100} \times £1390 = £22549.28$

Pension payable:

£9227.25 - £1622.25 = £7605

Example

1

After completing 25 years' service the firefighter applies to allocate £668. The firefighter is 50 years old and his wife who is nominated to benefit from allocation is 45 years old. He retires five years later and commutes the maximum amount.

Pensionable service: 30 years

Equivalent to 40/60ths as service after 20 years counts double

Average pensionable pay: £12030.00

Gross ordinary pension:

$$\frac{40}{60} \times £12030 = £8020.00$$

Commutation:

He commutes 1/4 of his gross pension

$$\frac{£8020.00}{4} = £2005.00$$

Lump sum:

At the age of 50 he receives £1360 for each £100 pension commuted

$$\frac{£2005.00}{100} \times 1360 = £27268.00$$

Amount allocated: £668.00

Pension payable:

$$£8020.00 - £2005.00 - £668.00 = £5347.00$$

Wife's pension on his death (in addition to her ordinary pension):

$$2.659^* \times £668 = £1776.21 \text{ a year}$$

Allocation and commutation must not exceed one third in total of the firefighter's gross pension.

* for relevant age factor see Table B of Fire Service Circular No. 42/1976.

The allocated pension will attract pensions increase from the date the firefighter's pension began.

Example
2

After completing 25 years' service the firefighter retires and applies to allocate £800 to his sister. He is aged 50 and commutes the maximum amount. His sister (a dependant) is aged 46.

Pensionable service: 25 years

Equivalent to 30/60ths as service after 20 years counts double

Average pensionable pay: £12030

Gross ordinary pension:

$$\frac{30}{60} \times £12030 = £6015.00$$

Commutation:

The maximum lump sum which the firefighter can raise is:

$2\frac{1}{4} \times$ gross ordinary pension

$$2\frac{1}{4} \times £6015.00 = £13533.75$$

At age 50 he receives £1500 for each £100 of pension commuted.

Amount commuted:

$$\frac{£13533.75}{1500} \times 100 = £902.25$$

Amount allocated: £800.00.

Pension payable:

$$£6015.00 - £902.25 - £800 = £4312.75$$

Sister's pension on his death:

$$3.590^* \times £800 = £2872.00$$

Allocation and commutation must not exceed one third of the firefighter's gross pension.

* for relevant age factor see Table A of Fire Service Circular No. 42/1976.

The allocated pension will attract pensions increase from the date the firefighter's pension began.

PART C

AWARDS ON DEATH - SPOUSES

Part C is concerned with widow(er)s' entitlement and sets out the qualifying conditions for the main awards - spouse's ordinary pension (C1), spouse's special or augmented awards (C2,3), spouse's accrued pension (C4). Certain limitations apply according to marital circumstances (C5, 8, 9). Where one of the awards does not apply an alternative award may be payable (C6, 7). Calculation of the awards is mainly covered in the relevant part of Schedule 3, but Schedule 11 (Part 1) may apply in certain cases involving pre-April 1972 service. Additional provisions in respect of widow(er)'s awards are in part E.

GENERAL

Regular
firefighters

Your spouse will be eligible for any of the awards for which Part C provides, unless disqualified from receiving a particular benefit by virtue of rules C5, C8 or C9.

Members of
brigades other
than regular
firefighters

As you are not a regular firefighter you pay no pension contributions to the Firefighters' Scheme. The possibility of benefits for your spouse would only arise in the event of your death as a result of a qualifying injury (see J3 and J4).

Service before
1 April 1972

If you have fire service, or transferred-in service, before 1 April 1972, your widow may not qualify for a full ordinary or accrued pension at the rate of half of yours. This depends whether you elected to uprate your earlier service for widow's benefit and (in the case of an accrued pension) how far you got towards doing so. (This does not affect special or augmented awards, requisite benefit or temporary pensions.)

Pensions Increase

All spouses' pensions are increased in line with the retail price index, including the temporary or increased pension paid for the first 13 weeks (see "POINTS TO NOTE 5", E8-2).

Forfeiture

Forfeiture of a firefighter's pension is very rare, owing to the high standard expected and maintained in the service and the serious nature of the offences which can give rise to forfeiture.

Forfeiture of a surviving spouse's pension is even less likely, but a widow's pension, when calculated by reference to her husband's, may be reduced or lost if his is forfeited. In this case, it may not be reduced below her GMP, if she has one. This position applies equally to widowers.

No double benefit

Rule L4 prevents a widow(er) from receiving more than one pension in respect of a spouse's death unless he or she has more than one period of service counting for dependant's benefit.

Divorce

* A divorced former spouse does not become your widow(er) if you die. (But see also "Living Apart", C8-1).

SPOUSE'S
ORDINARY PENSION

Who is eligible?

If you are a regular firefighter with at least 3 years' service, and you die:

- a. while entitled to an ordinary, short service or ill-health pension,
 - b. while entitled to an injury pension awarded on your retirement (but to no other pension under the FPS),
 - c. as a result of the ill-health which caused your retirement with an ill-health gratuity (without any intervening service as a regular firefighter), or
 - d. in service,
- your widow(er) will be entitled to:
* a spouse's ordinary pension, unless he or she is disqualified (see CGen-1).

POINTS TO NOTE

1. a or d will cover most cases.
2. b is very unlikely to happen - if you were entitled to an injury pension immediately on your retirement you must also have qualified for an ill-health pension. Your spouse would therefore qualify under a, unless your ill-health pension had been forfeited, leaving only your injury pension in payment.
3. c is intended for your spouse if you retired before 6 April 1988 with an ill-health gratuity (having been disabled when you had served for at least 3, but less than 5 years' service, but not from a qualifying injury) and then, without serving again, die of the same cause. However, if you had meanwhile repaid your gratuity so that a transfer value could be paid to a new employer, there would be no later entitlement to a spouse's pension. (This provision was introduced with effect from 1 March 1992 to correct an anomaly).
4. If you should die as a result of a qualifying injury (see A9), your widow(er) will normally receive the higher award of a spouse's special or augmented pension, instead of a spouse's ordinary pension (see C2 and C3).
5. Your widow(er) will be entitled to an ordinary pension if you were:
 - entitled to an injury pension which was not in payment only because of the size of your DSS benefits (see B4-3 to 5).

SPOUSE'S ORDINARY PENSION

How much is the pension?

The sums are set out in [Examples 1-8]. The basis of the calculations is explained here.

FIRST 13 WEEKS
(see E8-1)

AFTER FIRST 13 WEEKS

The spouse's ordinary pension (unless he or she elects for a reduced pension and gratuity) is the greater of:

- a. half (1/2) your pension or notional pension,
- b. a widow's requisite benefit pension (see C6-1 and "POINTS TO NOTE 2", C1-3), or
- c. a flat-rate pension (see E9-1).

* Your "pension or notional pension" for this purpose means (according to the circumstances of death set out at a to d, C1-1):

- a. ordinary, short service or ill-health pension, payable had it not been forfeited,
- b. the ill-health pension,
- c. the ill-health pension which would have been payable had you qualified for such an award on retirement,
- d. the ill-health pension which would have been payable had you qualified for such a pension on the day you died.

* Whatever the circumstances, the pension or notional pension is calculated ignoring any reduction:

- for commutation,
- for allocation,
- for uprating for widow's benefit, or
- for National Insurance modification due at state pensionable age.

Reductions

* A spouse's ordinary pension calculated as above will be reduced:

- if her husband has service before 1 April 1972, which he did not elect to uprate for a widow's half-rate pension (Schedule 11, Part I).

You should note, however, that if you elected to uprate your service before 1 April 1972 for a widow's half-rate pension:

* your widow will be entitled to a full half-rate widow's ordinary pension, even if you die:

- before completing your contributions, or
- before you start receiving a pension which was due to be reduced to pay for this widow's benefit.

Election for reduced pension and gratuity, where the deceased died while serving as a regular firefighter only.

Your widow(er) may:

- up to 3 months after your death, or
- up to such longer time as your fire authority may allow,

elect for a reduced pension and gratuity. If so:

* the pension will be 3/4 of what it would have been had it been based on your pension after commutation, allocation, uprating for widow's pension, and reductions due at state pensionable age. (For the first 13 weeks it will be increased under E8), and

* the gratuity will equal:

- a. 6 times the annual amount of his or her reduced pension, or

SPOUSE'S ORDINARY PENSION

Pensions increase (PI)

- * A spouse's ordinary pension will be increased:
 - by PI (see ANNEX 1-7).

POINTS TO NOTE

1. The pension or notional pension used for the purpose of calculating widow(er)'s pension excludes PI. The surviving spouse's own PI makes up for this. (See ANNEX 1-7).
2. It is unlikely that a widow's requisite benefit pension would ever be paid as an alternative widow's ordinary pension, because it grows at the rate of 1/160th of average pensionable pay instead of 1/120th. The provision was introduced in 1978 to comply with the then contracting-out requirements of the social security legislation.
3. ~~It is unlikely that a spouse's flat-rate pension would be paid as an alternative to a spouse's ordinary pension unless your service was very short or your pension had been partially forfeited under K5.~~

When is the pension paid?

See L3-1.

WIDOW WHOSE HUSBAND
HAD "PRE-1972
PENSIONABLE SERVICE"
COUNTING AT THE
FLAT OR 1/3 RATE

- * A widow's ordinary pension is normally equal to $\frac{1}{2}$ her husband's pension or notional pension (see Schedule 3, Part I).

Who is eligible?

Schedule 11, Part I describes circumstances in which it may be less. This could only be if you had "pre-72 pensionable service" (see the Table below), which you did not elect to uprate to the half-rate. These provisions can apply to you only if, on 1 July 1973, you were:

- serving as a regular fireman, or
 - entitled to a pension other than a deferred pension.
- * If you elected to uprate your "pre-72 pensionable service" to the half-rate, your widow will be entitled to a half-rate widow's ordinary pension whether or not you completed your contract to pay for it (see C1-2).
 - * Schedule 11, Part I could also apply to a widow whose husband died on or after 1 April 1972 but before 1 October 1973, without having made an election, if she did not elect to uprate her husband's "pre-1972 pensionable service". (In such a case the widow's pension entitlement will already have been established, on similar lines to those set out below.)
 - * Where your widow's pension is less than $\frac{1}{2}$ your pension or notional pension:
 - how much less will depend on whether your "pre-1972 pensionable service" counts at:
 - * the flat-rate (see C1-5).
 - * the 1/3 rate (see C1-6).

TABLE

<u>"Pre-1972 pensionable service"</u> means any pensionable service which does not automatically count at the half-rate for widow's and children's awards.	
It <u>is</u> any pensionable service which is <u>NOT</u> service:	This service counts at the half-rate because:
a. as a regular firefighter on or after 1 April 1972,	- you must have paid pension contributions at a rate related to 6.75%, 8.75%, 10.75% or 11% of your pensionable pay.
b. which counts under F7 (current interchange),	- your transfer value will have been converted into service "fully paid up" for widow's and children's half-rate awards.
c. which counted on 1 July 1973, was not fire service on or after 1 April 1972, and amounted to less than 1 year,	- if you had less than one year's service before 1 April 1972 and it counted as pensionable on 1 July 1973, it would count as half-rate service without paying for uprating.
d. which counts under F4, (or FPSO 1973 Articles 51 or 52), the conditions being satisfied on or after 1 July 1973.	- if you brought in such service after 1 July 1973, a reduction will be due under Schedule 2, Part VII, to uprate it for half-rate widow's and children's awards.

**SPOUSE'S ORDINARY PENSION:
SPECIAL PROVISIONS**

"Pre-1972 pensionable service" counting at the flat-rate

- * "Pre-1972 pensionable service" will count at the flat-rate, if:
 - you paid pension contributions before 1 April 1972 at a rate related to 5% of your pensionable pay, and
 - you did not elect to uprate your service.

* This could happen only if you were serving on 26 August 1966 and had the chance to remain on the 5% rate.

(Firefighters joining on or after 26 August 1966 had to pay contributions related to 6% of pensionable pay).

How much pension is payable?

**WIDOW'S ORDINARY PENSION
WHERE "PRE-1972 PENSIONABLE SERVICE" COUNTS AT THE FLAT-RATE**

* Widow's pension is the greater of:

(a) $\frac{1}{2} \times \frac{(A-B)}{60} \times APP$

(b) a requisite benefit pension (see C8-1), or

(c) a flat-rate pension (see E9-1).

"A" = pensionable service up to 30 years, counting such service over 20 years twice.

"B" = "pre-72 pensionable service" (reduced by the amount, if any, by which total pensionable service exceeds 30 years), counting such service over 20 years twice.

(Each day counts as 1/365th of a year, even in a leap year).

Note: * Formula (a) gives a widow's pension based on half-rate service only, taking appropriate account of double reckoning after 20 years (see C1-Example 7).

POINTS TO NOTE

1. All the other conditions relating to entitlement to widows' pensions, and when they are payable, apply to a widow's ordinary pension payable under these provisions.
2. The device of taking all pensionable service (with doubling) and deducting "pre-1972 pensionable service" (with doubling) means that:
 - a. if when your half-rate service began you had already completed 20 years' service:
 - all your half-rate service is doubled, and
 - b. if your half-rate service began before you had completed 20 years' service:
 - the part of your half-rate service after you had completed 20 years' service is doubled.
3. It would be unusual for a requisite benefit pension, or a flat-rate pension to be greater (see "POINTS TO NOTE 2 and 3", C1-3).

SPOUSE'S ORDINARY PENSION:
SPECIAL PROVISIONS

"Pre-1972 pensionable service" counting at the 1/3 rate

* "Pre-1972 pensionable service" will count at the 1/3 rate, if:

- you paid pension contributions before 1 April 1972 at a rate related to 6% of your pensionable pay, and did not elect to uprate the service to the half-rate, or
- you paid pension contributions before 1 April 1972 at a rate related to 5% of your pensionable pay, and elected in 1973 to uprate the service to the 1/3 rate, but not to the half-rate.

* Your widow's pension will be calculated:

- as in Table A below, if you should die while in receipt of an ordinary or short service pension, or
- as in Table B, on the next page, if you should die:
 - a. in service,
 - b. in receipt of an ill-health pension, or
 - c. from the ill-health which caused your retirement.

How much pension is payable?

TABLE A

WIDOW'S ORDINARY PENSION
WHERE "PRE-1972 PENSIONABLE SERVICE" COUNTS AT ONE-THIRD RATE

Husband died while in receipt of an ordinary or short service pension (otherwise Table B applies - see next page)

* Widow's pension is the greater of:

- (a) $1/3$ of your pension, plus $1/6 \times \frac{(A-B) \times APP}{60}$
- (b) a requisite benefit pension (see C6-1), or
- (c) a flat-rate pension (see E9-1).

"A" = pensionable service up to 30 years, counting such service over 20 years twice.

"B" = "pre-1972 pensionable service" (reduced by the amount, if any, by which total pensionable service exceeds 30 years, counting such service over 20 years twice.

(Each day counts as 1/365th of a year, even in a leap year).

Note: * Formula (a) gives a widow's pension based on 1/3 of your 1/3 rate service and 1/2 of your half-rate service, taking appropriate account of double reckoning after 20 years (see C1 - Example 6).

POINTS TO NOTE

See "POINTS TO NOTE 1-3", C1-5).

SPOUSE'S ORDINARY PENSION:
SPECIAL PROVISIONS

TABLE B

WIDOW'S ORDINARY PENSION
WHERE "PRE-1972 PENSIONABLE SERVICE" COUNTS AT ONE-THIRD RATE

Husband died:

- in service,
- in receipt of an ill-health pension, or
- from the ill-health which caused his retirement
(otherwise Table A applies - see previous page)

* Widow's pension is the greater of:

- (a) $\frac{1}{3}$ of husband's pension or notional pension,
plus $\frac{1}{6} \times \frac{(A-B) \times APP}{60}$
- (b) $\frac{1}{2}$ of husband's ill-health pension or notional
ill-health pension, calculated on the basis of
pensionable service which is:
 - (i) relevant pensionable service (RPS) plus
 $\frac{1}{2}$ "pre-72 pensionable service", or
 - (ii) weighted relevant pensionable service
(WRPS), if WRPS is less than 20 years.
- (c) a requisite benefit pension (see C8-1), or
- (d) a flat-rate pension (see E9-1).

"A" and "B" = as for Table A (see previous page)

"RPS" = half-rate pensionable service

"WRPS" = $(RPS - RNY) \times 2 + RNY$, or (if RPS is less than RNY) WRPS = RPS

"RNY" (relevant number of years) = 20 - "pre-1972 pensionable service"

- Notes: *
- Formula (a) gives a widow's pension based on $\frac{1}{3}$ of her husband's $\frac{1}{3}$ rate service (including ill-health enhancement) and $\frac{1}{2}$ of his half-rate service (with no ill-health enhancement). (A pro-rata split of ill-health enhancement between $\frac{1}{3}$ rate and half-rate service would have created anomalies).
 - Formula (b) gives an alternative widow's pension based on half-rate service only, with appropriate doubling and ill-health enhancement (see C1 - Examples 4 and 5).

SPOUSE'S ORDINARY PENSION:
SPECIAL PROVISIONS

POINTS TO NOTE

(see also "POINTS TO NOTE 1-3", C1-5)

1. Table B, C1-7 is necessarily more complicated than Table A on the previous page, because the husband's ill-health or notional ill-health pension contains "ill-health enhancement" (see B3-2).
 - * The question which arose when these provisions were being drafted was:
 - "should this enhancement count at the 1/3 rate, or the half-rate, for pension, if the husband elected to have his "pre-1972 pensionable service" at the 1/3 rate?"
 - * The rule adopted is that "ill-health enhancement" counts at the 1/3 rate (see formula (a) in Table B), unless a better result would be obtained by awarding:
 - a widow's ordinary pension based on half-rate service only plus ill health enhancement ("pre-1972 pensionable service" being taken into account only to assess the point at which the doubling of half-rate service should begin) (see formula (b) in Table B).
 - * The device of "weighted relevant pensionable service" (WRPS) is introduced by paragraph 5(2) of Part I of Schedule 11 to achieve the effect described as "formula (b)".
 - * "Weighted relevant pensionable service" (WRPS) is half-rate service, weighted by "pre-1972 pensionable service" so that it will count double if (with "pre-1972 pensionable service") it would have exceeded 20 years.
 - * Where WRPS itself exceeds 20 years, account needs to be taken of the fact that ill-health enhancement includes doubling of service over 20 years. In this case the pensionable service used is half-rate service plus 1/2 "pre-1972 pensionable service". The application of ill-health enhancement to this gives an appropriate amount of doubling (see reference to "C1-Example 4" below, which shows how this works in practice.)

In C1-Example 4

Fireman has 23 years' service, of which 4 years is "pre-1972 pensionable service"

RNY = 16 years (20 - 4)

RPS = 19 years (doubling starts after 16 of these years)

WRPS = 22 years (more than 20 years)

Formula (b) (i) in Table B gives a widow's pension based on:

$$\text{RPS} + \frac{1}{2} \text{ "pre-1972 pensionable service"}$$
$$= 19 + 2 = 21 \text{ years' pensionable service}$$

The husband's notional ill-health pension is therefore:

$$\frac{7}{60} + \frac{20}{60} + \frac{2}{60} = \frac{29}{60} \times \text{APP}$$

The widow's pension is $\frac{1}{2}$ this amount.

(Had WRPS of 22 years been used in the calculation of the notional ill-health pension it would have been:

$$\frac{7}{60} + \frac{20}{60} + \frac{4}{60} = \frac{31}{60} \times \text{APP}$$

This would have been incorrect because the doubling of years in excess of 20 years would have applied twice)

SCHEDULE 3, PART II
C2 - Examples 1 and 2

Who is eligible?

If you are a regular firefighter and you die (whether in service or after leaving) as a result of a qualifying injury (see A9-1), your widow(er) will be entitled to:
* a spouse's special pension, and
* a gratuity,
unless he or she is disqualified (see CGen-1).

POINTS TO NOTE

1. Your spouse may be eligible for an augmented award instead, in certain circumstances (see C3-1).
2. It is not necessary for you to qualify for an injury pension before your death, for your widow(er) to be entitled to a special award.
3. If you retire with an injury pension as a result of a qualifying injury, your widow(er) will be eligible for a special pension only if you die as a result of that injury, but not if you die from some other cause.

How much is the pension?

The sums are set out in Examples 1 and 2. The basis of the calculations is explained here.

FIRST 13 WEEKS
(see E8)

AFTER FIRST 13 WEEKS
The spouse's special pension is 45% of your APP.

Pensions Increase (PI)

- * A spouse's special pension will be increased:
 - by PI (see ANNEX 1-7).

How much is the gratuity?

A spouse's special gratuity is equal to:
- 25% of your APP, plus (if you died while serving as a member of a brigade):
- 2½ times your notional ill-health pension, or (if greater) your APP.

Reduction

- * A spouse's special gratuity will be reduced:
 - by the amount of any injury gratuity to which you were entitled under B4.

Pensions increase (PI)

- * A spouse's special gratuity may be increased:
 - by PI (see "POINTS TO NOTE 2", below).

POINTS TO NOTE

1. The "notional ill-health pension" referred to above is the ill-health pension to which the husband or wife would have been entitled had he or she retired on account of permanent disablement on the date of death.
2. Pensions increase under the PI Acts will be payable on a spouse's special gratuity only if you die in retirement, to cover the period between its "beginning date" (normally the day after your last day of service) and its "payable date" (the date of your death) (see ANNEX 1-5 and 7).

When are the pension and gratuity paid?

See L3-1.

Who is eligible?

If you are a regular firefighter and you die (whether in service or after leaving) as a result of a qualifying injury (see A9-1):
- your spouse will be entitled to an augmented award, if any of the following conditions applies, and he or she is not disqualified (see CGen-1).

A spouse's augmented award consists of:
* a spouse's special pension, and
* a spouse's special gratuity, each paid at an augmented rate.
The conditions in which an augmented award will be payable are if you received your injury in the execution of duties:
* while trying to save, or prevent the loss of, human life, or
* in circumstances in which there was an intrinsic likelihood of you receiving a fatal injury.
A spouse's augmented award will also be payable if your fire authority think that it should be paid because:
* one of the above conditions may apply, or
* it would be inequitable not to pay it.

POINTS TO NOTE

1. A fire authority can grant an augmented award where there is a possibility that one of the specific conditions applies, but it cannot be proved.
2. A fire authority can also grant an augmented award where the circumstances are just as deserving, but not specifically covered by one of the conditions set out.
3. A fire authority need not wait for the outcome of any criminal proceedings relating to the circumstances of a firefighters death, before granting an augmented award. In granting the award there is no need to specify the condition on which it is based.

How much is the pension?

FIRST 13 WEEKS
(see E8-1)

AFTER FIRST 13 WEEKS

The spouse's special pension is augmented from 45% to 50% of your APP.

A spouse's augmented pension will be increased:
- by PI (see ANNEX 1-7).

How much is the gratuity?

A spouse's special gratuity, where the award is augmented, is equal to:

- 2 years' pensionable pay, at the time of your death, of a London firefighter in the basic rank entitled to reckon 30 years' service for pay purposes, or
- the special gratuity in C2(2)(b), if it is bigger.

POINTS TO NOTE

1. The "2 years' pensionable pay" is calculated by taking the annual rate of pensionable pay - see "POINTS TO NOTE 4", G1-2 - of a London firefighter in the basic rank with 30 years' service at the time of your death, and multiplying it by 2.

When are the augmented special pension and gratuity paid? See L3-1.

Who is eligible?

If you retire as a regular firefighter and die while entitled to a deferred pension, whether it is in payment or not (see B5-1), your widow(er) will be entitled to:
* a spouse's accrued pension, unless he or she is disqualified (see CGen1).

POINTS TO NOTE

1. The pension is called an "accrued" pension to distinguish it from other spouse's awards and because it depends on the proportion of full pension rights for your widow(er) which has accrued (ie become reckonable) at the time of your early retirement. (Your own pension is called a "deferred" pension because payment is deferred until after your retirement. A spouse's accrued pension, however, is payable (like all spouse's pensions where there is no disqualification) as soon as you die, and cannot therefore be called a spouse's "deferred" pension.)
2. If you commute the whole of your deferred pension for a lump sum under B8 (which you can do only if your pension amounts to not more than £260 a year), the entitlement to a spouse's accrued pension remains, even though you are no longer entitled to a deferred pension (see "POINTS TO NOTE 6", B8-1).

How much is the pension?

The sums are set out in Examples 1 to 4. The basis of the calculations is explained here.

FIRST 13 WEEKS

- * If your deferred pension is in payment when you die, your widow(er)'s accrued pension will be increased to the rate of your deferred pension for the first 13 weeks.
- * If your deferred pension is not in payment when you die, your widow(er)'s accrued pension will be the same for the first 13 weeks as afterwards. (See "POINTS TO NOTE 1", E8-2).

AFTER FIRST 13 WEEKS

The spouse's accrued pension will be equal to half (1/2) your deferred pension.

- * Your deferred pension for this purpose is your "gross" deferred pension, calculated ignoring:
 - a. the restriction on payment before age 60 or permanent disablement, and
 - b. any reduction:
 - for commutation,
 - for allocation,
 - for uprating for widow's benefit, or
 - for National Insurance modification due at state pensionable age.

Reductions

- * A widow's accrued pension will be reduced:
 - if her husband has service which is not fully uprated for a widow's half-rate pension.This reduction cannot apply to a widower.

Pensions increase (PI)

- * A spouse's accrued pension will be increased:
 - by PI (see ANNEX 1-7).

Flat-rate pension

* A widow(er) may elect to receive a flat-rate pension under E9 instead of an accrued pension calculated as above, for any period in which it would be bigger, with one exception. The option of a flat-rate pension would not be available if you had less than 2 years' (5 years' if you ceased to serve before 6 April 1988) service and qualified for a deferred pension only because your "qualifying service" (see B5-1) was longer than your pensionable service.

POINTS TO NOTE

1. If you have service before 1 April 1972, which is not fully uprated for a widow's half-rate pension, your widow's accrued pension will be calculated under paragraphs 2 and 3 of Part III of Schedule 3 (see C4-2 to 7).

When is the pension paid?

See L3-1.

**WIDOW WHOSE HUSBAND HAD
PENSIONABLE SERVICE NOT FULLY
UPDATED TO THE HALF-RATE**

* A widow's accrued pension is normally equal to 1/2 her husband's deferred pension.

Who is eligible?

- * If all your pensionable service either:
- a. counts at the half-rate automatically, or
 - b. is fully uprated to the half-rate by the time you cease to serve with an entitlement to a deferred pension:
- your widow will be entitled to an accrued pension equal to 1/2 your deferred pension.

Paragraph 1(2) of Part III of Schedule 3 identifies the circumstances in which your widow may be entitled to less than a half-rate accrued pension. This position can apply to you only if you become entitled to a deferred pension and you have pensionable service which is listed in Table B, (C4-5). Paragraph 2 of Part III of Schedule 3 determines how much your widow's accrued pension will be (see "How much pension will be paid?" (C4-3)), according to how much of your service counts at the half-rate, 1/3 rate, or flat-rate when you cease to serve.

**SPOUSE'S ACCRUED PENSION:
SPECIAL PROVISIONS**

- * These provisions could also apply to a widow whose husband had already died while entitled to a deferred pension if he had pensionable service which was not fully uprated to the half-rate. (In such a case the widow's pension entitlement will already have been established, on similar lines to those set out as follows).
- * These provisions could also apply if a widow's notional accrued pension had to be calculated for a transfer value under Schedule 6, Part III, paragraph 3 or Part IV or a cash equivalent transfer value (see "POINTS TO NOTE GENERAL 3", C4-7).

How much pension will be paid?

Where these paragraphs apply, the amount of a widow's accrued pension depends on:

- a. how much service is fully uprated to the half-rate,
- b. how much service is partly uprated to the half-rate,
- c. how much service is fully uprated to the 1/3 rate,
- d. how much service is partly uprated to the 1/3 rate.

How the Tables work

The Tables work by identifying:

- * "HALF-RATE" service, which includes:
 - a. all service fully uprated to the half-rate, and
 - b. a proportion of service which is partly uprated to the half-rate, and
- * "MIXED-RATE" service, which includes:
 - a. half-rate service (as above),
 - b. all service fully uprated to the 1/3 rate, and
 - c. a proportion of service which is partly uprated to the 1/3 rate.

*** TABLE A**

covers service which must all be fully uprated to the half-rate, and which counts in full as:

- half-rate service, and
- mixed rate service.

*** TABLE B**

covers service which may be fully or partly uprated to the half-rate or the 1/3 rate. An appropriate proportion, or in some cases the whole, of such service counts as:

- half-rate service, and/or
- mixed rate service.

**WIDOW'S ACCRUED PENSION WHERE
PENSIONABLE SERVICE IS NOT FULLY
UPRATED TO THE HALF-RATE**

* Widow's pension is the greater of:

- (a) $1/6 \times$ the part of her husband's deferred pension corresponding to his half-rate service, plus
 $1/3 \times$ the part of her husband's deferred pension corresponding to his mixed-rate service
(not exceeding in total, $1/2$ her husband's deferred pension - see "POINTS TO NOTE (GENERAL) 3", C4-7).
- (b) a requisite benefit pension (see C8-1), or
- (c) a flat-rate pension (see E9-1).

**SPOUSE'S ACCRUED PENSION:
SPECIAL PROVISIONS**

POINTS TO NOTE

1. As any part of your pensionable service which counts in full at the half-rate and the 1/3 rate, will feature both as half-rate and mixed-rate service, your widow's accrued pension will include 1/6 plus 1/3 (= 1/2) of the part of your deferred pension which corresponds to that service.
2. As the remainder of your mixed-rate service equals your 1/3 rate service, the accrued pension also includes 1/3 of your deferred pension which corresponds to your service counting at the 1/3 rate only.
3. The device of identifying "half-rate service" and "mixed-rate service" was necessary because, as can be seen from Table B, C4-5, a particular period of pensionable service may be uprated to the half-rate by one method, and to the 1/3 rate by a different method. eg:
 - any part of your service which is fully uprated from the 1/3 rate to the half-rate will attract 1/6 of your deferred pension corresponding to that part of your service.
 - if the same part of your service is only partly uprated from the flat-rate to the 1/3 rate an appropriate proportion of it will attract 1/3 of the corresponding part of your deferred pension.

* In this example the 1/6 and the 1/3 cannot be added together.
4. All the other conditions, relating to widows' pensions generally and widows' accrued pensions in particular, will apply to a widow's accrued pension payable under these provisions.
5. It would be unusual for a requisite benefit pension (b), or a flat-rate pension (c) to be greater than a pension calculated under formula (a) above.

TABLE A

Pensionable service which counts in full as HALF-RATE and MIXED RATE	
It is any pensionable service:	This service is fully uprated to the HALF-RATE because:
(a) as a result of service as a regular firefighter on or after 1 April 1972	You must have paid pension contributions at a rate related to 6.75%, 8.75% 10.75% or 11% of your pensionable pay
(b) which counts under F7 (current interchange)	Your TV will have been converted into service "fully paid up" for widow's and children's half-rate awards
(c) which counted on 1 July 1973, was not service on or after 1 April 1972, as a regular fireman and amounted to less than 1 year	If you had less than 1 year's such service it would count as half-rate service without payment for uprating

**SPOUSE'S ACCRUED PENSION:
SPECIAL PROVISIONS**

TABLE B

Pensionable service which may be fully or partly uprated to the 1/3 rate or the half-rate, and counts in full or in proportion as half-rate service or mixed-rate service	
Type of service:	How it counts towards HALF-RATE or MIXED-RATE service:
(a) for which you paid contributions related to 6% of your APP	MIXED-RATE: in full
(b) which you elected to uprate to the half-rate by payment of a lump sum	HALF-RATE: in full
(c) which you elected to uprate to the 1/3 rate by payment of a lump sum	MIXED-RATE: in full
(d) which you elected to uprate to the half-rate by payment of further contributions	HALF-RATE: in proportion, depending on the "proportion" you have uprated to the half-rate when you cease to serve
(e) which you elected to uprate to the 1/3 rate by payment of additional contributions	MIXED-RATE: in proportion, depending on the "proportion" you have uprated to the 1/3 rate when you cease to serve
(f) which is to be uprated to the half-rate by reduction of pension	HALF-RATE: in proportion, depending on the "proportion" you are deemed to have uprated to the half-rate when you cease to serve
(g) which is to be uprated to the 1/3 rate by reduction of pension	MIXED-RATE: in proportion, depending on the "proportion" you are deemed to have uprated to the 1/3 rate when you cease to serve

POINTS TO NOTE (TABLE B)

1. Service uprated in full:
 - to mixed rate, under (a) or (c) may not have been uprated to the half-rate at all, or may be partly uprated, under (d) or (f), or fully uprated under (b),
 - to the half rate, under (b), may be partly uprated to the mixed rate, under (e) or (g), or fully uprated under (a) or (c).

2.

The proportion for an uprating under (d) is:

 - i. period for which contributions were paid
 - ii. period for which contributions should have been paid

((ii) equals the period from 1 April 1973 to completion of 25 years' service (ignoring any pensionable service which did not count on 1 July 1973), or, if longer, from 1 April 1973 to 1 April 1978).

(For anyone who retired before 1 October 1978, the period at (ii) began on the date of his election. This was an error which could only be corrected for those still serving on 1 October 1978, the operative date of the Firemen's Pension Scheme (Amendment) Order 1978. The same applied for upratings under (e) (see below)). (See C4 - Examples 3 and 4).

SPOUSE'S ACCRUED PENSION:
SPECIAL PROVISIONS

3.

The proportion for an uprating under (e) is:
i. period which contributions were paid
ii. period for which contributions should have been paid.

An election to uprate service to the 1/3 rate by payment of additional contributions could have been made under the Firemen's Pension Schemes of 1966 or 1973.

If the election was made in 1973, (ii) will be the same as it is for (d) (see "POINTS TO NOTE 2" C4-5).

If the election was made under the 1966 Scheme, (ii) will be the period from 26 August 1966 until completion of 25 years' service (or, if longer, a period of 5 years).

(For anyone who retired before 1 October 1978, the period at (ii) began on the date of his election (whether in 1973 or 1966) (see "POINTS TO NOTE 2" C4-5).

4.

The proportion for uprating under (f) is:
i. period from 1 April 1972 to ceasing to serve
ii. period from 1 April 1972 until the fireman could have retired with an ordinary or short service pension in immediate payment.

(but it may not exceed a whole (see "POINTS TO NOTE (GENERAL) 3" C4-7).

(This proportion is an artificial one, based on a concept of a period while the fireman was serving, during which the scheme was "at risk" of becoming liable to pay a widow's pension, in proportion to a period during which the scheme would have been "at risk", had he served on to normal retirement. (The same concept applies to the proportion under (g) (see "POINTS TO NOTE 5", below).

5.

The proportion for uprating under (g) is:
i. period from 26 August 1966 to ceasing to serve
ii. period from 26 August 1966 until firemen could have retired with an ordinary or short service pension in immediate payment.

(but it may not exceed a whole (see "POINTS TO NOTE (GENERAL) 3", C4-7).

(This proportion is an artificial one (see "POINTS TO NOTE 4", above).

(Where a reduction of pension would result from the 1973 scheme, not the 1966 Scheme, the date 1 April 1972 should have been inserted instead of 26 August 1966. This error will not be corrected, however, as to do so could only worsen pension rights for those concerned).

POINTS TO NOTE (GENERAL)

1. Any service which you count under rule F4, (or FPSO 1973 Articles 51 or 52), after 1 July 1973, must be uprated to the half-rate (and the mixed-rate). It will therefore be included under both items (f) and (g) of TABLE B, unless you:
 - uprated it by payment of a lump sum in 1973,
 - then left the fire service with an entitlement to a deferred pension, and
 - later came back to count your service under F4 on relinquishing your deferred pension entitlement.

**SPOUSE'S ACCRUED PENSION:
SPECIAL PROVISIONS**

(However, if you left with a refund of contributions which included your lump sum uprating payment, you could not refund that lump sum on rejoining). If you had previously been uprating it by the contribution method, any additional or further contributions you had made would have been refunded to you when you left (or when you relinquished a deferred pension entitlement on your return) and you could not resume payment by the contribution method. (See "POINTS TO NOTE 2", BGen-5 and "POINTS TO NOTE 2 AND 4," F4-3).

2. In cases of uprating, both by payment of contributions and by reduction of pension, the proportions are to be worked out in completed years and months.
However:
 - a. the service of which a proportion is to be taken is to be calculated at its full length in years and days (including 29 February 1972 where it appears in a part year, as it often will),
 - b. in reduction of pension cases (where the proportions may need to be calculated by adding broken periods of service together) any broken periods should first be added together at their full length in years and days, and the aggregate periods then reduced to completed years and months to work out the proportion.

3. If it is necessary to calculate a widow's accrued pension where total pensionable service exceeds 25 years, some points should be borne in mind.
* This would be rare, but it could happen:
 - a. if you should transfer after completing 25 years' service, or
 - b. if you are entitled to a deferred pension having more than 25 years' service (unusual, but see "POINTS TO NOTE 2", B5-1).The points to bear in mind are:
 - * your widow's accrued pension may not exceed half your deferred pension.
(without this limitation the proportion for uprating by the reduction of pension method could result in a higher amount than it should), and
 - * none of the proportions in Table B items (f) and (g) could exceed a whole.

What is
the limitation?

Your widow will not be entitled to:
* an ordinary pension,
* a special award,
* an accrued pension, or
* an augmented award,
unless you were married to her while you were
serving as a regular firefighter.

POINTS TO NOTE

1. If you should divorce, but later remarry the same wife after you cease to serve, she will not lose her entitlement to an ordinary, accrued or special pension provided you were serving at some time during your first marriage to her.
2. This limitation does not affect your widow's entitlement to:
 - a widow's requisite benefit and temporary pension, (see C6-1), or
 - a widow's guaranteed minimum pension (see ANNEX 2-5)

What is the
award?

- * A widow's pension in case of post-retirement marriage will be payable:
 - if you were a regular firefighter, and
 - if your widow would have been entitled to an ordinary, accrued or special award had you been married during your service.

POINTS TO NOTE

1. It was a condition of "contracting-out" that a widow who married her husband after his retirement should be entitled to a pension of not less than 1/160th of his APP for each year of service on or after 6 April 1978.
2. A widow entitled to a pension in case of post-retirement marriage, could lose her entitlement through:
 - separation at the time of your death, or (see C8-1).
 - remarriage (see C9-1).

LIMITATION ON AWARD TO WIDOW
WITH REFERENCE TO DATE OF MARRIAGE

How much is the
pension?

The sums are set out in Example 1.
The basis of the calculations is explained here.

FIRST 13 WEEKS
(see E8-1).

AFTER FIRST 13 WEEKS

* The pension is similar to a spouse's ordinary or accrued pension, but based only on your service after 5 April 1978.

* The pension is the greater of:
- $\frac{1}{2}$ the appropriate proportion of your own pension
or notional pension,
or
- $\frac{APP \times S}{160}$

"Pension or notional pension" means:

- if instead of a spouse's ordinary pension, the same as in Schedule 3, Part I paragraph 1(2)
- if instead of a spouse's accrued pension, your deferred pension,
- if instead of a spouse's special pension, the ill-health pension to which you would have been entitled had you retired on account of disablement in circumstances entitling you to an ill-health pension.

"Appropriate proportion" means the proportion of your total pensionable service represented by your service or employment after 5 April 1978.

"S" means your pensionable service reckonable on account of service or employment after 5 April 1978.

"APP" means average pensionable pay.

Pensions increase (PI)

- * A widow's pension in case of post-retirement marriage will be increased:
- by PI (see ANNEX 1-7).

See L3-1.

When is the
pension paid?

Who is eligible?

If you are a regular firefighter and, after the beginning of the tax year in which your 65th birthday falls, or would fall, you:

- die while serving, or
- cease to serve as a regular firefighter

your widow will be entitled to:

- * a widow's requisite benefit pension, and
- * a temporary pension,

unless she is entitled to:

- a spouse's ordinary, special or accrued pension, or
- a widow's pension in case of post-retirement marriage.

POINTS TO NOTE

1. The tax year begins on 6 April in any year.
2. A spouse's special pension includes a special pension augmented under C3(3).
3. It is unusual for a firefighter, except in the highest ranks, to be serving until so close to his 65th birthday. It would be more unusual for his widow not to be entitled to one of the scheme's main benefits. The entitlement to a widow's requisite benefit pension was introduced in 1978 to meet the then "contracting-out" requirements of the social security legislation.

How much is the award?

FIRST 13 WEEKS

- * The temporary pension calculated as in E8 will be paid to your widow if you die while serving, or while you are receiving a pension. Otherwise:
 - a widow's requisite benefit pension (see below) will be payable for the first 13 weeks of widowhood, as well as afterwards.
- (You will be treated as receiving an injury pension only if you would have received one but for the size of your DSS benefits. Those benefits will be disregarded in working out the amount of your widow's temporary pension).

AFTER FIRST 13 WEEKS

- * A requisite benefit pension will be paid equal to:
$$\frac{\text{APP} \times \text{S}}{160}$$

If you die in service and the cash value of the widow's requisite benefit pension is less than your APP (see G1-1), your widow will also be entitled to:

- * a gratuity, equal to the difference.

"S" means your pensionable service reckonable on account of service or employment after 5 April 1978.

"APP" means average pensionable pay.

Pensions increase (PI)

- * A widow's requisite benefit pension will be increased:
 - by PI (see ANNEX 1-7).

**WIDOW'S REQUISITE BENEFIT
AND TEMPORARY PENSION**

When is the
award paid?

See L3-1.

POINTS TO NOTE

1. Your fire authority may obtain the Government Actuary's figure for the cash value of the widow's requisite benefit pension by writing to the Government Actuary's Department, 22 Kingsway, London WC2B 6LE (see also ANNEX 4).

RULE C7
C7 - Example 1
D1 - Example 4

SPOUSE'S AWARD WHERE
NO OTHER AWARD PAYABLE

Who is eligible?

Your widow(er) will be entitled to:

- * a temporary pension and ordinary gratuity, if he or she is entitled to no other award and you die while serving:
- as a regular firefighter with less than 3 years' pensionable service.

How much is the pension?

- * The temporary pension, which (together with any children's allowances) is equal to your pensionable pay for a week immediately before you die, is payable for the first 13 weeks, and

How much is the gratuity?

- * The ordinary gratuity is equal to your APP (see G1-1).

POINTS TO NOTE

1. No benefit is payable after the first 13 weeks, unless your widow(er) is also entitled to a "guaranteed minimum pension" (GMP) under J1(2).
2. If your widow(er) is entitled to a GMP it is likely to be small because your length of service is short. Your fire authority will be able to pay a "contributions equivalent premium" (CEP) to DSS, so that he or she will receive a higher state pension from DSS, instead of a GMP from your fire authority (see ANNEX 2-8).

When is the award paid?

See L3-1.

LIMITATION WHERE SPOUSES
LIVING APART

What is
the limitation?

If when you die you are living apart from your spouse, he or she will not be entitled to any of the benefits under C1 to C7.

What is the
award?

Your widow(er) will be entitled instead to the greater of:

a. a requisite benefit pension, equal to:

$$\frac{\text{APP} \times \text{S}}{160}$$

("S" means your pensionable service reckonable on account of service or employment after 5 April 1978. "APP" means average pensionable pay),

b. A "guaranteed minimum pension" (GMP) under J1(2), or

c. if at the time of your death:

* you were contributing to his or her maintenance, or the maintenance of a child of your spouse, or

* you were required so to contribute by a Court order,

a pension calculated under one of the rules C1 to C7, according to the circumstances but not exceeding the rate of maintenance payments you were making, or due to make.

* Your fire authority have discretion:

a. to increase your widow(er)'s pension up to the level of what it would have been had you not been living apart, and

b. pay any gratuity up to the level of what would have been due had you not been living apart.

Pensions increase (PI)

* A spouse's pension under C8 will be increased:
- by PI (see ANNEX 1-7).

POINTS TO NOTE

1. A widow(er)'s GMP is increased by pensions increase, but this increase is normally paid by DSS, (see ANNEX 1-9).
2. The entitlement to a GMP is a "contracting-out" requirement of the social security legislation (see ANNEX 2-5).
3. The entitlement to a requisite benefit pension was also a "contracting-out" requirement when SERPS was introduced in 1978 (see ANNEX 2-5).
4. It is important to note the distinction between what your widow(er) will be entitled to, and what he or she may receive at the discretion of your fire authority.
5. "Living apart" is not defined in the FPS but it should probably be construed as a matter of matrimonial law - meaning more than physical separation and implying a recognition by at least one spouse that the marriage is at an end.

When is the
pension paid?

See L3-1.

What is the limitation?

If your widow(er) remarries he or she will not be entitled to:

- any payment on account of a pension under C1 to C8 for any period after the remarriage, or
- any amount of a gratuity (including a gratuity under E5) not yet paid.
- * If the later marriage ends, your fire authority have discretion to:
 - resume payment of the pension or part of it, for as long as they think fit, and
 - pay the whole or part of the outstanding balance of the gratuity.

POINTS TO NOTE

1. Fire authorities are advised when terminating a widow(er)'s pension on re-marriage, to ask to be notified if the later marriage ends, so that they can act appropriately.
2. In practice, a spouse's award is normally reinstated under rule C9(1) or C9(2), unless his or her financial circumstances are such that it is manifestly unnecessary to do so. In other words, fire authorities tend to exercise their discretion favourably, except in very exceptional circumstances.
3. This rule does not affect a widow(er)'s "guaranteed minimum pension" (GMP) which ceases:
 - on re-marriage before state pensionable age (see J1-2), but continues in payment on remarriage after state pensionable age.
4. This rule does not affect an allocated pension (see "POINTS TO NOTE 2", B9-4).

SPOUSE'S ORDINARY PENSION

Example

1

The firefighter's pensionable service is all at $\frac{1}{2}$ rate. He dies in service aged 38.

Pensionable service: 18 years 25 days
(18.0685 years)

Equivalent to 25.0685/60ths as pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement"), which does not take him beyond what he would have earned by the age of compulsory retirement.

Average pensionable pay: £17250.44

Notional ill-health pension:

$$\frac{7}{60} + \frac{18.0685}{60} \times 17250.44 =$$

$$\frac{25.0685}{60} \times £17250.44 = £7207.38$$

Spouse's pension: $\frac{1}{2}$ x £7207.38

Pension payable = £3603.69 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, is not less than the husband's weekly pensionable pay.

The widow's pension will attract pensions increase from the first review date after it comes into payment.

Example
2

The firefighter's pensionable service is all at $\frac{1}{2}$ rate. He dies on 18 April 1992 of the illness which caused him to retire at midnight on 30 September 1982 with an ill-health gratuity.

Pensionable service: 4 years 334 days
(4.9151 years)
Equivalent to 4.9151/60ths (no "ill-health enhancement")

Pensionable service after 5 April 1978: 4 years 178 days
(4.4877 years)
Average pensionable pay: £7126

Notional ill-health pension:

$$\frac{4.9151}{60} \times £7126 = £583.75$$

Widow's pension:

a) $\frac{1}{2}$ husband's notional pension (£291.88)
+ PI from
1 October 1982 to April 1992 = £490.30 a year

b) Widow's requisite benefit pension

$$\frac{4.4877}{160} \times £7126 + \text{PI from 1 October 1982 to April 1992} = £335.74 \text{ a year}$$

or

c) Widow's flat rate pension £379.78 a year
+ PI* from 30 June 1978 to April 1992
= £1025.18 a year

Pension payable = £1025.18 a year

* PI authorised by Orders made in accordance with section 59 of the Social Security Act 1975. This excluded the PI (Review) Order 1978.

(see "POINTS TO NOTE 2", E10-2)

The widow's pension will continue to attract pensions increase.

SPOUSE'S ORDINARY PENSION

Example
3

The firefighter's pensionable service is all at $\frac{1}{2}$ rate. He retired at midnight on 31 March 1974 with an ordinary pension and dies in 1991 aged 67.

Pensionable service: 30 years
Equivalent to 40/60ths as service after 20 years counts double

Average pensionable pay: £3046

Gross ordinary pension:

$\frac{40}{60} \times £3046 = £2030.67$

Reduction in the firefighter's pension to uprate widow's pension = 2.5%

$\frac{£2030.67 \times 2.5}{100} = £50.77$

Pension payable
£2030.67 - £50.77 = £1979.90

Pension increased by 6.1% (Pensions (Increase) Act 1974)
£1979.90 + £120.77 = £2100.67

Pension increased from 1 April 1974 to April 1991
£2100.67 + £8996.12 = £11096.79

Widow's pension: $\frac{1}{2} \times £2030.67 = £1015.33$ a year

Pension increased by 6.1% (Pensions (Increase) Act 1974)
£1015.33 + £61.94 = £1077.27

£1077.27 x 5.2825 = £5690.68
(Pensions increase from 1 April 1974 to April 1991)

Pension payable = £5690.68 a year

For the first 13 weeks, the widow's pension is increased to a rate which is not less than her husband's weekly rate of pension immediately before he died, disregarding any reduction in his pension for uprating.

Temporary pension:

£2030.67 divided by $52 \frac{1}{6}$
£2030.67 x $\frac{6}{313}$ = £38.93 a week

Pension increased by 6.1% (Pensions (Increase) Act 1974)
£38.93 + £2.37 = £41.30
plus £176.87 = £218.17
(Pensions increase from 1 April 1974 to April 1991)

Temporary pension payable = £218.17 a week

Example
4

The firefighter's pre-1972 pensionable service is at 1/3rd rate. He dies in service on 31 March 1991.

Pensionable service: 23 years
 Service after 20 years counts double (ie add 3 years) = 26 years

Equivalent to 33/60ths as service over 13 years is enhanced by 7/60ths ("ill-health enhancement"), which does not take him beyond what he would have earned by the age of compulsory retirement.

Pre-1972 pensionable service: 4 years

Average pensionable pay: £15217

Notional ill-health pension:

$$\frac{7}{60} + \frac{26}{60} \times £15217 = \frac{33}{60} \times £15217 = £8369.35$$

Widow's pension:

$$a) \left(\frac{1}{3} \times £8369.35 \right) + \left(\frac{1}{6} \times \frac{26 - 4}{60} \times £15217 \right) = £3719.71$$

or

b) RNY* = 16 years
 RPS** = 19 years
 WRPS*** = 22 years

(RPS - RNY) x 2 + RNY = WRPS
 (If RPS is less than RNY, WRPS = RPS)
 (19-16) x 2 + 16 = 22

As WRPS exceeds 20, pension based on RPS + 1/2 pre-1972 pensionable service
 $\left(19 + \frac{4}{2} \right) = 21$

$$\frac{1}{2} \times \left(\frac{7 + 22}{60} \right) \times £15217 = £3677.44$$

Pension payable = £3719.71 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, is not less than the husband's weekly pensionable pay. The widow's pension will attract pensions increase from the first review date after it comes into payment.

-
- * RNY - Relevant number of years = 20 - pre-1972 service
 - ** RPS - 1/2 rate pensionable service
 - *** WRPS - Weighted 1/2 rate pensionable service

SPOUSE'S ORDINARY PENSION

Example

5

The firefighter's pre-1972 pensionable service is at 1/3 rate. He retired on ill-health grounds at midnight on 31 March 1987 and dies some years later.

Pensionable service: 17 years
 Equivalent to 24/60ths as service over 13 years is enhanced by 7/60ths ("ill-health enhancement"), which does not take him beyond what he would have earned by the age of compulsory retirement.

Pre-1972 pensionable service: 2 years

Average pensionable pay: £11193

Gross ill-health pension:

$$\frac{7}{60} + \frac{17}{60} \times \text{£}11193 = \frac{24}{60} \times \text{£}11193 = \text{£}4477.20$$

Widow's pension:

$$a) \left(\frac{1}{3} \times \text{£}4477.20 \right) + \left(\frac{1}{6} \times \frac{17 - 2}{60} \times \text{£}11193 \right) = \text{£}1958.78$$

or

- b) RNY* = 18 years
 RPS** = 15 years
 WRPS*** = 15 years

(If RPS is less than RNY, WRPS = RPS)
 WRPS = 15 years

As WRPS exceeds 20, pension based on enhanced WRPS =

$$\frac{1}{2} \times \left(\frac{7 + 15}{60} \right) \times \text{£}11193 = \text{£}2052.05$$

Pension payable = £2052.05 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, is not less than the husband's weekly pension. The widow's pension will attract pensions increase from the date her husband's pension began.

- * RNY - Relevant number of years = 20 - pre-1972 service
 ** RPS - 1/2 rate pensionable service
 *** WRPS - Weighted 1/2 rate pensionable service

Example
6

The firefighter's pre 1972 pensionable service is all at 1/3 rate. He retires with an ordinary pension at midnight on 1 March 1987 and dies in retirement.

Pensionable service: 25 years
Equivalent to 30/60ths as service after 20 years counts double

Pre-1972 pensionable service: 10.0822 years

Pensionable service after 5 April 1978: 8 years 330 days (8.9041 years)

Average pensionable pay: £12282

Gross ordinary pension:

$\frac{30}{60} \times £12282 = £6141$ a year

Widow's pension:

a) $\left(\frac{1}{3} \times £6141 \right) + \left[\frac{1}{6} \times \left(30 - \frac{10.0822}{60} \right) \times £12282^* \right]$
= £2726.53 a year

b) Widow's requisite benefit pension:

$\frac{8.9041 \times £12282}{160} = £683.50$ a year

c) Widow's flat rate pension

(+ PI+ from 30 June 1978) = £379.78 a year

Pension payable = £2726.53 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, is not less than the husband's weekly pension. The widow's pension will attract pensions increase from the date her husband's pension began.

* This calculation - 1/3 of husband's actual pension (based on all his service) plus 1/6 of a hypothetical pension (based on his 1/2 rate service only) produces a pension at the 1/3 rate in respect of 1/3 rate service and the 1/2 rate in respect of 1/2 rate service ($\frac{1}{3} + \frac{1}{6} = \frac{1}{2}$)

+ PI (see C1-Example 2)

SPOUSE'S ORDINARY PENSION

Example

7

The firefighter's pre-1972 pensionable service is at flat rate. He dies in service aged 50.

Pensionable service: 30 years

Equivalent to 40/60ths as service after 20 years counts double

Pre-1972 pensionable service: 18.2740 years

Average pensionable pay: £16827

Widow's pension: $(\frac{1}{2} \times \frac{40 - 18.2740}{60}) \times £16827$
Pension payable = £3046.53 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowance, is not less than the husband's weekly pensionable pay. The widow's pension will attract pensions increase from the first review date after it comes into payment.

Example
8

The firefighter retires with an ordinary pension on 5 January 1986 after 31 years 94 days service. His pre-1972 service is at "flat rate". He dies on 13 July 1992.

Pensionable service: 31 years 94 days
 Equivalent to 40/60ths
Average pensionable pay: £12347.13 a year.

Widow's pension is based on post 1972 service or flat rate (whichever is the greater).

Where the husband's pensionable service exceeds 30 years, then his pre-1972 service shall be reduced by that excess.

Actual pre-1972 service = 17 years 180 days
 equivalent to 17.4932 years

17.4932 - 1.2576 (1 year 94 days) = 16 years 86 days (16.2356 years)

a) $\left(\frac{1 \times 40 - 16.2356}{2 \times 60} \right) \times £12347.13 = £2445.18$ a year

or

b) Flat rate £379.78 a year = £1035.59 a year
 (plus PI from 30 June 1978 to April 1992)

a) is greater than b) including PI

Widow's pension payable = £2445.18 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, is not less than the husband's weekly pension. The widow's pension will attract pensions increase from the date her husband's began.

SPOUSE'S SPECIAL AWARD

Example
1

The firefighter dies as a result of a qualifying injury after very short service.

Pensionable service: 3 years 159 days (3.4356 years)
Equivalent to 3.4356/60ths (no "ill-health enhancement")

Average pensionable pay: £12410.23
(£237.90 a week)

Notional ill-health pension:

$\frac{3.4356}{60} \times £12410.23 = £710.61$

Widower's Special Award:

Gratuity

25% OF £12310.23 = £3102.56

PLUS the greater of

a) £12410.23 (app)

or

b) $2\frac{1}{4} \times £710.61$ (notional ill-health pension)
= £1598.87

Gratuity payable:

£3102.56 + £12410.23 = £5584.96

Widower's special pension:

45% of £237.90 = £107.06 a week

£107.06 x $\frac{313}{6}$ = £5584.96

Pension payable = £5584.96 a year

For the first 13 weeks, the widower's pension is increased to a rate which, together with any children's allowances, will not be less than his wife's weekly rate of pensionable pay immediately before she died.

The widower's pension will attract pensions increase from the first review date after it comes into payment.

Example

2

The firefighter dies in retirement on an ordinary pension, death attributed to a qualifying injury.

Pensionable service: 25 years 102 days

Service after 20 years counts double
(ie add 5 years 102 days):

30 years 204 days (30.5589 years)

Equivalent to 30.5589/60ths

Average pensionable pay: £15291
(£293.12 a week)

Widow's Special Award:

Gratuity payable:

25% of £15291 = £3822.75

Widow's special pension:

45% of £293.12 = £131.90 a week

£131.90 x $\frac{313}{6}$ = £6880.78

Pension payable = £6880.78 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, will not be less than her husband's weekly rate of pension immediately before he died.

The widow's pension will attract pensions increase from the date her husband's pension began.

SPOUSE'S AUGMENTED AWARD

Example

1

The firefighter dies as a direct result of trying to save lives in a fire.

Pensionable service: 16 years 161 days
 (16.4411 years)
 Equivalent to 23.4411/60ths as pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement") which does not take him beyond what he would have reckoned by the age of compulsory retirement.

Average pensionable pay: £17254.36
 (£330.75 a week)

Widow's augmented award:

Gratuity payable:

2 x £18261	=	£36522
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(annual pensionable pay of a basic rank firefighter employed in London entitled to reckon 30 years' service)
 (compare with rule C2(2)(b) - to pay the greater, see C3-1).

Widow's augmented pension:

50% of £330.75	=	£165.38 a week
£165.38 x $\frac{313}{6}$	=	£8627.32

Pension payable = £8627.32 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, will not be less than her husband's weekly rate of pensionable pay immediately before he died.

The widow's pension will attract pensions increase from the first review date after it comes into payment.

Example
2

The firefighter dies in retirement as a result of an injury on duty caused in circumstances in which the fire authority think that an augmented award should be paid.

Pensionable service: 18 years 203 days
(18.5562 years)

Equivalent to 25.5562/60ths as pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement") which does not take him beyond what he would have earned by the age of compulsory retirement.

Average pensionable pay: £11810.87
(£226.41 a week)

Widow's augmented award:

Gratuity payable:-

2 x £18261 = £36522

(annual pensionable pay of a basic rank firefighter employed in London entitled to reckon 30 years' service)
(compare with rule C2(2)(b) - to pay the greater, see C3-1).

Widow's augmented pension:

50% of £2226.41 = £113.21 a week

£113.21 x $\frac{313}{6}$ = £5905.79

Pension payable = £5905.79 a year

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, will not be less than her husband's weekly rate of pension immediately before he died.

The widow's pension will attract pensions increase from the date her husband's pension began.

SPOUSE'S ACCRUED PENSION

Example

1

The firefighter has no pre-1972 service and dies after his deferred pension has been in payment for one year.

Pensionable service: 8 years

Deferred pension on retirement: £1579.06

Deferred pension in payment at the time of his death:

£1579.06 (+ PI from the day after his last day of service)

Widow's accrued pension:

$$\frac{1}{2} \times £1579.06 = £789.53$$

Pension payable = £789.53 a year
(+ PI from the day after her husband's last day of service).

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, will not be less than her husband's weekly rate of deferred pension immediately before he died.

Example

2

The firefighter has no pre-1972 service but dies before his deferred pension comes into payment.

Pensionable service: 10 years

Deferred pension: £2434.00

Widow's accrued pension:

$$\frac{1}{2} \times £2434.00 = £1217.00$$

Pension payable = £1217.00 a year
(+ PI from the day after her husband's last day of service).

As the deferred pension is not in payment the widow's accrued pension is not increased for the first 13 weeks.

Example
3

The firefighter joined before 1st April 1972 and opted to uprate his pre-1972 service by paying further contributions.

Pensionable service: 16 years 206 days
(16.5644 years)

Pre-1972 pensionable service: 9 years 237 days
(9.6493 years)

Deferred pension on retirement: £2419.71

Half rate service: $\frac{(a \times c)}{b} + d$ where

a = service from 1st April 1973 in months

b = service from 1st April 1973 to 25 years in months

c = service before 1st April 1972 in years and days

d = service from 1st April 1972 in years and days

$\frac{70}{172} \times 9.6493 + 6.9151 = 10.8421$

Widow's accrued pension:

$\left(\frac{1}{3} \times \frac{\text{total service}}{\text{total service}} \times \text{deferred pension} \right) +$

$\left(\frac{1}{6} \times \frac{\text{half rate service}}{\text{total service}} \times \text{deferred pension} \right)$

$\left(\frac{1}{3} \times \frac{16.5644}{16.5644} \times £2419.71 \right) + \left(\frac{1}{6} \times \frac{10.8421}{16.5644} \times £2419.71 \right)$

£806.57 + £263.97 = £1070.54

Pension payable = £1070.54 a year

The widow will be entitled to an increased pension for the first 13 weeks only if her husband's pension was in payment.

The widow's pension will attract pensions increase from the day after her husband's last day of service.

SPOUSE'S ACCRUED PENSION

Example
4

The firefighter joined before 1st April 1972 from the Police and opted to uprate his pre-1972 service by paying further contributions.

Pensionable service: 17 years 53 days
(17.1452 years)

Fire Service, 30.12.68 to 31.1.80: 11 years 33 days

Police, 10.12.62 to 29.12.68: 6 years 20 days

Pre-1972 pensionable service: 9 years 112 days
(9.3068 years)

Deferred pension on retirement: £2605.59 a year

Half rate service: $\left(\frac{a}{b} \times c\right) + d$ where

a = service from 1st April 1973 in months

b = service from 1st April 1973 to 25 years in months

c = service before 1st April 1972 in years and days

d = service from 1st April 1972 in years and days

$\left(\frac{82}{176} \times 9.3068\right) + 7.8384 = 12.1745$ years

Widow's accrued pension:

$\left(\frac{1}{3} \times \frac{\text{total service}}{\text{total service}} \times \text{deferred pension}\right) +$

$\left(\frac{1}{6} \times \frac{\frac{1}{2} \text{ rate service}}{\text{total service}} \times \text{deferred pension}\right)$

$\left(\frac{1}{3} \times \frac{17.1452}{17.1452} \times £2605.59\right) + \left(\frac{1}{6} \times \frac{12.1745}{17.1452} \times £2605.59\right)$

£868.53 + £308.36

Pension payable = £1176.89 a year

The widow will be entitled to an increased pension for the first 13 weeks only if her husband's pension was in payment.

The widow's pension will attract pensions increase from the day after her husband's last day of service.

WIDOW'S PENSION IN CASE OF POST RETIREMENT MARRIAGE

Example

1

The widow would have been entitled to an ordinary pension if she had married the firefighter while he was still serving.

Pensionable service: 26 years 276 days
(26.7562 years)

Service after 20 years counts double
(ie add 6 years 276 days): 33 years 187 days
(33.5123 years)

Equivalent to 33.5123/60ths

Pensionable service after
5 April 1978: 1 year 199 days
(1.5452 years)

Average pensionable pay: £6205.17

Firefighter's ordinary pension:

$$\frac{33.5123}{60} \times \text{£}6205.17 = \text{£}3465.83$$

Widow's pension:

$$(a) \frac{1}{2} \times \frac{1.5452}{26.7562} \times \text{£}3465.82 = \text{£}100.08$$

or

$$(b) \frac{1}{160} \times 1.5452 \times \text{£}6205.17 = \text{£}59.93$$

Pension payable = £100.08 a year

(+ PI from the date husband's pension began)

For the first 13 weeks, the widow's pension is increased to a rate which, together with any children's allowances, will not be less than her husband's weekly pension immediately before he died.

SPOUSE'S AWARD WHERE NO OTHER AWARD PAYABLE

Example
1

The firefighter dies in service with less than
3 years' service.

Pensionable service: 2 years 254 days
Annual Pensionable pay: £12200
Average pensionable pay: £12014

Widow's award:

- a) For the first 13 weeks, the widow is paid a temporary pension at a rate which, with children's allowances, will not be less than her husband's weekly pensionable pay immediately before he died.

$$£12200 \times \frac{6}{313} = £233.87 \text{ a week}$$

and

- b) A gratuity equal to her husband's average pensionable pay

Gratuity payable = £12014

(The widow would also be entitled to a death in-service lump sum equal to twice annual pensionable pay - rule E1)

SPOUSE LIVING APART, REQUISITE BENEFIT PENSION

Example

1

The widow would otherwise have been entitled to an ordinary pension.

Pensionable service: 30 years
Pensionable service after
5 April 1978: 10 years 123 days
Average pensionable pay: £12030.00

Widow's requisite benefit pension:

$\frac{£12030}{160} \times 10.3370 = £777.21 \text{ a year}$

Pension payable = £777.21 a year
(+ PI from the date husband's pension began)

PART D

AWARDS ON DEATH - CHILDREN

Part D covers the awards which may be payable to the child of a regular firefighter - ordinary allowance (D1), special allowance (D2), special gratuity (D3) and accrued allowance (D4) - subject to the limitations in rule D5. Calculation of the awards is mainly covered in the relevant part of Schedule 4, but Schedule 11 (Part II) may apply to certain cases involving pre - 1972 service. Additional provision in respect of children's awards are in Part E.

SCHEDULE 4

D1 - Examples 1 to 4

GENERAL

Regular firefighters	Your children will be eligible for any of the awards which Part D provides, subject to the limitations in D5.
Members of brigades other than regular firefighters	As you are not a regular firefighter you pay no pension contributions to the Firefighters' Scheme and the possibility of children's awards would only arise in the event of your death from a qualifying injury (See J3 and J4).
Table A	Table A at D Gen-3 shows the maximum amounts of children's ordinary, special or accrued allowances which would be payable if the basic conditions were met.
Table B	Table B at D5-4 shows the circumstances by reference to age in which child allowances may be paid.
Service before 1 April 1972	If you have fire service, or transferred-in service, before 1 April 1972, your children may have a smaller ordinary or accrued allowance, based on your "half-rate" service only, or flat-rate allowances if bigger (see "POINTS TO NOTE 3", D Gen-2, "POINTS TO NOTE 1", D1-3 and "POINTS TO NOTE 2", D4-2.)
Pensions Increase	All children's allowances are increased in line with the retail price index. (see "POINTS TO NOTE 4", E8-2).

CHILDREN'S AWARDS

When are the awards paid?

Children's allowances are payable:

- * from the date of your death until the child is no longer eligible, or
- * if you die while in receipt of a pension, from the end of any period in respect of which your pension has already been paid, until the child is no longer eligible (see L3-2).

(A child who is both permanently disabled and substantially dependent on you when you die, or who becomes permanently disabled while receiving a child allowance, may have a child allowance payable for the rest of his or her life.)

Children's gratuities are payable as soon as the entitlement arises, and are payable:-

- * in one sum, or
- * if the fire authority think it would be better for a particular child, in such instalments as they think reasonable (see L3-2).

To whom are the awards paid?

- * If the child is a minor:
 - the benefit is usually paid to the remaining parent, or to the guardian, or it may be paid to the child.
(The fire authority have discretion to pay it to any person they think fit.)
- * If the child is of age:
 - the benefit is usually paid to a child, unless the fire authority think the child is unable to manage his or her affairs, when they may pay it to whoever has care of the child, or apply it as they think fit (see L5-1).

If benefit is paid to someone other than the child, the fire authority may wish to satisfy themselves that it is being used for the benefit of the child.

POINTS TO NOTE

1. Child allowances and gratuities are not affected by any DSS benefits which may be payable in respect of a child.
2. A child's allowance forms part of the child's income for tax purposes (see L5-1 and "POINTS TO NOTE 1", ANNEX 3-2).
3. Children's allowances were not paid with widow's pensions at the 1/3 rate, so that uprating your "pre-1972 pensionable service" to the 1/3 rate had no effect on them.

Maximum amounts of child allowances
set out in Schedule 4

Table A

Allowance and Circumstances	Individual Maximum	Group Maximum	What each maximum applies to
<u>ORDINARY</u> (Part I) One parent alive (para 1(2)) Orphan (para 1(3))	18.75% (para 1 (2)(a)) 25% (para 1 (3)(a))	37.5% (para 1 (2)(b)) 50% (para 1 (3)(b))	Relevant parent's ⁺ ordinary, short service or ill-health pension, if such a pension was payable: otherwise a notional ill-health pension * ignoring any reduction: - for commutation - for allocation - for uprating for widow's benefit, or - for National Insurance modification due at state pensionable age. (para 1(4))
<u>SPECIAL</u> (Part II) One parent alive (para 2) Orphan (para 3)	10% (para 2(a)) 20% (para 3(a))	40% (para 2(b)) 80% (para 3(b))	Relevant parent's ⁺ APP (see G1-1).
<u>ACCRUED</u> (Part III) (para 1) One parent alive Orphan	18.75% 25%	37.5% 50%	Relevant parent's ⁺ deferred pension (para 2) ignoring:- (a) the restriction on payment before age 60, or permanent disablement, and (b) any reduction: - for commutation - for allocation - for uprating for widow's benefit, or - for National Insurance modification due at state pensionable age. (para 4)

⁺ "Relevant parent" is the parent in respect of whose death the allowance would be payable.

Who is eligible?

A child who meets the basic condition for a child's award (see D5) will be eligible for a child's ordinary allowance:

- if you are a regular firefighter and you:
 - a. die while entitled to an ordinary, short service or ill-health pension,
 - b. die while entitled to an injury pension awarded on your retirement, but to no other pension under the FPS,
 - c. die having retired with a short service or ill-health gratuity with at least 3 years' service, or
 - d. die in service.

POINTS TO NOTE

1. Your children may be eligible for ordinary allowances however short your length of pensionable service. (In contrast, a spouse's ordinary pension is payable only after 3 years' pensionable service (see C1-1)).
2. a or d will cover most cases.
3. b is unlikely to happen - if you were entitled to an injury pension immediately on your retirement you must also have qualified for an ill-health pension. Your children would therefore qualify under a, unless your ill-health pension had been forfeited leaving only your injury pension in payment.
4. c could apply only if you retired before 6 April 1988 with a short service or an ill-health gratuity with between 3 and 5 years' service. However, if you later repaid your gratuity so that a transfer value could be paid to a new employer, there would be no later entitlement to ordinary allowances for your children. (This provision was introduced with effect from 1 March 1992, to correct an anomaly).
5. If you should die as a result of a qualifying injury, your children will normally receive special allowances under D2 (which are higher) instead of ordinary allowances.
6. Your children will be entitled to ordinary allowances if you were:
 - entitled to an injury pension which was not in payment only because of the size of your DSS benefits (see B4-3 to 5).

How much is
the allowance?

The sums are set out in Examples 1 to 4. The basis of the calculation is explained here.

FIRST 13 WEEKS
(see E8-1)

AFTER FIRST 13 WEEKS

The basic amount of a child's ordinary allowance after the first 13 weeks will depend on:

- * whether or not the child is an orphan, and
- * how many other children are eligible for allowances.

The basic amount is a percentage of:

- your ordinary, short service or ill-health pension, if you were entitled to such a pension when you died, or
- a notional ill-health pension in any other case. The notional ill-health pension is the ill-health pension to which you would have been entitled, if you had qualified for such a pension when you retired, or (if you should die in service) when you died.

unless flat-rate allowances are better (see "POINTS TO NOTE 3", D1-3).

Table A at D Gen-3 shows how the basic amount is calculated (including what restrictions or reductions in the payment of the pension or notional pension are to be ignored).

Reductions

- * The basic amount of a child's ordinary allowance may be reduced:
 - if you are a man and had service which you did not elect to uprate for widow's and children's benefit (see "POINTS TO NOTE 1", D1-3),
 - if the child is in full-time training and being paid above a certain level (see D5-5).
 - if awards (other than flat-rate awards) for your widow(er) and children would otherwise exceed your own pension entitlement when you died (see "POINTS TO NOTE 2", D1-3).

Increases

- * The basic amount of a child's ordinary allowance:
 - may be increased, if another eligible child has an allowance reduced or cancelled because of the level of pay in training (see D5-6), and
 - will be increased by pensions increase (see ANNEX 1-7).

CHILD'S ORDINARY ALLOWANCE

POINTS TO NOTE

1. If you are a man and have service before 1 April 1972, which you did not elect to uprate for widow's and children's benefits, any children's ordinary allowances which become payable after your death will be :
 - a: calculated as if you were entitled to a pension based on your half-rate service only, or
 - b: at the flat-rate, whichever is better.

(The greater the proportion of your service from 1 April 1972 onwards, the less likely that flat-rate allowances will be better.)

You should note that if you elected to uprate your "pre-1972 pensionable service" to the half-rate:

 - * any children's ordinary allowances will be based on the appropriate percentage (see Table A at D Gen-3) for your full pension or notional pension, even if you die:
 - before completing your contributions, or
 - before you start receiving a pension which was due to be reduced to uprate your service.
2. The total of your widow(er)'s ordinary pension and children's ordinary allowances (other than flat-rate awards) - may not be more than any pension you were receiving just before you died. For this purpose:
 - any pension increase (PI) payable on your dependants' benefits or your own pension is also ignored, because the reference to these awards is to them as payable under this Scheme and PI is not so payable, but payable under the PI Acts.
 - the only reductions in your pension which will be ignored are those under Parts VII and VIII of Schedule 2: so if for instance, you commute or allocate part of your pension, your widow(er)'s and children's pension and allowances together may not exceed your pension remaining in payment after your commutation or allocation.
 - if you had 2 pensions, for example an ill-health and an injury pension, they would be added together for this comparison.
3. Flat-rate allowances (unlimited in number) will be paid to your children for any periods for which they are more favourable. This is likely to happen only if:
 - your service was very short, or
 - there are several eligible children, so that the total of the flat-rate allowances would be greater than the group maximum (see Table A at D Gen-3).
4. Children's ordinary allowances may need to be recalculated:
 - if their remaining parent dies,
 - if the number of eligible children changes, or
 - if there is a change in the amount of an allowance payable to a child in training.

How is the allowance paid? See L3-2 and L5-1.

CHILD WHOSE FATHER HAD "PRE-1972 PENSIONABLE SERVICE"
COUNTING AT THE FLAT-RATE OR 1/3 RATE

- * A child's ordinary allowance is normally equal to a percentage of the relevant parent's pension or notional pension, as shown in Table A, D Gen-3. (It is always so for the child of a female firefighter as there were no female firefighters serving before April 1972.)

Who is eligible?

Part II of Schedule 11 describes the circumstances in which it may be less. This could only be if you are a man and had "pre 1972 pensionable service" (see the Table C1-4), which you did not elect to uprate to the half-rate. The provisions can apply to you only if, on 1 July 1973, you were:

- serving as a regular fireman, or
- entitled to a pension other than a deferred pension.

- * This paragraph could also apply to a child whose father died on or after 1 April 1972 but before 1 October 1973, without making an election, if a widow also did not elect to uprate her husband's "pre-1972 pensionable service" to the half-rate. (In such a case any entitlement to children's allowances will already have been established, on similar lines to those set out as follows.)

CHILD'S ORDINARY ALLOWANCE:
SPECIAL PROVISIONS

How much allowance
is payable?

CHILD'S ORDINARY ALLOWANCE
WHERE "PRE-1972 PENSIONABLE SERVICE"
COUNTS AT THE FLAT RATE, OR 1/3 RATE

* Child's allowance is the greater of:

(a) the appropriate percentage, $\times \frac{(A-B)}{60} \times \text{APP}$
(as shown in Table A, D Gen-3)

or

(b) a flat-rate allowance (see E9-1)

"A" = pensionable service up to 30 years, counting such service over 20 years twice.

"B" = "pre 1972 pensionable service" up to 30 years counting such service over 20 years twice.

"APP" = average pensionable pay.

Note * Formula (a) gives a child allowance based on half-rate service only, taking appropriate account of double reckoning after 20 years.

POINTS TO NOTE

1. All the other conditions relating to entitlement to children's allowances and when they are payable, apply to ordinary allowances payable under this paragraph.
2. If you elected to uprate your "pre-1972 pensionable service" to the half-rate, any children's allowances will be based on the appropriate percentage of your full pension or notional pension, whether or not you have completed the uprating at the time of your death.
3. If you elected to uprate your "pre-1972 pensionable service" only to the 1/3 rate, any children's allowances will be calculated under this paragraph, in the same way as if you had made no uprating election. Children's allowances were not paid with widow's pensions at the 1/3 rate, so that uprating your "pre-1972 pensionable service" to the 1/3 rate has no effect on them.

Who is eligible?

If you are a regular firefighter and you die as a result of a qualifying injury (see A9-1):

- * a child who meets the basic conditions for a child's award (see D5) will be eligible for:
 - a child's special allowance

POINTS TO NOTE

1. A child who is eligible for a special allowance may also, in certain circumstances, be eligible for a special gratuity.

How much is the allowance?

The sums are set out in Examples 1 to 3. The basis of the calculations is explained here.

FIRST 13 WEEKS
(see E8-1)

AFTER FIRST 13 WEEKS

The basic amount of a child's special allowance after the first 13 weeks will depend on:

- * whether or not the child is an orphan
- * how many other children are eligible for allowances.

The basic amount is the percentage of your APP (this is the total of your pensionable pay during the year before your retirement or death, divided by 52 1/6 (See G1-1)).

Table A at D Gen-3 shows how this basic amount is calculated.

Reductions

- * The basic amount of a child's special allowance may be reduced:
 - if the child is in full-time training and being paid above a certain level (see D5-5).

Increases

- * The basic amount of a child's special allowance:
 - may be increased, if one of the other children has an allowance reduced or cancelled because of the level of pay in training (see D5-6), and
 - will be increased by pensions increase (see ANNEX 1-7).

CHILD'S SPECIAL ALLOWANCE

POINTS TO NOTE

1. Children's special allowances may need to be recalculated:
 - if their remaining parent dies
 - if the number of eligible children changes, or
 - if there is a change in the amount of an allowance payable to a child in training.

How is the allowance paid?

See L3-2 and L5-1.

Who is eligible?

If you are a regular firefighter, and

- a. you die as a result of a qualifying injury (see A9-1), in the circumstances described in C3(2), and
- b. your child is an orphan, or no gratuity is payable to your widow(er) under C2(2)(b):
 - a child who meets the basic conditions for a child's award (see D5) will be eligible for:
 - * a child's special gratuity.

POINTS TO NOTE

1. A child who is eligible for a gratuity under D3 will also be eligible for a special allowance under D2.
2. The conditions described in C3(2) are set out at (C3-1).
3. This gratuity can only be paid to your child:
 - if you do not leave a widow(er) entitled to a gratuity described in C2(2)(b).

How much is the gratuity?

The maximum amount of a child's special gratuity is:

- 2 years' pensionable pay at the time of your death, of a London based firefighter in the basic rank entitled to reckon 30 years' service for pay purposes.
- * If there is one eligible child this gratuity is payable to that child.
- * If there are 2 or more eligible children the amount is divided equally between them.

POINTS TO NOTE

1. A child's special gratuity does not attract pensions increase. Although you may die in retirement, the gratuity is based on a serving firefighter's pay at the date of your death, so that there is no gap between the effective "beginning date" and "payable date" of the gratuity (see ANNEX 1-5).
2. "2 years' pensionable pay" is calculated by taking the annual rate of pay (see "POINTS TO NOTE 4" G1-2) of a London firefighter in the basic rank with 30 years' service at the time of your death, and multiplying it by 2.

How is the gratuity paid?

See L3-2 and L5-1.

D4 - Examples 1 and 2

Who is eligible?

If you retire as a regular firefighter and die while entitled to a deferred pension, whether it is in payment or not (see B5-1).

- a child who meets the basic conditions for a child's award (see D5) will be eligible for:

- * a child's accrued allowance.

How much is the allowance?

The sums are set out in Examples 1 and 2. The basis of the calculations is explained here.

FIRST 13 WEEKS
(see E8-1)

AFTER FIRST 13 WEEKS

The basic amount of a child's accrued allowance will depend on:

- * whether or not the child is an orphan, and
- * how many other children are eligible for allowances.

The basic amount is a percentage of your deferred pension.

Table A at D Gen-3 shows how this basic amount is calculated (including what restrictions or reductions in the payment of the deferred pension are to be ignored). The percentages are the same as for ordinary allowances.

Reductions

- * The basic amount of a child's accrued allowance may be reduced:
 - if you are a man and had service which was not fully uprated for widow's and children's benefit (see "POINTS TO NOTE 1", D4-2),
 - if a child is in full-time training receiving pay above a certain level (see D5-5),
 - if awards (other than flat-rate awards) for your widow(er) and children would otherwise exceed your own pension entitlement when you die (see "POINTS TO NOTE 2", D4-2).

Increases

- * The basic amount of a child's accrued allowance:
 - may be increased if another eligible child has an allowance reduced or cancelled because of the level of pay in training (see D5-6), and
 - will be increased by pensions increase (see ANNEX 1-7).

POINTS TO NOTE

1. If you are a man and have service before 1 April 1972, which is not fully uprated for widow's and children's benefits, any children's accrued allowances which become payable after your death will be:
 - a. calculated on the proportion of your deferred pension appropriate to your half-rate service (as for a widow's pension, your half-rate service will include an appropriate proportion of service which you had undertaken to uprate to the half-rate) (see Table A at D Gen-3), or
 - b. at the flat rate,
 whichever is better.
2. The total of your widow(er)'s accrued pension and the children's accrued allowances (other than flat-rate awards) may not be more than the deferred pension you were receiving just before you died (or which you would have been receiving had you reached age 60). For this purpose:
 - any pension increase (PI) payable on your dependants' benefit or your own pension is ignored, because the reference to these awards is to them as payable under this Scheme and PI is not so payable, but payable under the PI Acts.
 - the only reductions in your pension which will be ignored are those under Parts VII and VIII of Schedule 2: so if, for instance, you commute part of your pension, your widow(er)'s pension and children's allowances together may not exceed your pension remaining in payment after your commutation.
3. Flat-rate allowances (unlimited in number) will be paid to your children for any periods for which they are more favourable. This is likely to happen only if:
 - your service was very short, or
 - there are several eligible children, so that the total of the flat-rate allowances would be greater than the group maximum (see Table A at D Gen-3).
4. Children's accrued allowances may need to be recalculated:
 - if their remaining parent dies,
 - if the number of eligible children changes, or
 - if there is a change in the amount of an allowance payable to a child in training.

How is the allowance paid?

See L3-2 and L5-1.

CHILD'S ACCRUED ALLOWANCES:
SPECIAL PROVISIONS

CHILD WHOSE FATHER HAD PENSIONABLE SERVICE NOT FULLY
UPDATED TO THE HALF-RATE

- * A child's accrued allowance is normally equal to a percentage of the relevant parent's deferred pension, as shown in Table A, D Gen-3. (It is always so for the child of a female firefighter as there were no female firefighters serving before April 1972).

Who is eligible?

This paragraph describes the circumstances in which it may be less. This could only happen if you are a man and had pensionable service which:

- a. you did not elect to uprate to the half-rate in 1973, or
- b. you have not fully uprated to the half-rate at the time you cease to serve with an entitlement to a deferred pension.

- * This paragraph could also apply to a child whose father died on or after 1 April 1972 but before 1 October 1973, while entitled to a deferred pension without making an uprating election, if the widow also did not elect to uprate her husband's earlier pensionable service to the half-rate. (In such a case any entitlement to a child's accrued allowance will already have been established, on similar lines to those set out as follows.)

How much allowance
is payable?

CHILD'S ACCRUED ALLOWANCE
WHERE PENSIONABLE SERVICE
IS NOT FULLY UPDATED TO
THE HALF-RATE

- * Child's allowance is the greater of:
- (a) the appropriate percentage, $\times \frac{H}{S} \times$ father's
(as shown in Table A, S deferred
D Gen-3) pension
or
 - (b) a flat-rate allowance (see E9-1)

"H" = half-rate pensionable service, (as defined in paragraph 1(2) of Part III of Schedule 3 up to 30 years).

"S" = total pensionable service up to 30 years.

Note = Formula (a) gives a child's accrued allowance based on half-rate service only.

POINTS TO NOTE

1. All the other conditions relating to entitlement to children's allowances, and when they are payable, apply to accrued allowances payable under this paragraph.
2. If your pensionable service counts at the 1/3 rate only any children's allowances will be calculated under this paragraph. (See "POINTS TO NOTE 3", D1-5.)
3. It is unlikely that a child's accrued allowance would be payable where the father had more than 30 years' service. It could happen:
 - if you are entitled to a deferred pension having more than 25 years' service (see "POINTS TO NOTE 2", B5-1).

That is why the pensionable service at "H" and "S" is limited to 30 years.

D1 - Example 3

Basic conditions
for payment of
children's
benefits

D1 and D4 all refer to a "child who meets the basic conditions for a child's award". Each of the rules, D1 to D4, is expressed to be "subject to rule D5". In this way the circumstances in which allowances or gratuities may not be granted, or may no longer be payable, are applied to each award.

Whether children meet the basic conditions for an award depends on:

- * how they are related to you, and
- * how old they are. (If over 16, certain conditions relating to education, training, or disablement may apply.)

The detailed conditions are explained here.

Relationship
between the
child and
the firefighter

A child can become eligible for an award only if he or she comes within one of the descriptions below:

- * a child of your marriage:
 - if you are married before the relevant date (see "POINTS TO NOTE 3", D5-1 AND "5", D5-2)
- * an adopted child:
 - if you adopt the child before the relevant date,
- * a step-child:
 - if you marry the child's parent before the relevant date, and the child is substantially dependent on you when you die (see "POINTS TO NOTE 1 AND 2", D5-1), or
- * any other child related to you or to your spouse (whether or not the child is legitimate):
 - if the child is substantially dependent on you at the relevant date and also when you die. (see "POINTS TO NOTE 3", D5-1.)

POINTS TO NOTE

1. "Substantially dependent" is not defined in the FPS. A fire authority will need to be satisfied on this point, where the payment of an award depends on it.
2. If there is a disagreement which cannot be resolved, about whether a child was substantially dependent at a particular time (and therefore whether an award is payable), an appeal may be made to the courts (see H3-1).
3. An illegitimate child born after you leave the fire service cannot qualify for a child's award, because the child will not be a child of your marriage (and there could be no question of substantial dependency when you ceased to serve, for a child not then born).
4. A natural child who is adopted ceases to be the child of his or her natural parents and so is not entitled to payment of allowances in respect of the natural parent's service unless the allowance is already in payment at the time of adoption.

CHILD'S ALLOWANCE
OR SPECIAL GRATUITY-
LIMITATIONS

5. The term "relevant date" used in D5, means:
- the date on which you last ceased to be a regular firefighter.
6. "Related child" is not defined:
- eg the child may be your brother or sister or any other child related to you, or your spouse, if substantially dependent on you at the relevant date and when you die.

Child's age
and related
circumstances

Allowance

- * If your child is within one of the relationships described above, the basic conditions for payment of a child's allowance will depend on his or her age and the related circumstances set out in Table B at D5-4.

Gratuity

- * If your child is within one of the relationships described above, the basic conditions for payment of a child's special gratuity will be met if:
 - the child is under the age of 17 when you die,
 - or
 - the child is over the age of 17 when you die, and is at the time:
 - a. in full-time education,
 - b. in full-time vocational training, or
 - c. permanently disabled and substantially dependent on you.
- * Where a child is in full-time vocational training and receives payment above a certain amount for it, any allowance to which that child would otherwise be entitled may be reduced or extinguished, and other child allowances, payable in respect of the death of the same firefighter, may have to be recalculated. (See Part IV of Schedule 4, described at D5-5 to 7.) (See "POINTS TO NOTE 1, 2, 4 and 5, D5-3" for the meaning of the terms used in a, b, and c above.)

CHILD'S ALLOWANCE
OR SPECIAL GRATUITY-
LIMITATIONS

POINTS TO NOTE

1. "Full-time education". This term is not defined, but no problem should arise while a child is under 17, or, although over 17, is undertaking a course of further education. However:
 - Where a child who is over 17 has left school but not begun employment, an allowance may continue to be paid until the start of the following school term, provided the child does not start permanent employment. (In other words, "full-time education" may be regarded as continuing through the final school holidays).
2. "Full-time vocational training" means full-time training of at least 1 year's duration for a trade, profession or calling.
 - The distinction between training and employment may often be blurred. Fire authorities will be able to adopt a flexible approach in borderline cases, especially as, if a job involves an element of training, the level of pay will determine whether or not a child allowance, or a reduced allowance, can be paid (see D5-5).
3. A child over the age of 19 would have to be continuously in full-time education or training since before his or her 19th birthday, to qualify for a child allowance on these grounds, but could switch between education and training if continuity were not broken.
4. "Disablement", in the case of a child, means being unable to earn a living, because of physical or mental infirmity (see A10-1).
5. A child is "permanently disabled" if at the time in question, his or her disablement is considered likely to be permanent. If the child's condition changes, the entitlement may change.
6. Children's allowances and gratuities are not intended for those who have become financially independent but who become disabled at some later date. That is why, if a child is permanently disabled, D5 (4) ensures that a child allowance or gratuity will be payable only:
 - if a child is substantially dependent on you, and already disabled, when you die, or
 - if the child becomes disabled while receiving a child allowance (the allowance being regarded as effectively continuing the child's dependence).
7. Fire authorities have discretion to pay a child allowance in the case of permanent disablement if the above conditions are not met so that they can cover deserving cases, for instance:
 - where a child takes a temporary job while waiting to start a university course, but becomes permanently disabled and is unable to take it up, or
 - where a child allowance is not in payment when a child becomes permanently disabled, but only through some delay or error.

CHILD'S ALLOWANCE
OR SPECIAL GRATUITY -
LIMITATIONS

Table B

CHILD'S AGE	CIRCUMSTANCES IN WHICH A CHILD'S ALLOWANCE MAY BE PAID
Under 16	In all cases
16 to under 17 (D5(2))	In all cases, except where a child is in full-time employment which is not full-time vocational training.
17 to under 19 (D5(3)(4) and (5))	<p>Child is:</p> <ul style="list-style-type: none"> a. in full-time education, b. in full-time vocational training, or c. permanently disabled, and <ul style="list-style-type: none"> (i) substantially dependent on relevant parent when latter died, (ii) became permanently disabled while receiving a child allowance, or (iii) fire authority determine that an allowance should be paid.
19 or over (D5(3)(4) and (5))	<p>Child is:</p> <ul style="list-style-type: none"> a. in full-time education, or b. in full-time vocational training, and has been continuously in such education or training since before 19th birthday, or fire authority waive the need for complete continuity, or c. permanently disabled and <ul style="list-style-type: none"> (i) substantially dependent on relevant parent, when latter died, or (ii) became permanently disabled while receiving a child allowance, or (iii) fire authority determine that an allowance should be paid.
(For definitions, see "POINTS TO NOTE 1, 2, 4 and 5" at D5-3)	

SCHEDULE 4, PART IV

REDUCTION IN CHILD'S ALLOWANCE
DURING FULL-TIME REMUNERATED TRAINING

CHILD'S ALLOWANCE
OR SPECIAL GRATUITY -
LIMITATIONS

WHEN ALLOWANCE
MAY BE REDUCED
OR EXTINGUISHED

D1 - Example 3

Definitions

"Vocational training"
means full-time training of at least 1 year's duration for a trade, profession or calling.

"Specified rate"
means the annual rate at which an official pension would currently be paid if it began on 1 June 1972 at £250 a year and qualified for all increases due since then under the Pensions Increase Acts.

"Excess remuneration"
means the annual amount by which a child's remuneration for vocational training exceeds the specified rate.

"Remuneration"
is not defined. The fire authority will need to be informed of the amount of a child's annual pay while training and if the amount changes.

"Relevant child"
means a child entitled to a child's ordinary, special or accrued allowance, who is receiving excess remuneration.

<p>Allowance reduced (para 2(1)(b))</p>	<p>* A child's allowance is reduced by the excess remuneration:</p> <ul style="list-style-type: none"> - if the allowance is greater than the excess remuneration.
<p>Allowance extinguished (para 2(1)(a))</p>	<p>* A child's allowance is extinguished:</p> <ul style="list-style-type: none"> - if the excess remuneration is greater than the allowance.

- Exceptions (para 1(2))
- * If the relevant parent died or ceased to serve before 10 October 1983, a child allowance is not to be reduced or extinguished under this Part before the child reaches age 19.
 - * A child's allowance will not be reduced or extinguished for the first 13 weeks after the relevant parent's death, if it is due to be increased under E8(5) (see "POINTS TO NOTE 5", E8-2).

POINTS TO NOTE

1. If a child's circumstances change, the position will need to be reviewed and the provisions of the scheme applied to the new circumstances eg -
 - * if remuneration increases or falls, or
 - * if the "specified rate" changes because a new PI Annual Review Order comes into force.

SCHEDULE 4, PART IV
REDUCTION IN CHILD'S
ALLOWANCE DURING
FULL-TIME REMUNERATED
TRAINING

CHILD'S ALLOWANCE OR
SPECIAL GRATUITY -
LIMITATIONS

WHEN OTHER ALLOWANCES
MUST BE RECALCULATED

D1 - Example 3

Definitions

"Relevant provisions"

means

- Schedule 4, Part I, paragraphs 1(2)(b) and 1(3)(b).
- Schedule 4, Part II, paragraphs 2(b) and 3(b).

"Group maximum" (see Table A, D Gen-3)

means the maximum amount which may be paid as child allowances in respect of the death of a relevant parent under any of the relevant provisions.

"Individual maximum" (see Table A, D Gen-3)

means the maximum amount of one allowance in respect of the death of a relevant parent under:

- Schedule 4, Part I paragraph 1(2)(a) and 1(3)(a)

OR

- Schedule 4, Part II, paragraph 2(a) and 3(a)

"Relevant child" - (see D5-5).

Recalculation
needed

(para 2(1))

Where:

- a relevant child's allowance has been reduced or extinguished because of the amount of pay in training, and
- there are other children whose allowances are less than the individual maximum which applies to their circumstances (because a group maximum applies)

those other children's allowances should be recalculated.

Where a relevant
child's allowance
has been reduced
(para 2(1)(b))

The relevant child's excess remuneration (the amount by which his or her allowance has been reduced) should be divided equally between the other children's allowances.

Where a relevant
child's allowance
has been
extinguished
(para 2(1)(a))

Other allowances are recalculated on the basis that the relevant child is not entitled to an allowance, and therefore fewer allowances are payable.

CHILD ALLOWANCE OR
SPECIAL GRATUITY -
LIMITATIONS

POINTS TO NOTE

1. Where there is more than one "relevant child" whose allowance is to be reduced or extinguished, none of their allowances may be increased under paragraph 2(2) of Part IV. (A "relevant child" cannot be one of the other children referred to in this paragraph.)
2. Allowances for other children will be increased equally, if they can be increased at all. They cannot however, be increased if those other children are already receiving the individual maximum amount applying to the allowance to which they are entitled (para 2(3)).
3. Where several children meet the basic conditions for payment of a child allowance, so that a group maximum has limited the amount payable to each of them, increases in other children's allowances will be possible. The method of recalculation is set out in D1 - Example 3.
4. There can be no question of some children of a relevant parent being orphans, but not others. Although a firefighter's first wife may have died, his second wife will be the step-mother of the children of this first marriage. While she is alive she will be the "surviving parent" of all the firefighter's children, because of the definition of "child" in Schedule 1. The same situation would apply to the husband of a female firefighter.
5. If the relevant child's circumstances change (see "POINTS TO NOTE 1", D5-5) the recalculation of other child allowances may need adjusting according to the new circumstances.

Example 1

The firefighter dies in service, aged 35 and leaves a widow and two children under 16.

Pensionable service: 14 years 111 days
(14.3041 years)

Equivalent to 21.3041/60ths as pensionable service over 13 years is enhanced by 7/60ths ("ill-health enhancement"), which does not take him beyond what he would have reckoned by the age of compulsory retirement.

Average pensionable pay: £18,342.74

Notional ill health pension:

$$\frac{7}{60} + \frac{14.3041}{60} \times £18342.74 = \frac{21.3041}{60} \times £18342.74$$

$$= £6512.93$$

Each child allowance is 18.75% of the firefighter's ill health pension

$$18.75\% \text{ of } £6512.93 = £1221.17$$

Total allowances payable = £2442.34 a year

For the first 13 weeks the widow's pension is increased to a rate which, together with the children's allowances payable, is not less than the weekly amount of the husband's pensionable pay.

The children's allowances will attract pensions increase from the first review date after they come into payment.

CHILD'S ORDINARY ALLOWANCE

Example 2

The firefighter dies having retired with an ordinary pension and leaves 3 orphan children, two over 17 in full time education.

Pensionable service: 25 years
Equivalent to 30/60ths (service after 20 years counts double)

Average pensionable pay: £10391.00

Gross ordinary pension:

$\frac{30}{60} \times £10391.00 = £5195.50$

Each child allowance is 25% of the firefighter's gross pension but where 3 or more allowances are payable, the total amount payable is 50% of that pension.

50% of £5195.50 = £2597.75 a year

As no widow's pension is payable, the children's allowances are increased for the first 13 weeks so that in total they are not less than the father's weekly pension immediately before he died.

The children's allowances will attract pensions increase from the date the father's pension began.

Example 3

The firefighter (who retired in 1984) dies whilst in receipt of an ill health pension (no injury on duty). He leaves a widow and 4 children (2 under 16; 1 over 19 in full-time education; 1 aged 18 in full-time training whose 'excess remuneration' exceeds the amount of his 'potential' allowance)

Pensionable service: 24 years 335 days

Service after 20 years counts double (ie add 4 years 335 days)

29 years 305 days (29.8356 years)

Equivalent to 36.8356/60ths as service over 13 years is enhanced by 7/60ths ("ill-health enhancement") provided it does not take him beyond what he would have earned by the age of compulsory retirement.

Average pensionable pay: £11805.86

Gross ill health pension:

$$\frac{7}{60} + \frac{29.8356}{60} \times £11805.86 = \frac{36.8356}{60} \times £11805.86 = £7247.93$$

Each child's allowance is 37.5% of the firefighter's gross ill health pension divided by the number of eligible children.

37.5% of £7247.93 divided by 4 = £679.49 a year

Remuneration of the fourth child in full-time training = £2900.00 a year

Specified rate (including PI to April 1992) = £1614.00 a year

Excess remuneration:
£2900.00 - £1614.00 = £1286.00

As the fourth child's excess remuneration exceeds his potential allowance, no allowance is payable and the group maximum is divided between the other three children.

Each child's allowance is
37.5% of £7247.93 divided by 3 = £905.99 a year

For the first 13 weeks the widow's pension is increased to a rate at which, together with the children's allowances, is not less than her husband's weekly pension immediately before he died.

The children's allowances will attract pensions increase from the date the firefighter's pension began.

CHILD'S ORDINARY ALLOWANCE

Example 4

The firefighter dies of natural causes after less than 3 years' service and leaves a widower and two children under 16.

Pensionable service: 2 years 148 days (2.4055 years)

Equivalent to 2.4055/60ths (no "ill health enhancement")

Annual pensionable pay: £13100

Average pensionable pay: £12562

Notional ill health pension:

$$\frac{2.4055}{60} \times £12562 = £503.63$$

Each child's allowance is 18.75% of the firefighter's notional ill health pension

$$18.75\% \text{ of } £503.63 = £94.43 \text{ a year}$$

Total allowances payable:

$$£94.43 \times 2 = £188.86 \text{ a year}$$

For the first 13 weeks the firefighter's widower is paid a temporary pension which, together with the children's allowances, is not less than his wife's weekly pensionable pay immediately before she died.

Temporary pension payable to a widower under rule C7:

$$£13100 \times \frac{6}{313} = £251.12 \text{ a week}$$

$$* \text{ Less } £188.86 \times 6 = £3.62 \text{ a week}$$

$$\frac{313}{313} = £247.50 \text{ a week}$$

* The widower's entitlement is reduced by the weekly amount of children's allowances (Rule C7(2) and C6(3))

The children's allowances will attract pensions increase from the first review date after they come into payment.

Example 1

The firefighter dies as a result of a qualifying injury and leaves a widow and one child under 16.

Pensionable service: 11 years 322 days

Average pensionable pay: £14698

Child's special allowance:

Allowance payable = £1469.80 a year

The allowance is paid to the widow for the benefit of the child.

For the first 13 weeks the total amount of the child's special allowance together with the widow's special pension is not less than the firefighter's weekly pensionable pay immediately before he died.

Example 2

The firefighter dies as a result of a qualifying injury and leaves a widow and two children under 16.

Pensionable service: 3 years 159 days

Average pensionable pay: £13241.45

Each child's special allowance

Total allowances payable = £2648.28 a year

The allowances are paid to the widow for the children's benefit.

For the first 13 weeks the total amount of the children's special allowances together with the widow's special pension is not less than the firefighter's weekly pensionable pay immediately before he died.

CHILD'S SPECIAL ALLOWANCE

Example 3

The firefighter dies from the effect of a qualifying injury which was received in the execution of his duties performed, in which there was an intrinsic likelihood of his receiving a fatal injury, for the immediate purpose of saving life. He leaves five orphan children, three under 16 and two over 19 but in full time education.

Pensionable service: 18 years

Average pensionable pay: £12030.00

Child's special gratuity: (divided between the eligible children)

2 x £18261 = £36522
 ie £36,522 ÷ 5 = £7304.40 for each child
 (Annual pensionable pay, at the time of the father's death, of a basic rank firefighter employed in London entitled to reckon 30 years' service).

Each child's special allowance:

20% of £230.61, but where five or more children's special allowances are payable the total amount payable is:

80% of £230.61 = £184.49 a week

As no widow's pension is payable the allowances are increased if necessary for the first 13 weeks so that in total they are not less than the father's weekly pension immediately before he died.

If the child is of age the allowance is usually paid to the child. Otherwise the allowance is paid to whoever has care of the child, in which case care must be taken to inform the Inland Revenue that the payment is a child's allowance, or such an arrangement could result in excessive tax deductions.

Example 1

The firefighter retires in 1986 with almost 13 years' service. He dies, his deferred pension having been put into payment, leaving widow and 3 children under 16. His deferred pension is based only on his service from 6 April 1975. He was entitled to a "split" award and took a refund of contributions for his service to that date. (The "split" award is ignored for this purpose).

Average pensionable pay: £12515.04
Pensionable service: 12 years 333 days
 Deferred pension on retirement: £3229.16 a year
 (based on service from 6 April 1975)
 Deferred pension calculated in respect of the whole of his service: £3591.07

Children's accrued allowances:

37.5% of £3591.07 = £1346.65 a year
 (Where 2 or more allowances are payable, the total amount payable is 37.5% of that pension)

Total amount payable = £1346.65 a year
 (+ PI from the day after father's last day of service)

For the first 13 weeks, the widow's accrued pension is increased to a rate which, together with the children's allowances, is not less than her husband's deferred pension for the week before he died.

CHILD'S ACCRUED ALLOWANCE

Example 2

The firefighter retires in 1988 aged 38 with 13 years' service. He dies, his deferred pension not having been put into payment, leaving a widow and four children under 16 years of age.

Average pensionable pay: £13219.69

Pensionable service: 13 years 125 days
(13.3425 years)

Hypothetical service (before age 55):
29 years 316 days
(39.7316 years)

Deferred pension on retirement: £3910.83

Children's accrued allowances:

37.5% x £3910.83 = £1466.56

(Where 2 or more allowances are payable, the total amount payable is 37.5% of the deferred pension)

Total amount payable = £1466.56 a year

(+ PI from day after father's last day of service)

PART E**AWARDS ON DEATH -
ADDITIONAL PROVISIONS**

Part E deals with the awards which may arise on the death of a regular firefighter in addition to those covered in Parts C and D - lump sum death grant (E1), adult dependant relative's special pension (E2), dependant relative's gratuity (E3) and payment of balance of contributions to estate (E4). In some circumstances a surviving spouse's pension or a child's allowance can be converted to a gratuity (E5,6) subject to the overall limits in rule E7. The calculations are mainly dealt with in Schedule 5. There is provision for a temporary increase to a certain dependant's benefits from the first 13 weeks (E8). Minimum rates apply to some awards (E9).

Who is eligible?

If you are a regular firefighter who dies in service (on or after 1 July 1991) your widow(er) will be entitled to a lump sum payment. If you have no legal spouse at your date of death payment will be made to your estate.

How much is the award?

The death grant will be equal to two year's pensionable pay - that is at the rate payable at the date of your death.

POINTS TO NOTE

1. This benefit was introduced with effect from 1 July 1991 in return for an increase in the employee contribution rate from 10.75% to 11% of pensionable pay. The extra cost of the benefit is fully covered by the contribution rate increase.
2. This payment does not affect the refund of your aggregate pension contributions under E4 in a case where there is no entitlement to any other award under the FPS (see also POINTS TO NOTE 3 - B6-1).
3. If you are on unpaid leave at the date of death your pensionable pay will be at the rate payable immediately before your absence began.
4. The death grant will not be paid to your surviving spouse if you were "living apart" at your date of death. Payments would instead go to your estate.

Who is eligible?

If you are a regular firefighter and you die (whether in service or after leaving) as a result of a qualifying injury (see A9-1) your fire authority has discretion to pay:

- * an adult dependent relative's special pension, if you leave a relative who is substantially dependent on you at the time of your death.

Your dependent relative may be:

- a. a parent, a brother or a sister aged 19 or over when you die, or
- b. a child of yours who is or becomes 19.

POINTS TO NOTE

1. This rule may apply even if you leave the fire service for some other reason and later die because of an injury on duty.
2. "Substantially dependent" is not defined. It is for your fire authority to decide whether in their view there is substantial dependency, but even if they decide there is, it is still within their discretion to refuse an award, having regard to all the circumstances of the case. As this award is expressly declared to be within a fire authority's discretion, there is no appeal against a decision not to pay it (see H3-1).
3. "Child" has the meaning as is set out at A2-2. Rule E2(2)(c) may include, for instance, a brother or sister who becomes 19 after your death, provided they were substantially dependent on you when you died. If a fire authority were to grant a pension under this rule to a child entitled to a special allowance under D2, only the higher of the 2 awards would be payable, because of L4(3).

How much is the pension?

The amount of pension payable depends on what other benefits are payable under the scheme on your account.

- * An adult dependent relative's basic special pension will equal 45% of your APP.
 - if you do not leave a widow(er) entitled to a special pension (see Example 2).

ADULT DEPENDENT RELATIVE'S
SPECIAL PENSION

- * An adult dependent relative's basic special pension will equal 20% of your APP:
 - if you also leave a widow(er) to whom a special pension is payable (see Example 1).

Reductions

- * An adult dependent relative's special pension will be reduced if necessary, so that the total payable on account of:
 - spouses's special pension
 - children's special allowances, and
 - adult dependent relatives' special pensions,will not be more than APP for a week (ignoring PI).
- * An adult dependent relative's special pension will not be paid:
 - if any spouse's special pension and child's special allowances payable are more than your APP for a week (ignoring PI).

Pensions Increase (PI)

- * The basic amount of an adult dependent relative's special pension will be increased:
 - by PI (see ANNEX 1-7).

POINTS TO NOTE

1. It is possible for more than one adult dependent relative's special pension to be paid. The basic amount of each would be 45% or 20% of your APP, depending on the circumstances of each. If the basic amount had to be reduced it would be for your fire authority to decide whether or not to reduce the pensions equally.
2. An adult dependent relative's special pension could start at 20% of your APP for a week, and be increased to 45% following the death of a widow(er).
3. Your APP for a week would be your APP at the time of your death, or on which your pension was based, divided by 52 1/6 (see G1-1).

When is the pension paid?

This pension is paid at the discretion of your fire authority. They may stop paying it, or resume paying it, as they think fit, in the light of the pensioner's circumstances (see L3-2).

Who is eligible?

If you are a regular firefighter and when you die you leave a relative, or relatives, substantially dependent on you, your fire authority has discretion to grant any of them:

- * a dependent relative's gratuity if:
 - a. you were receiving a pension other than a deferred pension when you died, or
 - b. you died while serving and no other award was payable to that person under the FPS (except under E1).

How much is the gratuity?

The total of any gratuities payable under this rule must not be more than your aggregate pension contributions (see A8-1).

POINTS TO NOTE

1. More than one gratuity may be paid under this rule.
2. Your fire authority has discretion whether to pay any gratuities to dependent relatives, and if so how much they shall be, within the limit laid down. There is no right of appeal against the fire authority's decision (see H3-1).
3. "Substantially dependent" has the same significance as for E2 (see POINTS TO NOTE 2, E2-1).
4. "Relative" covers your surviving spouse, child, parent or grandparent. Any child of any such person is also covered.

Who is eligible? If you are a regular firefighter and you die:

- while entitled to an ordinary, short service, ill-health or deferred pension, or
- while serving,

and payments made to you, or due to be made to your dependants, do not equal your aggregate pension contributions, your fire authority must pay:

- * a balancing sum to your estate.

The payments which must be taken into account include:

- a. payments made to you on account of any award, including an injury pension and any commuted lump sums, and the portion of pension which would have been paid had you not allocated,
- b. the cash value of any pension or allowance payable on your death, and
- c. any gratuity payable on your death, except a payment under E1 (death grant - see E1-1).

How much is the payment?

The balancing sum to be paid to your estate will equal:

- * your aggregate pension contributions in respect of your relevant period of service, less the payments listed above which must be taken into account (see A8-1).

POINTS TO NOTE

1. The rule usually applies where you have received little or no pension payments yourself when you die and leave no dependants. It ensures that payments at least equal to your aggregate pension contributions, less any payments made or due to be made are returned to your estate. The payment under E1 (death grant) is ignored for this purpose.
2. Payment will be made to your legal personal representative - usually the executor of your will. It will form part of your estate to be paid in accordance with the terms of your will, or if you have not made a will, according to the law of intestacy.
3. Your fire authority may obtain the Government Actuary's figure for the cash value of any pension or allowance payable to your dependants after your death by writing to the Government Actuary's Department, 22 Kingsway, London WC2B 6LE (see also ANNEX 4).

GRATUITY IN LIEU OF
SURVIVING SPOUSE'S
PENSION

Who is eligible? If you leave a widow who is entitled to a pension under Part C or a GMP under J1(2), she may be granted a gratuity instead of that pension or part of it if:

- a. the pension is a spouse's ordinary or special pension, and
 - you have died before reaching age 65,
 - your fire authority are satisfied there are good reasons for doing so,
 - the widow consents, and
 - E7 does not prevent it, or
- b. the pension is not more than £260 a year.

In the case of a widower, a spouse's ordinary or special pension may be commuted for a lump sum if:

- the fire authority are satisfied that there are good reasons for doing so,
- the widower consents, and
- E7 does not prevent it.

POINTS TO NOTE

1. If your widow is entitled to a GMP under J1(2) of not more than £260 a year, it may be commuted under E5(1).
2. If your widow is entitled to an ordinary, or special pension which is commuted under E5(2), except for an amount equal to her GMP, the GMP may not then be commuted under E5(1), even if it is less than £260 a year. This is a requirement of the social security legislation.
3. If E7 prevents your fire authority from substituting a gratuity for the whole of your widow(er)'s pension, they may substitute a gratuity for part of it.
4. The provision is most likely to be used if:
 - the pension is too small to make continuing payments worthwhile, or
 - an immediate large lump sum would be of greater benefit to your widow(er) than continuing pension payments.

How much is the gratuity?

The amount of the gratuity is:

- a. 11 times the annual value of the pension, or part of the pension nominated for commutation, or
- b. a greater amount agreed between your fire authority and your widow(er), not more than the cash value of the amount of pension being given up, according to tables prepared by the Government Actuary.

In case of a widower, only the amount under b. applies.

POINTS TO NOTE

1. Your fire authority may obtain the Government Actuary's figure by writing to the Government Actuary's Department, 22 Kingsway, London WC2B 6LE (see also ANNEX 4).

When is the See L3-2 and 3.

Who is eligible? If you leave a child who is entitled to an ordinary, special or accrued allowance the child may be granted a gratuity in lieu of that allowance, if:

- * your fire authority is satisfied there are good reasons for doing so,
- * the child's surviving parent, or guardian agrees, or if there is no surviving parent or guardian, the child agrees, and
- * E7 does not prevent it.

POINTS TO NOTE

1. If E7 prevents your fire authority from substituting a gratuity for the whole of the child's allowance, they may substitute a gratuity for part of it.
2. This provision is most likely to be used if:
 - the allowance is too small to make continuing payments worthwhile, or
 - a large lump sum is needed for the benefit of the child.

How much is the gratuity? The amount of the gratuity must be agreed between your fire authority and the parent or guardian (or the child if there is no parent or guardian). It may not exceed the cash value of the allowance which is being given up, calculated by the Government Actuary.

POINTS TO NOTE

1. In practice the Government Actuary's figure is usually used. Your fire authority may obtain this by writing to the Government Actuary's Department, 22 Kingsway London WC2B 6LE (see also ANNEX 4).

When is the gratuity paid? See L3-2 and 3.

LIMITATION ON DISCRETION TO
COMMUTE PENSION OR ALLOWANCE
FOR GRATUITY

What is the limitation? If you should die while receiving an ordinary, short service, ill-health or deferred pension:

- the amount of any gratuity in lieu of a spouse's pension (under E5) or in lieu of a child's allowance (under E6), together with
- the amount of any lump sum payable to you for your own commutation may not come to more than:
- * $\frac{1}{4}$ of the cash value of your own pension before commutation.

POINTS TO NOTE

1. If you commuted $\frac{1}{4}$ of your own pension, no gratuities can be paid under E5 or E6.
2. If you commuted less than $\frac{1}{4}$ of your own pension, it is for your fire authority to decide how much gratuity shall be paid to your widow(er) under E5, or to any children under E6, so as to keep within the limit set out in E7.
3. The relative values of the benefits concerned have to be assessed at the time of your retirement, so as to compare like with like.
4. Your fire authority may obtain the Government Actuary's figure for the cash value of your own pension or the actuarial equivalent of a gratuity or lump sum, by writing to the Government Actuary's Department, 22 Kingsway, London WC2B 6LE (see also ANNEX 4).

Who is eligible? Your widow(er) or children may be entitled to an increased pension or allowance for the first 13 weeks after you die, if, immediately beforehand you were:

- a. serving as a regular firefighter, or
- b. receiving a pension (see "POINTS TO NOTE 1", E8-2).

Which awards will be increased?

Widow(er)'s pension

The increase will apply to:

- * a spouse's ordinary pension,
- * a spouse's special pension (which includes an augmented pension),
- * a spouse's accrued pension (provided that the firefighter's deferred pension was in payment at the date of death, or
- * a widow's pension in case of post-retirement marriage.

Child's allowance

The increase will apply to:

- * a child's ordinary allowance,
- * a child's special allowance, or
- * a child's accrued allowance (provided that the firefighter's deferred pension was in payment at the date of death).

but only if:

- you do not leave a widow(er) entitled to a pension for the whole 13 weeks.

If a spouse's pension is payable during part of the 13 weeks, a child's allowance will be increased only for the weeks when there is no spouse's pension payable.

How much is the increase?

Your widow(er)'s pension will be increased (if necessary) for the first 13 weeks after your death, so that, together with any child allowance payable, it will equal:

- * your weekly pensionable pay immediately before you die, if you die in service or while called up for service, or
- * the weekly amount of your pension when you die if you die while receiving a pension.

Your "pension" for this purpose:

- includes any pensions increase payable with it, and
 - takes no account of any reduction in your pension:
- a. for uprating your service for widow's benefit, or
 - b. because you were receiving certain DSS benefits referred to in paragraph 3 of Part V of Schedule 2 (see "POINTS TO NOTE 1", E8-2).

The increase in a child's allowance (if there is no widow(er)'s pension payable) is to the same amount to which a widow(er)'s pension would have been increased (see above):

- but where there is more than 1 child this amount will be divided equally amongst them.

INCREASE OF PENSIONS AND
ALLOWANCE DURING FIRST 13 WEEKS

POINTS TO NOTE

1. The object of this provision is to maintain the level of family income for the first 13 weeks after your death, so as to ease the initial financial strain. For this reason:
 - you are not treated as receiving a deferred pension which is not in payment because you are under age 60 (see B5(4)), and
 - as far as an injury pension is concerned:
 - i. you are treated as receiving it if the only reason you are not is because of the amount of your DSS benefits, and
 - ii. your pension reduction on account of DSS benefits is ignored in increasing your widow(er)'s or children's awards (your DSS benefits will of course cease on your death).
2. This provision does not apply in cases of awards under C6 or C7. Under each of these rules entitlement to a temporary pension for 13 weeks calculated in a similar manner can already arise.
3. This provision does not apply to a spouse's requisite benefit pension under C8 for a widow living apart from her husband and entitled to receive no money from him when he died. The same applies to a widower of a female fighter.
4. A widow(er)'s pension or children's allowances, payable under Part C or D of this Scheme, might be higher than your rate of pension when you died, particularly if you were under age 55 and not yet qualified for pensions increase. Widow(er)'s and children's awards under Parts C and D receive pensions increases calculated from the date you cease to serve, immediately they come into payment. In such a case the higher award under Part C or D would be paid.
5. Where a child's allowance is liable to be reduced or extinguished under paragraph 2 of Part IV of Schedule 4 (because the child is in vocational training and is being paid more than a specified rate) this reduction or extinction will not apply until the end of the 13 week period, if the child is entitled to an increased allowance under this rule.

GENERAL

- * Widow's pensions at a flat-rate related to their husband's rank were included in the firemen's pension scheme in 1948 at a rate which has been increased in line with price increases ever since.
- * In 1966, a widow's pension at the rate of 1/3 of her husband's pension was introduced, but only where firemen elected to pay higher contributions. Widow's flat-rate awards continued for those who did not elect to pay the higher contributions and as a minimum rate of pension for those who did.
- * In 1972, a widow's pension at the rate of $\frac{1}{2}$ of her husband's pension was introduced from 1 April 1972; all firemen had to pay pension contributions at a rate related to 6.75% of their pensionable pay.
- * The widow's pension at a flat-rate related to her husband's rank has, since 1972, been a minimum rate of widow's pension for men who leave the service or die in service after 1 April 1972. The same arrangements now apply in respect of widowers.
- * The history of children's allowances has been broadly similar.

DETERMINATION
OF AMOUNT OF
SURVIVING
SPOUSE'S OR
CHILD'S FLAT-
RATE AWARD

- * Rule E9 has 2 functions, the first of which is to fix the rate of pension or allowance to be put in payment when a widow(er) or child has elected for a flat-rate award.
- * The amounts of flat-rate awards are fixed in relation to your own rank at the time of your death. There are 3 rates:
 - a. where you held a rank higher than divisional officer (Grade 1),
 - b. where you held a rank higher than sub-officer but not higher than divisional officer (Grade 1), and
 - c. where you held a rank of sub-officer or below.
- * The rates are fixed by reference to the level of flat-rate awards as they were after the November 1978 increase and increased subsequently as they would be under all the Pensions Increase (Review) Orders from November 1979 onwards. These Orders provide for all or part of the GMP element to be ignored in calculating the PI to be paid on official pensions (see "POINTS TO NOTE 2", E9-2).

FLAT-RATE AWARDS

- * Each surviving spouse's pension or child's allowance will come into payment at the rate appropriate to that particular benefit and the firefighter's rank at that time.
- * The second function of E9 is to provide for increases in flat-rate awards by reference to the 1971 Act.
- * Once the widow(er)'s or child's award has been put into payment at the appropriate rate, it will be increased in exactly the same way as an official pension would be at the times laid down in subsequent Pensions Increase (Review) Orders made under the 1971 Act, as applied by section 59 of the Social Security pensions Act 1975 (see ANNEX 1-4).

INCREASE IN FLAT-RATE AWARD BY REFERENCE TO PENSIONS (INCREASE) ACT 1971

POINTS TO NOTE

1. Flat-rate awards take no account of increase under the Pensions (Increase) Act 1974. They were not affected by the deferment of pay increases during the years 1972 and 1973, whose effect was mitigated by the 1974 Act.
2. The widow's flat-rate awards after the November 1978 increases were:
 - husband's rank:
 - * higher than divisional officer, £594.18 a year
 - * divisional officer, £494.54 a year
 - * sub officer or below, £379.78 a year

These amounts are increased as if they were pensions which began on 30 June 1978 and increased by all subsequent PI Orders except the November 1978 Order. This device was used to ensure that only PI Orders made in accordance with section 59 of the Social Security Pensions Act 1975 were taken into account. From 6 April 1988 the FPS is responsible for up to the first 3% of the pensions increase (PI) payable on the GMP. (see also ANNEX 1-8).

3. There is a small increase in the flat-rate of:
 - the spouse's ordinary pension if you were entitled to reckon more than 10 years' pensionable service, or
 - the spouse's accrued pension if you ceased to serve on or after 6 April 1975 and would have completed 10 years' pensionable service if you had stayed on to your compulsory retirement age.

These increases stem from a small extra benefit which was introduced in 1966 for the widows of men who opted for the widow's one-third rate pension, but who died before the 1/3 pension they had earned for their widow would have exceeded the basic flat-rate.

ADULT DEPENDENT RELATIVE'S SPECIAL PENSION

Example
1

The firefighter dies in service as a result of a qualifying injury. He leaves a widow entitled to spouse's special pension and a widowed mother who is substantially dependent upon him.

Pensionable service: 23 years 95 days
Average pensionable pay: £17810.86

Adult dependent relative's special pension:
20% of £17810.86 = £3562.17 a year
Pension payable = £3562.17 a year

The special pension will attract pensions increase from the first review date after it comes into payment.

ADULT DEPENDENT RELATIVE'S SPECIAL PENSION

Example
2

The firefighter dies as a result of a qualifying injury. She is unmarried but survived by her sister (age 20) who is substantially dependent upon her.

Pensionable service: 6 years 25 days

Average pensionable pay: £13040

Dependent relative's special pension:

45% of £13040 = £5868.00 a year

Pension payable = £5868.00 a year

The special pension will attract pensions increase from the first review date after it comes into payment.

PART F

PENSIONABLE SERVICES AND TRANSFER VALUES

Part F deals with the reckoning of pensionable service with a right of appeal where there is a dispute (F1). Particular categories of service are covered in rules F2 to 5 - the payments which may be due are set out in Schedule 6, Part I. Rule F6 refers to the detailed arrangements for reckoning war service in Schedule 7. Rule F7 allows fire authorities to accept transfer value payments in respect of pension rights from a former occupation - the resulting pensionable service is calculated under Schedule 6, Part II. Rule F8 provides for payment of transfer values between brigades - calculated under Schedule 6, Part III. Rule F9 deals with other circumstances in which a transfer value may be payable **but only insofar as there is not a direct entitlement to a " cash equivalent " transfer value under the Social Security Act 1985** - the basis of calculation can be found in Schedule 6, Part IV.

F Gen - Examples 1, 2
 F7 - Examples 1 to 5
 F9 - Examples 1 to 4

GENERAL

This Part describes the linked subjects of pensionable service and transfer values.

- * The concept of pensionable service is central to the calculation of almost all the benefits under this Scheme, including transfer values on moving to another pension scheme.
- * Pensionable service is usually actual service as a member of a fire brigade, but it may also be reckoned as a result of your fire authority receiving a transfer value from a former employer.
- * A transfer value is a payment representing the cash value of pension rights earned by pensionable service in one pension scheme, which can be converted by the use of actuarial tables into pensionable service in another pension scheme.
- * It is important to remember that it is the value of the pension rights which is transferred and not the length of pensionable service.

BACKGROUND

Recent years have seen major changes in the arrangements for transferring pension rights. The main dates and effects are outlined below.

- | | |
|----------------|---|
| 1 April 1972 | New interchange arrangements were introduced (from January 1974) in respect of transfers after 1 April 1972. The new system applied administratively until the FPS was amended in October 1978. |
| 1 January 1974 | Special arrangements were made for transfers within a group of public sector pension schemes known as "club schemes". |
| 1 January 1986 | Under the Social Security Act 1985, members of occupational pension schemes with 5 years' qualifying service became entitled to "cash equivalent" transfer value payments which greatly increased the scope for transferring benefits. |
| 6 April 1988 | Under the Social Security Act 1986, membership of occupational pension schemes ceased to be compulsory, making it possible for individuals to make their own pension arrangements and transfer across their post - April 1988 pension rights. |
| | The minimum qualifying period for preserved benefits under the FPS was reduced from 5 to 2 years. |
| | The public sector transfer "club" arrangements were changed to provide for transfer values to be on a "cash equivalent" basis. |
| 1 July 1988 | Personal pensions were introduced which enabled transfers to take place to and from personal pension scheme arrangements. |
| 1 October 1990 | Operative date for the amendments to the transfer value provisions of the FPS. |

CASH EQUIVALENT TRANSFER VALUES

Before the changes made by the Social Security Act 1985, occupational pension schemes were previously able, but not required, to provide for the accrued pension rights of a member who left before pensionable age to be transferred to another scheme. The new entitlement created by the 1985 Act is a transfer value equal to the cash equivalent of the pension rights which the member has accrued. The entitlement applies only in respect of a transfer value which is used for buying into another occupational pension scheme, into a personal pension scheme (with effect from 1 July 1988) or an annuity from an insurance company. A transfer value can be used in one or more of these ways provided the total amount is allocated and the GMP is protected.

Part II of Schedule 1A to the Social Security Pensions Act 1975 (inserted by paragraph 3 of Schedule 1 to the Social Security Act 1985) directly confers a right to the "cash equivalent" of accrued benefits on the termination of pensionable service, and sets out how the right may be exercised and how the cash equivalent is to be calculated. It overrides scheme rules to the extent that they conflict with it, except that a scheme may be "framed or managed more favourably". There is thus no need for scheme rules to contain anything about transfer payments on cessation of employment after 31 December 1985 unless, and to the extent that, it is desired to make "more favourable" provision than is made by Schedule 1A, or it is necessary to do so in order to preserve protected rights enjoyed by existing members.

For a current transfer from one scheme in the public sector transfer "club" (see FGen-5) to another such scheme, the transfer value is calculated on the Schedule 1A "cash equivalent" basis. Generally the resulting service credit is broadly the same in the new scheme as in the old. The result could well be different in the case of a transfer to a scheme outside the "club". (Since April 1988 all club transfer payments are made on the cash equivalent basis.) The basic formula agreed by the public service schemes in respect of non-club transfers for those with service before the date on which their scheme was amended was that the transfer value should be calculated in two parts. The first part (for pre-amendment service) would be higher of the amount under the existing scheme rules and the "cash equivalent". The second part (for post-amendment service) would be the "cash equivalent".

The FPS provisions only cover cases where either Schedule 1A did not apply or some "more favourable" provision needed to be made. Where a person has acquired a right to a cash equivalent under Schedule 1A he or she should (unless wishing to retain an entitlement to deferred benefits) be expected to take the right.

Inter-Brigade and Central Service Transfers

Under these arrangements the amount of the TV payment does not affect the member's length of pensionable service and there is no need for these payments to be calculated on a "cash equivalent" basis. These payments continue to be based on the arrangements which applied prior to 1 January 1986 (see F8-1).

Transfer involving schemes in the public sector transfer "club"

These arrangements have been based on the "cash equivalent" transfer value system since 6 April 1988. Details of the revised arrangements can be found at F Gen-5, 6.

Other Transfers

These arrangements are based on "cash equivalent" TVs, except where rights acquired before 1 October 1990 under the existing provisions of the FPS are more favourable. (See F9-4). This exception does not apply if the transfer payment is being made to a personal pension scheme.

OPTIONS ON
CHANGING JOBS

Your choices on
changing jobs

If you change jobs on or after 1 January 1986, you may have a choice about what to do with any pension benefits that you have earned previously. Generally, the choice is between:

- leaving the benefits that you have earned in your former pension scheme to be preserved for payment at the retiring age (age 60 for firefighters), if you have the necessary qualifying service. (The necessary period of qualifying service is normally 5 years if you left on or before 5 April 1988, and 2 years if you leave on or after 6 April 1988); or
- transferring your benefits from your former pension scheme to your new scheme to increase your new scheme benefits; or to an insurance policy which will provide the money to buy a pension at the retiring age (subject to the rules of your former pension scheme);
- taking a refund of contributions, depending on the rules of your former pension scheme, if you do not have the necessary service to qualify for a preserved pension.

If you are taking up pensionable service under the FPS, you may transfer accrued pension benefits into it if the conditions set out in the FPS are fulfilled. A transfer is carried out by the payment of a TV which extinguishes your pension rights in the former pension scheme.

Social Security legislation requires that schemes must offer a transfer payment on behalf of anyone changing jobs after 1 January 1986 who qualifies for a preserved pension. You can ask your former pension scheme to make a transfer payment to the FPS at any time after you leave up to, normally a year before the retiring age (see "POINTS TO NOTE 1", F7-2).

Social Security legislation also requires that transfer payments are calculated on a reasonable and consistent basis. They must amount to at least the equivalent in cash of the value of the benefits that you have accrued.

**PENSIONABLE SERVICE
AND TRANSFER VALUES**

**What will
the transfer
payment buy?**

What the transfer payment will buy will depend, in part, on the form of the receiving scheme. Broadly there are 2 types of pension scheme, "final salary" and "money purchase". The majority - including the FPS and most public service schemes - are final salary schemes. These provide a pension based on final salary and number of years' service. The transfer payment to such a scheme generally buys an additional period of reckonable service but some schemes may offer other forms of benefit. If you transfer from a final salary scheme to the FPS, you are likely to find that the transfer payment buys less reckonable service than you had in your former pension scheme.

In essence, this is because of high value of benefits in FPS and because your pension is based on final salary, so each year of reckonable service becomes more valuable the longer you stay in a scheme. If you leave, however, your former pension scheme will make a payment (or preserve your benefits) on the basis of your salary at the date of leaving, not on the basis of the salary that you might have had had you remained with your employer until retirement. The FPS, in determining the service that an incoming TV will buy, must take account not only of any increase in salary you may have received in changing jobs but also of the likelihood that your past service will give rise to higher benefits because of future increases in salary.

The FPS is contracted-out of SERPS under the Social Security Pensions Act 1975. Guaranteed minimum levels of personal and widow(er)'s pensions are, therefore, payable under the FPS in respect of contracted-out service. GMPs earned under other contracted-out occupational pension schemes, (or, in the case of a contracted-out money purchase scheme, protected rights in lieu of SERPS benefits) may be transferred into the FPS. However, before accepting any such liability, a minimum test may be applied to the TV to ensure that it is sufficient to cover the GMP which is being transferred. If the TV fails the test the GMP liability cannot be accepted by the FPS.

There are special arrangements if you are transferring between occupational pension schemes that are members of the Public Sector Transfer Club. The FPS and most of the occupational pension schemes in the public sector are members, as are some private sector schemes. Membership of the Club can change from time to time and there can be no guarantee that it will always comprise the same schemes. (A list of Club schemes is held by your fire authority). The Club operates in a way which will not penalise the transferee for any increases in salary between the old and the new employments. Club schemes with comparable benefits should give roughly comparable periods of pensionable service credit.

PUBLIC SECTOR TRANSFER ARRANGEMENTS - club schemes

GENERAL

A revised system for public sector transfer arrangements has applied since 6 April 1988. The arrangements are based on the use of "cash equivalent" TVs in respect of the accrued pension benefits at the relevant date and should be applied only in those cases where a person applies to transfer all accrued benefits to the new Club Scheme.

The appropriate sum is calculated by use of the transfer tables which were included with Fire Service Circular No 11/1990 dated 12 October 1990 and its Scottish Office equivalent. The tables refer to a retiring age of 60. This is the age at which deferred pensions become payable in the FPS so it is applicable in the calculation of transfer values.

The receiving scheme will provide credit for a fully paid-up widow(er)'s pension irrespective of the individual's contribution record in the previous scheme. Where contributions have not been made for the full period of service in the previous scheme, for example in the case of a woman who did not contribute to a widower's pension until such contributions became compulsory, this may result in the person concerned being credited in the receiving scheme with less than year-for-year credit.

The revised arrangements provide for the payment of a TV where application is made to the new Club scheme within 12 months of joining it. Application must be made in writing to the previous scheme and may be withdrawn at any time before arrangements are made for the payment of the TV.

Transfers out

For the calculation of a cash equivalent TV under the Club arrangements, the relevant date is that provided for in Social Security legislation, ie the last day of pensionable service, or, if the application for a TV is made after that date, the date that the written application to transfer benefits is received by the previous scheme.

The appropriate factors, taken from the tables in force at the relevant date, should be applied to the "preserved" pension benefits at the relevant date, using the person's age and marital status at that date. It may be necessary to uplift the benefits in accordance with Social Security legislation to the relevant date where that is later than the last day of service. Examples of a TV calculation can be found at F9-Examples 1,2.

Where applicable, any National Insurance modification must be taken into account and the appropriate deduction made from the TV. The amount of modification should be expressed as so many pounds per year, and the relevant factor from the table should be applied to that amount.

The TV must be adjusted to allow for that part of the pensions increase payable on the GMP which is the responsibility of the State Scheme. From 6 April 1988 the FPS is responsible for up to the first 3% of the pensions increase payable on the GMP. Therefore, it will be necessary to obtain two GMP figures, ie the GMP in respect of service up to 5 April 1988 and that applicable to service thereafter. All revaluations up to the relevant date should be incorporated into the GMP figures. Annual GMP figures can be obtained by multiplying the weekly GMP figure by 52. The whole of the revalued annual pre 1988 GMP and one-half of the revalued annual post 1988 GMP should be multiplied by the appropriate factor in the tables and the resulting figure should be deducted from the TV.

PAYMENT OF TRANSFER
VALUES - CLUB SCHEMES

The TV must then be adjusted to allow for market conditions. This is done by reference to the yield on the FT Actuaries index of British Government Index Linked Stocks of duration greater than 5 years (5% inflation assumption). The yield figure is that which is appropriate to the first working day of each calendar month, which will normally be published on the following working day in the Financial Times. The published figure will be used in respect of all transfer values whose relevant date falls in that calendar month. The transfer value should be multiplied by the Adjustment for Market Conditions (AMC), which is obtained from the published yield figure as described in F Gen -Examples 1,2 to produce the TV payable.

Where the accrued pension benefits include a liability to pay a GMP, that liability will be transferred to the new club scheme. Where a contributions equivalent premium (CEP) has been paid it should be recovered if a TV is subsequently paid. Where the new scheme is not contracted-out a CEP or a transfer premium should be paid, as appropriate, and an equivalent deduction made from the TV.

Where a TV is paid more than 6 months after the date of application interest will not be added. Payment should be made within 12 months of the person's application, as required by Social Security legislation.

Transfers In

The service credit to be offered should be calculated by applying the TV tables in reverse, using the same age, marital status, GMP and adjustment for market conditions as was used by the previous scheme. The pensionable pay to be used in the calculation should be the same as that used by the previous scheme. Where, at the relevant date, the previous scheme has increased the preserved benefits at leaving to allow for pensions increase or GMP revaluations, the pensionable pay figure used in the service credit calculations will also have to be increased. The pensionable pay used should be the pensionable pay at leaving increased in the same way as the member's total accrued pension has been increased since leaving service. Where GMPs and pensions in excess of GMP are revalued separately, the pensionable pay used should increase in line with the combined total of the GMP and the excess pension.

Where part of the transfer payment is withheld to pay either a CEP or a limited revaluation premium (LRP) the full calculation will have to be carried out to determine the service credit (see F7 Examples 1,2). In all other cases, a simplified approach can be adopted provided that full information is available from the previous scheme. Under the simplified approach the Adjustment for Market Conditions and the deduction for pensions increases on GMPs should be excluded from both the service credit calculation and the transfer amount taken into account in that calculation. (The transfer payment actually made would, of course, reflect the GMP deduction and the market adjustment.) An illustration of the simplified method is shown in F7-Example 3 which is based on the same case as F7 - Example 1. The simplified approach avoids the need for AMC and GMP adjustments but, if this method is used, it is important that these adjustments are excluded from both the service credit calculation and the transfer amount used in that calculation.

Where the previous scheme is partially integrated with the state pension scheme, it may use an abated pensionable pay figure in the calculation of the TV. The gross, ie unabated, pay figure should be used to calculate the credit of appropriate benefits.



RECKONING OF AND CERTIFICATES AS TO PENSIONABLE SERVICE

What is pensionable service?

* Pensionable service, as the name implies, is the service which counts towards your pension benefits.

* You will see from Parts B, C, D and E, which deal with awards, how closely awards are usually linked to the length of your pensionable service as well as to your average pensionable pay.



* Since 1 May 1975, every day counts. Your pensionable service counts in years, with days in excess of a complete year counting as a fraction of a year (each day counting as 1/365th of a year, even in a leap year). If you or any of your dependants are entitled to an award and you left the fire service before 1 May 1975, your service will only count towards that award in completed years and half-years (Schedule 11, Part III).

How much service will reckon?



The service which counts as pensionable is mainly as set out in rules F2 to F7.

* you may not count the same service under more than one provision.

Certificates of pensionable service

If you become entitled to count previous service, under:

- F3 (without payment),
- F4 (on payment),
- F5 (for a period during which an injury pension was payable),
- F6 (war service),
- F7 (interchange arrangements), or
- I6 (servicemen),

* you are entitled to a "certificate of pensionable service".

Your certificate must:

- a. be supplied within 6 months of the date when you become entitled to count the service concerned, and
- b. show all the service you are entitled to count on that date.

Appeals about certificates

If you are dissatisfied with what your certificate says:

* you may appeal to the Secretary of State (the Home Secretary, or, if you are a firefighter in a Scottish Brigade, the Secretary of State for Scotland):

- within 3 months of receiving it.

RECKONING OF AND
CERTIFICATES AS TO
PENSIONABLE SERVICE

The Secretary of State will either:

- * confirm, or
- * vary
your certificate.

Your certificate will become conclusive evidence of the pensionable service you can count:

- a. after 3 months, if you do not appeal, or
- b. if you do appeal, once it has been confirmed or varied.

A certificate will not be supplied:

- a. after you claim a pension or gratuity, or
- b. after your death.

A certificate once supplied will cease to have effect if, before it becomes conclusive, you:

- a. claim a pension or gratuity, or
- b. die.

POINTS TO NOTE

1. Your certificate will cover current service with your brigade, as well as the previous service which you become entitled to count, because it will show all the service you count on the day your previous service becomes reckonable.
2. If you had previous service as a serviceman you will be regarded as entitled to count it only when you return to your former brigade.
3. Before you appeal, you may wish to check anything you do not understand with your fire authority, as there may be an explanation to satisfy you. Once you have made your appeal there is no provision under which it may be withdrawn.
4. There are no formalities about your appeal. You can ask your fire authority to forward it for you if you wish. It is helpful if you give as much information as possible to explain why you think your certificate is wrong.
5. Your appeal may take some time, as the Home Office or Scottish Office will wish to check very carefully any evidence which is available about your entitlement to count pensionable service.

What is
current service?

Your current service is:

- if you are a regular firefighter, or
- treated as if you were a regular firefighter under A4(3)(a) or A5(3)(a).

- * all your service as a regular firefighter in your present brigade since you joined, or last rejoined it, on or after 1 April 1972, and
- * if you were serving in that brigade over 1 April 1972, any service you counted immediately before.

Exceptions

You may not count as pensionable service:

- * any period in which an election under G3 (opting-out provision) had effect,
- * any service before you last rejoined, if you did so on or after 1 April 1972, unless under rule F4,
- * any period of absence due to sickness or injury which is certified by a doctor as due to your own misconduct (see H1-1), or
- * any period of absence without pay, unless paragraph (3) applies (see below).

Absence
without pay
(paragraph (3))

If you are absent without pay, your fire authority may resolve that:

- * the whole or any part of your absence shall count as pensionable service (see "POINTS TO NOTE 3" below).

This resolution must be made while you are still a firefighter in that brigade.

If you count pensionable service this way, you must:

- * pay any contributions (including any additional or further contributions due for uprating service before April 1972 for widow's benefit) or purchase of 60ths under G7 you would have paid had you not been absent.

POINTS TO NOTE

1. Only service:

- * as a regular firefighter, or
- * treated as service as a regular firefighter under A4(3)(a) or A5(3)(a)
- carries entitlement to the full benefits of the pension scheme.

2. If you are:

- a whole-time member of a brigade not engaged for firefighting:
 - * you are not entitled to count pensionable service as such. Any award would be related to the entitlement of a regular firefighter who retired or died of a qualifying injury during his or her first year of service (see J3-1).
- a part-time firefighter:
 - * you are not entitled to count pensionable service as such. Any award would be related to the entitlement of a regular firefighter counting a period of pensionable service equal to the length of your service as a part-timer (see J4-1).

3. There could be no question of your fire authority exercising its discretion under F2(3) for a period of unpaid absence in which an

How much
previous service
will reckon?

If you are a regular firefighter there is only one way in which you can count a period other than current service as pensionable without making any payment:

- * If you rejoin a brigade within one month following the termination of an ill-health pension (or similar pension under an earlier scheme), you can count the service reckonable before you retired with that pension (i.e. service without ill-health enhancement) (see "POINTS TO NOTE 5", K1-1).

Who is eligible?

You are entitled to count previous service again on payment, (see "POINTS TO NOTE 1", F4-3) if you are a regular firefighter and:

- a. you retired without a pension, or transfer value payable,
- b. you retired with an ill-health pension of which the unsecured portion is terminated under K1(3), but see F3-1 if you return to your brigade within one month, or
- c. you retired with an entitlement to a deferred pension which you have relinquished, provided that:

- * you rejoin your former brigade or join another brigade without serving as a firefighter in between,
- * you undertake:
 - within 6 months of rejoining, or
 - within such longer period as your fire authority allow, to make a "payment", and
- * in case a, if you had served for less than 2 years before you retired, you must:
 - have left for the purpose of joining another brigade,
 - have joined that other brigade within 12 months with the written consent of your previous fire authority,
 - having applied for that consent before you left.

How much
must be paid?

*If you retired without a pension and rejoined within 12 months, your "payment" will be:

- a. any refund of pension contributions paid to you on your retirement, except:
 - any additional or further payments which you made (as contributions or as a lump sum) to uprate service before 1 April 1972 for widow's and children's benefits, and which were included in the refund of contributions you received (see "POINTS TO NOTE 2", F4-3),
- b. any gratuity you received on your retirement, and
- c. the balance of any payment you undertook to pay in accordance with Part 1 of Schedule 6 (or a corresponding earlier provision) outstanding at your retirement.

* If you retired:

- a. without a pension and rejoined 12 months or more later, or
- b. with an ill-health pension later terminated, but you did not rejoin your brigade within one month,

your payment will be:

- a sum calculated under paragraph 2 of Part I of Schedule 6.

This sum varies, according to your age, from:

- £9.50, if you are 38 or less, to
- £12.60, if you are 55 or more, for each £100 of your annual pensionable pay, for each year of pensionable service to count.

Your age and annual pensionable pay are taken at the date when you rejoin, and retrospective pay increases after that date are ignored.

PREVIOUS SERVICE
RECKONABLE ON PAYMENT

For instance, if:

- you are aged 40,
- your annual rate of pay when you rejoin is £16,000, and
- your previous service is 2½ years, it will be:
£ 16,000 x 0.098% x 2.5
= £3920

* If you retired with an entitlement to a deferred pension which you relinquished on rejoining:

- a. your "payment" will be nil, unless before you retired you were making payments under articles 57 and 58 of the 1973 Scheme in which case your "payment" will be the balance due when you retired (see "POINTS TO NOTE 3", F4-3).
- b. if you were making additional or further contributions before you retired, to uprate service before 1 April 1972 for widow's and children's benefits:
 - your additional and further contributions will be refunded to you and deemed never to have been paid (see "POINTS TO NOTE 4", F4-3).

How is
payment made?

In each case, payment is to be made in accordance with Part I of Schedule 6.

* Payment is to be made to the authority employing you when you give your undertaking:

- by regular instalments which ensure payment
 - a. within 5 years, and
 - b. before your compulsory retirement age (see A13),
- by deduction from your pay, unless some other method is agreed.

* You can pay off the whole or part of any outstanding balance at any time.

* If you retire before you have finished paying,

- a. your liability will cease if you are not entitled to an award, or if you get a refund of contributions under B6 (which will include any payments you have already made under Part I of Schedule 6).
- b. otherwise your fire authority may deduct any outstanding amount from the award due to you.

POINTS TO NOTE

1. You will count the whole of your previous service again if F4 applies to you. There is no provision for counting part of it.
2. Additional or further payments under G4, previously paid to uprate your earlier service for widow's pension, which were included in a refund of contributions, are not recovered from you, because the contributions or lump sum method of payment could not properly be re-applied after a break in service. However, your eventual pension will be reduced to pay for your widow's half-rate pension (as your earlier payments and elections are deemed not to have been made, the provisions in Part VIII of Schedule 2 for reduction of pension will automatically apply to you).
3. If you were making payments under Part I of Schedule 6, which were incomplete when you retired with an entitlement to a deferred pension:
 - your fire authority could have deducted the outstanding balance from your deferred pension, had that pension not been relinquished.
4. If you previously retired with an entitlement to a deferred pension under B5 you will have received no refund of any contributions or other payments you may have made in respect of the period of service to which your deferred pension relates. Any contributions you made to uprate your service before 1 April 1972 for widow's and children's benefits will be refunded to you, because you cannot resume making such contributions after a break in service (the contribution method of uprating was geared to the making of continuous contributions). However, any lump sum payment you made previously can stand, because it was paid at the appropriate time and held by your fire authority ever since. (The provisions in Part VIII of Schedule 2 for reduction of pension will apply to you to ensure that you pay by this method to uprate your service before 1 April 1972 for widow's and children's benefits, only if you have not already paid by lump sum).
5. It is important that you sort out how you can count any previous service soon after you rejoin because:
 - a. of the time limit of 6 months for giving your undertaking, and
 - b. if you leave again, you will not have a chance to count your earlier service if you rejoin a second time.

Who is eligible?

If you are a regular firefighter and:

- a. you retire with an injury pension, (see "POINTS TO NOTE 1" below), and
- b. you recover your health and resume service under the circumstances outlined in K1(4),

you will be entitled to count as pensionable service:

- * the period during which that pension was payable:
 - if you undertake:
 - i. within 6 months of rejoining, or
 - ii. within such longer period as your fire authority allow, to make a "payment".

How much must be paid?

Your "payment" will be:

- * the aggregate pension contributions you would have had to pay for that period had you gone on serving in the same rank, except:
 - any additional or further contributions you would have paid to uprate service before 1 April 1972 for widow's and children's benefits (see "POINTS TO NOTE 2", F4-3).

How is payment made?

Payment is to be made in accordance with Part I of Schedule 6.

(See "How is payment made?", F4-2, for the details.)

POINTS TO NOTE

1. You will be treated as being in receipt of your pension if the only reason you were not was the size of your DSS benefits (see B4-3 to 5).

GENERAL

This rule refers to the provisions of Schedule 7 which enable regular firefighters who had previously served in the Armed Forces and had joined the fire service before 1 July 1950 to count their war service (at half rate) under the FPS. These arrangements also cover cases in which the person joined one public service occupation before 1 July 1950 but transferred to another after that date ("transferees").

These provisions have had to be retained but it is now extremely unlikely in view of the lapse of time that there will be any further new cases. The time limit for such applications expired in 1987 although fire authorities have discretion to extend this in certain cases.

Where are the provisions explained?

These arrangements are fully explained in Fire Service Circulars No 35/ 1979 dated 6 December 1979, (which set out the main provisions for reckoning war service) and No 7/1986 dated 5 November 1986 (which extended the arrangements to those who had been ineligible to reckon their war service solely due to transferring from one Ministerially controlled pension scheme to another after the qualifying date of 1 July 1950).

Scope of the provisions

The general approach adopted in Schedule 7 (which is not intended to have any changes of effect from the 1973 Scheme provisions) is as follows:

- Part I contains provisions about elections that apply in all cases.
- Part II applies only to firefighters who entered the fire service before July 1950.
- Part III applies only to "transferees" (see above) who had served in another public service occupation - no additional transfer values are payable in such cases.
- Part IV applies only to "transferees" with service in other types of Ministerially controlled pension schemes.
- Part V contains supplementary provisions.

F7 - Examples 1 to 5

This rule deals with the calculation of pensionable service under the FPS where a transfer value payment is accepted by your fire authority in respect of your former superannuation arrangements. The calculations are based on tables of factors provided by the Government Actuary's Department which were issued with Fire Service Circular 11/1990 on 12 October 1990 (Scottish Office Superannuation Circular 2 /1990 dated 24 October 1990).

WHAT THE SCHEME RULES SAY

Who is eligible?
- main conditions

For F7 to apply to you:

- a. you must have been in a superannuation scheme which can pay a TV. (Unlike outward transfers there is no need for the other scheme to have Inland Revenue approval: it is therefore possible, for instance, for a TV to be accepted from an overseas scheme which is willing to pay one),
- b. you must have made a written request to your fire authority for a TV to be accepted, and
- c. a TV must be paid.

Who is eligible?
- exceptions

Rule F7 will not apply:

- if you first joined the fire service before 6 April 1978 and you elected for the old interchange arrangements,
- to transfers between brigades (although service which derives from former fire brigade service may be brought in with a TV from another scheme), or
- to any transfer from other than a club scheme with a TV which is not sufficient to cover the liability which is being taken on to pay a guaranteed minimum pension (GMP) if you are entitled to one for your previous employment, (see "POINTS TO NOTE 1", F7-7).

POINTS TO NOTE

1. The FPS does not stop service from reckoning where there has been a break of more than 12 months between leaving the former employment and joining the fire service or more than 12 months between joining the fire service and applying for a transfer value. (However, if your former employer will not pay a TV, the question of reckoning service does not arise).

**EFFECT OF THE NATURE OF YOUR
FORMER PENSIONS ARRANGEMENTS**

The period which you will be entitled to reckon under the FPS depends partly on the nature of your former superannuation arrangements as explained below.

"Club" scheme
cases

Your service credit is produced by applying the club "cash equivalent" calculations in reverse. In other words you would qualify for a period equal to the periods that would enable your fire authority to pay a "cash equivalent" TV of the same amount as the one received. Interest included in the TV is ignored for this purpose. (See F7 - Examples 1 to 3).

Other pension
arrangements

Your service credit is calculated in accordance with Schedule 6, Part II, paragraph 2 (explained in F7-3, 4), unless you entered the fire service before 1 January 1986 in which case you have certain reserved rights under paragraph 3 of Part II. In certain circumstances your fire authority may not be able to accept a TV payment if the amount is not enough to satisfy the GMP test (see "POINTS TO NOTE 1", F7-7). Examples can be found at F7-Examples 4,5.

DECISION ON TRANSFERRING BENEFITS

Whether or
not to request a
transfer value
payment

There is no requirement for you to transfer your former superannuation rights into the FPS and you will wish to consider your position very carefully before you reach a decision.

WARNING

If you are thinking of applying for a transfer payment you should find out how much your TV will be and ask your fire authority to tell you approximately how much credit this will produce in the FPS. This could be considerably less than your period of service in your former occupation because the FPS provides such valuable benefits which are available much earlier than in most other occupations. Further information about your options can be found in F7 - 5, 6.

RECEIPT OF
TRANSFER VALUES

CALCULATION OF PENSIONABLE SERVICE

The period of service credit is calculated from the following formula:

$A + B + C$ years

$D + E$

- A is the amount of the TV divided by the market level indicator for the month in which the material date occurred,
- B is any amount in respect of graduated NI modification notified by the person paying the transfer value,
- C is 52 times the amount in respect of GMP multiplied by the minimum pension factor,
- D is 1/45th of the rate of your annual pensionable pay (APP) at the material date multiplied by the pension factor, and
- E is 1/90th of the rate of your APP at the material date multiplied by your widow(er)'s pension factor.

- the market level indicator for a month is to be ascertained from tables provided by GAD by reference to -
- your age at the material date, and
 - the yield on the first working day of the month on British Government index-linked stocks assuming inflation at 5 per cent (published in the Financial Times).
- the material date -
- if the TV was received within 12 months after the date on which the person became a regular firefighter that date, and
 - in any other case, is the date on which the TV was received.
- The factors come from tables provided by GAD according to your age on the material date.

- The amount in respect of your GMP is $F + G$

F is so much of your GMP as is attributable to service before 6 April 1988, and

G is half of so much of it as is attributable to service after 5 April 1988.

Examples of the above calculation can be found at F7 - Examples 1 to 5.

POINTS TO NOTE

1. The effect of dividing APP by 45 (in the formula used for translating a TV into service) is to make allowance for the shorter service and earlier retirement in the FPS than most, by introducing "uniform accrual" into the calculation:

$$- \quad \text{ie} \quad \frac{\text{service}}{30} \times \frac{40}{60} = \frac{\text{service}}{45}$$

This gives an appropriate proportion of any time of the enhancement which applies in the FPS (the reckoning of 2/60ths of APP for each year of service over 20). This reduces service on transfer, from a scheme where benefits accrue in 40 years instead of 30, to 3/4 of what they would otherwise be (subject to the further effect of other parts of the calculation).

2. SERPS began from 6 April 1978. If you had a GMP in respect of service on or after that date in your old employment (and F7 (3)(c) has not prevented the acceptance of a transfer value), your TV will be notionally increased by your fire authority using an actuarial factor. This will balance the reduction in the TV by your old employer to take account of the fact that pensions increase on your GMP will be paid by DSS and not by your fire authority (see ANNEX 2-5).
3. Modification of occupational pensions on account of the state flat-rate retirement pension may have applied at any time between 5 July 1948 and 31 March 1980. If you had "modified" service between those dates in your old employment, a sum will be deducted from your pensionable emoluments which will have the effect of crediting you with a little more service from your TV. This will balance the modification (reduction) of your fire pension which will take place when you reach state pensionable age, on account of your entitlement to a state flat-rate retirement pension (see ANNEX 2-3).

TRANSFER OF BENEFITS

Can my pension rights be transferred to the FPS?

Your accrued pension benefits may be in a final salary or money purchase occupational pension scheme, a personal pension scheme, an insurance policy, or in a self-employment pension arrangement. If the trustees or administrators of the benefits that you have accrued are willing to pay a TV, the FPS will usually accept it.

What if my accrued pension benefits are in an insurance policy?

If your accrued pension benefits in your former employment have been transferred to an insurance policy or annuity contract which satisfied prescribed requirements (usually known as a Section 32 policy or "buy-out" bond) they may be transferred if the terms of the policy or bond allow this. The amount of money realised will be treated as a TV.

How do I get my benefits transferred?

Your former pension provider will explain your rights to a TV under their rules or social security legislation. If you wish all or part of your TV to be used to buy a transfer credit of service in the FPS you should ask your former pension provider for an estimate of the amount of the TV that is payable. You can then ask your fire authority for an estimate of the transfer credit that this would give you in the FPS and you can compare the benefits offered with those already available to you before deciding whether to buy a transfer credit in the FPS. If you then wish to transfer your benefits to the FPS, you must instruct your former pension provider to make the appropriate payment. You should note, however, that an estimate of the TV may only reflect the position applicable at the date on which it is given. Any subsequent transfer payment may differ from the estimate and the difference will not necessarily be an increase. If the transfer payment differs from the estimate, this will affect the transfer credit in the FPS.

What happens to my transfer value in the FPS?

Your fire authority will calculate the number of years and days of reckonable service that the TV, adjusted for market conditions, will purchase in the FPS. If the service credit is less than the actual service which gave rise to the benefits on which the TV is based, your previous service will count at its actual length for the purpose of determining the qualifying period for the preservation of your benefits.

CALCULATION OF CREDIT IN FPS

Non-club
transfer

The transfer credit of service is calculated by reference to transfer tables prepared by GAD and in force at the time of the TV payment. The calculation of your transfer credit is based on your age and pay in the fire service on taking up appointment. However, if a TV is received more than a year after you have taken up your appointment, the transfer credit will be based on your age and pay on the date that it is received. If your fire service pay is higher than your former employment, the length of the transfer credit deriving from a TV received will probably be lower than your actual service in your former employment. Similarly, if the TV offered by your former pension provider is calculated on the basis of lower pension benefits than the FPS provides, or does not allow for future increases in salary levels, for incremental progression, and for post-retirement pension increases, the length of the transfer credit it will purchase may be considerably less than your actual service.

Club transfer

The public sector transfer arrangements (the Club) have been adopted by a number of occupational pension schemes, mainly in the public sector, and involve the use of standard tables on a reciprocal basis. If your former occupational pension scheme is a member of the Club and you apply for a TV within the applicable period, the calculation of your transfer credit will be based on your age and pensionable pay at the time that your former occupational pension scheme calculated your TV. (Where the transfer payment is made on or after 6 April 1988, the applicable period is 12 months from the date of joining the FPS, before then it was normally 6 months.) These arrangements are designed to provide the transferee with broadly equivalent service in the FPS to that in the former occupational pension scheme. However, their precise effect depends upon how similar the two schemes are. Because of the relatively early retirement age in the FPS this will generally lead to less service credit being given. In addition if, you have not bought a half rate widow's or, from April 1988, widower's pension for all your service in your former Club scheme, the length of your transfer credit in the FPS may be less than your actual service. However, you will be credited with a fully paid-up widow's or widower's pension in respect of the transfer credit.

RECEIPT OF
TRANSFER VALUES

POINTS TO NOTE

1. If you had a GMP under your previous pension arrangements (apart from a "club" scheme) your fire authority cannot accept a TV payment of less than $A \times B$ where:

A is the annual amount of the GMP to which you would be entitled under rule J1 if your TV was accepted.

B is a factor taken from the following table according to your age at the date of your application.

Age	Factor
29 and under	8
30 - 39	9
40 - 49	10
50 and over	12

RULE F8
SCHEDULE 6, PART III

TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES

F8 - Examples 1 to 3
F8 - Transfer Table

GENERAL

- * Rule F8 applies to transfer values payable:
 - on transfer to another brigade in Great Britain.
 - on transfer to a central service appointment under the FPS.

- * Transfer values payable under F8 are calculated differently to transfer values to outside employment under F9.
- * The amount of a TV payable under F8 will have no bearing on the amount of service you can count in the brigade to which you transfer. You will be able to count the same length of service as in the brigade you are leaving.
- * For a general explanation of transfer values see F Gen-1.

WHAT THE SCHEME SAYS

Who is eligible?

Rule F8 will apply to you if you are a regular firefighter and you have transferred to another brigade and count pensionable service under F4.

- * Once F8 applies to you, if you were entitled to an award on retiring from your former brigade, that award will cease to be payable to you.

How much is the transfer value?

Part III of Schedule 6 sets out the means of calculating a TV under F8. The sums are set out in F8-Examples 1, 2. The basis of the calculations is explained in F8-3 onwards.

**TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES**

POINTS TO NOTE

1. If you transfer from one brigade to another under the FPS you take your pension rights with you. You do not have to apply for a TV as this is a matter between your two fire authorities and does not affect your entitlement to reckon service.

Net transfer values (central service)

2. Fire Service Circular No 20/1980 of 17 October 1980, (Scottish Office Circular No 1/1985 of 28 February 1985) explained the net TV system, which is used for central service transfers.
 - a. Briefly the system involves the payment of a single TV when you return from central service to your home brigade, which is calculated by subtracting:
 - the TV payable by your own fire authority when you go on central service, from
 - the TV payable by the Home Office, or the Scottish Office, on your return.
 - b. Your fire authority is asked to forward calculations of "inward" and "outward" TVs as soon as possible after your return from central service, so that a net payment can be made by the Home Department concerned (see F8-Example 3).
 - c. If you should become permanently disabled or die while on central service, the Home Department which is your fire authority would be responsible for the awards payable to you or your dependants and would seek immediate payment of the appropriate "inward" TV from your fire authority. It is usual in these circumstances for your home fire authority to take on all the pension arrangements and for the Home Department concerned to reimburse that authority for the cost of any awards paid on their behalf.
 - d. The amount of interest payable with each TV depends on the length of time between the date when the TV is payable and the date when it is paid (see explanation at F8-5). The calculation of interest in net TV cases follows strictly the requirements of the Scheme.

**TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES**

How much is the transfer value?

Part III of Schedule 6 sets out how to calculate a TV under F8 for transfers between brigades.

The sums are set out in F-8 Examples 1 and 2. The basis of the calculations is explained here.

- * The clearest way to explain the provisions may be to go step by step through the paragraphs of Part III of Schedule 6.
- * The TV consists of:
 - the "basic element", relating to personal benefits, and
 - the "spouse's element".

CALCULATION OF A TRANSFER VALUE

Paragraphs 1 to 3

deal with the essential calculations. The remaining paragraphs cover provisions which need to be checked to see if they apply in particular cases.

Paragraph 1

specifies that the transfer value is the total of the amounts under paragraphs 2 and 3.

Paragraph 2

explains the method of calculating the "basic element" of the TV. It is done in the following way:

Work out a notional annual deferred pension as you would under Part VI of Schedule 2, but ignore any reduction under Part VII of Schedule 2 which will be taken care of later. This applies in all cases: it does not matter if you would normally qualify for a deferred pension, for instance because you had less than 2 years' service. (Any reduction under Part VIII of Schedule 2 to pay for widow's benefit needs to be taken into account, and full value for the widow's benefit is then included in the widow's element of the TV.)

- multiply the notional annual deferred pension by the basic factor in the table in paragraph 6 (see F8 - Transfer Table) according to your age and sex.
- work out any annual reduction due under paragraph 1 of Part VII of Schedule 2 for flat rate NI modification.
- work out any annual reduction due under paragraphs 2 and 3 of Part VII of Schedule 2, if you brought in some participating service in the state graduated pension scheme at some earlier stage,
- add these two amounts and multiply them by the NI factor in the table in paragraph 6 according to your age and sex.

**TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES**

Paragraph 3

explains the method of calculating the "spouse's element" of the TV. It is done as follows:

- work out the annual amount of a spouse's notional accrued pension, as you would under Part III of Schedule 3 but ignoring paragraph 3 (flat-rate pension).
- Multiply the widow's notional accrued pension by 4, or the widower's notional accrued pension by 1.1.

Paragraph 4

concerns you only if you have a guaranteed minimum which will give rise to a GMP under SERPS. (See ANNEX 2-5).

- Your TV is to be reduced by the annual amount of your GMP, multiplied by the GMP factor in the table according to your age and sex. This takes account of the fact that pensions increase on the GMP element in your pension entitlement will be paid by DSS. Your fire authority can obtain the current amount of your GMP from DSS, who will normally quote a weekly amount. The annual amount should be obtained by multiplying the weekly amount by 52.18.

Paragraph 5

relates to you only if, at the time of your transfer, you were still due to make payments (under Part I of Schedule 6) in respect of buying in previous service at the time of a transfer into the fire service under the old transfer system. This requires the TV to be reduced by the actuarial equivalent of the outstanding instalments, assessed by GAD.

Paragraph 6

sets out the actuarial table (reproduced at F8 - Transfer Table) which is used in the TV calculations.

Paragraph 7

applies only where a TV is not paid within 6 months of your leaving your former brigade. This may happen for a variety of reasons, besides a delay in payment. It will apply whenever there is a break in service longer than 6 months, or when the net transfer system for central service transfers applies.

The payment of interest is not a penalty for late payment of a transfer value but a recognition of which authority had the use of the money during the period concerned.

The period of 6 months starts from the day following your last day of service. For instance, if you left on 28 May 1992, the 6 months would run from 29 May to 28 November 1992. Similarly, if you left on the last day of the month, ie 31 May 1992, the 6 months would run from 1 June to 30 November 1992.

The normal rate of interest is $2\frac{1}{4}$ per cent compound for each complete 3 months of the interval between the date of leaving and the date of payment of the TV. (This is broadly equivalent to interest of 9.3% per annum.). A table of factors for calculating interest was included in Fire Service Circular No 22/1979 dated 20 April 1979.

**TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES**

Where payment of a TV is made after the end of the 6 month period the calculation of interest relates to the whole period from the date of your ceasing to be a member of your former brigade and not just to the period by which the 6 month period is exceeded.

The date of payment of the TV is not defined for the purposes of paragraph 7. As a general rule a cheque is regarded as a conditional payment; not discharging the obligation to pay until it is honoured. When it is honoured, however, the date of discharge relates back to when the cheque was received. Thus a TV is normally "paid" on the date on which the cheque is received.

The reference to a TV in this paragraph means the actual amount which is to be paid by your former fire authority (ie the amount of the TV arrived at after taking into account all the other paragraphs of Part III of Schedule 6).

EXAMPLE OF INTEREST CALCULATION

Firefighter left his former brigade on:	25 April 1992
Transfer value payable:	£20,000

The 6 months start from the day following his last day of service. If the transfer value is paid on or before 25 October 1992 no interest would be payable.

If payment is made during the period of 26 October 1992 to 25 January 1993 interest would be payable for two completed 3 month periods. Total payment would be (using the interest factors provided):

$$£20,000 \times 1.046 = £20,920$$

If payment is delayed until the next 3 month period, ie between 26 January 1993 and 25 April 1993, a further 2½% interest would be payable. The total payment would be:

$$£20,000 \times 1.069 = £21,380$$

**TRANSFER PAYMENTS
BETWEEN FIRE AUTHORITIES**

SCHEDULE 6, PART III
Paragraph 6 - Table referred in paragraphs 2 and 4

Age last birthday before date of cessation	Men			Women		
	Basic factor	NI factor	GMP factor	Basic factor	NI factor	GMP factor
(1)	(2)	(3)	(4)	(5)	(6)	(7)
Less than 20	5.00	.25	1.47	7.00	.50	2.20
20	5.05	.25	1.50	7.05	.50	2.24
21	5.10	.25	1.53	7.10	.55	2.28
22	5.15	.30	1.56	7.15	.60	2.32
23	5.20	.30	1.59	7.20	.65	2.36
24	5.25	.30	1.62	7.25	.70	2.40
25	5.30	.35	1.65	7.35	.75	2.45
26	5.35	.40	1.68	7.40	.80	2.50
27	5.40	.40	1.71	7.45	.85	2.55
28	5.45	.45	1.74	7.50	.90	2.60
29	5.50	.50	1.78	7.55	.95	2.66
30	5.55	.50	1.81	7.65	1.05	2.71
31	5.60	.55	1.85	7.70	1.15	2.77
32	5.65	.60	1.88	7.80	1.25	2.82
33	5.70	.65	1.92	7.90	1.35	2.88
34	5.75	.70	1.95	7.95	1.45	2.93
35	5.80	.80	1.99	8.05	1.55	2.99
36	5.85	.90	2.02	8.15	1.65	3.05
37	5.90	1.00	2.06	8.25	1.75	3.11
38	5.95	1.10	2.10	8.35	1.85	3.17
39	6.00	1.20	2.14	8.45	1.95	3.24
40	6.05	1.30	2.18	8.55	2.10	3.31
41	6.10	1.40	2.22	8.65	2.25	3.38
42	6.15	1.50	2.26	8.75	2.45	3.45
43	6.20	1.60	2.30	8.85	2.65	3.52
44	6.25	1.70	2.34	8.95	2.90	3.59
45	6.30	1.80	2.39	9.05	3.15	3.66
46	6.40	1.90	2.44	9.15	3.40	3.74
47	6.50	2.00	2.48	9.25	3.70	3.82
48	6.60	2.20	2.53	9.35	4.00	3.90
49	6.70	2.40	2.58	9.45	4.35	3.98
50	6.80	2.60	2.62	9.55	4.75	4.06
51	6.90	2.90	2.67	9.65	5.15	4.15
52	7.10	3.20	2.72	9.80	5.60	4.24
53	7.30	3.50	2.78	9.95	6.10	4.33
54	7.50	3.80	2.84	10.10	6.65	4.43
55	7.70	4.20	2.90	10.30	7.25	4.53
56	8.00	4.60	2.97	10.50	7.95	4.63
57	8.30	5.00	3.04	10.75	8.75	4.74
58	8.60	5.40	3.12	11.05	9.65	4.85
59	9.00	5.80	3.20	11.40	10.65	4.97
60	9.50	6.30	3.28	11.75	11.75	-
61	9.50	6.80	3.36	11.75	11.75	-
62	9.50	7.40	3.44	11.75	11.75	-
63	9.50	8.10	3.53	11.75	11.75	-
64	9.50	9.00	3.64	11.75	11.75	-
65	9.50	9.50	-	11.75	11.75	-

RULE F9
SCHEDULE 6, PART IV
F9 Examples 1 to 4

This rule provides for the payment of transfer values other than in circumstances where you acquire a right to a "cash equivalent" transfer value directly under Social Security legislation. Entitlement to a "cash equivalent" cannot apply if you left the fire service before 1 January 1986. The general background is explained in F Gen-1 to 3. This Section also explains how to calculate a "cash equivalent" transfer value.

The FPS provisions do not apply if you qualify for a "cash equivalent" payment (unless this only covers part of your service). Your entitlement in such cases would be decided directly under the Social Security legislation. There is no need for the Scheme rules to contain anything about transfer payments on cessation of fire service employment after 31 December 1985 except where it is decided to make "more favourable" provision, or it is necessary to preserve protected rights for existing members.

Where there is a right to a TV under the FPS rules, it is calculated in the same way as a "cash equivalent" except in cases where it is payable to a scheme outside the public sector "club" and service before 1 October 1990 is included. Rights in relation to such earlier service are preserved by calculating the element of the TV on the previously existing basis if that would produce a more favourable result.

**Choice between
a transfer value
and any other
award**

A TV will almost always be a better benefit than a refund of pension contributions, or an ill-health or short service gratuity. But if you leave the fire service with a refund of contributions or a gratuity and then get a new job you can sometimes apply for a TV on repaying your award.

* A pension in immediate payment is normally a much better benefit than a TV, as you will usually receive your pay for your new job as well as your pension, and perhaps start earning new pension rights. Once a pension has been put into payment, a TV can no longer be paid.

**Applying for a
transfer value**

If you are transferring to outside employment, and you are eligible for a TV, it is up to you to decide whether to apply for it, or to opt for an alternative benefit. There are time limits for making applications, usually 6 months from starting a new job, and your new employer may also apply a time limit. There are other conditions which may affect your eligibility.

* You should consult your fire authority who will explain your entitlements and advise you about the transfer system.

WHAT THE SCHEME RULES SAY

Who is eligible?
- main conditions

For rule F9 to apply to you:

- a. you must have ceased to serve as a regular firefighter or opted out of the FPS (see G3-1) while continuing to serve,
- b. you must not have reached state pensionable age when you left the fire service,
- c. you must have entered a pension scheme in your new employment or nominated an approved personal plan or buy-out arrangement to which transfer can be paid if opted-out of FPS and continuing to serve (see F9-11) and the payment of a TV must entitle you to benefits in that scheme,
- d. you must not have been entitled to a pension on leaving, or if you were so entitled, you must not have received any payment in respect of it (the award will then cease to be payable under F9(9)) (see "POINTS TO NOTE 1", F9-3),
- e. you must not have received a gratuity or refund of pension contributions, or if you have, you must:
 - i. have started your new job within 12 months of leaving the fire service, or longer if your fire authority allow (see "POINTS TO NOTE 2", F9-3), and,
 - ii. refund your gratuity or return of pension contributions within 6 months of starting your new job, or longer if your fire authority allow (see "POINTS TO NOTE 3", F9-3), and
- f. you must, within 6 months of starting your new job, or longer if your fire authority allow, give notice that you want F9 to apply to you (see "POINTS TO NOTE 3", F9-3).

- exceptions

- g. Rule F9 will not apply to you:
 - if you are transferring to another fire brigade,
 - if you have a prospective entitlement to a guaranteed minimum pension GMP under J1(2), unless:
 - i. you are contracted-out of SERPS in your new job, or
 - ii. a CEP has been paid by your fire authority, or
 - iii. a Transfer Premium has been paid by your fire authority.

POINTS TO NOTE

1. There is no provision to enable pension payments, once made, to be repaid to a fire authority so that a TV could be paid.
2. The extension of the "break" period of 12 months in F9(5)(a) is within the discretion of your fire authority, provided the receiving scheme are willing to accept the TV. It is intended that the discretion should generally be used only if circumstances have prevented you from fulfilling the 12 month provision. Your fire authority may feel justified in agreeing to an extension if, during the period between leaving the fire service and entering the new job:
 - i. you had undertaken a period of study or training considered by your new employer to be in the interest of your new job; or
 - ii. your initial period of service in the new job was non-pensionable; or
 - iii. your illness, or administrative error or delay by either of your employers, caused delay in your appointment in a pensionable capacity.
3. The time limits for applying for a TV under F9(2) and for repaying gratuities or contributions under F9 (5)(b) are both basically 6 months from starting the new job, but your fire authority may make separate decisions about extending either limit. (Although it is entirely a matter for their own discretion, authorities may wish to consider late applications sympathetically if the person's only award has been a deferred pension, because:
 - i. the payment of the TV will discharge the authority's continuing liability; and
 - ii. the individual may have needed a longer time to make a choice because of the difficulties explained at F9-1).

Schemes to which
transfer values
are payable:
- as of right

If the condition for the payment of a TV are met:

- your fire authority must pay a TV if you transfer to:

* one of the main public service schemes in Great Britain and Northern Ireland (which are all "Club" schemes).

* another "Club" scheme, or

* a scheme which has the statutory approval of the Inland Revenue (see F9 (1)(b)).

- at discretion
of your fire
authority

- your fire authority may, at their discretion, pay a TV if you transfer to:

* any other scheme.

POINTS TO NOTE

1. Club schemes are those which, like the FPS have agreed on a common method of calculating TVs and crediting service. Your fire authority should have an up-to-date list of these schemes. Not all public sector schemes are included in the list. (The public sector is wider than the public service, and includes, for instance, nationalised industries.)
2. The Pension Schemes Office (formerly Superannuation Funds Office) of the Inland Revenue, Lynwood Road, Thames Ditton, Surrey, KT7 0DP (081-398-4242) can advise on schemes which have the statutory approval of the Inland Revenue.

Club scheme
transfer

Your entitlement to a TV will depend to some extent on the category of pension scheme you are joining. The notes below are also subject to you having the required qualifying service in each case. Even if you are not strictly entitled to a "cash equivalent" under the Social Security legislation your transfer value will be calculated on a "cash equivalent" basis (Schedule 6, Part IV, para 2) see F9 - Examples 1,2.

Non-club
scheme transfer

*If you have no service as a firefighter before 1 October 1990 you will be entitled to a "cash equivalent" TV either directly under the Social Security legislation or on a "cash equivalent" basis (Schedule 6, Part IV, para 2) (See F9 - Example 3).

* If you have service before 1 October 1990 but do not qualify for a "cash equivalent" TV you may be entitled to a "mixed" TV (Schedule 6, Part IV, para 3) (See F9-Example 4).
(Even though you have no right to a "cash equivalent" your TV is calculated on a cash equivalent basis and the method used in the example still applies).

BASIS OF TRANSFER VALUE

No right to
"cash equivalent"

Transfer value is the greater of A + B or A + C where:

- A is a notional TV, calculated on a cash equivalent basis, in respect of your service after 30 September 1990.
- B is a notional TV, calculated on a cash equivalent basis in respect of your service before 1 October 1990.
- C is a notional transfer payment calculated in accordance with Part III of Schedule 6 (see F8-3), in respect of your service before 1 October 1990.

Right to
cash equivalent

* If you have service before 1 October 1990 and are eligible for a "cash equivalent" TV you will be entitled to a "mixed" TV (Schedule 6, Part IV, para 4). (See F9-Example 4)

Transfer value is D - E where:

- D is the TV which would have been payable had paragraph 3 of Part IV applied in your case.
- E is the amount of the "cash equivalent" which you qualify for direct under Social Security legislation.

Personal pension
scheme transfer

* If you have ceased to serve as a regular firefighter you will be entitled either to a "cash equivalent" TV or (if you are not eligible directly under Social Security legislation) to a TV calculated on the same basis (Schedule 6, Part IV, para 2). (See F9-Example 3).

- * If you have opted out of the FPS but continue serving as a regular firefighter you will not be allowed to transfer any benefit in respect of your service before 6 April 1988 (F9(8)) unless you have under 2 years' service before that date. You will be entitled to a "cash equivalent" TV on your post-April 1988 service. If you subsequently leave the fire service a "cash equivalent" basis TV can be paid in respect of your remaining service. (Schedule 6, Part IV, para 5).

**CALCULATION OF A CASH
EQUIVALENT TRANSFER VALUE**

The amount of the TV must not be less than the cash equivalent of the preserved benefits to which you would otherwise be entitled. Where the application is made after you left the fire service, the cash equivalent is related to the value of the preserved benefit as uprated by pension increase legislation. This is based on tables of factors provided by GAD included as Annex B to Fire Service Circular 11/1990 (Scottish Office (Superannuation) Circular 2/1990).

If the transfer payment is not made within 6 months of the date of your written application for a transfer value, the amount of the transfer payment must be increased to the higher of:-

- * the amount of the revalued cash equivalent as at the date of settlement, or
- * the TV at the date of application with interest added at the judgement of debt rate up to the date of settlement.

In any event the TV must normally be paid within 12 months of the application (or the attainment of age 60, if earlier). You may withdraw the application for a TV any time before arrangements have been made for its payment.

When the TV has been calculated it is adjusted for market conditions. This is done by reference to your age and to the yield on the FT Actuary's Index of British Government Index-linked stocks (assuming 5% inflation) on the first working day of each month as published in the Financial Times on the following day. This figure is the market level indicator for all transfer applications submitted during that calendar month. No subsequent change has to be made to the TV if it is paid within the period of 6 months mentioned above. A Table of factors produced by GAD was included in the Circular mentioned above. (See F Gen-Examples 1, 2).

POINTS TO NOTE

1. When determining the amount of a "cash equivalent" TV in the case of an unmarried firefighter it is still appropriate to include full allowance in the calculation for potential widow(er)'s benefits, notwithstanding the restrictions which apply to such benefits in "post-retirement" marriage cases (see rule C5).
2. "Cash equivalent" rights arise in respect of a scheme member whose pensionable service "terminates", thus giving wider scope for the payment of transfer values than used to exist before 1 January 1986 when rights depended on "voluntary" retirement.
3. The "material" date for the purposes of a "cash equivalent" transfer out of the FPS is the later of the last day of pensionable service and the date that the firm written application to transfer benefits is received by the fire authority.
4. In calculating a "cash equivalent" TV the person's marital status is that which applies at the "material date" from the transfer rather than at the date of ceasing to serve.

RIGHTS TO TRANSFER
VALUE PAYMENT

Can your benefits
be transferred?

Someone leaving pensionable service under the FPS may transfer accrued pension benefits out of the scheme if the conditions set out in the FPS are fulfilled. The arrangements which will apply depend upon whether or not you have the necessary qualifying service for your accrued pension benefits to be preserved in the FPS for payment at 60. You will be entitled to preserved benefits if you have at least 2 years qualifying service (5 years if you left before 6 April 1988).

* If you have an entitlement to have your accrued benefits preserved and leave the fire service on or after 1 January 1986, you have the right to a TV equivalent to the value of your accrued pension benefits. You may apply for a TV to:

- another contracted-out occupational pension scheme,
- a not contracted-out occupational pension scheme,
- a personal pension scheme,
- a self employed pension arrangement, or
- an approved insurance contract providing deferred annuity benefits.

* If you do not have an entitlement to have your accrued benefits preserved. (See F9-8).

Special arrangements may apply if you are transferring to an occupational pension scheme which is a member of the Club. (See F9-9).

When should I
apply?

You may apply at any time from leaving the FPS up to 1 year before age 60, (or 6 months after leaving, if later), but check that your new pension arrangements do not require you to apply within a specified period of entering those arrangements.

How should
I apply?

You should make your application in writing. An application is taken to have been made if it is delivered personally, or sent by post in a registered letter or by recorded delivery. You are therefore advised to use one of these means when you apply for a TV payment to be made. Correspondence beforehand, for example, seeking an estimate of the amount of your TV, should be delivered personally or sent by ordinary letter.

Must I transfer
all my benefits
to one destination?

Under the special arrangements for Club transfers, the transfer payment must include all benefits and it must be payable to an occupational pension scheme. In other cases, if you have an entitlement to a preserved pension, the transfer payment can be allocated between the various methods and between a number of insurance policies, but where you are moving to:

- an occupational pension scheme or a personal pension scheme, which is not contracted out of SERPS,
- a contracted-out scheme which is unable to accept your GMP benefit(s), or
- a self employed pension arrangement,

only rights in excess of the GMP can be transferred to the new scheme. You will, therefore, need to use a portion of your TV to preserve your GMP benefits, usually in a single "Section 32" policy. If you are transferring your benefits to a pension scheme which is not contracted out and you do not arrange for a "Section 32" policy in respect of your GMP benefits, they may be brought back into the State Scheme by means of a transfer premium. The TV will be reduced by the amount of the transfer premium.

Firefighters
in post on
1 October 1990

If you were in post on 1 October 1990 and were entitled to a TV under the rules in force up to that date, and have served continuously since then, you may have a mixed TV based partly on those rules and partly on the rules now in force if that produces a higher TV than one based entirely on the rules now in force. This option does not apply for transfers to Club Schemes or personal pension schemes.

What if my new
occupational
pension scheme
is a member of
the Club?

If you wish to benefit from the Club arrangements (see F9-3), you should apply for a transfer value within the applicable period and your TV will then be calculated under the appropriate arrangements. (When the transfer payment is made on or after 6 April 1988, the applicable period is 12 months from the date of taking up pensionable service in your new occupational pension scheme; before then, it was normally 6 months.) Your transfer value may provide in the new Club scheme a broadly equivalent service credit to your reckonable service in the FPS. In some circumstances, however, it may buy more or less service. If, for example, you have not bought a half-rate widow's pension for all your service in the FPS, the length of your service credit may be lower than your actual service, but you will be credited with a fully paid up widow's pension in respect of the credited service.

Other differences between the schemes could also affect the position. A move to a scheme with a retirement age higher than in the FPS could provide you with service credit higher than your reckonable service in the FPS. However, the value of the benefits provided by the service credit will still be equivalent to the value of the benefits being transferred.

What is my position if I do not have an entitlement to preserved benefits?

You are entitled to a transfer value under the rules of the FPS if you join your new employer's occupational pension scheme, a personal pension scheme or a self-employed pension arrangement within 12 months of leaving the FPS and apply within the applicable period of joining your new scheme. (If you leave pensionable service on or after 6 April 1988, the applicable period is 12 months; if you left before then, it was 6 months). The break period between pensionable employments may be extended if the delay is due to a period of education or training, illness, or the need for you to serve for a given time before being allowed to join your new scheme. The TV will be the cash value of your accrued pension benefits. If you transfer your accrued benefits to a scheme which is not contracted-out of SERPS the amount of the TV will be reduced by the amount of the contributions equivalent premium which it is necessary to pay to the DSS in order to restore your GMP to SERPS.

What happens to the transfer value in my new scheme or in a "Section 32" policy?

The amount of the transfer credit that you will receive in your new occupational pension scheme will depend upon the rules of that scheme. Your TV to a final salary scheme will either buy you a given length of reckonable service or a stated amount of benefits which may or may not rise in line with increases in your salary. If you transfer to a money purchase scheme or use your TV to buy a "Section 32" policy, the amount will be invested by the pension provider.

Is it to my advantage to have my benefits transferred?

It is for you to decide whether a transfer will be to your advantage. Once a TV from the FPS has been paid to, and accepted by, your new pension provider you have no further claim to benefits under the FPS and the fire service cannot be held responsible for the terms offered even though these may be a poor bargain compared with your accrued entitlement under the FPS. It is important, therefore, that you make the appropriate enquiries before you ask your fire authority to pay a TV. In reaching your decision, you will wish to take account of the following matters in addition to others relevant to your particular circumstances.

Whether a transfer is to your advantage depends on a comparison of your accrued FPS benefits with the benefits that a TV will purchase. Ask your fire authority for details of the TV payable in respect of your FPS benefits and any alternative to a TV. Then ask your new pension provider for details of what the TV will buy. In considering your position bear in mind that:

- * If you have less than 2 years' qualifying service in the FPS and your accrued pension benefits cannot, therefore, be preserved, you are entitled to have the GMP restored to SERPS and a refund of the balance of your contributions. Alternatively, you are entitled to take a TV to another pension scheme which may, if the new scheme is contracted-out, include your GMP.

- * If you have an entitlement to have your accrued pension benefits preserved in the FPS, they will be brought into payment at age 60 if they are not transferred. Preserved benefits in the FPS attract increases in line with movements in the cost of living and you will have to decide whether this benefit is likely to be better or worse in the long run than the benefits being offered by the new provider.
- * If you left the fire service on or before 5 April 1988 with at least 2 but less than 5 years' qualifying service in the FPS you were entitled to have your GMP restored to SERPS. Alternatively, you are entitled to take a TV to another pension scheme which may, if the new scheme is contracted-out, include your GMP provided that the conditions set out in the FPS are fulfilled, (see F9-2).

You should note that, if you have entered a new occupational pension scheme and the service credit or benefits deriving from the TV when added to your prospective service or benefit in the new pension scheme totals more than that which the new pension scheme will allow, the credit, or the eventual benefits, may be restricted. It might then be to your advantage not to opt for the TV payment but to start earning pension benefits afresh in your new scheme.

Club Transfer

If you are moving to a Club pension scheme with an increase in salary, the value of your benefits could increase immediately as you will be credited with broadly equivalent service and your resulting benefits will be based on the higher salary. If you move with a small drop in salary, you may still consider that a transfer will be to your advantage in the longer term because the benefits purchased in your new scheme will increase in line with increases in your further salary and those benefits could, in due course, overtake those which would have stood to your credit in the FPS (even allowing for protection against inflation). However, if you move with a substantial drop in salary and you are entitled to preserved benefits, it may not be your advantage to have your pension benefits transferred. If you do not transfer your FPS benefits, you will probably have to start with no accrued benefits in your new scheme and re-qualify for pension benefits.

Non-Club transfers

If you are moving to a non-Club final salary pension scheme, the balance of advantage is less straightforward. If you are entitled to preserved benefits in the FPS you will need to decide whether the benefits provided by your new scheme in return for the TV are worth more than the value of your preserved benefits including pensions increase. If the benefits that the TV will buy are to be related to your pensionable pay when you finally retire, you should consider whether increases in pay in your new employment will make those benefits worth more than your preserved FPS benefits. Generally, if the service credit is to be related to pay at the time of retirement and you have quite a few years of potential service ahead of you, it could be to your advantage to have your benefits transferred.

PAYMENTS OF
TRANSFER VALUES

If you are considering transferring your benefits to a money purchase occupational pension scheme, a personal pension scheme, a self employed pension arrangement or a "Section 32" policy, you should bear in mind that the TV available from the FPS represents the actuarially assessed equivalent of your preserved benefits in the FPS. The product of a money purchase scheme or a "Section 32" policy will not buy a higher pension unless investment returns or other factors are favourable. In comparing preserved FPS benefits with money purchase scheme and "Section 32" benefits, you should:

- * note that the purchasing power of preserved FPS benefits is protected against inflation both before and after the benefits are brought into payment;
- * establish whether the scheme or policy provides guaranteed benefits or merely an accumulation of the TV which will be used to buy an annuity, the amount of which will therefore depend upon investment returns over future years, and the extent to which, in either case, the projected pension is protected against inflation;
- * consider carefully any illustrative projected pensions that are provided if the annuity depends upon future investment returns. You must decide whether you think the assumptions that are used by the pension provider can be regarded as realistic. For a valid comparison with FPS benefits, any pension illustrations should be made on the basis of real investment returns, ie a yield in excess of price increases. The illustrations should also allow for the purchasing power of pensions to be protected if they are to provide a realistic basis for comparison with your FPS benefits.

In addition, for personal pension schemes, self-employed pension arrangements and "Section 32" policies you should:

- * establish whether the estimate given by the pension provider is based on all of the TV. It is normal for some of it to be used for the cost of setting up a policy, including the payment of commission to any intermediary involved. Where a deduction is made the investment return must be greater than if all the TV had been invested, and the size of the higher return that is necessary increases the closer you are to retirement. You will not be able to make a proper comparison unless you know the amount to be invested;
- * establish whether the scheme or policy provides on "open market option" - that is, that it will allow you to buy an annuity in due course from any company, and whether it allows accrued benefits to be transferred to another scheme or policy.

If I opt out of the
FPS can I transfer my
FPS benefits?

You may apply for a TV as follows:

- if you have 2 or more years of qualifying service - to your personal pension scheme or to an approved insurance contract;
- if you have less than 2 years' qualifying service - to your personal pension scheme.

The transfer payment may relate to benefits in respect of service from 6 April 1988 only. If you have 2 or more years of reckonable service, any benefits relating to service on or before 5 April 1988 will be preserved in the FPS. However, if you have less than 2 years' reckonable service before 6 April 1988, the benefits based on that service can also be transferred out of the FPS. Before deciding to transfer benefits out of the FPS, you should bear in mind the points made in F9-8.

If you opt out of the FPS and you later leave the fire service you can apply for a TV in respect of any benefits accruing from your service before 6 April 1988 which have been preserved in the FPS.

**CASH EQUIVALENT TRANSFER VALUE
ADJUSTMENT FOR MARKET CONDITIONS**

Example 1

A 30 year old firefighter who is leaving the fire service is entitled to a cash equivalent of £12250. The yield on index-linked stocks at the relevant date for the transfer is 4½%.

The market level adjustment is obtained from the Table provided by GAD (see Annex B to Fire Service Circular No. 11/1990) by interpolation between the 4% and 5% columns. The relevant factors in the 4% and 5% columns are 0.83 and 0.71, respectively. The adjusted transfer value payable would be:

$$\begin{aligned} & \text{£12250} \times (0.75 \times 0.83) + (0.25 \times 0.71) \\ & = \text{£9800} \end{aligned}$$

Example 2

A 25 year old firefighter is joining the fire service with an entitlement to a cash equivalent of £7500. The yield on index-linked stocks at the relevant date for the transfer is 4.35%.

Using the Table referred to above the relevant factors in the 4% and 5% columns are 0.82 and 0.69, respectively. The amount to be applied for the purpose of calculating reckonable service credit would be:

$$\begin{aligned} & \text{£7500} \div (0.65 \times 0.82) + (0.35 \times 0.69) \\ & = \text{£9683.67} \end{aligned}$$

Example
1

The 23 year old firefighter joins the fire service on 5 July 1991 after 3 years 307 days reckonable service with the Metropolitan Police Civil Staff which he left on 24 January 1990. His date of birth is 5 November 1967.

A. Information required for the calculation

- | | | |
|----|--|---------------|
| 1. | Relevant date? | = 5 July 1991 |
| 2. | Age at relevant date? | = 23 |
| 3. | Pay at relevant date?
(Final pensionable salary £12576.24 adjusted
by pensions increase factor of 1.1231) | = £14124.38 |
| 4. | Marital status? | = Unmarried |
| 5. | Previous scheme is contracted out and a GMP
is included in the transfer value. | |
| | a. GMP in respect of service before 6
April 1988 at relevant date? | = £81.64 pa |
| | b. GMP in respect of service on or after
6 April 1988 at relevant date? | = £86.84 pa |
| | c. GMP to be used in the calculation for a
'Club' transfer $a + \frac{b}{2}$ (use figure
used by previous scheme to calculate
transfer value) | = £125.06 |
| 6. | Amount of Limited Revaluation Premium to be
added to the transfer value, if appropriate? | = - |
| 7. | a. Transfer value (capital sum)? | = £2913.05 |
| | b. Figure to be used in calculation
= a. + any LRP, if appropriate
£2913.05 + £0 | = £2913.05 |
| 8. | a. Yield on index-linked stocks? | = 4.35% |
| | b. AMC figure to be used in the
calculation
(0.82 x 0.65) + (0.69 x 0.35) | = 0.7745 |

B. Amount (X) to be taken into account in calculation of reckonable service credit

Transfer value (Capital sum: use figure from part 7) ÷ AMC figure =
A that is
= £2913.05 ÷ 0.7745 = £3761.20 = A

X = A + (GMP x factor) that is
X = £3761.20 + (£125.06 x 2.19) = £4035.08

C. Calculation of sum required (Y) to purchase one year's reckonable service

$$Y = P + W$$

$$P = \text{Pension} = \frac{\text{factor} \times \text{pay}}{45} = \frac{3.74 \times \pounds 14124.38}{45} = \pounds 1173.89$$

$$W = \text{Spouse's pension} = \frac{\text{factor} \times \text{pay}}{2 \times 45} = \frac{2.32 \times \pounds 14124.38}{2 \times 45} = \pounds 364.10$$

$$\text{Therefore } Y = \pounds 1537.99$$

D. Reckonable Service Credit

$$\frac{X}{Y} = \frac{\pounds 4035.08}{\pounds 1537.99} = 2.6236 \text{ (to 4 decimal places)}$$

= 2 years 228 days

Example
2

The firefighter joins the fire service on 4 February 1992 after 11 years 49 days reckonable service in the Armed Forces which he left on 20 July 1991. His date of birth is 30 March 1962.

A. Information required for the calculation

- | | | |
|----|---|-------------------|
| 1. | Relevant date? | = 4 February 1992 |
| 2. | Age at relevant date? | = 29 |
| 3. | Pay at relevant date? | = £14,844 |
| 4. | Marital status? | = Married |
| 5. | Previous scheme is contracted out and a GMP is included in the transfer value. | |
| | a. GMP in respect of service before 6 April 1988 at relevant date? | = £232.96 pa |
| | b. GMP in respect of service on and after 6 April 1988 at relevant date? | = £159.64 pa |
| | c. GMP to be used in the calculation for a 'Club' transfer $a + \frac{b}{2}$ (use figure used by previous scheme to calculate transfer value) | = £312.78 |
| 6. | Amount of Limited Revaluation Premium to be added to the transfer value, if appropriate? | = - |
| 7. | a. Transfer value (capital sum)? | = £12328.14 |
| | b. Figure to be used in calculation = a. + any LRP, if appropriate = £12328.14 + £0 | = £12328.14 |
| 8. | a. Yield on index-linked stocks? | = 4.29% |
| | b. AMC figure to be used in the calculation = (0.83 x 0.71) + (0.71 x 0.29) | = 0.7952 |

B. Amount (X) to be taken into account in calculation of reckonable service credit

Transfer value (Capital sum: use figure from part 7) ÷ AMC figure
= A that is
= £12328.14 ÷ 0.7952 = £15503.19 = A

X = A + (GMP x factor) that is

X = £15503.19 + (£312.78 x 2.42) = £16260.12

C. Calculation of sum required (Y) to purchase one year's reckonable service

$$Y = P + W$$

$$P = \text{pension} = \frac{\text{factor} \times \text{pay}}{45} = \frac{4.54 \times \text{£}14844}{45} = \text{£}1497.59$$

$$W = \text{Spouse's pension} = \frac{\text{factor} \times \text{pay}}{2 \times 45} = \frac{2.77 \times \text{£}14844}{2 \times 45} = \text{£}456.87$$

Therefore Y = £1954.46

D. Reckonable Service Credit

$$\frac{X}{Y} = \frac{\text{£}16260.12}{\text{£}1954.46} = 8.3195 \text{ years (to 4 decimal places)}$$

8 years 117 days

SERVICE CREDIT CALCULATION
FOR TRANSFER FROM CLUB SCHEME
USING THE SIMPLIFIED METHOD

Example
3

The circumstances of this case are the same as F7-Example 1.

A. Information required for the calculation

1.	Relevant date?	= 5 July 1991
2.	Age at relevant date?	= 23
3.	Pay at relevant date?	= £14124.38
4.	Marital status?	= Male/unmarried
5.	The transfer value payable by the sending scheme should be amended to disregard the AMC and GMP adjustment factors	
	Transfer value payable?	= £2913.05
	Adjusted figure to be used in the calculation?	= £4035.08 (See Part B of F7-Example 1)

B. Calculation of sum required (Y) to purchase one year's reckonable service

$$Y = P + W$$

$$P = \text{Pension} = \frac{\text{factor} \times \text{pay}}{45} = \frac{3.74 \times £14124.38}{45} = £1173.89$$

$$W = \text{Spouse's pension} = \frac{\text{factor} \times \text{pay}}{2 \times 45} = \frac{2.32 \times £14124.38}{2 \times 45} = £364.10$$

$$\text{Therefore } Y = £1537.99$$

C. Reckonable Service Credit

$$\frac{X}{Y} = \frac{£4035.08}{£1537.99} = 2.6236 \text{ years (to 4 decimal places)}$$

= 2 years 228 days

**SERVICE CREDIT FOR TRANSFER FROM A NON-CLUB SCHEME
(CONTRACTED OUT)**

Example

4

The firefighter joins the fire service on 19 August 1991 after 3 years 162 days reckonable service with British Telecom which he left on 15 August 1991. His date of birth is 21 September 1965.

A. Information required for the calculation

- | | | |
|----|--|------------------|
| 1. | Relevant date? | = 19 August 1991 |
| 2. | Age at relevant date? | = 25 |
| 3. | Pay relevant date? | = £15021 |
| 4. | Marital status? | = Married |
| 5. | Previous scheme is contracted out and a GMP is included in the transfer value. | |
| | a. GMP in respect of service before 6 April 1988 at relevant date? | = £1.04 pa |
| | b. GMP in respect of service on and after 6 April 1988 at relevant date? | = £117.52 pa |
| | c. GMP to be used in the calculation | = £59.80 |
| | ($\frac{a + b}{2}$) | |
| 6. | Amount of Limited Revaluation Premium to be added to the transfer value, if appropriate? | = - |
| 7. | a. Transfer value (capital sum)? | = £1743.86 |
| | b. Figure to be used in calculation = a. + any LRP, if appropriate | = £1743.86 |
| | = £1743.86 + £0 | |
| 8. | a. Yield on index-linked stocks? | = 4.40% |
| | b. AMC figure to be used in the calculation | |
| | = (0.82 x 0.60) + (0.69 x 0.40) | = 0.7680 |

B. Amount (X) to be taken into account in calculation of reckonable service credit

Transfer value (Capital sum: use figure from part 7) ÷ AMC figure = A that is

$$= £1743.86 \div 0.7680 = £2270.65 = A$$

X = A + (GMP x factor) that is

$$X = £2270.65 + (£59.80 \times 2.26) = £2405.80$$

C. Calculation of sum required (Y) to purchase one year's reckonable service

$$Y = P + W$$

$$P = \text{Pension} = \frac{\text{factor} \times \text{pay}}{45} = \frac{13.55 \times \text{£}15021}{45} = \text{£}4522.99$$

$$W = \text{Spouse's pension} = \frac{\text{factor} \times \text{pay}}{2 \times 45} = \frac{5.60 \times \text{£}15021}{2 \times 45} = \text{£}934.64$$

$$\text{Therefore } Y = \text{£}5457.63$$

D. Reckonable Service Credit

$$\frac{X}{Y} = \frac{\text{£}2405.80}{\text{£}5457.63} = 0.4408 \text{ years (to 4 decimal places)}$$

$$\boxed{= 0 \text{ years } 161 \text{ days}}$$

SERVICE CREDIT FOR TRANSFER FROM A NON-CLUB SCHEME
(NON CONTRACTED-OUT)

Example

5

The firefighter joins the fire service on 9 June 1991 after 3 years 190 days reckonable service with a publishing company which he left on 25 May 1991. His date of birth is 15 January 1969.

A. Information required for the calculation

- | | | |
|----|--|---------------|
| 1. | Relevant date? | = 9 June 1991 |
| 2. | Age at relevant date? | = 22 |
| 3. | Pay at relevant date? | = £14946 |
| 4. | Marital status | = Single |
| 5. | Previous scheme is not contracted out and no GMP is included in the transfer value. | |
| | a. GMP in respect of service before 6 April 1988 at relevant date? | - |
| | b. GMP in respect of service on and after 6 April 1988 at relevant date? | - |
| 6. | Amount of Limited Revaluation Premium to be added to the transfer value, if appropriate? | = - |
| 7. | a. Transfer value (capital sum)? | = £668.54 |
| | b. Figure to be used in calculation
= a. + any LRP, if appropriate
= £668.54 + £0 | = £668.54 |
| 8. | a. Yield on index-linked stocks | = 4.23% |
| | b. AMC figure to be used in the calculation
= (0.69 x 0.23) + (0.82 x 0.77) | = 0.7901 |

B. Amount (X) to be taken into account in calculation of reckonable service credit

Transfer value (Capital sum: use figure from part 7) ÷ AMC figure
= A that is

$$= £668.54 \div 0.7901 = £846.15 = A$$

X = A + (GMP x factor) that is

$$X = £846.15 + (£0 \times 2.15) = £846.15$$

C. Calculation of sum required (Y) to purchase one year's reckonable service

$$Y = P + W$$

$$P = \text{Pension} = \frac{\text{factor} \times \text{pay}}{45} = \frac{13.60 \times \text{£}14946}{45} = \text{£}4517.01$$

$$W = \text{Spouse's pension} = \frac{\text{factor} \times \text{pay}}{2 \times 45} = \frac{5.20 \times \text{£}14946}{2 \times 45} = \text{£}863.55$$

$$\text{Therefore } Y = \text{£}5380.56$$

D. Reckonable Service Credit

$$\frac{X}{Y} = \frac{\text{£}846.15}{\text{£}5380.56} = 0.1573 \text{ years (to 4 decimal places)}$$

$$\boxed{= 0 \text{ years } 57 \text{ days}}$$

TRANSFER VALUES PAYABLE BETWEEN FIRE AUTHORITIES

Example
1

The firefighter joined the fire service on 10 December 1962 and on 31 January 1990 aged 46 years, transferred to another brigade.

- A. Actual pensionable service: 27 years 53 days (27.1452 years)
- B. Hypothetical service: 30 years
Equivalent to 40/60ths (service after 20 years counts double)
- Average pensionable pay: £12838
- C. Hypothetical pension:

$$\frac{40}{60} \times \text{£}12838 = \text{£}8558.667$$

Deferred pension:

$$\frac{A}{B} \times C = \frac{27.1452}{30} \times \text{£}8558.667 = \text{£}7744.224$$

Widow's accrued pension: £3729.244
(See method in C4-Example 4)

Transfer value:

Notional deferred pension x basic factor* = £49563.033
£7744.224 x 6.40

Deductions -

in respect of
Modification of
State flat-rate pension
17.1452** x £1.70 = £29.147

£29.147 x 1.90* = £ 55.379
(NI factor)

GMP (weekly amount)
£12.03 x 52.18 x 2.44* = £1531.650
(GMP factor)

TOTAL
DEDUCTIONS = £ 1587.029
= £47976.004

Widow's notional accrued pension:
£3729.244 x 4 = £14916.976
TV (before interest) = £62892.98

Transfer value payable = £62892.98

Interest is payable if the transfer value is not paid within six months of the transfer taking place.

* see Schedule 6, Part III Table

** service in years up to 31 March 1980

TRANSFER VALUES - PAYABLE BETWEEN FIRE AUTHORITIES

Example
2

The firefighter joined the fire service on 19 November 1979 and on 26 December 1984 aged 25 years, transferred to another brigade.

- A. Actual pensionable service: 5 years 38 days (5.1041 years)
 B. Hypothetical service: 30 years
 Equivalent to 40/60ths (service after 20 years counts double)

Average pensionable pay: £9468.147

- C. Hypothetical pension:

$$\frac{40}{60} \times £9468.147 = £6312.098$$

Deferred pension:

$$\frac{A}{B} \times C = \frac{5.1041}{30} \times £6312.098 = £1073.919$$

Widow's accrued pension: (all service is at $\frac{1}{2}$ rate)

$$\frac{1}{2} \times £1073.919 = £536.960$$

Transfer value:

Notional deferred pension x basic factor* = £ 5691.771
 £1073.919 x 5.30*

Deductions -

in respect of
 Modification of
 State flat-rate pension
 0.364** x £1.70 = £ 0.619

£0.619 x 0.35* = £ 0.217
 (NI factor)

GMP (weekly amount)
 £4.49 x 52.18 x 1.65* = £ 386.576
 (GMP factor)

TOTAL
DEDUCTIONS = £ 386.793
 = £5304.978

Widow's notional accrued pension:
 £536.960 x 4 = £2147.840
 TV (before interest) = £7452.818

Transfer value payable = £7452.82

Interest is payable if the transfer value is not paid within six months of the transfer taking place.

* see Schedule 6, Part III Table

** service in years up to 31 March 1980

Example
3

The firefighter is transferred to the Fire Service College as a temporary instructor on 3 December 1990 and returns to his parent brigade on 6 May 1991. A net transfer value is paid by the Home Office after his return. His date of birth is 16 October 1956. The net transfer value is agreed and paid by the Home Office on 14 December 1991.

ON LEAVING BRIGADE

- A. Actual pensionable service: 15 years 3 days (15.0082 years)
- B. Hypothetical service: 30 years
Equivalent to 40/60ths (service after 20 years counts double)
- Average pensionable pay: £18000.61
- C. Hypothetical pension:
- $$\frac{40}{60} \times £18000.61 = £12000.406$$
- Deferred pension:
- $$\frac{A}{B} \times C = \frac{15.0082}{30} \times £12000.406 = £6003.48$$
- Widow's accrued pension: = £3001.74

Transfer value (outward):

<u>Notional deferred pension x basic factor*</u>		
£6003.48 x 5.75		= <u>£34520.01</u>
<u>Deductions -</u>		
in respect of		
Modification of		
State flat-rate pension		
4.3315** x £1.70 = £ 7.36		
£7.36	x 0.70*	= <u>£ 5.15</u>
	(NI factor)	
<u>GMP (annual amount)</u>		
£946.02	x 1.95*	= <u>£1844.74</u>
	(GMP factor)	
<u>TOTAL</u>		
<u>DEDUCTIONS</u>		
		= <u>£ 1849.89</u>
		= <u>£32670.12</u>
<u>Widow's notional accrued pension:</u>		
£3001.74 x 4		= <u>£12006.96</u>
Transfer value		= <u>£44677.08</u>
<u>Plus: Interest (where applicable)</u>		
(4.12.90 to 14.12.91 : 4 periods)		= <u>£ 4154.97</u>
x 9.3%		
<u>Transfer value payable</u>		= <u>£48832.05</u>

ON LEAVING FIRE SERVICE COLLEGE

A. Actual pensionable service: 15 years 157 days (15.4301 years)
(on his return)

B. Hypothetical service: 30 years
Equivalent to 40/60ths (service after 20 years counts double)

Average pensionable pay: £20398.23

C. Hypothetical pension:

$$\frac{40}{60} \times £20398.23 = £13598.82$$

Deferred pension:

$$\frac{A}{B} \times C = \frac{15.4301}{30} \times £13598.82 = £6994.37$$

Widow's accrued pension: (all service is at half rate)
 $\frac{1}{2} \times £6994.37 = £3,497.19$

Transfer value (inward):

Notional deferred pension x basic factor*
£6994.37 x 5.75 = £40217.63

Deductions -

in respect of
Modification of
State flat-rate pension
4.3315** x £1.70 = £ 7.36

£7.36 x 0.70* = £ 5.15
(NI factor)

GMP (annual amount)
£1075.95 x 1.95* = £2098.10
(GMP factor)

TOTAL
DEDUCTIONS = £ 2103.25
= £38114.38

Widow's notional accrued pension:
£3497.19 x 4 = £13988.76
Transfer value = £52103.14

Plus: Interest (where applicable)
(7.5.91 to 14.12.91 : 2 periods) = £ 2396.74
x 4.6%

Transfer value payable = £54499.88

Net transfer value payable =
£54499.88 - £48832.05 = £ 5677.83

Interest only applies where payment is not made within 6 months of the date of transfer.

* see Schedule 6, Part III Table.

** service in years up to 31 March 1980

**CASH EQUIVALENT TRANSFER VALUE
PAYABLE TO A CLUB SCHEME**

Example

1

The firefighter applies for a transfer to a Club Scheme on 17 February 1992 after leaving the fire service on 8 February 1987 with 5 years 36 days reckonable service. His date of birth is 19 September 1961.

A. GENERAL INFORMATION

1.	Qualifying service:	5 years 36 days
2.	Normal pension age:	60
3.	Application date of application?	17 February 1992
4.	Relevant date?	17 February 1992
5.	Marital status?	Single
6.	Date of Birth?	19 September 1961
7.	Age last birthday at the relevant date?	30
8.	Pensions increase applicable in this case.	32.37%
9. a.	GMP in respect of service before 6 April 1988 as at the relevant date? = £9.59 pw x 52	£ 498.68 pa = (a)
b.	GMP in respect of service on or after 6 April 1988 as at the relevant date? = £0.00	£ 0.00 = (b)
c.	GMP to be used in the calculation =	
	(a) + ($\frac{1}{2}$ x (b)) = £498.68 + 0	= £ 498.68
10.a.	Yield on index-linked stocks:	4.29%
b.	AMC figure to be used in the calculation = (0.83 x 0.71) + (0.71 x 0.29)	= 0.7952
11.	Average pensionable pay	= £10871.16

B. CALCULATION OF ACCRUED BENEFITS

$$\begin{aligned} \text{Pension} &= \frac{5.0986}{30} \times \left(\frac{40}{60} \times \text{£}10871.16 \right) &= & \text{£}1231.73 \\ \text{Spouse's pension} &= \frac{1}{2} \text{ husband's pension} &= & \text{£} 615.87 \end{aligned}$$

NI Modification

(No service before 1980) ---

C. CALCULATION OF TRANSFER VALUE

Gross Personal pension	=	Benefits	x	factor	=	£5776.81	
		£1231.73		4.69			+
Spouse's pension	=	£ 615.87	x	2.85	=	<u>£1755.23</u>	+
					=	£7532.04	
Less National Insurance Modification	=	<u>£ 0.00</u>	x	3.13	=	<u>£ 0.00</u>	
					=	£7532.04	+
Add pensions increase (if applicable)	=	32.37%	x	7532.04	=	<u>£2438.12</u>	
					=	£9970.16	
Less adjustments for PI on GMP payable by DSS	=	£498.68	x	2.47	=	<u>£1231.74</u>	
					=	£8738.42	
Adjustment for Market Conditions	=	(0.7952)			=	£6948.79	
Transfer value payable	=				=	<u>£6948.79</u>	

**CASH EQUIVALENT TRANSFER VALUE
PAYABLE TO A CLUB SCHEME**

Example

2

The firefighter applies for a transfer to a Club Scheme on 20 January 1992 after leaving the fire service on 13 February 1990 with 14 years 348 days reckonable service. His date of birth is 9 October 1947. He commenced service on 3 March 1975.

A. GENERAL INFORMATION

1.	Qualifying service:	14 years 348 days
2.	Normal pension age:	60
3.	Application date of application?	20 January 1992
4.	Relevant date?	20 January 1992
5.	Marital status?	Married
6.	Date of Birth?	9 October 1947
7.	Age last birthday at the relevant date?	44
8.	Pensions increase applicable in this case.	12.31%
9. a.	GMP in respect of service before 6 April 1988 as at the relevant date? = £25.48 pw x 52	£ 1324.96 pa = (a)
b.	GMP in respect of service on or after 6 April 1988 as at the relevant date? = £3.62 x 52	£ 188.24 pa = (b)
c.	GMP to be used in the calculation = (a) + ($\frac{1}{2}$ x (b)) = £1324.96 + £94.12 =	£ 1419.08
10. a.	Yield on index-linked stocks:	4.42%
b.	AMC figure to be used in the calculation = (0.87 x 0.58) + (0.78 x 0.42) =	0.8322
11.	Average pensionable pay =	£18431.16

B. CALCULATION OF ACCRUED BENEFITS

$$\text{Pension} = \frac{14.95}{27.60} \times \left(\frac{35.21}{60} \times \text{£}18431.16 \right) = \text{£}5858.68$$

$$\text{Spouse's pension} = \frac{1}{2} \text{ husband's pension} = \text{£}2929.34$$

NI Modification

$$3 \text{ March } 1975 - 31 \text{ March } 1980 = 5 \text{ years } 29 \text{ days} = 5.079 \times \text{£}1.70 = \text{£}8.63$$

C. CALCULATION OF TRANSFER VALUE

Gross Personal pension	=	Benefits	x	factor	=	£43002.71	
		£5858.68		7.34			
Spouse's pension	=	£2929.34	x	4.22	=	<u>£12361.81</u>	+
					=	£55364.52	
Less National Insurance Modification	=	<u>£ 8.63</u>	x	<u>4.92</u>	=	<u>£ 42.46</u>	
					=	£55322.06	+
Add pensions increase (if applicable)	=	12.31%	x	£55322.06	=	<u>£ 6810.15</u>	
					=	£62132.21	
Less adjustments for PI on GMP payable by DSS	=	£1419.08	x	3.14	=	<u>£ 4455.91</u>	
					=	£57676.30	
Adjustment for Market Conditions	=	(0.8322)			=	£47998.22	
					=	£47998.22	
					=	£47998.22	

**CASH EQUIVALENT TRANSFER VALUE
PAYABLE TO A PERSONAL PENSION SCHEME**

Example

3

The firefighter applies for a transfer to a personal pension scheme on 30 April 1989 after leaving the fire service with 13 years 221 days' service. His last day of service is 13 November 1987. His date of birth is 7 April 1955.

A. GENERAL INFORMATION

1. Qualifying service:	13 years 221 days
2. Normal pension age:	60
3. Application date of application?	30 April 1989
4. Relevant date?	30 April 1989
<hr/>	
5. Marital status?	Married
6. Date of Birth?	7 April 1955
7. Age last birthday at the relevant date?	34
8. Pensions increase not applicable in this case.	1.0775
9. a. GMP in respect of service before 6 April 1988 as at the relevant date? = £16.76 pw x 52	£ 871.52 pa = (a)
b. GMP in respect of service on or after 6 April 1988 as at the relevant date? = £0.00 x 52	£ 0.00 pa = (b)
c. GMP to be used in the calculation = (a) + ($\frac{1}{2}$ x (b)) = £871.52 + £0.00 =	£ 871.52
10.a. Yield on index-linked stocks:	3.55%
b. AMC figure to be used in the calculation = (1.00 x 0.45) + (0.84 x 0.55) =	0.912
11. Average pensionable pay =	£15391.26

B. CALCULATION OF ACCRUED BENEFITS

$$\text{Pension} = \frac{13.6055}{30} \times \left(\frac{40}{60} \times \text{£}15391.26 \right) = \text{£}4653.46$$

$$\text{Spouse's pension} = \frac{1}{2} \text{ husband's pension} = \text{£}2326.73$$

NI Modification

$$\text{£}1.70 \times 5.9836 \text{ years} = \text{£}10.17$$

C. CALCULATION OF TRANSFER VALUE

Gross Personal pension	=	Benefits	x	factor	=	£24802.94	
		£4653.46		5.33			
Spouse's pension	=	£2326.73	x	3.18	=	<u>£ 7399.00</u>	+
					=	£32201.94	
Less National Insurance Modification	=	<u>£ 10.17</u>	x	3.56	=	<u>£ 36.21</u>	
					=	£32165.73	= A
							+
Add pensions increase (if applicable)							
= PI factor or % x A	=	1.0775 x A			=	<u>£34658.57</u>	

Less adjustments for PI on GMP payable by DSS	=	£871.52	x	2.66	=	<u>£ 2318.24</u>	-
					=	£32340.33	= B
Adjustment for Market Conditions	=	0.912	x	B	=	£29494.38	
					=	£29494.38	

"MIXED" TRANSFER VALUE PAYABLE TO A NON-CLUB SCHEME IN A
CASE INVOLVING DIRECT ENTITLEMENT TO A "CASH EQUIVALENT"

Example

4

The firefighter applies for a transfer to a non-club scheme on 30 January 1991 after leaving the fire service on 18 January 1991 with 4 years 260 days service. His date of birth is 2 November 1962.

A. GENERAL INFORMATION

1. Qualifying service: (Post - 1 October 1990 element)	110 days
2. Normal pension age:	60
3. Application date of application?	30 January 1991
4. Relevant date?	30 January 1991
5. Marital status?	Unmarried
6. Date of Birth?	2 November 1962
7. Age last birthday at the relevant date?	28
8. Pensions increase not applicable in this case.	
9. a. GMP in respect of service before 6 April 1988 as at the relevant date? = £0.00 x 52	£ 0.00 pa = (a)
b. GMP in respect of service on or after 6 April 1988 as at the relevant date? = £0.58 pw x 52	£ 30.16 pa = (b)
c. GMP to be used in the calculation = (a) + ($\frac{1}{2}$ x (b)) = £0.00 + £15.08 =	£ 15.08
10.a. Yield on index-linked stocks:	4.18%
b. AMC figure to be used in the calculation = (0.82 x 0.82) + (0.70 x 0.18) =	0.7984
11. Average pensionable pay =	£ 12550.00

B. CALCULATION OF ACCRUED BENEFITS

$$\text{Pension} = \frac{0.3014}{30} \times \frac{(40 \times \text{£}12550)}{(60)} = \text{£ } 84.06$$

$$\text{Spouse's pension} = \frac{1}{2} \text{ husband's pension} = \text{£ } 42.03$$

NI Modification

No service before 1980

C. CALCULATION OF TRANSFER VALUE

Gross Personal pension	=	Benefits	x	factor	=	£ 369.86	
		£ 84.06		4.40			
Spouse's pension	=	£ 42.03	x	2.69	=	<u>£ 113.06</u>	+
						£ 482.92	-

Less National Insurance Modification	=	£ _____	x	_____	=	£ ---	
						£ 482.92	= A

Add pensions increase (if applicable)							+
= PI factor or % x A	=	£			=	£ ---	
						£ 482.92	

Less adjustments for PI on GMP payable by DSS	=	£ 15.08	x	2.38	=	<u>£ 35.89</u>	-
						£ 447.03	= B

Adjustment for Market Conditions	=	0.7984	x	B	=	£ 356.91 = C	
						= Transfer value payable (notional cash equivalent)	

Entitlement to notional TV for pre-1 October 1990 service using the method in F8-Examples 1 and 2, including any interest due

= £7450.21

"Cash equivalent" entitlement in respect of full fire service which arises directly from Social Security legislation (calculated as in F9-Example 3)

= £6542.38

In this case the "mixed" transfer value is more favourable
 £356.91 + £7450.21
 Total TV payable

= £7807.12

Of the total TV payable £6542.38 is a "cash equivalent" arising directly under Social Security legislation and the balance of £1264.74 is payable under Schedule 6, Part IV, para 4. This is the effect of the formula D-E on F9-4.

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 $\frac{36.8712}{60} \times$ average pensionable pay (APP)

Maximum benefit he could buy: $\frac{3.1288}{60} \times$ 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 $\frac{23}{60} \times \text{APP}$.

PART H

DETERMINATION OF QUESTIONS AND APPEALS

Part H deals with medical questions which may arise (H1) and allows for an appeal to an independent medical referee (H2) where the decision is disputed. The detailed procedure for medical appeals is in Schedule 9, Part I. With certain restrictions there is provision for an appeal to the courts if the dispute as to entitlement is not based on a medical matter (H3). Schedule 9, Part II deals with the arrangement for reference to a tribunal in the event of an appeal in an overseas service case.

①

Questions which
must be referred
to a medical
practitioner

It is for your fire authority to decide in the first place whether you or your dependents are entitled to any award under the pension scheme.
* Whenever such an entitlement depends on a medical question your fire authority must refer the question to a medical practitioner, (see "POINTS TO NOTE 1", H1-2).

②

Under A15 your fire authority may require you to retire on the ground that you are permanently disabled for the performance of your duties.

Before doing so they must refer to a medical practitioner the questions:

- * whether you are disabled, and
- * whether your disablement is likely to be permanent (see A10-1).

If you are a regular firefighter and retire on the ground that you are permanently disabled, you will be entitled to an ill-health award under B3.

If your fire authority is further considering whether you are entitled to an injury award under B4, they must also refer the following questions to a medical practitioner:

- * whether your disablement results from an injury on duty, and
- * the degree of your disablement.

(In rare cases a fire authority may need to consider, for the purposes of F2(2)(b), whether a firefighter's sickness or injury is due to misconduct, or, for the purposes of K3, whether he or she has brought about, or substantially contributed to the disablement by his or her own default. This question also must be referred to a medical practitioner.)

Definitions

The meanings of:
"Disablement"
"Permanent disablement"
"Qualifying injury"
"Degree of disablement" and
"Default"
are explained at A9 to A11.

How medical
questions are
decided

The doctor will see you and may also call for medical reports to help him form his opinion.

He will then provide your fire authority with a certificate, similar to the one in H1 - Medical certificate, setting out his opinion. Unless you decide to appeal, or H3 applies, this will be final.

If you have been certified as permanently disabled your fire authority will decide on your effective date of retirement (see A15-1).

DETERMINATION BY
FIRE AUTHORITY

POINTS TO NOTE

1. A fire authority must obtain the opinion of a medical practitioner in respect of the medical questions set out in the FPS. It may appoint any qualified person of its choosing, but it may well decide to refer medical questions under the FPS to its brigade medical officer if it employs such a person.
2. It is helpful if medical practitioners are asked to consider all the questions on the certificate of disablement in each case, even where they do not appear to be relevant to an individual's circumstances. In this way there will be no room for doubt about the practitioner's opinion on each question if there is an appeal. Medical practitioners may wish to add a supplementary statement to a certificate, about factors affecting a particular question. This can prove useful if there is an appeal.
3. Please note that if you refuse to submit to a medical examination so that the medical practitioner is unable to provide the required opinion, the fire authority have discretion to make their decision without medical evidence.
4. If an injury award is being considered, it will be for your fire authority to inform the medical practitioner whether the incident occurred in the "execution of duty". It will be for the medical practitioner to give an opinion on what effect a particular injury may have had. It is always advisable to report any significant incident on duty, in case a question of disablement should arise later.
5. If, while you are receiving an ill-health pension, your fire authority are considering whether your disability has ceased under K1, with a view to your possible reinstatement, they must base this decision on medical advice.
6. If, while you are entitled to an injury pension under B4, your fire authority are considering whether your injury pension should be reassessed under K2, they must base their final decision on medical advice.
7. When the question of medical retirement is under consideration fire authorities should bear in mind the principle established in a Court of Appeal case involving a police officer. (Regina.v. Kent Police Authority Ex parte Godden (1971) QB.662.) The Court ruled that the action of a force medical officer in certifying as permanently disabled an individual in respect of whom he had previously issued a certificate of permanent disablement against which a successful appeal had been made, gave rise to an appearance of bias and amounted in the particular circumstances of the case to a breach of natural justice. This principle would appear to apply equally to cases under the FPS. Under the provisions of both schemes authorities are required to refer medical questions to duly qualified medical practitioners. The precedent established in the Godden case is most likely to apply where a person has been retired on grounds of ill-health and has successfully appealed to a medical referee, resulting in reinstatement. If the question of permanent disablement arises again it would be advisable for the case to be referred to a different medical practitioner - i.e. not the one responsible for the earlier retirement decision.

How to appeal

When informed of your fire authority's decision in a matter involving a medical opinion:

- * you have 14 days in which to ask for a copy of the relevant certificate.

Once you have received the certificate:

- * you have 14 days in which to lodge an appeal, if you are dissatisfied with the certificate.

Your fire authority may be prepared to extend the second of these time limits (up to a maximum of 6 months from the date you received the certificate), but only if they think there is good reason for doing so (see "POINTS TO NOTE 1", H2-3).

Notice of your appeal must be given in writing to your fire authority, and must include your general grounds of appeal. They will be forwarded to the medical referee when he is appointed and you can send him any further information you wish before your interview (See "Arrangements for the hearing", H2-1).

How the referee is appointed

Medical appeals are considered by an independent referee nominated by the Home Secretary, or the Secretary of State for Scotland.

Your fire authority will forward to the relevant Secretary of State:

- 2 copies of your notice of appeal,
- 2 copies of the certificate you are appealing against
and
- your full name and address (See "POINTS TO NOTE 4,5" H2-3 and H2-4).

The medical referee will be a specialist in the medical condition which is under consideration and practising as near as can be arranged to your home. A specialist who has previously treated you for the complaint in question will not be appointed to act as the referee in your appeal.

Where the circumstances of your appeal relate to more than one major ailment, specialists for each condition will be appointed to decide the appeal jointly.

Arrangements for the hearing

You will be notified of the name and address of the medical referee as soon as he has been appointed. The referee will fix a time for hearing the appeal and give you and your fire authority reasonable notice of when and where it will be held. If he wishes to interview you, or examine you, more than once he will let you know. The same arrangements will apply on each occasion.

You should let the referee know immediately if you cannot attend at this time. If you should fail to attend without good reason, your appeal may be decided by the referee on such information as is available.

**APPEAL TO
MEDICAL REFEREE**

Before your interview with the referee you may send him any statement or written evidence you wish relating to the grounds of your appeal. If you do so, you should also send a copy to your fire authority (see also under "How to appeal" H2-1). Similarly your fire authority may send the referee any material relating to the subject of your appeal and should send you a copy. Your fire authority will advise the referee of the operational requirements of the brigade and any other relevant circumstances about your duties. Referees find it helpful to receive from fire authorities as much information as possible relating to the health and fitness standards expected of firefighters.

The rules for the conduct of the appeal allow both you and the fire authority to bring one or more personal representatives to the interview. The proceedings are intended to be informal and it is hoped that in normal circumstances both parties would not have more than one representative.

Result of the hearing The medical referee will send you and your fire authority written notice of his decision.

Your fire authority are bound by the decision of the medical referee which is final (See H3-1).

The pages of the commentary dealing with rules:

- * A15 - compulsory retirement on grounds of disablement,
 - * B3 - ill-health award,
 - * B4 - injury award,
 - * K1 - cancellation of ill-health and injury pensions,
 - * K2 - reassessment of injury pension, and
 - * K3 - reduction of pension in case of default,
- describe the results of the determination of a medical question.

If your fire authority require you to retire on grounds of disablement under A15 and you appeal against the medical decision that you are disabled:

- * if the medical referee finds that you were not permanently disabled, your retirement would be void and you would be due to receive back pay accordingly.

For this reason your fire authority may:

- a. delay your retirement until your appeal is decided, or
 - b. withhold payment of your pension and commuted lump sum using the discretion in L3(1) and instead make payments to you "on account".
- * When your appeal is decided the payments on account would be attributed to pay, or pension and commuted lump sum, as appropriate, and made up to the full amount due in either case.

In practice there is an agreement through the National Joint Council that retirement in such cases will be held in abeyance until the appeal is settled so that the above provisions should not normally arise. (See "POINTS TO NOTE 1," A15-1).

APPEAL TO
MEDICAL REFEREE

If your fire authority decide that your disablement was not caused by an injury on duty, and they reverse this decision following a successful appeal, you will be entitled to an injury award under B4:

- * from the date of your retirement, or
- * the date of your disablement, whichever is later.

If you appeal successfully against a decision regarding your degree of disablement, you will be entitled to an award based on the revised degree of disablement, again:

- * from the date of your retirement, or
- * from the date of your disablement, whichever is later.

If you appeal successfully against a reassessment of your injury pension, the revision or termination of your pension under K2 will be void and your pension reinstated from the date the reassessment took effect.

POINTS TO NOTE

1. The purpose of the appeal is to decide whether the medical referee agrees with the medical opinion on which the fire authority based its decision was correct at the time it was made. It is therefore important that an appeal is made as soon as possible after the decision in question.
2. If your medical condition changes after your retirement, it will normally be a question of reviewing your award, rather than questioning the basis on which it was awarded. However, you should bear in mind the following:
 - * If you retire voluntarily on grounds other than ill-health, and you find later that you are permanently disabled, you will not become entitled to an ill-health pension (See "POINTS TO NOTE 1", B3-1).
 - * If after your retirement on some other ground, you become permanently disabled as a result of an injury on duty, you will then become entitled to an injury award. (This award does not depend on your having retired on the ground that you were permanently disabled at that time - See "POINTS TO NOTE 4", B4-1). This is sometimes known as "an after-appearing injury". Again, the sooner the facts can be established the better. The longer the period that elapses, the more difficult it may become to assess the effect of an injury.
3. Medical appeals are given priority by the Home Departments, but the process is bound to take time because:
 - * specialists with the necessary qualifications and experience are usually busy people with competing calls on their time,
 - * the necessary exchange of correspondence takes time, and
 - * there is bound to be delay if it turns out that the first specialist who is approached is unable to act as a referee.If you are worried about the time being taken, your fire authority can usually find out for you where matters stand.
4. Fire authorities are asked to send the appeal documents in duplicate as appropriate to:
 - Home Office, Finance Division 2, 50 Queen Anne's Gate, London SW1H 9AT, or
 - Scottish Office Superannuation Division, St Margaret's House, 151 London Road, Edinburgh EH8 7TG.

Briefing for the referee and any supporting medical evidence or statement provided by the appellant should not be forwarded to the Home Office. It should be sent direct to the medical referee once his or her appointment is notified. The notice of appeal, certificate and appellant's full name and address (with the information in "POINTS TO NOTE 5", H2-4 below) are forwarded immediately, so that a start can be made in selecting a suitable referee.

APPEAL TO MEDICAL REFEREE

5. The following information should always accompany the appeal documents:
- (a) Appellant's date of birth and full home address;
 - (b) Nature of disability - this should be clearly expressed so that there is no doubt about the category of specialist required.
 - (c) Notice of appeal should be dated by the appellant or if not the date of receipt should be recorded by the authority: it should also give the grounds of appeal.
 - (d) A doctor who has previously treated the appellant for the condition in question would not be expected to act in an appeal and it would be helpful if authorities could give the name of any such specialist (where known) to avoid unnecessary correspondence.
6. If you are a retained firefighter you have a right of appeal to a medical referee only if a potential entitlement to an award under the FPS is at issue. There is, however, an agreed NJC procedure under which you can dispute retirement on health grounds (See POINTS TO NOTE 4, J4-1).

Fees and expenses The medical referee's fees will normally be paid by your fire authority. The fees are agreed by the Home Department concerned at the time of the referee's appointment and, if exceptionally high, after consultation with the fire authority.

You will need to meet your own expenses of attending any interview with the referee in the first place. If your appeal is successful (unless the referee otherwise directs) your fire authority will refund to you any such expenses you have reasonably incurred, so it is advisable to keep a record of them, with any receipts.

If the referee decides in favour of your fire authority (unless the referee otherwise directs) the authority can require you to meet part of the cost, not exceeding the referee's total fees and allowances. However, this rarely happens - (it might, for example, if an appeal were deemed to be frivolous).

How to appeal If you are:

- * a former member of a fire brigade, or
- * a person claiming an award in respect of a former member of a fire brigade,

and you are dissatisfied with:

- a. the refusal of an award by your fire authority,
- b. the refusal of a larger award than the award granted, or
- c. the withdrawal (forfeiture) of a pension on conviction of an offence.

Initially you should ask your former fire authority to reconsider your case. If you are dissatisfied with the outcome of this reconsideration you may appeal:

- * to the Crown Court, in the case of a member of an English or Welsh brigade, or
- * to the Sheriff Court, in the case of a member of a Scottish brigade.

Arrangements for the hearing

The rules of evidence and the rules relating to the time to appeal, of the Crown Court or the Sheriff Court, will apply to the hearing. You should check as soon as possible how long you have to give notice of appeal, or you might have to rely on the discretion of the court to extend the normal time limit and make out a case for their doing so.

Advice If you are in doubt you should consult your staff association or a solicitor.

What are the limitations? You cannot appeal against a decision which is expressly at the discretion of your fire authority other than in a case of forfeiture under K5 (see K5-2).

You cannot reopen any medical issue decided on an appeal under H2 (See H2-2).

You cannot question any certificate of pensionable service which has become conclusive under F1(5) (See F1-2).

POINTS TO NOTE

1. Decisions which are expressly declared to be within a fire authority's discretion include:
 - * resuming payment of a widow(er)'s award if the subsequent marriage ends (C9),
 - * paying a special pension to an adult dependent relative (E2),
 - * paying a gratuity to a dependent relative (E3),
 - * granting a gratuity to a widow(er) instead of a pension (E5),
 - * granting a gratuity to a child, instead of an allowance (E6),
 - * withdrawing a pension during employment as a regular firefighter (K4), and
 - * determining when to pay a widow(er)'s pension or child allowance (within a year of a firefighter's death) where the firefighter has received a gratuity other than an injury gratuity (L3).

How to appeal If you are:

- * a former regular firefighter whose claim arises from a period of temporary employment in connection with the training and organisation of fire-fighting forces in a country outside the UK (See A4-2), or
- * a person claiming an award in respect of such an individual,
and you are dissatisfied with:
 - a. the refusal of an award by the Secretary of State (who is your fire authority),
 - b. the refusal of a larger award than the award granted, or
 - c. the withdrawal (forfeiture) of an award on conviction of an offence,

① you should ask the Secretary of State to reconsider your case. If you are dissatisfied with the outcome of this reconsideration you may give notice of appeal to the Secretary of State. Your notice must be in writing and state your grounds of appeal.

The appointment of a tribunal

The Secretary of State will appoint an appeal tribunal with 3 members:

- * a barrister (or in Scotland an advocate), or solicitor of not less than 7 years' standing,
- * a retired member of a fire brigade, whose rank was at least divisional officer (Grade 1), and
- * a third member, of unspecified qualification.

Arrangements for the hearing

① The tribunal will decide the time and place of the hearing or hearings and give you and the Secretary of State reasonable notice of where and when it will be held.

- * You may be represented by counsel, a solicitor, or anyone else you choose and approved by the tribunal, bring evidence and cross examine witnesses. So may the Secretary of State.
- * The rules of evidence and the rules relating to the time to appeal, of the Crown Court or the Sheriff Court, will apply to the hearing (See H3-1).
- * Apart from this the tribunal will determine its own procedure.
- * The tribunal will make whatever order it regards as just, stating the reasons for its decision. You will be entitled to a copy.

Appeal from the decision of a tribunal

You may appeal to the High Court (or in Scotland the Court of Session) following any decision of the tribunal, but only on a point of law.

- * The rules of court will apply to such an appeal.

Advice If you are in doubt you should consult your staff association or a solicitor.

POINTS TO NOTE

1. The same limitations apply as to an appeal to a Crown Court or Sheriff (See What are the limitations, H3-1).

FIREFIGHTERS' PENSION SCHEME
CERTIFICATE OF PERMANENT DISABLEMENT

I have considered the medical history of

(Rank and name)

[Delete as necessary]

and also a report from Dr of.....

and I have examined the firefighter on .../.../.....

I have decided:-

1	He/she is/is not suffering from
---	---------------------------------------

2	He/she is/is not disabled from performing the duties of a regular firefighter.
---	--

3	The disablement is/is not likely to be permanent. I recommend therefore that the fire authority should consider in..... months/years' time whether the disablement has ceased. I do not recommend that the fire authority should consider at any time whether the disablement has ceased.
---	---

4	The above condition is/is not the result of any injury received in the execution of duty as a regular firefighter (see notes(a) and (b) below).
---	---

5	The degree to which the firefighter's earning capacity has been affected is per cent (see note (c) below).
---	--

I recommend that the fire authority should consider in months'/years' time whether the degree of disablement has altered.

Date:.../.../..... . Signed:

Qualification:

- Notes: (a) Includes any injury or disease whether of body or mind.
(b) Disablement is deemed to be the result of an injury if the injury has caused or substantially contributed to the disablement.
(c) For the purposes of the table in Part V of Schedule 2.

PART I

SERVICEMEN

Part I deals with the position of regular firefighters who are called up for duty in the armed forces ("servicemen"). It sets out how such service is to be treated for the purposes of contributions and benefits under the FPS (I1, 6, 7) and covers cases of permanent disablement and death arising from the period in the armed forces (I2 to 5). Schedule 10 fixes limits for certain discretionary awards in respect of "servicemen".

"Servicemen"

A "serviceman" is someone who is serving as a regular firefighter immediately before undertaking "relevant service in the armed forces" (see A12-1).

* Part I does not apply to service in the armed forces which counts towards pensionable service under:

- a. rule F7, on payment of a transfer value; or
- b. rule F6 (War Service).

* The provisions relating to "servicemen" are appropriate to Part J (Special cases), but as they are self-contained, they have been covered separately in Part I.

"Relevant service
in the armed
forces"

This service is defined in A12. (see A12-1).

POINTS TO NOTE

1. A "serviceman" is a person who immediately before undertaking relevant service in the armed forces was a regular firefighter. This means that you will only be treated as a "serviceman" if you were a firefighter one day and a member of the armed forces the next.
2. These provisions are only likely to affect regular firefighters who are members of the Reserve Forces.

Who is affected?

This rule will affect you (if you are eligible under I1):

- if you are permanently disabled at the end of your relevant service in the armed forces.

What is the award?

- * You will be entitled to an ill-health award as if you had retired on grounds of disablement (See B3).
- * if your disablement was the result of an injury received during your relevant service in the armed forces:
 - your fire authority have discretion:
 - a. to pay you an annual pension of 1/12th of your APP, instead of an ill-health gratuity, and
 - b. to increase your ill-health pension, or pension paid under a. above, so that you are no worse off than if you were entitled to an injury award under B4, allowing for the payment of any service pension.

Other effects.

No account will be taken of any increase in your pension under b. above in the amount you may:

- commute,
- allocate, or
- have your pension reduced by, to uprate any service not fully paid up for widow's and children's benefit.

POINTS TO NOTE

1. This rule, together with paragraph 1 of Schedule 10, enables your fire authority, if you are injured during your relevant service in the armed forces, to make up any armed forces award to the injury award you would have received had you been injured on duty as a regular firefighter.
2. The definitions relating to disablement, qualifying injury, etc, in A9, A10 and A11, apply as they do for an award under B3 or B4.
3. Your average pensionable pay will be worked out as if you had continued to receive pay as a regular firefighter while a serviceman.

AWARDS ON DEATH OF
SERVICEMEN

Who is affected?

This rule will affect your family (if you are eligible under I1), if you:

- a. die during your relevant service in the armed forces,
or
- b. die as a result of circumstances relating to your relevant service,
if they would have been entitled to awards, had you died in similar circumstances:
 - while you were serving as a regular firefighter,
or
 - relating to your service as such.

What is the award?

- * If I3 applies:
 - a. your widow(er) will be entitled to an award equal to:
 - i. an ordinary pension to which he or she would have been entitled had C1 applied, (apart from the gratuity option under C1(3)) or
 - ii. an ordinary gratuity to which he or she would have been entitled had C7 applied.
 - b. your children will be entitled to an award equal to:
 - the ordinary allowances to which they would have been entitled had D1 applied to them.
- * If you die as a result of an injury received during your relevant service in the armed forces:
 - your fire authority has discretion:
 - a. to pay your widow(er) instead of the ordinary gratuity mentioned above a pension equal to the flat-rate pension under E9(2) payable to the widow(er) of a firefighter whose rank was sub-officer or below, and
 - b. to increase the pension payable to your widow(er), or the allowances payable to your children, so that they are no worse off than they would have been had they been entitled to a special pension or special allowances under C2 or D2, allowing for the payment of a service pension.

POINTS TO NOTE

1. The rules which apply to awards to widow(er)s and children under Parts C and D will apply to the comparable awards payable to them under this rule, eg.
 - * C8 - limitation on award to spouses living apart,
 - * C9 - effect of remarriage,
 - * D5 - child's allowance or special gratuity - limitations,
 - * E8 - increase of pensions and allowances during first 13 weeks, and
 - * L4 - prevention of duplication.
2. This rule, together with paragraphs 2 and 3 of Schedule 10, enables your fire authority, if you die as the result of an injury received during your relevant service in the armed forces, to make up any armed forces awards to your family to what they would have been had you died as a result of qualifying injury.
3. The definitions relating to disablement, injury on duty, etc. in A9, A10 and A11 apply as they do for an award under Part C or D.

**SERVICEMEN WHO RESUME SERVICE
AS REGULAR FIREFIGHTERS**

- Who is affected?** If after being a "serviceman" you resume service as a regular firefighther and then:
- a. become permanently disabled as a result of an injury received during your relevant service in the armed forces: or
 - b. die as a result of such an injury:
- What is the effect?** * your fire authority may exercise the same discretions as they can under I1 or I3.

POINTS TO NOTE

1. This rule enables your fire authority to ensure that:
 - a. you are no worse off than if you had been entitled to an award under B4, and
 - b. your family are no worse off than if they had been entitled to:
 - a spouse's special pension under C2, or
 - children's special allowances under D2,in the event of the effect of an injury as a "serviceman" not becoming manifest until after you had resumed duty as a regular firefighter.
2. An increase in your pension under this provision is disregarded in the same way as it would be under I2 for the purposes of:
 - commutation,
 - allocation, or
 - reduction of your pension to uprate any service not fully paid up for widow's and children's benefit (see "Other effects", I2-1).

SERVICEMEN WHO DO NOT RESUME
SERVICE IN THEIR FORMER BRIGADE

Who is affected?

If after being a "serviceman" you do not within 1 month resume service as a regular firefighter in your former brigade:

What is the effect?

- you will be treated as having left your former brigade at the end of your relevant service in the armed forces, for the purposes of establishing:
 - * limitation on widow's award (C5),
 - * your pensionable pay and average pensionable pay (G1), and
- if you subsequently rejoin:
 - * your entitlement to count previous service without payment (F3),
 - * your entitlement to count previous service on payment (F4).

Who is affected?

This rule will only affect you if you become a "serviceman" during your relevant service in the armed forces, which means that you must have ceased to be a regular firefighter during the period in question (see I1-1).

What is the effect?

* You can count all your relevant service in the armed forces as pensionable service in your former brigade.

Who is affected?

This rule will affect you only if you become a "serviceman" during your relevant service in the armed forces which means that you must have ceased to be a regular firefighter during the period in question (see I1-1).

What is the effect?

While you are a serviceman you must:

- * pay pension contributions as if you had remained a regular firefighter,
- unless -
- your service pay together with any partial balance of civil pay does not equal your pensionable pay.

POINTS TO NOTE

1. Where you are exempted from paying pension contributions in the circumstances outlined above you will be treated as having no pensionable pay for the purpose of contributions but this will not affect your entitlement to award based on your average pensionable pay (see "POINTS TO NOTE 3", I2-1).

PART J

SPECIAL CASES

Part J includes a range of provisions which may affect your pension award, but which are likely to affect many members of the FPS, particularly recent recruits. Rule J1 ensures that the rate of pension payable under the FPS will never be less than the relevant "guaranteed minimum" arising from Social Security Pensions legislation. Rule J2 enables benefits to be transferred to an insurance contract arrangement by providing for a change in the method of revaluation of the GMP element. Rule J3 allows discretion to grant injury benefits to control room staff in certain limited circumstances. Rule J4 applies to retained firefighters who become permanently disabled due to a "qualifying injury". Rule J5 clarifies the scope of the FPS in relation to members of brigades who are not regular firefighters. Rule J6 refers to Schedule 11, Parts IV and V which cover reserved rights for certain long serving cases.

SERPS The background to the state earnings-related pension scheme (SERPS) is explained in ANNEX 2, which refers to all those provisions of the Scheme which are included because regular firefighters are contracted-out of SERPS.

GMP The main provision of this kind is J1, which ensures payment of:

- * your GMP, and
- * your widow's half GMP, or
- * your widower's GMP (which would be based on half of your GMP for service after 6 April 1988),

if you are so entitled.

0

Rule J1 is a backstop provision. The chances are that you and your widow(er) will receive your GMP entitlement as part of your fire pension, rather than under J1.

Who is eligible?

You are eligible for a GMP if you are a regular firefighter with service on or after 6 April 1978.

- * You may also have transferred contracted-out employment in another job into the fire service, which would increase your GMP entitlement.
- * If you transfer out of the fire service:
 - a. to other contracted-out employment,
 - b. in circumstances in which your fire authority can pay a contributions equivalent premium (CEP) or a transfer premium (TP) to buy you back into SERPS, or
 - c. a transfer value is paid to an approved insurance company (see F9-8),

0

How much is the GMP?

your GMP entitlement under the FPS will cease.

(See ANNEX 2-5)

When is the GMP paid?

Your GMP will be paid to you under J1, when you reach state pensionable age, unless:

- * you are still serving as a regular firefighter,
- * your pension has been withdrawn under K4 during a period of re-employment as a regular firefighter,
- * it has been commuted under B8,
- * it has been forfeited in the circumstances of K5(2)(a)
- * the current value of your GMP is less than the current value of any other pensions payable to you under this Scheme, disregarding any secured portion.

**GUARANTEED MINIMUM
PENSIONS**

**When is the
widow(er)'s
GMP paid?**

Your widow(er)'s GMP will be paid under J1 from the date of your death, unless:

- * it has been converted into a gratuity under E5,
- * it has been forfeited under K5(2),
- * he or she remarried before state pensionable age,
- * the current value of his or her GMP is less than the current value of any other pensions payable under this Scheme.

POINTS TO NOTE



1. It will be unusual for a pension to be paid to you or your widow(er) under J1, as your pensions under other provisions of the FPS are likely to be bigger.
2. Pensions increase on your GMP or your widow(er)'s GMP is paid by DSS and not by your fire authority, except that part of the increase (up to 3%) on post-1988 GMP's will be paid by the fire authority (see Annex 1-8 and 1-9). This applies whether your GMP, or your widow(er)'s GMP is paid under J1, or as part of your pensions under other provisions of the FPS.

This provision allows the transfer of your benefits under the FPS to approved insurance policies or annuities ("Section 32" policies) where the insurance company concerned will accept the transfer only on the basis of fixed liability for the revaluation of the GMP.

POINTS TO NOTE

1. This is a technical provision introduced in 1990 which removes an unforeseen obstacle to the transfer of FPS benefits to "Section 32" policies. This enables your GMP to be revalued in accordance with the "fixed-rate" method where you become entitled to a cash equivalent transfer value and decide to have it used for the purchase of an annuity.

WHOLE TIME MEMBER OF
BRIGADE WHO IS NOT A
REGULAR FIREFIGHTER

Who is eligible? If you are a whole-time member of a brigade but not a regular firefighter (see A2-3), you will be eligible for an award under J3:

- for yourself, your widow(er) or your children, if:
- * you are injured while attending a fire in execution of your duties and without your own default, and retire as a result, or
- * you die as a result of such an injury, whether you are still serving or not.

How much is the award?

Your award, which is at the discretion of your fire authority, may consist of:

- * a pension, and
- * a gratuity.

When added to any relevant additional benefit (see "POINTS TO NOTE 2", J3-2), your award may not exceed:

- the injury pension and gratuity you would have had under B4, (ignoring any reduction for another pension under the scheme) if you were:
 - a. a regular firefighter in the basic rank, and
 - b. retired on account of a qualifying injury during your first year of service.

Widow(er)'s award

Your widow(er)'s award, which is at the discretion of your fire authority, may consist of:

- * a pension, and
- * a gratuity.

When added to any relevant additional benefit (see "POINTS TO NOTE 2", J3-2), your widow(er)'s award may not exceed:

- the special pension and gratuity he or she would have had under C2, had you been:
 - a. a regular firefighter in the basic rank, and
 - b. retired on account of a qualifying injury during your first year of service.

WHOLE TIME MEMBER OF
BRIGADE WHO IS NOT A
REGULAR FIREFIGHTER

Children's
award

The award for any child eligible for a child's allowance, (and if you are a woman the child must also be substantially dependent on you at the time of your death), which is at the discretion of your fire authority, may consist of:

* an allowance.

When added to any relevant additional benefit (see "POINTS TO NOTE 2", below), your child's award may not exceed:

- the special allowance he or she would have had under D2, had you been:
 - a. a regular firefighter in the basic rank, and
 - b. retired on account of a qualifying injury during your first year of service.

When is the
award paid?

See L3-1.

POINTS TO NOTE

1. The main purpose of this rule is to cover the possibility of a mobile control room attending a large fire.
2. "Relevant additional benefit" covers any other payments (periodical payments except in relation to a gratuity) to the beneficiary by:
 - your fire authority,
 - any other local authority, or
 - a Minister of the Crown, except DSS benefits.
3. "Substantially dependent" is not defined in the Scheme. A fire authority will need to be satisfied on this point, where the payment of an award depends on it (see "POINTS TO NOTE 1" - D5-1).

RULE J4

J4-Example 1

PART-TIME MEMBER
OF BRIGADE

PERSONAL AWARDS

Who is eligible?

If you are a part-time (retained) firefighter you will be entitled to an injury award if:

- * you retire from your fire-fighting duties, and
- * as a result of a qualifying injury (see A9) you are permanently disabled (see A10).

How much is the award?

Your award will consist of:

- * an ill-health pension
- * an injury pension, and
- * a gratuity.

The awards will be payable as if you were a regular firefighter of your rank and with your length of service (see J4(7)) entitled to awards under B3 and B4. (see J4 - Example 1).

The provisions of the scheme relating to:

- general provisions (Part A),
- commutation (B7),
- allocation (B9),
- limitation of commutation or allocation (B10),
- appeals and medical questions (Part H), (see "POINTS TO NOTE 4", below),
- revision and withdrawal of awards (Part K), and
- payments by and to fire authorities (Part L), will apply to you subject to any necessary modifications.

When is the award paid?

See L3-1.

POINTS TO NOTE

1. You are not entitled to normal retirement benefits under the Scheme because the fire service is not your normal full-time occupation.
2. If you also had a period of service as a regular firefighter this cannot be counted for the purposes of any award as a part-time firefighter.
3. You will need to look at J5-1 for the details which fix the amount of your award.
4. A retained firefighter has a right of appeal to a medical referee under rule H2 in a case where an injury award is being claimed but not against other medical decisions where there is no award under the FPS at issue, such as retirement on health grounds. However, an NJC agreement provides that a procedure similar to that under the FPS will be followed in any case where a retained firefighter wishes to challenge a retirement decision. Details are given in Fire Service Circular No 7/1986 dated 5 November 1986 (paragraph 8 onwards) and its Scottish Office equivalent or in Section IV paragraph 9(4) of the Grey Book. (See also "POINTS TO NOTE 6", H2-4).

SPOUSE'S AWARDS

Who is eligible? If you are a part-time firefighter (see J4-1) and you die from:

- a qualifying injury, or
- disablement caused by a qualifying injury:
- * your widow(er) will be entitled to a spouse's injury award.

How much is the award?

A widow(er)'s injury award will consist of:

- * a special pension, and
- * a gratuity.

The awards will be payable as if you were a regular firefighter described in J4(7) (see J4-1), and according to the circumstances your spouse will be entitled to a like award as:

- a special pension and gratuity under C2,
- an augmented award under C3, or
- a pension in case of post-retirement marriage under C5.

The award will be subject to the provisions relating to:

- living apart, in C8,
- remarriage, in C9, and
- commuting a pension for a gratuity, in E5.

When is the award paid?

See L3-1.

POINTS TO NOTE

1. You will need to look at J5-1 for the details which fix the amount of a widow(er)'s injury award.

PART-TIME MEMBER
OF BRIGADE

CHILD'S AWARD

Who is eligible? If you are a part-time firefighter (see J4-1) and you die from:

- a qualifying injury, or
- disablement caused by a qualifying injury:
- * your child may be entitled to (or, if you are a woman and your child is substantially dependent on you at the time of your death, he or she may be granted):
- a child's injury award.

How much is the award?

A child's injury award will consist of:

- * a child's special allowance, and
- * a child's special gratuity, if one of the conditions in C3 is met and there is no widow entitled to a gratuity under J4.

These awards will be payable as if you were a regular firefighter described in J4(7) (see J4-1), and according to the circumstances your children will be entitled to like awards, as:

- a child's special allowance under D2, and
- a child's special gratuity under D3.

The awards will be subject to the provisions relating to:

- limitations in D5, and
- commuting an allowance for a gratuity in E5.

If you are a woman the amounts of your children's allowances will be at the discretion of your fire authority, and may not exceed what they would have been had you been a man.

When is the award paid?

See L3-1

POINTS TO NOTE

1. "Substantially dependent" is not defined in the Scheme. A fire authority will need to be satisfied on this point, where the payment of an award depends on it. (See "POINTS TO NOTE 1", D5-1).

MEMBERS OF BRIGADES
OTHER THAN REGULAR
FIREFIGHTERS -
SUPPLEMENTARY

This rule specifies that Part A of the FPS applies for interpretation of rules J3 and J4 and that Part H, rule K5 (forfeiture) and Part L apply to awards under those rules. Otherwise the FPS has no application to members of brigades who are not regular firefighters.

Extent to
which the
FPS applies

When an award is calculated as if you had been a regular firefighter, all references in the scheme to a regular firefighter which affect the payment of the award in question are taken as applying to you:

- eg a widow's special gratuity is normally payable only where her husband died while serving as a regular firefighter.

References to a regular firefighter which have no bearing on the award in question would not apply to you:

- eg you would not be required to pay pension contributions under G2.

"Qualified"
rate of pay

Where it is necessary to establish the rate of pay of a regular firefighter for the purpose of an award to a part-time firefighter, it should be normally the "qualified" rate of pay where the person had a period of part-time service of at least 4 years.

GENERAL

This Part deals with the continuing application of the Scheme, with modifications, to firemen who opted in 1956 to retain their current pension rights instead of joining the Firemen's Pension Scheme 1956 (the 1956 Scheme). These men are referred to as "1956 optants".

"Current pension rights" before 1956 were in the Firemen's Pension Scheme 1952.

In 1973 anyone still serving or who would later rejoin who was a 1956 optant was given a chance to join the 1973 Scheme. If he did so, he ceased to be a 1956 optant.

As all 1956 optants would have completed at least 30 years' service in July 1986, it is unlikely that many are still serving. The provisions of Part IV are needed to preserve the rights of:

- those who are still serving,
- former members , and
- their widows and dependants whose awards are based on the Scheme as modified by Part IV.

The modifications are set out in paragraphs 3 to 22 of Part IV which work by:

- making minor amendments to other provisions of the Scheme as they affect 1956 optants, or
- substituting new provisions where major changes are needed.

The main differences between 1956 optants and other firefighters are as follows:

CONTRIBUTIONS

A 1956 Optant pays a basic rate of 7.75%. No additional or further contributions are payable because the option to uprate widows' benefits appeared in legislation made after 1956.

RETIREMENT

A 1956 Optant is allowed to retire on completion of 25 years' service, even if under age 50, but to get a full 40/60ths pension he must be age 55. This is because the number of 60ths which can be used in the assessment of pension is restricted according to age (see below).

CALCULATION
OF PENSION

There are two major differences between the calculation of a pension for a 1956 Optant and for a firefighter subject to the main provisions of the 1992 Pension Scheme. These are in:

- (a) the pensionable pay used in the pension formula, and
- (b) the number of 60ths used in the pension formula.

**SPECIAL CASES:
"1956 OPTANTS"**

(a) Pensionable pay

A 1956 optant, in most circumstances, has the advantage of having actual pensionable pay (ie as at date of leaving) used in the assessment of pension. If, however, he had had a promotion in the three years prior to leaving then the pensionable pay used would be the greater of:

- * pay averaged over the three years prior to retirement, or
- * actual pensionable pay as if he had not been promoted.

(b) Number of 60ths

Although the number of 60ths which can be credited for an ordinary pension are initially assessed on the same basis as in current legislation (1/60th for each year of service up to 20 years, 2/60ths for each year of service over 20 years), a 1956 Optant is restricted by an 'age limit' as shown below.

Years of age of fireman at retirement	Maximum pension expressed as 60ths of pensionable pay
Less than 51	30
Less than 52 but 51 or over	32
Less than 53 but 52 or over	34
Less than 54 but 53 or over	36
Less than 55 but 54 or over	38
55 or over	40

No reduction in pension in respect of a widow's pension uprating option is made because a man who stayed with the former Scheme rules accepted there would be a widow's flat-rate pension only. He does, however, have the right to commute or allocate a portion of his pension.

**ILL-HEALTH AND
INJURY PENSIONS**

A 1956 Optant's ill-health pension does not provide an enhancement of service in the same way as a current Scheme ill-health pension does. It is based on the standard principle of 1/60th for each year of service up to 20 years and 2/60ths for each year of service over 20 years. Nothing is added. However, the age limitation on service as shown in the table above does not apply and so the 1956 Optant retiring on health grounds could still end up with more pension than he would have done had he retired voluntarily.

If he suffers a qualifying injury the 1956 Optant has the same entitlement to injury benefits as a firefighter subject to the current Pension Scheme even though the 'guaranteed minimum income' idea was not introduced until 1973.

SPECIAL CASES:
LOCAL GOVERNMENT
RE-ORGANISATION OR
COMBINATION SCHEME

This provision applies to firefighters who had a change of position as a result of Orders made under the Fire Services Act 1947 (Sections 5, 6, and 9), the Local Government Acts of 1933 and 1958 or the London Government Act 1963. Where they were re-employed in another brigade during the "resettlement" period in certain circumstances pensionable service can be counted under F2 as if there was no break in service. There are also certain safeguards in respect of the calculation of average pensionable pay for the purposes of awards.

POINTS TO NOTE

1. It is necessary to retain this provision in the FPS to cover any award to a former firefighter affected, or any dependants' benefits which may become payable.

INJURY AWARD - PART-TIME FIREFIGHTER

Example
1

A retained (part-time) firefighter with exactly 5 years' service is retired as a result of a qualifying injury. His degree of disability (ie loss of earning capacity) has been assessed at 15%.

For the purpose of calculating his injury award the firefighter is treated as if he were a regular firefighter in the same rank and with the same service.

Average pensionable pay = £14200

Ill-health pension = $\frac{2 \times 5}{60} \times £14200 = £2366.66\text{pa}$

Injury gratuity = 12.5% of APP
= 12.5% of £14200 = £1775

Injury pension

Minimum Income Guarantee

= 30% of APP

= 30% of £14200 = £4260pa

Deduct $\frac{1}{4}$ of ill-health pension = $\frac{£1775.00}{£2485.00}$

Weekly rate of injury pension = £47.64

Deduction in respect of relevant Social Security benefits = £40.50

Injury pension payable = £7.14 a week

PART K

REVISION AND WITHDRAWAL OF AWARDS

Part K deals with the circumstances in which ill-health (and injury) pensions may be withdrawn on recovery (K1), provides for the re-assessment of injury pensions (K2) and allows ill-health or injury awards to be reduced where permanent disablement is due to the person's own default (K3). It also deals with abatement of pension on re-employment as a regular firefighter (K4) and the possible forfeiture of an award on conviction of an offence (K5).

When may your
ill-health
and injury pensions
be cancelled?

If you are receiving an ill-health pension under B3, and you have not yet reached the time when (if you had continued to serve) you would have:

- attained age 50 and completed 25 years' service, or
- reached the age of compulsory retirement for your rank,

if you recover your health, your fire authority may:

- * cancel your ill-health pension (except any secured portion payable at state pensionable age (see ANNEX 2-11, 12, 13)), and
- * cancel any injury pension to which you may be entitled under B4,

but only if they:

- * offer you the chance to rejoin the brigade in your old rank.

POINTS TO NOTE

1. Your fire authority will only consider this course if they are prepared to reinstate you, and if they think it possible that you may have recovered your health sufficiently to resume firefighting duties.
2. They may consider this course at such intervals as they think fit.
3. All the arrangements under Part H, for your medical examination and rights of appeal, will apply.
4. If you resume service in your former brigade (in your old rank) within one month of the cancellation of your entitlement, payment will be restored for that period.
5. The broad purposes of your ill-health pension are:
 - to compensate you for the interruption of your career, and (once you reach the age when you could have retired with a pension)
 - to take the place of a retirement pension.

That is why:

- a. once you have reached the age at which you could have retired with a pension:
 - your ill-health pension may no longer be cancelled.
- b. if you have not reached that age, and your ill-health pension is cancelled:
 - if you resume duty, you will be able to count the service you counted when you retired with your ill-health pension towards any subsequent benefit entitlement, subject to:
 - i. a reduced commutation right, if you had already commuted part of your ill-health pension (see B7(10)), and
 - ii. the possibility of a reduction of pension at state pensionable age to balance any secured portion of your ill-health pension which comes into payment then (Schedule 2, Part VII para 4).

CANCELLATION OF ILL-HEALTH
AND INJURY PENSION

- if you do not resume duty, account will be taken of the benefit which you would have received had you left voluntarily at the time of your ill-health retirement, and you may become entitled to:
 - i. a deferred pension under B5(3), or if not entitled to a deferred pension,
 - ii. the balance of your aggregate pension contributions, under K1(5) if:
 - the payments already made in respect of your ill-health pension, and
 - the actuarial value of your secured portion at state pensionable age, assessed by Government Actuary (see ANNEX 4-3)are less than those contributions.



When may your
injury pension
be reassessed?

If you are entitled to an injury pension under B4:

- even if you are receiving no payments because of the amount of your DSS benefits, your fire authority may consider at suitable intervals:

* whether your degree of disablement has altered.

If your degree of disablement is found to have altered substantially, bringing you into a new category, your pension will be revised accordingly. (The categories "slight", "minor", "major", and "severe" are explained at A10-2 and B4-2.)

If your disability is found to have ceased, and you are not receiving an ordinary, short service or ill-health pension,

* your injury pension will be cancelled.

POINTS TO NOTE

1. Your fire authority may undertake this reassessment from time to time, until your pension has been payable for 5 years, when they may decide to stop making this check.
2. It is up to them how often they think it suitable to do so in the meantime.
3. All the arrangements under Part H, for your medical examination and rights of appeal, will apply.
4. The revision of your injury pension under K2(1) cannot result in its cancellation, unless K2(2) applies, because even though your degree of disablement may be "nil" it would fall into the category "slight" (25% disablement or less).
5. Your injury pension cannot be cancelled under K2(2) if you are also receiving an ill-health pension, which is not cancelled under K1 (which is either because you are not liable to recall or because your fire authority decide not to take steps to recall you).
6. Your injury pension cannot be cancelled under K2(2) if you are also receiving an ordinary or short service pension. (This is because, if you had already retired with an ill-health pension in similar circumstances that ill-health pension could not have been cancelled.)

What default could lead to the reduction of your pension?

This rule is rarely used.

It means that, if you had contributed substantially to your disablement by your own default:

- * your fire authority could reduce the amount of any ill-health pension or gratuity, or injury pension or gratuity, by up to one half.

except that:

- once you reach age 60, your ill-health pension cannot be reduced to less than the deferred pension (under B5) you would have received at that age had you not been entitled to an ill-health pension on your retirement,
- if you have a guaranteed minimum at state pensionable age, J1 will ensure that a pension equal to your GMP will be payable to you from that age.

POINTS TO NOTE

1. There is a distinction between:
 - * default which may have caused or contributed to your receiving an injury, which could prevent your becoming entitled to an injury award under B4 (see "Default", A9-1), which is usually a matter for your fire authority to determine, and,
 - * default in taking care of your health, which has brought about or substantially contributed to your disablement (perhaps following an injury on duty), which is a matter to be determined on the advice of a doctor (see H1-1).
2. All the arrangements under Part H, for your medical examination and rights of appeal will apply, if your fire authority are considering whether or not to reduce your award under this rule.
3. This rule can apply at any time after your retirement if information about the cause of your disablement comes to light.
4. The proviso relating to a deferred pension will apply only if you would have been entitled to a deferred pension on your retirement but for your ill-health entitlement.

When may a pension
be withdrawn

If you are serving as a regular firefighter, and you are entitled to a pension under FPS the fire authority paying your pension may:

* withdraw it in whole or in part while you are so serving.

POINTS TO NOTE

1. It is unusual for a firefighter who is entitled to a pension in payment to serve again as a regular firefighter.
2. A commuted lump sum payable on retirement is not affected by the subsequent withdrawal of a pension.
3. The Home Departments recommend that, in accordance with general public service pensions policy, fire authorities should, on a pensioner's resuming service as a regular firefighter
 - withdraw so much of a fire pension that the total of pension and pay on rejoining does not exceed the rate of pay before retirement.
 - * In most cases, where current pay at least equals previous pay, the firefighter's pension is likely to be wholly withdrawn during the second period of service.
4. The pension benefits available to you, if you have two periods of service and you retire a second time, will be as follows:
 - * your original pension will come back into payment with the addition of pensions increase (if appropriate) from the date it stopped (see also ANNEX 1-3), and
 - * your benefit in respect of your second retirement will be a separate benefit depending solely on the length and circumstances of your second period of service, ie it could be:
 - a short service award, under B2
 - an ill-health award, under B3
 - a deferred pension, under B5, or
 - a refund of contributions in respect of your second period of service, under B6.

The provisions for commutation and allocation under B7, B8 and B9 would apply, if appropriate.

In addition, if you should be permanently disabled as a result of an injury on duty, an injury award under B4 could be payable.

WITHDRAWAL OF PENSION DURING
SERVICE AS A REGULAR FIREFIGHTER

5. The same principle would apply to the benefits available for your dependants.
- * For the first 13 weeks after your death:
 - if you should die in service, your widow(er)'s or children's awards would be increased to equal your weekly pensionable pay just before you died (and any part of your pension which was also in payment at the time of your death), or
 - if you should die after your second retirement, your widow(er)'s or children's awards would be increased to equal the weekly amount of your pension or pensions in payment at the time of your death (with pensions increase if any - see E8-1).
 - * After the first 13 weeks, your widow(er)'s and dependants' benefits would each be calculated according to their entitlement arising in respect of each of your periods of service.
6. It is possible, though highly unlikely, that a firefighter could be serving beyond state pensionable age and that payment of the GMP would be postponed under J1(3)(a).
- * A fire authority will bear in mind the increase in a GMP which would result, in deciding how much pension to withdraw.
 - * Once a GMP comes into payment it will continue in payment if greater than any other pension provided under the scheme.

WITHDRAWAL OF PENSION ON
CONVICTION OF CERTAIN OFFENCES

When can a pension be withdrawn (forfeited)?

Your fire pension can be forfeited only in the most exceptional circumstances and there have been no such cases between 1978, when the forfeiture requirements were tightened, and the issue of this commentary.

Social security legislation restricts the power to forfeit:

- * "short service benefit" provided by an occupational pension scheme (deferred pension in the FPS).
- * GMPs, or
- * the secured portion of a pension.

The provisions of the FPS ensure that no other fire pensions may be forfeited more easily than deferred pensions.

Your fire authority may decide that your pension should be forfeited if:

- * you are convicted of:
 - a. treason, or
 - b. an offence or offences under the Official Secrets Acts, for which you are sentenced at one time to imprisonment amounting to at least 10 years, or
- * you are convicted of an offence in connection with your service as a firefighter, which is certified by the Secretary of State either:
 - a. to have been gravely injurious to the interests of the State, or
 - b. to be liable to lead to serious loss of confidence in the public service (effectively the fire service in this context).

Your fire authority may decide that a pension payable to your widow(er) should be forfeited if:

- * that person is convicted of:
 - a. treason, or
 - b. an offence or offences under the Official Secrets Acts, for which there is a sentence (at the one time) to imprisonment amounting to at least 10 years.

In such a case, the offence(s) must have been committed after your death.

WITHDRAWAL OF PENSION ON
CONVICTION OF CERTAIN OFFENCES

Your fire authority, in making any forfeiture decision, may decide that a pension should be forfeited:

- * in whole or in part, and
- * permanently or temporarily, as they think fit.

Your GMP, (payable only after you reach state pensionable age) may be forfeited only if you are convicted of the offences previously mentioned involving treason, or the Official Secrets Acts.

If you have a secured portion of your pension, that portion may be forfeited before you reach state pensionable age, but after that it may be forfeited only while you are in legal custody (in prison or otherwise).

Right of Appeal

If your fire pension is forfeited, or one of your dependant's pensions is forfeited, there is a right of appeal:

- * to the Crown Court, under H3(2), if you were a member of a brigade in England or Wales,
- * to the Sheriff Court, under H3(6), if you were a member of a Scottish brigade, or
- * to a tribunal appointed by the Secretary of State under (H3(4)), if you were serving overseas as mentioned in A4(2)(d).

You do not have a right of appeal against the issue of a certificate under K5(2)(b).

POINTS TO NOTE

1. "Pensions", for the purposes of K5, does not include an allowance, a gratuity, a lump sum, or an award by way of repayment of aggregate pension contributions. It refers to an ordinary, short service, ill-health, injury or deferred pension, or a widow(er)'s pension.
2. A commuted lump sum, may not be forfeited, but if a pension is forfeited before it becomes payable (eg a deferred pension before you are 60), there will be no pension left to commute for a lump sum.
3. It is for a fire authority in the first place to form a view on the case for forfeiture of pension in a particular case. If forfeiture is considered appropriate, it is for the fire authority to put the facts before the Secretary of State, who will then decide whether to issue a certificate under K5(2)(b).
4. There is no general guidance about what constitutes an offence "considered liable to lead to serious loss of confidence in the public service". It should be noted that actual loss of confidence in the public service is not essential, if the Secretary of State considers that an offence was liable to lead to such loss of confidence.
5. Where a fire authority are considering applying for the issue of a certificate it is important to remember that the offence has to have been committed in "connection with the individual's service". By inference this would involve abuse of the role as a firefighter. A hypothetical example where forfeiture might be considered appropriate would be a firefighter who had committed a serious arson offence while on duty.

PART L

PAYMENT OF AWARDS AND FINANCIAL PROVISIONS

Part L controls the arrangements for the payment of awards (L2, 3, 5), including questions of liability (L1) and ensures that there is no duplication of benefits in respect of the same period of service (L4).

**AUTHORITIES RESPONSIBLE
FOR PAYMENT OF AWARDS**

**Awards
in respect of
a regular firefighter**

If you were a regular firefighter, any award payable to you, or your dependants, would be payable by:

* the fire authority with which you last served as a regular firefighter.

**Awards
in respect of
a member of a
brigade other
than a regular
firefighter**

If you were to be injured or killed while serving as a member of a brigade other than a regular firefighter, any award payable to you, or your dependants, would be payable by:

* the fire authority in which you were serving when you received the injury.

POINTS TO NOTE

1. If you were a regular firefighter and you transferred to another brigade after you had been injured, but before you became permanently disabled, any awards payable to you or your dependants would be payable by the fire authority with which you were serving immediately before your retirement.
2. A "member of a brigade other than a regular firefighter" could be:
 - * a retained firefighter, or
 - * a control room operator.

This rule deals with accounting arrangements which have no direct effect on members' benefits.

**Payments in respect
of firefighters'
pensions**

The FPS is not a funded scheme.

- * Income, consisting of:
 - members' contributions, and
 - transfer values in respect of members joining a fire brigade, and
- * expenditure, consisting of:
 - pension benefits for former members and their dependants, and
 - transfer values in respect of members leaving a brigade,

are met as part of normal income and expenditure for the fire authority.

There is of course no question of balancing these payments:

- * members contributing currently may not be eligible for benefits until many years later, and
- * those currently receiving benefits may be doing so in respect of a member who retired many years ago.

**Where the
Secretary of State
is fire authority**

Where the Secretary of State is deemed to be the fire authority, payments are usually borne on the departmental vote of the Secretary of State concerned. This means that:

- * payments out:
 - come from moneys voted by Parliament, and
- * payments in:
 - go into the Consolidated Fund.

When is your pension paid?

Subject to any delay necessary to establish your entitlement, or the amount of your award, your pension will be payable for your lifetime from the date of your retirement, unless:

- * it is an injury pension under B4, and you ceased to serve before you became permanently disabled, in which case it will come into payment from the date of your disablement. (If this date cannot be established it will probably be taken to be the date on which your claim of disablement was made known to your fire authority),
- * it is a deferred pension which, under B5(4), will not come into payment until:
 - you reach age 60, or
 - you are sooner permanently disabled,
- * it is an ill-health pension of which the unsecured portion is cancelled under K1, or an injury pension which is cancelled under K1 or K2,
- * it is a GMP, a secured portion only, or an EPB, which will come into payment:
 - at state pensionable age,
- * your pension is withdrawn while you are employed as a regular firefighter under K4, or
- * your pension is forfeited under K5, in which case:
 - payment will cease from the date your fire authority determine,
 - part of your pension will remain in payment, if your fire authority decide on part forfeiture, or if you have a secured portion or GMP which may not be forfeited, and
 - payment may be resumed, if your fire authority decide on temporary forfeiture.

Your pension will be paid in advance, once your fire authority have checked your entitlement, at such reasonable intervals as they think fit.

If you die after receiving an advance payment of pension, which covered a period after your death, there would be no question of recovering any part of the overpayment.

When is a widow(er)'s pension paid?

Subject to any delay necessary to establish entitlement, or the amount of the award, your widow(er)'s pension will be payable for his or her lifetime from the date of your death, unless:

- * you had received a pension payment covering a period after your death, when the pension will be paid from the end of that period,
- * you die less than a year after receiving a gratuity (other than an injury gratuity under B4(2)), when payment of the survivors' benefits may be delayed up to a year after your death, at the discretion of your fire authority,
- * it is a temporary pension under C6,
- * entitlement ceases, eg
 - on forfeiture under K5,
 - on remarriage under C9, or
 - on the pension being commuted for a gratuity under E5.

PAYMENT OF AWARDS

Your widow(er)'s pension will be paid in advance, once your fire authority have checked the entitlement, at such reasonable intervals as they think fit.

If your widow(er) dies after receiving an advance payment of pension, which covers a period after death, there would be no question of recovering any part of the overpayment.

When is a child's allowance paid?

Subject to any delay necessary to establish entitlement, or the amount of an award, your child's allowance will be payable from:

- a. the date of your death, or
- b. the date of the child's birth, if it is born after your death, unless:
 - * you had received a pension payment covering a period after your death, when the child allowance will be paid from the end of that period, or
 - * you die less than a year after receiving a gratuity (other than an injury gratuity under B4(2)), when payment of a child allowance may be delayed up to a year after your death, at the discretion of your fire authority.

Your child's allowance will be payable while entitlement continues, ie except during any period for which it ceases to be payable under D5(3), (4), (5) or (6).

Your child's allowance will be paid in advance, once your fire authority have checked the entitlement, at such reasonable intervals as they think fit.

If a child dies after receiving an advance payment of allowance, which covered a period after the child's death, there would be no question of recovering any part of the overpayment.

When is a dependent relative's special pension paid?

An adult dependent relative's special pension under E2, is payable for such periods as your fire authority may determine, unless it is forfeited under K5.

When is a gratuity paid?

A gratuity is payable as soon as the entitlement to it arises, subject to any delay necessary to establish entitlement, or the amount of the award.

A gratuity is normally paid in one sum, but if your fire authority think it would help the beneficiary to pay it in instalments of reasonable amounts, and at reasonable intervals, they may do so.

When is a refund of contributions paid?

In a case where a refund of contributions is due (see B6-1) your fire authority are entitled to withhold payment until one year after your leaving date unless you request payment earlier (L3(9)).

POINTS TO NOTE

1. Pensions and allowances are usually paid monthly.
2. It is as well to remember that there may be delay in putting awards into payment:
 - * where entitlement, or the amount of the benefit, takes time to establish, or
 - * where your fire authority needs to obtain information, eg from DSS, about:
 - a GMP entitlement (see J1-1),
 - a CEP (see B6-2 and ANNEX 2-8), or
 - entitlement to DSS benefits which may affect the amount of:
 - a. an injury pension under Part V of Schedule 2 (see B4-3 to 5), or
 - b. a spouse's special pension under Part II of Schedule 3 (see C2-1).
3. There may be delay in paying a gratuity where your fire authority needs to obtain information from the Government Actuary's Department before putting it into payment, eg under:
 - * rule C6(5), E4(2) or E7(4).

How duplication
of benefit
is prevented

It is not intended that you or any of your dependants should receive more than one award under the FPS in respect of any period you have served as a regular firefighter.

Rule L4 therefore provides that during any period in which a person is entitled to 2 or more pensions or allowances under Part C, D and E, in respect of the same person only one such award will be payable, normally the greater.

This does not affect awards earned in respect of different periods of service. For instance if:

- you retired when entitled to an ordinary pension, and then
- took up another appointment as a regular firefighter and earned a deferred pension, on your death:
 - * your widow(er) could be entitled to
 - a. an ordinary pension in respect of your first period of service, and
 - b. an accrued pension in respect of your second period of service, and
 - * your children could similarly be entitled to ordinary and accrued allowances.

However:

- only one award would be paid during the first 13 weeks after your death, equal to your rate of pensionable pay or pension just before you died (see E8-1).

POINTS TO NOTE

1. Without this provision, in respect of one period of service, a widow(er) could be entitled, for instance, to an ordinary pension under C1 and a special award under C2. Similarly a child could be entitled, for instance, to a special allowance under D2 and an accrued allowance under D4, or if the fire authority exercised their discretion, an adult dependant relative's special pension under E2.
2. An award payable for the first 13 weeks of bereavement is intended to maintain the family income for this period at the rate of your pay or pension immediately before you died. For this reason only one award equal to this rate will be paid. However, if you were in receipt of pay and pension, or more than one pension at the time of your death, the award under E8 would take account of both.
3. This rule does not apply to a GMP payable to a widow(er) under J1, but J1(5) would itself prevent duplication where a GMP was payable.
4. A widow could receive more than one award if she had 2 husbands who had been regular firefighters and her fire authority exercised their discretion under C9 to bring her pension from her first husband back into payment when her second husband died. The same position could apply to the widower of a female firefighter.
5. This rule does not affect:
 - a widow(er) who is entitled to a pension under Part C and also to an allocated pension under B9,
 - a child entitled to more than one allowance in respect of more than one death (eg if both parents were in the fire service), or
 - a firefighter entitled to a serving spouse's pension under Part C and also to a personal award under Part B.
6. This rule does not apply to a pension payable under J3 or J4 (members of brigades other than regular firefighters.)

General

The general rule is that payments of awards should be made to the person entitled, without any deduction being made, except where the pension provisions themselves provide for one.

When money may be withheld from an award

The Social Security Act 1973 (paragraphs 18 and 19 of Schedule 16) restrict the deductions which may be made from deferred pensions,

- * No part of a guaranteed minimum pension may be withheld.

Stemming from these requirements, your fire authority may not deduct, from any pension payment due to you, any debt you owe them except with your agreement, unless:

- there has been a loss to fire service funds because of fraud, theft or negligence committed by you in connection with your service as a regular firefighter,
- the amount deducted does not exceed the loss,
- the amount is deducted only from the part of your award attributable to your service as a firefighter, and
- any GMP, and the secured position of any ordinary, ill-health or short service pension, to which you are entitled are paid to you in full at state pensionable age.

If you dispute the loss, the "debt" is legally enforceable only under a court order.

Where the pensioner cannot manage his or her affairs

If a fire authority consider that a pensioner is incapable of managing his or her affairs, they have discretion:

- * to pay an award, or part of it, to anyone caring for the pensioner, and
- * to apply the award, or the remaining part of it, as they think best for the benefit of the pensioner or his or her dependants.

Where the pensioner is a minor (pupil in Scotland)

If a fire authority think fit, they may pay any sum due to a minor (or pupil) on account of an award to another person.

- * The person to whom such sums are paid must use the money for the benefit of the minor (or pupil), and the fire authority may direct how the money should be spent.
- * In the case of small children payments are of course normally made to the surviving parent or guardian.
- * It is important to make sure that the Inland Revenue know that such a payment is part of the child's income, so that excessive tax deductions are not made. Usually your fire authority will do this, but the person receiving the payment should remember this point when completing his or her tax return (see "POINTS TO NOTE 1", ANNEX 3-2).

Payment without probate

If when a pensioner dies a sum is due to him or her of not more than £5000 (or such higher amount as may be prescribed), the fire authority may pay the sum to, or distribute it among, persons who appear to be beneficially entitled to his or her personal estate (moveable estate in Scotland).

PAYMENT OF AWARDS - SUPPLEMENTARY

POINTS TO NOTE

1. If a higher amount than £5000 is prescribed for the purposes of section 6 of the Administration of Estates (Small Payments) Act 1965, a fire authority may make payments up to that higher amount under L5(3). Authorities will be informed of any subsequent increase in the limit by circular.

PART M

SUPPLEMENTARY PROVISION

Part M refers through rule M1 to Schedule 12 which makes transitional arrangements for the introduction of the 1992 Scheme so that the changeover from the provisions of the 1973 Scheme can be managed with the minimum of inconvenience.



General

This rule refers to Schedule 12 which secures a "seamless" transition from the 1973 Scheme to the 1992 Scheme. Rights acquired under the 1973 Scheme (for instance, rights to pensions in cases of retirement before 1 March 1992 and rights to reckon service up to that date) will be saved by the Interpretation Act 1978 (Section 16(1)) but pensions payable under the 1973 Scheme will be liable to withdrawal etc under the new Part K, and so on.

**Opting-out
Provision**

In theory some individuals may be "placed in a worse position" by the application of the new Scheme in relation to their pensions. There is a standard opting-out provision to cover any such cases to satisfy the requirements of the Superannuation Act 1972 (Section 12(4)). This allowed an individual 3 months from 1 March 1992 to elect that the 1973 Scheme provision shall continue to apply (if practical).

**Saving of Orders
for old cases**

The previous Firemen's Pension Scheme Orders are revoked, so that their text will no longer appear on the statute book. However, their previous effect and any future effect they may be capable of having is saved.

Interpretation

Where a document is issued after the introduction of the 1992 Scheme which includes a reference to a 1973 Scheme provision this will be taken as a reference to the corresponding provision of the 1992 Scheme, unless otherwise intended.

ANNEXES

ANNEX 1	PENSIONS INCREASE
ANNEX 2	STATE PENSIONS
ANNEX 3	TAXATION
ANNEX 4	GOVERNMENT ACTUARY'S RESPONSIBILITIES
ANNEX 5	OPTANTS OUT

GENERAL

This Annex is intended to give you a general idea of the background to pensions increase (PI) and how and when you will qualify for it.

The main pensions increase legislation is separate from the pension scheme, and is the responsibility of the Treasury. The FPS provides for PI to be added to flat-rate awards for dependants under rule E9. However, these awards are increased at the same time and by the same percentages as other awards under the FPS, which are increased directly under the main pensions increase legislation.

This Annex only sketches the PI position and cannot be taken as a complete or authoritative statement. It sets out to explain briefly:

- * What is pensions increase?
- * The background to PI
- * Who is eligible for increases?
- * Which awards are increased?
- * When is the increase paid?
- * How is the increase calculated?
- * How is the increase paid?

There is some overlap between these questions as aspects of PI fall within more than one of them.

WHAT IS
PENSIONS
INCREASE?

Pensions increase is the system by which pensions, once in payment, are increased from time to time, to maintain their purchasing power, taking account of movements in the general retail price index (RPI) since they were awarded.

The system variously referred to as:

- "inflation proofing",
- "cost of living increases",
- "index-linking",
- "the maintenance of the purchasing power of a pension",
- "PI".

Preserved (deferred) pensions and lump sums are also increased to maintain their value up to the date when they become payable.

Your first PI after your pension comes into payment will normally be based on the number of months from the date when your pension began, until the date when the increase is paid.

There is little to be gained, in terms of PI, from choosing your date of retirement.

THE
BACKGROUND
TO PI

Before 1971 there was an ad hoc system of PI in the public services, under which smaller pensions were increased at irregular intervals, mainly with the object of relieving hardship.

The Pensions (Increase) Act 1971 ("the 1971 Act") gave public service pensioners (including fire pensioners) a statutory entitlement to PI every 2 years, once the RPI had risen by at least 4% during the review period, if certain basic conditions relating to age and circumstances were met. It also made good the deficiencies of the previous Acts by a complicated formula which ensured that the purchasing power of a pension already in payment was at least restored to its original level.

In 1972 the Act was amended to provide for annual reviews and annual increases, once the RPI had risen by at least 2%.

In the private sector there is no statutory entitlement to PI and private sector schemes cannot guarantee to inflation-proof pensions, although many provide a high degree of inflation-proofing.

Following the period of rising inflation during the 1970s, when the value of an entitlement to PI was brought home to people generally, the public service system was reviewed.

An independent Inquiry into the Value of Pensions, under the Chairmanship of Sir Bernard Scott, reported in February 1981 (Cmd. 8147). It concluded that, both for the public and private sector, "the protection of the standard of living of those in retirement was a highly desirable social objective".

The Committee, however, also recognised the feeling of injustice widely held in the private sector where a guarantee of inflation-proofing could not be obtained on any terms. It suggested that good pensions, like anything else, had to be earned and paid for during working life. It recommended that the contributions paid by public servants towards the costs of their pensions should be reviewed to ensure that they were realistic in the light of the value of the benefits available.

In April 1983, after a review of the cost of the FPS, pension contribution rates of:

- 8.75% of pensionable pay from 1 May 1983, and
 - 10.75% of pensionable pay from 1 November 1983
- were introduced for regular firefighters.

The corresponding rates for those subject to Part IV of Schedule 11 were:

- 6.25% of pensionable pay, 1 May 1983, and
- 7.5% of *pensionable pay from 1 November 1983.

(* An extra 0.25% was added to these rates with effect from 1 July 1991 to provide for a death-in-service grant (see E1)).

WHO IS ELIGIBLE FOR INCREASES?

You will be eligible to PI on an award payable to you under the FPS if any of the following applied to you:

- a. you are aged 55 or more,
- b. you retired on grounds of ill-health,
- c. you are permanently unfit for regular full-time work of any kind,
- d. your award is a widow(er)'s pension, or
- e. your award is a child allowance.

These conditions are set out in section 3 of the 1971 Act as from time to time amended. (See also "POINTS TO NOTE 1, 3, 5 and 6", ANNEX 1-7).

**WHICH AWARDS
ARE INCREASED?**

Any award in payment will be increased if:

- * you are eligible for an increase (see above) and
- * your award would otherwise have lost part of its purchasing power in terms of the RPI between the date it "began" and the period in respect of which it is paid.

If your award is not in payment, eg it is:

- * a deferred pension, or
- * wholly abated under K4 while you are again serving in the fire service,

increases will accrue notionally, so that when it comes into payment, and you are eligible for PI, it will do so at a rate which takes account of all the increases in the RPI since it was awarded.

If your award is a lump sum it will be increased only if there is a gap between when it is calculated and when it is payable.

This PI may be paid when you qualify for PI (eg reach age 55), if you were not qualified when your lump sum was payable and therefore could not receive the PI then. However, the PI is calculated only from the beginning date to the payable date since it was awarded. (This is the effect of section 9 of the 1971 Act as from time to time amended).

**WHEN IS THE
INCREASE PAID?**

Increases normally take place annually, but a switch began in November 1985 from increases each November to increases each April.

Increases during the switch:

- * November 1985 (7%):
 - based on the rise in retail prices in the 12 months between May 1984 and May 1985
- * July 1986 (1.1%):
 - based on the rise in retail prices in the 8 months between May 1985 and January 1986
- * April 1987 (2.1%):
 - based on the rise in retail prices in the 8 months between January 1986 and September 1986

From 1988 onwards increases take place:

- * each April:
 - based on the rise in retail prices in the 12 months up to the end of the previous September.

Increases each April coincide with:

- * changes in social security benefits eg:
 - the additional component of the state pension (SERPS - See ANNEX 2), and
 - rent rebates, and
- * tax changes (see ANNEX 3-1).

The Secretary of State for Social Services is required to uprate the additional component of the state pension at least once a year. Current legislation ensures that public service pensions are increased at the same time and by the same amount.

HOW IS THE
INCREASE
CALCULATED?

The amount of PI depends on the rise in prices since your award began. Pensions increases reflect the changes in the RPI during a review period. A review period is the year which ends 6 months before the month in which PI is to be added to your pension.

This 6 months gap allows time for the amount of increases in the RPI to become known and applied to your pension. This is known as the "historic method".

- (Before 1983 increases were based on an estimate made about 6 months before the increase was due to be paid, of how the RPI would have increased over the 12 months up to the PI payment date. This was known as the "forecast method" and had the disadvantage of requiring the adjustment of over or under provision for PI in subsequent years.)

The amount and timing of each increase is set out in a Pensions Increase (Review) Order, which is made each year by the Treasury under the 1971 Act (section 59 of the Social Security Pensions Act 1975 has effect as contained in Part I of the 1971 Act). The amount is notified each time to fire authorities by a Fire Service circular. A Treasury "MEMORANDUM OF INSTRUCTION TO AUTHORITIES PAYING PUBLIC SERVICE PENSIONS" is sent to fire authorities under cover of such a circular and revised or updated by subsequent circulars.

The way in which PI is calculated depends on whether an award is a "pension" or a "lump sum". Broadly speaking, PI on a pension depends on the period in respect of which the pension is payable, while PI on a lump sum depends on the date when the lump sum becomes payable. A lump sum may become payable much later than the event in respect of which it is paid.

Definitions

To explain how the calculations are made it is necessary to define how certain expressions are used, for this purpose only.



Definitions

Expressions	Meaning
"Pension"	includes any pension or allowance payable to you or your dependants under the FPS.
"Lump sum"	includes any gratuity, or lump sum payable to you or your dependants under the FPS because a pension or allowance has been commuted. It does not include an award under B6 or payment under K1(5), by way of repayment of your aggregate pension contributions.
"Step-back"	refers to when your APP is determined under G1 "stepping-back" to a date 1 or 2 years earlier than when you ceased to serve.
"PI date"	is the date from which a Pensions Increase (Review) Order provides for increase to take effect.
"Beginning date"	the "beginning date" is the first day following the averaging period used to calculate APP. It is normally the day following the last day of service unless there was a "step-back".
"Period in respect of which the pension is payable"	where a payment period straddles a PI date, the pension in respect of the days before the PI date will not be increased by PI, while those on or after the PI date will. For this purpose it makes no difference whether your pension is payable in advance or in arrears of the period concerned.
"Payable date of lump sum"	is the date on which you become legally entitled to the payment of your lump sum.

CIRCUMSTANCE		PENSION	LUMP SUM
General ¹		PI is calculated on the increase in the RPI from the beginning date of your pension until each period in respect of which it is payable.	PI is calculated on the increase in the RPI from the beginning date of your lump sum until its payable date.
You are eligible ² for PI when your award becomes payable	Award is payable on ceasing to serve (pension) or within 15 days of ceasing to serve (lump sum)	PI is payable from the first PI date which is more than 15 days after you cease to serve, on all subsequent payments of your pension. Your first PI amount depends on the number of months from the beginning date of your pension to the next PI date. Part of a month of 16 days or more is rounded up to a complete month. For each month in this calculation you will receive a proportion of the increase set out in the Review Order for that year.	Normally no PI is payable, because the beginning date of your lump sum is so close to its payable date (unless there was a "step-back", or your gratuity is payable in instalments under L3(8)(b) ³).
	Award is payable later than as above	PI is payable when your pension comes into payment, at a rate taking account of the rise in the RPI from the beginning date of your pension until each period in respect of which it is payable.	PI is payable when your lump sum becomes payable, calculated from its beginning date to its payable date. (If there are more than 15 days from the last PI date to the payable date, a further amount of PI will become payable on the next PI date.)
You are not eligible for PI when your award becomes payable		PI is payable when you become eligible for it, calculated from the beginning date to each period in respect of which pension is payable.	PI is payable when you become eligible for it, calculated from the beginning date to the payable date of the lump sum (not the payable date of the PI).
There is a rise in your basic award after it becomes payable		i. if higher rate is payable from the current date: - PI is payable from the current date on the new amount of pension. ii. if higher rate is back-dated: - PI is payable on the back payments, calculated from beginning date until each period in respect of which extra pension is payable - then PI is payable from current date on new amount of pension.	PI is payable as if you had 2 separate awards calculated from the beginning date to the payable date of each. (The payable date of your extra lump sum is the operative date of the agreement which provides for it, eg, if you have a back-dated pay increase, or lump sum award, your entitlement to it arises only when the authority which confers it comes into operation.)

Footnotes: 1. Each year's increase of pension is based on your pension in payment less GMP where appropriate, taking account of previous increases. The Treasury Memorandum which is issued includes a "multiplier", which shows the cumulative amount of increases (see Annex 1-4). This is particularly useful where:

- a. an award (eg deferred pension or lump sum) comes into payment some years after retirement, or
- b. you become eligible for PI some years after your award comes into payment. (But if an award began before 1971 the increase due may be larger than the multiplier would show, because the formula used in 1971 sometimes produced a more generous result for that year.)

2. See "WHO IS ELIGIBLE FOR INCREASES?" ANNEX 1-2.

3. Each instalment of gratuity is treated as a separate award for PI purposes payable on its date

Awards payable
to widow(er)s
and dependants

Awards payable to widow(er)s, children and other dependants, including pensions allocated to a chosen beneficiary, are deemed to "begin" on the same date as the pension from which they derive (whether or not that pension ever came into payment), so that for instance:

- your widow(er)'s pension would be based on your own pension or notional pension as originally calculated when it "began". PI would then be added to your widow(er)'s pension, calculated on the increase in the RPI from its beginning date until the period in respect of which it was payable.

In other words, each award gets its own PI.

POINTS TO NOTE

Ordinary pensions

1. If your ordinary pension comes into payment immediately you retire, but before you are 55, you will not start to receive PI until you are 55 unless you sooner become permanently unfit for regular full-time work of any kind. When PI becomes payable it will do so at a rate which takes account of the movement of the RPI since it began (see ANNEX 1-6).

Deferred pensions

2. If your deferred pension comes into payment when you are 60 it will do so with PI at a rate which take account of the movement of the RPI since it began (see ANNEX 1-6).
3. If your deferred pension comes into payment earlier because you are permanently disabled from being a firefighter, you will not start to receive PI until you are 55, unless you are also permanently disabled from regular full-time work of any kind (see "POINTS TO NOTE 1", B5-3).
4. If you commute part of your deferred pension for a lump sum, it is your basic pension under the FPS (without PI) which is commuted. The resulting lump sum will be increased by PI, calculated from its beginning date to its payable date (see ANNEX 1-6 and "POINTS TO NOTE 3", B7-1).

Ill-health and Injury pensions

5. Your ill-health pension will always qualify for PI immediately. Your injury pension will qualify for PI before you are 55 only if:
 - you retire on account of disablement, or
 - you are disabled from undertaking regular full-time work of any kind.
 (See "WHO IS ELIGIBLE FOR INCREASES?", ANNEX 1-2.)

Qualifying age of 55

6. The qualifying age of 55 applies throughout the public service and affects equally all public servants who are entitled to retire with a pension in immediate payment before age 55 (see "WHO IS ELIGIBLE FOR INCREASES?", ANNEX 1-2.)



Interruption in payment of an award

7. If your pension is wholly abated under K4, because you resume fire service employment after it has come into payment, once it is again in payment it will be at a rate taking account of all the cumulative increases due on it since it first "began".
8. If your pension were to be forfeited, apart from the secured portion, when that secured portion comes into payment at state pensionable age, it will be at a rate taking account of all the cumulative increases due on it since it first "began".

Reduction in the amount of pension payable (6)

9. If when you reach state pensionable age your FPS pension is reduced, under Part VII of Schedule 2 (see B Gen 2 to 4), when your state retirement pension and any state graduated pension comes into payment:
 - a. your FPS pension as originally awarded will be reduced as provided in Part VII of Schedule 2, and
 - b. your pensions increase will be recalculated on your reduced FPS pension.
 You will note that if your FPS pension is reduced under Part VII of Schedule 2:
 - in respect of the state flat-rate retirement pension, the reduction is based on the original rate at which that pension was introduced in 1948, and
 - in respect of the state graduated pension, the reduction is based on the contribution rate for that benefit when you earned it, between 1961 and 1975.
 In neither case is the reduction based on the current rate at which these state benefits are payable.
10. If your pension is only partly abated under K4, during further fire service, if you qualify for PI that increase will be paid on your reduced pension and PI will accrue notionally on the remainder until it comes back into payment.

HOW IS THE
INCREASE PAID?



Your pensions increase is normally added to your pension by your fire authority, who will notify you of the amount of the increase.

However, if you are a regular firefighter and have service on or after 6 April 1978, part of your own fire pension and your widow(er)'s pension will cover the guaranteed minimum pension (GMP) to which you are entitled under the state earnings-related pension scheme (SERPS) (see ANNEX 2-5).

- * Pensions increase on your own pension will then normally be paid as follows:
- a. until you reach state pensionable age:
 - wholly by your fire authority with your FPS pension, and
 - b. after you reach state pensionable age:
 - by your fire authority:
 - i. at the relevant full annual rate on the non-GMP element of your pension, and
 - ii. at that rate, subject to a maximum of 3%,
 - on the GMP element,
 - by DSS: on the GMP element of your pension, but only at the rate by which the annual rate exceeds 3%.

If your FPS pension is based on any service before 6 April 1988, the DSS will pay all pensions increase in respect of the whole of your GMP for service to 5 April 1988.

- * Pensions increase on your widow(er)'s pension will be calculated in the sameway, but the GMP element will be taken into account immediately, and not, if later, at your spouse's state pension age. All pensions increases for which the DSS is responsible will be paid with state benefit entitlements.
- * The exception to this rule is where, under SERPS rules, PI is not payable on the state additional pension equivalent to the GMP. This can happen for instance:
 - if you are resident in a country which does not have a reciprocal arrangement with the United Kingdom on social security, or
 - if your widow is not entitled to her state pension immediately after your death.
 Whenever PI on a GMP is not payable by DSS, it is payable by your fire authority.
- * There are no circumstances in which you or your widow(er) would receive less PI because it is paid from 2 sources than you would have received had it all been payable by your fire authority.
- * The full details concerning how PI is paid are set out in the Treasury memorandum, a copy of which will be held by your fire authority.

HOW PI APPLIES
TO THE FIREFIGHTERS'
PENSION SCHEME

The "Pensions (Increase) Acts" means the 1971 Act as from time to time amended and the Pensions (Increase) Act 1974.

The Treasury Memorandum of Instruction held by your fire authority explains how the 1971 Act has been amended.

The increases in pension for which the 1971 Act, provides apply to an "official pension" (section 5 of the 1971 Act).

"Pension" under sections 8 and 9 of the 1971 Act, includes any allowance, gratuity or other benefit payable under a superannuation scheme, except a payment made by way only of a return of contributions, with or without interest.

"Official pensions" are specified in Schedule 2 to the 1971 Act.

Part I of Schedule 2 (paragraph 16) applies to pensions payable by a Secretary of State. It also applied to an allocated pension which is paid in substitution of part of such a pension. Part II of Schedule 2 (paragraph 44) applies to pensions payable by a fire authority other than under Part I.

- a. "substituted pensions"
Part II includes an allocated pension which is paid in substitution of part of your own pension.
- b. "derivative pensions"
Part II (like Part I) includes an award payable to your widow(er), child or dependant relative, which derives from your service.
- c. "flat-rate awards"
Part II does not include a flat-rate award payable to your widow(er) or child under E9. These awards are increased, as well as having their basic amount calculated, under E9.

The Pensions (Increase) Act 1974 (the 1974 Act) intended to mitigate the effect on public service pensions of counter-inflationary measures of the time, which deferred or restricted pay increases.

If you retired during that period, the 1974 Act provided for a once-for-all increase in your pension, which would then continue to be increased in the ordinary way under the 1971 Act. 1974 Act increases apply equally to deferred pensions, widows' and dependants' awards and to pensions resulting from allocation, if they began during the periods concerned.

Rule E9 provides for the rate at which flat-rate awards for widow(er)s, and children first come into payment.

GENERAL

State pensions is a complex subject, best explained in the DSS leaflets which cover every aspect of it.

Leaflet no.NP32 "Your retirement pension" tells you about the state (or national insurance) retirement pension, payable at "state pensionable age":

- 65 for a man, or
- 60 for a woman

DSS leaflets are available free of charge from:

- local social security offices, or
- DSS Leaflets Unit
PO Box 21
Stanmore
Middlesex HA7 1AY

The state scheme, like the FPS, is subject to change. The aim in this commentary is to describe the links between the current state scheme and the current version of the FPS.

* You will need to bear in mind that at any particular time due to changes being introduced some of the sections may need updating.

The state scheme
and the FPS

There has always been a close relationship between:

- * state retirement pensions, and
- * public service occupational pensions, including:
 - fire service pensions.

Since 6 April 1978, the state retirement pension has consisted of two parts:

- * the basic state retirement pension, and
- * the state earnings-related pension, which is an additional component of the state retirement pension, based on contributions since 5 April 1978 paid on earnings between:
 - "the lower earnings limit", which is about the level of the basic state retirement pension for a single person, and
 - "the upper earnings limit", which is about 7 times the lower limit.

Employee contributions are payable on all earnings up to the upper earnings limit, once your earnings are above the lower limit. Employer contributions are payable on all earnings (and, so far as they are on earnings above the upper earnings limit, at the not contracted-out rate). But earnings above the upper limit are not taken into account for benefits. The current contribution rates and benefit levels are in DSS leaflets NI 208 and NI 196 respectively.

BASIC RATE
RETIREMENT PENSION

If you have a full national insurance (NI) contribution record, you will be entitled to a full basic state retirement pension when you reach state pensionable age.

- If you are married, your basic pension may be increased, unless your spouse also has a personal entitlement to a state retirement pension, or some other state benefit.

**Reduction of
FPS pension
from state
pensionable age**

If you became a regular firefighter on or after 1 April 1980, you will receive your FPS pension in full, from state pensionable age.

If you joined or after 1 July 1948 but before 1 April 1980, you will have your FPS pension reduced (or "modified") from state pensionable age, at the rate of:

- £1.70 a year for each year of your service from 5 July 1948 to 31 March 1980, up to a maximum of 30 years.

②

Thus the highest reduction possible is:

- £51 a year (£1.70 x 30).

Between those dates you had a consequent reduction in your pension contributions under the FPS of:

- 5p a week. (For the further 1p reduction, see ANNEX 2-3).

**STATE
EARNINGS-RELATED
PENSION SCHEME
(SERPS)**

The state earnings-related pension scheme (SERPS) was introduced on 6 April 1978 and was modified by the Social Security Act 1986.

**STATE GRADUATED
PENSION SCHEME (GPS)**

The state graduated pension scheme (GPS) provided an earlier, more limited, form of earnings-related benefit (ie graduated according to earnings). This was also in addition to the basic state retirement pension, but the amounts involved were much smaller than under SERPS.

PENSIONS INCREASE

State pensions are increased each year, to take account of increases in the retail price index, at the same time as FPS pensions are increased. (See ANNEX 1-9 which explains how pensions increase is paid on a guaranteed minimum pension (GMP) which is the part of your FPS pension broadly equivalent to the pension you would have received from SERPS had you been contracted-in).

BASIC RATE RETIREMENT PENSION
--

Introduction

The basic state retirement pension was part of the first comprehensive national insurance scheme, which was introduced by the National Insurance Act 1946 and came into effect on 5 July 1948.

* The first Firemen's Pension Scheme made under the Fire Services Act 1947 came into effect on 1 April 1948 and was closely interlocked with the state scheme, to avoid duplication of benefits.

Those serving on 5 July 1948

Firemen serving on 5 July 1948 were given a choice between:

* receiving their full FPS pension at state pensionable age, and paying full fire pension contributions, or

* receiving a "modified" (ie lower) FPS pension at state pensionable age, with correspondingly lower fire pension contributions.

In either case, firemen:

- paid full NI contributions, and
- received the full basic state retirement pension, if they had a full NI contribution record throughout their insured life.

Those joining after 5 July 1948

Firemen who joined for the first time after 5 July 1948 were bound to pay "modified" fire pension contributions in respect of all their service up to 31 March 1980. Their FPS pension will be "modified" at state pensionable age in respect of all their fire service between 5 July 1948 and 31 March 1980.

1p a week reduction in FPS contribution rate

The continuing reduction of 1p a week in the FPS contribution rate, has applied to all firefighters since 5 July 1948 (until decimalisation on 15 February 1971, the reduction was 2d a week). This contribution reduction was to compensate for the fact that benefits under the NI Industrial Injuries Scheme, new in 1948, added nothing to existing fire service benefits.

"Flat-rate" modification

The lower, modified FPS contribution rate paid by some firemen between 5 July 1948 and 31 March 1980 was linked to the rate of the basic state retirement pension when it was introduced in 1948. This modified rate gradually lost significance until it was abolished throughout the public service from 1 April 1980 for future service. The reduction of 5p a week in FPS contribution rate came to an immediate end. (The 1p a week reduction in respect of industrial injury benefits continues for everyone). The modification of an annual pension, at state pensionable age, at the rate of £1.70 a year for periods of service during which modified contributions were paid, continues for firemen who served before 1 April 1980, and paid the modified rate of contributions before that date.

①

The reductions in contributions and benefits, for service before 1 April 1980, are summarised in the table below.

Flat-rate modification

	<u>Firemen whose service before 1 April 1980 was:</u>	
<u>Reduction in contributions</u>	<u>modified</u>	<u>unmodified</u>
- in respect of basic state retirement pension	5p a week	Nil
- in respect of industrial injuries scheme	1p a week	1p a week
- Total	6p a week	1p a week
<u>Reduction in benefit at state pensionable age</u>		
- in respect of basic state retirement pension	At the rate of £1.70 a year for each period of service in which "modified" contributions were paid	Nil

Schedule 2
Part VII

①

The provisions of the Firemen's Pension Scheme 1992 which relate to the basic state retirement pension, and the reduction of fire pensions on that account, are contained in paragraph 1 of Part VII of Schedule 2 (see BGen-2to4).

Table A, ANNEX 2-12 and 13 (see footnote to that table) shows how account is taken, in other parts of the scheme, of the reduction in your pension due at state pensionable age under paragraph 1 of Part VII of Schedule 2, on account of flat-rate modification.

STATE EARNING-RELATED
PENSION SCHEME
(SERPS)

What is "SERPS"? Since 6 April 1978 all employed earners have been entitled to:

- * an earnings-related additional component of their state retirement pension, paid by DSS, or
- * a guaranteed minimum pension (GMP) as part of their occupational pension, if they belong to an occupational pension scheme which is contracted-out of SERPS.

In either case this benefit is payable in addition to the basic state retirement pension.

This entitlement stems from the Social Security Pensions Act 1975, as from time to time amended (the "Pensions Act").

A person who transfers from one contracted-out occupational pension scheme to another can usually transfer GMP entitlement relating to service in the first scheme, to the second.

Anyone who transfers from contracted-out employment to a scheme which is not contracted-out will either:

- continue to have an entitlement to a GMP from the first scheme relating to that service
- have the pension rights transferred to an approved insurance company to buy an annuity contract, which will take the place of a pension (see F9), or
- become contracted-in to SERPS in respect of the service in the first scheme, by the payment of a "contributions equivalent premium" (CEP), or "transfer premium" (TP) to DSS (the premium payment effectively buys you back into SERPS for the period in question).

For the circumstances in which a CEP may be paid, see ANNEX 2-8 and 9.

Regular firefighters

The FPS, like most other public service pension schemes, is contracted-out of SERPS in respect of regular firefighters, for whom the scheme provides full retirement benefits.

- GMP (Rule J1)

If you are a regular firefighter, you are "contracted-out" of SERPS, and you will be entitled, under J1, to:

- * a "guaranteed minimum pension" (GMP), when you reach state pensionable age, which is broadly equivalent to the additional component of the state retirement pension to which you would have been entitled had you not been contracted-out of SERPS, and either
- * a widow's guaranteed minimum pension at the rate of half your GMP, or
- * a widower's guaranteed minimum pension equal to half of that part of your GMP attributable to service after 5 April 1988.

(If your additional component were bigger than your GMP, you would get the balance:

- from DSS, as part of your state retirement pension).

A FPS pension is usually more than sufficient to cover a GMP, and fire widower's pension more than sufficient to cover a widow's GMP, so that a pension under J1 will rarely be payable.

- NI contributions
- As a regular firefighter you pay NI contributions:
- at the "not contracted-out rate" on your earnings up to the lower earnings limit and
 - at the "contracted-out rate" on your earnings between the lower and the upper earnings limit (see ANNEX 2-2).

Your fire authority pay the employer's contribution in respect of you:

- at the "not contracted-out rate" for your earnings below the lower earnings limit and above the upper earnings limit, and
 - at the "contracted-out rate" for your earnings between the lower and the upper earnings limit.
- In other words you pay contributions only up to the upper earnings limit, but your fire authority also pay contributions on any earnings you may have above that level (see ANNEX 2-1).

Other duties of a contracted-out scheme

In addition to the requirement to provide a GMP, an occupational pension scheme which is contracted-out of SERPS has to fulfil a number of other requirements, mostly laid down in the Pensions Act or in Regulations made under that Act.

Provisions in the 1992 Scheme to meet contracting-out requirements

PROVISION	SUBJECT	COMMENTARY PAGES
B6	Award by way of repayment of aggregate pension contributions	B6-1 POINTS TO NOTE 4
B8	Commuting a small pension at state pensionable age	B8-1 POINTS TO NOTE 2
B10	Restriction on the amount of a deferred pension which may be commuted or allocated	B7-2 B9-2
C5	Widow's pension in case of post-retirement marriage	C5-1 "What is the limitation?" POINTS TO NOTE 2, and "What is the award?" POINTS TO NOTE 1
C6	Widow's requisite benefit pension*	C6-1 POINTS TO NOTE 3
C8	Surviving spouse's requisite benefit pension*	C8-1 POINTS TO NOTE 2 AND 3
E5	Gratuity in lieu of surviving spouse's pension	E5-1 "Who is eligible?" POINTS TO NOTE 1
F7(4) and Schedule 6, Part II, paragraph 2(4)	Previous service reckonable under current interchange arrangements	F7-1 "Who is eligible? - exceptions"
F9(6) and Schedule 6, Part III paragraph 4	Transfer values payable under interchange arrangements	F9-2 "Who is eligible? - exceptions"
J1	Guarantees your own GMP and that of your widow(er)	J1-1
J2	Revaluation of GMP following transfer of benefits	J2-1
K3	Reduction of pension in case of default (effect of J1)	K3-1
K5(2)	Forfeiture of pension (effect of J1)	K5-1 K5-2
L4(2)	Prevention of duplication (effect of J1)	L4-1
L5(4)	Application of payments (effect of J1)	L5-1 "When money may be withheld from an award"
Schedule 2, Part IV	Short service or ill-health gratuity	B2-1 and B3-2 "How much is the gratuity?"
Schedule 3, Part I	Spouse's ordinary pension*	C1-3 "How much is the pension?" POINTS TO NOTE 2

Footnote: * Provisions relating to a requisite benefit pension were introduced in 1978 to meet the then contracting-out requirements.

PAYMENT OF A "CONTRIBUTIONS EQUIVALENT PREMIUM" (CEP)

What is a CEP?

A CEP is a single payment representing the difference between NI Class I contracted-out contributions and the NI contributions which would have been paid (both by employer and employee), if the employment had not been contracted-out of SERPS.

* Put simply, paying a CEP buys you back into SERPS.

CEPs are also known as "state scheme premiums".

Provisions relating to them are in:

- sections 42, 43 and 47 of the Pensions Act, and
- Part III (regulations 18 to 26) of the Occupational Pension Schemes (Contracting-out) Regulations 1984 (SI 1984 No. 380), the "Contracting-out Regulations".

Full details about CEPs are in DSS leaflet NP.29.

When can CEP be paid?

A CEP can be paid, under section 42 of the Pensions Act, if:

- a. you leave the fire service with less than 2 years' contracted-out service.
 - b. you leave the fire service with less than 2 years' "qualifying service" (see B5-1), before the beginning of the tax year in which you would reach state pensionable age, or
 - c. you die in service before the beginning of the tax year in which you would have reached state pensionable age, and your widow(er) does not qualify for a pension (except one under C6 or C7).
- * If a CEP is payable, but amounts to less than a minimum figure, currently £17, it need not be paid, but the effect will be the same as if it had been paid (regulation 18(3) of the Contracting-out Regulations).

Effect of paying a CEP

If your fire authority pay a CEP for you:

- * your right to a GMP under the FPS, for yourself and your spouse, is extinguished
- * you become entitled to full benefits under SERPS and

* your fire authority:

- a. are entitled to deduct your share of the CEP from:
 - an award by way of repayment of your aggregate pension contributions under rule B6, or
 - any payment to you under K1(5), but
- b. may have to await notification of the amount they can deduct, and
- c. may delay payment of your award for this purpose (regulation 21 of the Contracting-out Regulations).

Your fire authority:

- may not deduct your share of the CEP from a short service or ill-health gratuity under Schedule 2, Part IV.

Your fire authority are likely to pay a CEP for you in all the circumstances in which they are able to do so, unless:

- a. you are entitled to a pension which will cover your GMP, or
- b. you are transferring to another contracted-out scheme.

Paying the CEP will not affect your overall entitlement, because the extra pension you and your widow(er) will get under SERPS will be broadly equivalent to what your GMP would have been under the FPS.

If a CEP has been paid and you later join a scheme which is not contracted-out, your fire authority will deduct the amount of the CEP from any transfer value which becomes payable.

If you leave the fire service and rejoin within 6 months, your contracted-out employment will be deemed not to have ceased, unless a CEP has been paid.

* your fire authority is likely:

- a. to check if you are prepared to refund any award by way of repayment of your aggregate pension contributions, to count the service under F4 and (if not)
- b. to pay a CEP, or ensure that your previous fire authority pay a CEP, before re-engaging you.

If they did not do this your previous service would reckon for GMP, whether or not you refunded your return of contributions.

When a CEP
can be refunded

Unlike a PIL which is to the GPS what a CEP is to SERPS - see ANNEX 2-10, a CEP may be refunded by DSS to your fire authority, if:

- a. you rejoin the fire service and count again the same service to which the CEP relates, or
- b. you become entitled to a transfer value to another contracted-out scheme, in respect of the same service.

The refund of the CEP is usually to your advantage because it enables the service concerned to count again towards the build-up of benefits in the FPS or the scheme to which you transfer.

**STATE GRADUATED PENSION SCHEME
(GPS)**

WHAT IS THE GPS?

The state graduated scheme (GPS) was in being for 14 years, from 3 April 1961 to 5 April 1975.

It provided a limited form of earnings-related benefit (depending on your graduated NI contributions) on top of your basic, flat-rate state retirement pension. The highest amount of basic GPS benefit for the full 14 years is:
 * £45-50 a year for a man, or
 * £37-93 a year for a woman,
 payable at state pensionable age. (Your benefit is lower if you are a woman because your earnings are relevant only up to age 60).

Occupational pensions schemes were able to contract-out of the GPS, if they fulfilled certain conditions. Service as a regular firefighter is mostly contracted-out and is therefore called "non-participating employment" (see below).

- "participating employment"

"Participating employment" involved:
 - higher graduated NI contributions,
 - GPS benefit payable by DSS at state pensionable age,
 - reduction of your occupational pension scheme benefit at state pensionable age by an amount equal to your GPS benefit.

- "non-participating employment"

"Non-participating employment" involved:
 - lower graduated NI contributions,
 - equivalent pension benefit (EPB) payable by your occupational pension scheme at state pensionable age:
 a. as part of your normal pension benefit (the "secured portion"), or
 b. as an EPB on its own.

- "payment in lieu of contributions" (PIL)

Until 5 April 1980 it was possible to buy you back into the GPS by the payment of a PIL. The PIL was equal to the difference between the contracted-out and the contracted-in rate of graduated NI contributions (for employer and employee).

The payment of a PIL in effect converted "non-participating" into "participating" employment. The employer paid the whole PIL to DSS, but was entitled to recover half from the employee (the "employee's share") (under Regulation 6 of the National Insurance (Non-participation - Transitional Provisions) Regulations 1974 (SI 1974 No. 2057)).

A PIL once paid could not be refunded by DSS.

The provisions in the FPS relating to the GPS cover most regular firefighters.

Regular firefighters to whom the GPS applied

If you are a regular firefighter, counting service in respect of employment between 3 April 1961 and 5 April 1975, all that fire service will be:

- * "non-participating employment" unless:
 a. it counts by reason of "participating employment" elsewhere, on the transfer of pension rights into the fire service,
 b. it is fire service which could not count as "non-participating employment" because on 3 April

1961 (or later, if you became a firefighter between then and 5 April 1975):

- i. you were over state pensionable age, or
- ii. you could not have become entitled to an FPS pension before you reached the age of compulsory retirement for the rank you then held, or
- c. it is fire service in respect of which a PIL has been paid.

If any of these exceptions apply, the service concerned will be "participating employment".

- "participating employment"



In respect of your "participating employment", your FPS pension will be reduced, at state pensionable age, by the amount of GPS benefit you receive from DSS (Schedule 2, Part VII, paragraphs 2 and 3).

- "non-participating employment"



In respect of your "non-participating employment", * if you are entitled to an FPS pension, a "secured portion" of it, equivalent to what your GPS benefit would have been for that service, had you been contracted-in, will be payable to you at state pensionable age.

Normally your "secured portion" is payable as part of your FPS pension, but even if the rest of your pension (the "unsecured portion") is not payable, eg. because of:

- forfeiture (K5), or
- cancellation of an ill-health pension (K1), the secured portion of it will be payable during any period in which the equivalent GPS benefit would have been payable. In either case your pension will be eligible for increases under the PI Acts (ANNEX 1), calculated from the date you left the fire service.

* If you are not entitled to an FPS pension:

- a. if you left the fire service before 6 April 1980:
 - a PIL will have been paid to buy you back into the GPS, so that your service will have become "participating employment".
- b. if you left the fire service on or after 6 April 1980:
 - a PIL could not be paid, and you will be entitled to equivalent pension benefit (EPB) when you reach state pensionable age, equivalent to what your GPS benefit would have been for that service, had you been contracted-in.

Winding-up of the GPS

When the GPS was wound-up from 6 April 1975, a 5 year settlement period was allowed. Until 5 April 1980 it was possible for a PIL to be paid for anyone with an entitlement under the GPS who left a contracted-out occupational pension scheme with no prospective pension benefit eg with:

- a. a refund of contributions,
- b. a gratuity, or
- c. a transfer value.

* From 6 April 1980 onwards the payment of a PIL was no longer possible.

PROVISIONS IN THE FPS 1992 RELATING TO "PARTICIPATING EMPLOYMENT"

TABLE A

PROVISION	SUBJECT	EFFECT AND COMMENTARY PAGES
B7(6) B10	Commutation Commutation and allocation	The reduction in your pension due at state pensionable age is ignored in the limit on how much pension you may commute or allocate. B7-3 and B9-2.
Schedule 2 Part VII paras 2 and 3	Reduction of pension at state pensionable age on account of the GPS	This is the main provision under which your FPS pension will be reduced at state pensionable age on account of any "participating employment". BGen 2 .
Schedule 2 Part VIII para 4	Reduction of pension related to uprating of widow's pension	The reduction in your pension due at state pensionable age is ignored in calculating the reduction for uprating your widow's pension. B Gen 5.
Schedules 3 and 4 Sch. 3 Pt. I 1(2) Pt. III 2(3)(b) Sch. 4 Pt. I 1(4) 2(2) Pt. III 4	Widows' and children's awards.	The reduction in your pension due at state pensionable age is ignored for the purpose of calculating: - your spouse's ordinary pension C1-2 - your spouse's accrued pension C4-1 - your child's ordinary allowance DGen-3 - your child's accrued allowance. DGen-3.
Schedule 6 Part II para 3	Pensionable service reckonable on receipt of an inward transfer value	Appropriate account will be taken of the reduction of your pension due at state pensionable age, in calculating the pensionable service you are to count. F7-3.
Schedule 6 Part III, para 2	Outward transfer values	Outward transfer values take appropriate account of the reduction in your pension due at state pensionable age.

Note: Provisions taking appropriate account of the reduction in your pension due at state pensionable age apply to the reduction under paragraph 1 of Part VII of Schedule 2 (flat-rate modification) as well as under paragraphs 2 and 4 (GPS).

PROVISIONS IN THE FPS 1992 RELATING TO "NON-PARTICIPATING EMPLOYMENT"

TABLE B

PROVISION	SUBJECT	EFFECT AND COMMENTARY PAGES
B5(3)	Deferred pension	Entitlement can arise where the "unsecured portion" of an ill-health pension has been cancelled under K1. B5-1, "POINTS TO NOTE 2b".
B7(8)	Commutation	If the "unsecured portion" of your ill-health pension is cancelled after you have commuted, no reduction in respect of your commutation can be made in your "secured portion" at state pensionable age. B7-3.
J1(3)	GMP	If you have a "secured portion" it must be paid as well as your GMP. J1-1.
K1(5)(a)	Cancellation of ill-health pension	The "secured portion" of your ill-health pension may not be cancelled, but will not be paid until you reach state pensionable age. K1-1.
K5(4)	Withdrawal of pension on conviction	The "secured portion" of any pension must be payable during any period in which the equivalent GPS benefit would have been payable. K5-2.
Schedule 2 Part VII paras 3(1) and 4	Reduction of pension at state pensionable age on account of GPS	The "secured portion" of a pension cannot be reduced at state pensionable age on account of "participating employment". The "unsecured portion" of one pension may be reduced at state pensionable age (to avoid duplication), if you are still entitled to the "secured portion" of another pension covering the same service. BGen 1 to 4.

The main tax laws which can affect you and your family in respect of your pension are:
 * the Income and Corporation Taxes Act 1988 (the "Taxes Act"), and
 * the Finance Act 1970 (the "Finance Act").

The Taxes Act

Under the Taxes Act, as from time to time amended, certain payments made to you or your family in respect of pension scheme benefits are liable to income tax under Schedule E.

The Finance Act

The Finance Act, as from time to time amended, provides for the circumstances in which you may be exempt from the payment of income tax in respect of your pension contributions.

Inland Revenue

The tax laws are administered by the Board of Inland Revenue. The Board's policy relating to occupational pension schemes (including the FPS) is carried out on behalf of the Board by:

The Pension Schemes Office
 Lynwood Road
 Thames Ditton
 Surrey KT7 ODP
 Telephone: 081 398 4242

The tax year runs from 6 April in any year until 5 April in the next year. Increases under the Pension Increase legislation and increases in DSS benefits are also made each April (see ANNEX 1-3).

Inspector of Taxes

If you have a tax problem relating to your pension, it will be dealt with by the Inspector of Taxes responsible for your personal tax affairs, who will determine the amount of tax payable, subject to your normal rights of appeal under the Taxes Act.

How the tax laws affect the FPS

The FPS is an unfunded, statutory scheme, as defined in the Finance Act, and as such does not require "approval" by the Inland Revenue:
 - funded schemes (including the local government scheme, which is a funded statutory scheme) need Inland Revenue approval in order to qualify for the tax relief allowed on an approved scheme's investment income.

Although unfunded statutory schemes do not require formal Inland Revenue approval, this does not mean they are treated any more favourably.

- * It is Government policy that all pension schemes, public and private, should be treated similarly as regards:
- the maximum benefits which they may provide for their members, and
 - the tax relief allowable on members' pension contributions.



The terms of the FPS take account of this policy and therefore conform generally to the Inland Revenue conditions laid down for approved schemes. Exceptionally, however, firefighters have retained a long-standing right to commute up to 1/4 of their pension in certain circumstances. Tax relief on FPS pension contributions is given under section 22 of the Finance Act.

Pensions and allowances

As a general rule all pensions and allowances are of taxable income, and as such liable for income tax in the same way as other income.

There are however certain exemptions allowed by the Inland Revenue by concession. These are published by the Inland Revenue as "Extra Statutory Concession A3". Under the Concession the following awards are not normally taxed:



- * an injury pension under B4, which is payable solely where permanent disablement results from a qualifying injury, or
- * an ill-health pension under B3, if you have less than 2 years' pensionable service. (In this case your pension is payable only because you are disabled as a result of a qualifying injury).



1. Under D1, D2 or D4 a child is entitled to an allowance. The allowance is therefore part of the child's income and taxed or exempted accordingly. No tax will be payable if the child's annual income, including the allowance, is less than the single person's tax allowance.
2. If you are resident abroad, there is no general exemption from income tax under the Taxes Act. You may however be able to claim exemption if there is a Double Taxation Agreement between the United Kingdom and your country of residence. You can find out by writing to:

The Inspector of Foreign Dividends
Inland Revenue
Lynwood Road
Thames Ditton
Surrey KT7 ODP
Telephone: 081 398 4242
3. You may find that the PAYE tax on your FPS pension goes up when you reach state pensionable age. This is because your total income increases when you get your state retirement pension, and the tax due on your state pension is being collected through PAYE on your FPS pension.



Lump sums

* Lump sum retirement benefits payable under the scheme are not liable to income tax. These include:

- a. a lump sum payable on commutation of pension (B7 or B8),
- b. a short service gratuity (B2),
- c. a death grant (E1),

* Lump sum benefits other than retirement benefits which may be granted relief or exemption from income tax by your Inspector of Taxes include:

- a. an ill-health gratuity (B3),
- b. an injury gratuity (B4),
- c. a spouse's special gratuity (C2),
- d. a spouse's ordinary gratuity (C7),
- e. a child's special gratuity (D3),
- f. a dependent relative's gratuity (E3),
- g. a gratuity in lieu of spouse's pension (E5), and
- h. a gratuity in lieu of child's allowance (E6).

Generally speaking a lump sum paid in compensation for personal injury or death sustained in the course of duty is not regarded as income for tax purposes.

* An award by way of repayment of aggregate pension contributions (under B6 or K1(5)) is not liable to income tax.

However:

- a. tax at the rate of 20% is payable by your fire authority on such an award,
- b. under B11, your fire authority may deduct an amount equal to the tax paid, from your award,
- c. this is not tax which you have paid, so there are no circumstances in which you could claim repayment from the Inland Revenue.

* A fire authority may also be required to pay tax at the rate of 20% on a lump sum paid under B8, on commutation of a small pension, but there is no provision for reducing the payment to the member on this account.

TAX RELIEF ON CONTRIBUTIONS

Ordinary annual contributions

You are entitled to tax relief on your ordinary contributions under section 22 of the Finance Act.

* Ordinary annual contributions are those you are required to pay under G2.

Other contributions

The Inland Revenue also allow tax relief on:

* additional and further contributions payable under G4 and G7.

provided that:

- a. they are payable for not less than 5 years, or until retirement if earlier, and
- b. your total contributions in a tax year do not exceed 15% of your total remuneration.

Payments which do not qualify for tax relief

You are not entitled to tax relief on:

- * lump sum payments towards pension benefits (eg lump sums paid to purchase increased benefits)
- * contributions payable over a period less than 5 years (eg payments in respect of previous service under Part I of Schedule 6)
- * payments you make under F4 or F5 in order to count previous fire service again.

POINTS TO NOTE

1. If you rejoin your former brigade and count earlier service again under F4:
 - your fire authority, on receiving a repayment in respect of any refund of aggregate pension contributions made to you earlier:
 - * may deduct the 20% tax, which they paid when they refunded your contributions to you, from their tax liability in respect of other refunds under the FPS during the current tax year.

2. If you join another brigade and count earlier service again under F4:
 - your new fire authority, on receiving a repayment in respect of any refund of aggregate pension contributions made to you by your previous fire authority:
 - * may deduct the 20% tax, which your previous fire authority paid when they refunded your contributions to you, from their tax liability in respect of any other refunds under the FPS during the current tax year.
 - your previous fire authority will become liable under F8 to pay a transfer value to your new fire authority. From this TV they:
 - * may deduct:
 - a. the payment you made to your new fire authority under F4, and
 - b. any amount they deducted from the refund of contributions they made to you earlier, under B11 or FPSO 1973, Article 69(10).

These deductions ensure that your former authority get back the contributions they refunded to you and the tax they paid.

Government Actuary

The Government Actuary is adviser to the Government on the actuarial aspects of the state pension scheme (see ANNEX 2) and of occupational pension schemes in the public service. (An actuary is a person who is professionally qualified to assess the cost of providing pension benefits. The actuary does this by analysing statistical and financial data to provide a basis for calculating the expected cost of future benefit expenditure.)

Public service pension schemes have a great many similar features, generally differing from one another only where the nature of the occupation requires different pension provision - for instance, earlier retirement and the fast accrual of pension benefits in the armed forces, police and firefighters' pension schemes.

The Government Actuary provides a single source of impartial actuarial advice, which enables Ministers responsible for public service pension schemes to maintain continuity and consistency, both between schemes and over the lengthy periods to which pension provisions relate.

In certain public service pension schemes, particularly in funded schemes, there is a statutory requirement for periodic valuations. Although there is no similar requirement for the FPS the financial basis of the scheme is kept under general review.

**Overall cost
of the scheme**

The Government's Actuary's assessment of the scheme is based on a "new entrant contribution rate". This is an assessment of the cost of providing the benefits likely to be paid to an average new entrant to the FPS over the course of his or her career.

The cost is expressed in terms of a percentage of pensionable pay which, if paid throughout the career of the average new entrant, would exactly cover the cost of his or her benefits if the actuarial assumptions proved to be correct. The actual cost of the benefits which may become payable in respect of an individual member may be above or below the average, depending on the individual circumstances. The scheme involves a pooling of risks which are shared by all members contributing to the scheme.

The Government Actuary's last assessment of the overall cost of the scheme (taking no account of the cost of injury benefits) was in 1991, and amounted to 37.5% of pensionable pay over an average career.

The cost of the scheme is met partly by members' contributions and partly by fire authorities in the first instance. Since July 1991 contributions have been:

- 11% of pensionable pay for regular firefighters, except
- 7.75% for those subject to Part IV of Schedule 11.

The balance of expenditure on the FPS is taken into account in reckoning entitlement to revenue support grant, through which central government contributes towards local authority expenditure generally.

**Calculations by the
Government Actuary**

The FPS 1992 makes specific provision for calculations by the Government Actuary for the purposes listed at ANNEX 4-3.

One-off calculations

Where the tables do not cover a particular case because the number of likely cases and the diversity of circumstances make a table inappropriate, the Government Actuary will provide a one-off calculation at the request of a fire authority.

**Other advice from
the Government
Actuary**



Although not statutorily required to do so, the Government Actuary also provides other ad hoc actuarial advice when requested, such as converting disablement gratuities to annuities for the purpose of Schedule 2, Part V, para 3(7) - calculation of an injury pension.



PURPOSE	PROVISION	COMMENTARY PAGE (PN = POINTS TO NOTE)
Reducing a short service or ill health gratuity	Schedule 2 Part IV Para 3	B2-1 B3-2
Commutation ø	B7(3)	B7-1 -4 (PN1)
Commuting a small pension	BB(2)	BB-1 (PN4)
Allocation ø	B9(13)	B9-2 (PN1)
Reduction of pension at state pensionable age *	Schedule 2 Part VII para 1(2) Table	B Gen-2 (PN2)
Reduction of pension relating to uprating of widow's pension *	Schedule 2 Part VIII para 5 Table	B Gen-8
Widow's requisite benefit and temporary pension	C6(5)	C6-2 (PN1)
Gratuity-estate	E4(2)	E4-1 (PN3)
Limitation on amount of gratuity in lieu of surviving spouse's pension	Schedule 5 Part II	E5-1 "How much is the gratuity?" (PN1)
Limitation on amount of gratuity in lieu of child's allowance	Schedule 5 Part III	E6-1 "How much is the gratuity?" (PN1)
Limitation on discretion to grant a gratuity in lieu of pension	E7(4)	E7-1 (PN4)
Payments in respect of previous service *	Schedule 6, Part I	F4-1
Counting pensionable ø service under interchange arrangements	Schedule 6 Part II	F7-1
GMP test *	F7(4)	F7-6, F7-7(PN1)
Transfer values * (Cash equivalents) ø	Schedule 6 Part III, para 6 Part IV	FB-1 F9-5
War Service *	Schedule 7 Part IV	F6-1
Additional and further contributions *	G4	G4-1
Purchase of increased benefits *	Schedule 8 Part 1, Para 5	G6-1
Payment to a pensioner whose unsecured ill-health pension is terminated	K1 (6)	K1-2

* Tables included in the Scheme

ø Tables prepared by GAD and promulgated administratively in Fire Service Circulars.

GENERAL

Under the Social Security Act 1986 membership of occupational pension schemes is not compulsory after 6 April 1988. The procedure for opting-out of or rejoining the FPS is explained in G3-1. This Annex shows the position in respect of the main scheme provisions if you have a period of service as a regular firefighter during which you had opted out of the FPS.

- Compulsory retirement)
on grounds of)
age (A13))
- Compulsory)
retirement on the) These provisions apply irrespective
grounds of efficiency) of FPS membership
of brigade (A14))
- Compulsory retirement)
on grounds of)
disablement (A15))
- Ordinary pension (B1)) These awards cannot apply unless
) you are a member of the FPS at your
Short service) retirement date (and satisfy the other
pension (B2)) qualifying conditions).
Ill-health award (B3))
- Injury award (B4) In the event of your retirement on ill-health
grounds as a result of a qualifying injury you
would be eligible for an injury award, based on
your degree of disablement and total service as a
regular firefighter. The pension element would be
reduced by the full amount of the ill-health
pension you would have received had all your
service been pensionable and by any relevant DSS
benefits (see B4-3,4).
- Deferred pension (B5) With a period of pensionable service under the FPS
of at least 2 years when you opt out of the FPS you
will be eligible for a deferred pension payable at
age 60 (or earlier, should you become permanently
disabled). While you remain in the fire service
you will be eligible to transfer any service after
5 April 1988 to another superannuation arrangement.
Service before that date cannot be transferred
unless you leave the fire service altogether.
- Repayment of)
aggregate pension) This award may be relevant where you opt out of the
contributions (B6)) FPS or leave the fire service altogether and you
have no entitlement to other awards under the
scheme.
- Spouse's ordinary)
pension (C1)) This award cannot be payable if you had opted out
of the FPS at your date of death irrespective of
your length of pensionable service.
- Spouse's special)
award (C2)) Eligibility for these awards is not affected.
)
Spouse's augmented)
award (C3))
- Spouse's accrued)
pension (C4)) This award would apply in the event of your death
when entitled to a deferred pension.
- Widow's requisite)
benefit and) Your widow may be eligible to benefit under this
temporary pension) rule if you have a part period of reckonable
service under the FPS of under 3 years

Spouse's award where no other award payable (C7)	An award may arise under this provision if you have a period of reckonable service under the FPS and your widow(er) does not qualify for any other benefits.
Child ordinary allowance (D1)	This award cannot apply if you had opted out of the FPS at your date of death, irrespective of your length of pensionable service.
Child's special allowance (D2)	Eligibility for these awards is not affected.
Child's special gratuity (D3)	
Child's accrued allowance (D4)	This award would apply in the event of your death when entitled to a deferred pension.
Lump sum death grant (E1)	No entitlement where an election to opt out of the FPS was effective at your date of death.
Adult dependant relative's special pension (E2)	Eligibility for these awards is not affected.
Dependant relative's gratuity (E3)	
Pensionable service (F2)	Only periods for which you paid pension contributions under G2 can reckon towards awards under the FPS.
Average pensionable pay (G1)	Where you qualify for an award under the FPS it will be based on your pay for the period of a year up to the date you opted out of the FPS; except for the purposes of rules B4, C2, C7, D2, D3 and E2 which will be based on your pay up to your last day of service.
Opting-out provision (G3)	If you opt out within 3 months of joining the fire service your election will be backdated to your entry date, your contributions will be refunded and you will be deemed never to have been a member of the FPS.
Purchase of increased benefits (G8)	If you were buying extra benefits under the FPS when you opted out of the Scheme you would be eligible to reckon part of those benefits in proportion to the period for which the extra contributions were made and the period you were expected to make payments.
Medical appeal provisions (H2)	Insofar as you may have grounds to dispute medical decisions or to claim entitlements the relevant appeal provisions would apply.
Other appeal provisions (H3)	

INDEX

KEY

MAIN ENTRIES are in **BOLD TYPE**

Other entries say 'see " **MAIN ENTRY** "'

Related entries are linked by ' (see also " **RELATED ENTRY** ")'

Abbreviation: eg " Sch 3 Pt I 1 (1) (b) means " Schedule 3,
Part I, paragraph 1 (1) (b).

	1992 SCHEME	COMMENTARY
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see "CHILD'S ACCRUED ALLOWANCE"		
Accrued pension		
see "SPOUSE'S ACCRUED PENSION"		
ACTS OF PARLIAMENT:		
Administration of Estates (Small Payments) Act 1965	L5(3)	L5-2
Interpretation Act 1978	M1(2), Sch 1 Pt II 9	MI-1
Income and Corporation Taxes Act 1988		Annex 3-1
Local Government Acts 1933 and 1958	Sch 11 Pt V	J6-3
London Government Act 1963	Sch 11 Pt V	J6-3
National Insurance Act 1959	Sch 2 Pt VII 2	
National Insurance Act 1965	Sch 2 Pt VII 1, Sch 2 Pt VII 2	
National Insurance (Industrial Injuries) Act 1965		B4-5
National Service Acts	A12	A12-1
Official Secrets Acts	K5(3)	K5-1
Reserve and Auxiliary Forces (Protection of Civil Interests) Act 1951	A12, I 7(2)	A12-1
Social Security Act 1975	Sch 2 Pt V 3	
Social Security Pensions Act 1975	Sch 6 Pt II 1	
(see also "Fire Services Act 1947" "Social Security Pensions Act 1975" "Social Security Act 1985" "Social Security Act 1986")		
ACTUARIAL CALCULATIONS		
see "GOVERNMENT ACTUARY"		
ACTUARY		Annex 4-1
(see also "GOVERNMENT ACTUARY RESPONSIBILITIES")		
Additional contributions		
see "AGGREGATE PENSION CONTRIBUTIONS: Additional"		
Additional Voluntary Contributions		
see "FREE-STANDING ADDITIONAL VOLUNTARY CONTRIBUTIONS"		
Adult dependent relative		
see "DEPENDENT RELATIVE"		

	1992 SCHEME	COMMENTARY
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55, for compulsory retirement	A13(2)(a)	A13-1
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60, for compulsory retirement	A13(2)(a)	A13-1
for payment of deferred pension	B5(4)	B5-3, L3-1
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dying before, effect on widow's pension	C6(1), E5(2)	E5-1
for widower's entitlement on remarriage	J1(4)	J1-2
70, allocating, on proposed marriage before (see also "RETIREMENT AGE COMPULSORY")	B9(4)	B9-2
Age of compulsory retirement see "RETIREMENT AGE COMPULSORY"		
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award by way of repayment	B6, F4(2), F5(2)	B6-1, G2-2
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definition	A8	A8-1
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	1992 SCHEME	COMMENTARY
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DSS paying PI on GMP GMP pension temporarily withdrawn personal awards spouse's accrued pension spouse's ordinary pension spouse's pensions-general spouse's pension for post-retirement marriage spouse's special pension spouse's requisite benefit pension	BB(1), J1(6)	J1-2, Annex 1-8 & 9 K4-1 B1-2, B2-2, B3-3, B5-3 C4-1 C1-3 C Gen -1 C5-2 C2-1 C8-1
PENSIONS (INCREASE) ACTS	BB(1), E5(1) & J1(6)	Annex 1-2, 4, 9 & 10 B5-3, E9-2
PERMANENT DISABLEMENT		
awards on account of child's award depending on compulsory retirement on account of definition medical evidence	B3(1), B4(1) A10(2), D5(3), D5-4 & (7) A15 A10 (2) H1(2)	B3, B4 A10-1, D2, D3, D5-1 to 4 A15-1 A10-1 H1-1

	1992 SCHEME	COMMENTARY
PERSONAL AWARDS		
average pensionable pay in calculation (see "AVERAGE PENSIONABLE PAY")	B1 to B6	B1 to B6
entitlement to	L1, L3	L1-1, L3-1
payment of	-	Annex 1
PI on	-	Annex 2
state scheme		
PERSONAL PENSION SCHEME	Sch 1 Pt I	F Gen -1 & 2, F7-5 F9-4, 6, 8 & 10, G3-1
Physical infirmity see "DISABLEMENT"		
PIL see "PAYMENT IN LIEU OF CONTRIBUTIONS"		
Post-retirement marriage see "MARRIAGE - after retirement"		
Probate See "ESTATE - payment without probate"		
PURCHASE OF ANNUITY	J2 (1)	J2-1
QUALIFYING INJURY		
"after appearing injury"		B4-1, H2-3
award depending on	B4(1), C2(1), C3(1) D2(1), D3(1), E2(1), I2, I3	B4-1, C2-1, C3-1, D2-1, D3-1, E2-1, I2-1, I3-1
death or disablement resulting from	A11	A11-1
default, without	A9(3)	A9-1
definition	A9	A9-1
execution of duties	A9(1)	A9-1
QUALIFYING SERVICE		
deferred pension entitlement	B5(1)	B5-1
less than 2 years	B6(1)	B6-1
RANK		
children's flat-rate awards	E9(4) & (5)	E9-1
compulsory retirement age	A13	A13-1
deemed rank for pension purposes	A4(3)	A4-1
ordinary pension entitlement	B1(2)(b)	B1-1
spouse's flat-rate awards	E9(2) & (3)	E9-1

	1992 SCHEME	COMMENTARY
REDUCED EARNINGS ALLOWANCE (DSS) Reduction of pension see "PENSION - REDUCTION" Referee see "MEDICAL REFEREE"	Sch 2 Pt V 3(2)	B4-4
REGULAR FIREFIGHTER definition pension contributions, payable by personal awards servicemen and	Sch 1 Pt I G2(1) B1(1), B2(1), B3(1), B4(1), B5(1), B6(1) I1 to I7	A2-3 G2-1 B1-1, B2-1, B3-1, B4-1 B5-1, B6-1 I1 to I7
REJOINING FIRE SERVICE deferred pension entitlement, effect on previous service, counting recovering from ill-health "Relevant service in the Armed Forces" see "ARMED FORCES - relevant service in" Remarriage see "MARRIAGE"	B5(1)(a) F4(1), F5(1) K1(4)	B5-2 F4-1, F5-1 K1-1
REMUNERATION as child in training not defined (see also "EXCESS REMUNERATION") Reservist see "ARMED FORCES - reservist"	Sch 4 Pt IV -	D1-2 D5-5
RETAIL PRICE INDEX (RPI) Retained firefighter see "PART-TIME MEMBER OF BRIGADE"	-	Annex 1
RETIREMENT age of see "RETIREMENT AGE, COMPULSORY" award on last day of service, and medical grounds, on pensionable service counting again after transfer within fire service, not retirement void if found fit after medical appeal	B1, B2, B3 A16 A15, B3(1), H1(2) F4(1), F5(1) B5(2) A15(2)	B1, B2, B3 A16-1 A15-1, B3-1, H1-2, H2-2 F4-1, F5-1 H2-2

	1992 SCHEME	COMMENTARY
RETIREMENT AGE, COMPULSORY ill-health or injury pension, no cancellation after postponement	A13 K1(1)(c) A13(3)	A13 K1-1 A13-1
SECRETARY OF STATE appeal tribunal, appointing certification, withdrawal of pension on conviction fire authority, central service medical referee, appointing	H3(4) K5(2)(b) A4(3), A5(3) H2(2)	H3-2 K5-1 H2-1
SECURED PORTION awards, effect on definition GMP and ill-health pension cancellation not to include Separation see "LEGAL SEPARATION"	B5(3), B7(8), Sch 2 Pt V11 4 Sch 1 Part II 4 J1(5) K1(3) & (5)	B5-1, B7-3, B Gen -4 J1-1 K1-1
"SERPS" see "STATE EARNINGS-RELATED PENSION SCHEME"		
SERVICEMEN average pensionable pay, calculating definition injury on duty as pension contributions, calculating (see also "ARMED FORCES")	Part I I1(2), I7-1 I1(1) I2(3) I7	Part I I2-1, I7-1 A2-3, I1-1 I2-1 I7-1
SEVERE DISABLEMENT ALLOWANCE (DSS) Sheriff see "APPEAL"	Sch 2 Pt V 3(3)(c)	B4-4
SHORT SERVICE GRATUITY	B2(2)(b), Sch 2 Pt IV	B2
SHORT SERVICE PENSION calculation commutation compulsory retirement withdrawal on conviction of certain offences	B2(2)(a) Sch 2 Pt II B7(1) B2(1) K5(1)	B2 B2-2 B2-2 B2-1, B7-2 K5-2
SICKNESS BENEFIT (DSS)	Sch 2 Pt V 3(3)(a)	B4-4

	1992 SCHEME	COMMENTARY
SMALL PENSION commuting	B8, J1(7)	B8-1, J1-1
SOCIAL SECURITY PENSIONS ACT 1975 commuting small pensions rights to cash equivalent TV withdrawal on conviction widow's requisite benefit pension	B8 J1(7), K5(4) Sch 3 Pt V	B8-1 F Gen -2 J1-1, K5-1 C1-3, C5-1, C6-1, C8-1
SOCIAL SECURITY ACT 1985 cash equivalent transfer values	F9, Sch 1, Pt 1	F Gen -2, F9-5
SOCIAL SECURITY ACT 1986 opting out provisions personal pension schemes reduction in qualifying period for preservation of benefits	G3 Sch 1 Pt 1 B2(2), B3(2), B5(1)	G3-1, Annex 5 F7-5, F9-4
SPECIAL CASES	Part J, Sch 11	Part J
SPOUSE'S ACCRUED PENSION calculation child's accrued allowance, effect on commuting for gratuity entitlement first 13 weeks post-retirement marriage a bar to entitlement	C4 Sch 3 Pt III Sch 4, Pt III 5 E5(1) C4(3) E8(1) C5(1)	C4 C4 D4-2 E5-1 C4-1 E8-1 C5-1
SPOUSE'S AUGMENTED GRATUITY	C3(5)	C3-1
SPOUSE'S AUGMENTED PENSION	C3(4)	C3-1
SPOUSE'S AWARDS allocated award is not a "spouse's pension" commuting for gratuity payment of special cases	 E5, Sch 5 Pt II L3 Sch 11 Part I	B9-4 E5-1 L3-1 C1-4
SPOUSE'S AWARD WHERE NO OTHER AWARD PAYABLE	C7	C7-1
SPOUSE'S FLAT-RATE PENSION alternative to spouse's accrued pension alternative to spouse's ordinary pension calculation	Sch 3 Pt III 2 Sch 3 Pt I 2 E9(2) & (3)	C4-2 C1-3 E9-2

	1992 SCHEME	COMMENTARY
SMALL PENSION commuting	BB, J1(7)	BB-1, J1-1
SOCIAL SECURITY PENSIONS ACT 1975 commuting small pensions rights to cash equivalent TV withdrawal on conviction widow's requisite benefit pension	BB J1(7), K5(4) Sch 3 Pt V	BB-1 F Gen -2 J1-1, K5-1 C1-3, C5-1, C6-1, C8-1
SOCIAL SECURITY ACT 1985 cash equivalent transfer values	F9, Sch 1, Pt 1	F Gen -2, F9-5
SOCIAL SECURITY ACT 1986 opting out provisions personal pension schemes reduction in qualifying period for preservation of benefits	G3 Sch 1 Pt 1 B2(2), B3(2), B5(1)	G3-1, Annex 5 F7-5, F9-4
SPECIAL CASES	Part J, Sch 11	Part J
SPOUSE'S ACCRUED PENSION calculation child's accrued allowance, effect on commuting for gratuity entitlement first 13 weeks post-retirement marriage a bar to entitlement	C4 Sch 3 Pt III Sch 4, Pt III 5 E5(1) C4(3) E8(1) C5(1)	C4 C4 D4-2 E5-1 C4-1 E8-1 C5-1
SPOUSE'S AUGMENTED GRATUITY	C3(5)	C3-1
SPOUSE'S AUGMENTED PENSION	C3(4)	C3-1
SPOUSE'S AWARDS allocated award is not a "spouse's pension" commuting for gratuity payment of special cases	 E5, Sch 5 Pt II L3 Sch 11 Part I	B9-4 E5-1 L3-1 C1-4
SPOUSE'S AWARD WHERE NO OTHER AWARD PAYABLE	C7	C7-1
SPOUSE'S FLAT-RATE PENSION alternative to spouse's accrued pension alternative to spouse's ordinary pension calculation	Sch 3 Pt III 2 Sch 3 Pt I 2 E9(2) & (3)	C4-2 C1-3 E9-2

	1992 SCHEME	COMMENTARY
SPOUSE'S GRATUITY IN LIEU OF PENSION		
calculation	Sch 5 Pt II	E5-1
entitlement	E5	E5-1
limitation on	E7	E7-1
no appeal against refusal to grant	H3(3)	H3-1
prevention of duplication	L4	L4
SPOUSE'S GUARANTEED MINIMUM PENSION		Annex 2-5
calculation	J1(2)	J1, Annex 2-5
commuting	E5, J1(7)	E5-1, J1-2
entitlement	J1(2) to (4)	J1-1
post-retirement marriage, and	-	C5-1
withdrawal on conviction	K5(2)	K5-1
SPOUSE'S - LIMITATION ON AWARDS		
legal separation	C8	C8-1
remarriage	C9	C9-1
SPOUSE'S ORDINARY GRATUITY	C7(2)(b)	C7-1
SPOUSE'S ORDINARY PENSION	C1	C1
calculation	Sch 3 Pt I, Sch 11 Pt I	C1-2
child's ordinary allowance, and	Sch 4 Pt I 2	D1-3
commuting for gratuity	E5	E5-1
entitlement	C1	C1-1
first 13 weeks	E8(1)	E8-1, C1-2
post-retirement marriage a bar to entitlement	C5(1)	C5-1
special cases	Sch 11 Pt 1	C1-4
SPOUSE'S PENSION - FIRST 13 WEEKS		
general	E8	E8
prevention of duplication	L4	L4
SPOUSE'S PENSION IN CASE OF POST-RETIREMENT MARRIAGE	C5	C5
calculation	Sch 3 Pt IV	C5-2
entitlement	C5(2)	C5-1
SPOUSE'S SPECIAL GRATUITY	C2(2)(b), C3(5)	C2, C3-1
child's gratuity, and	D3(1)	D3-1
post-retirement marriage a bar to entitlement	C5(1)	C5-1

	1992 SCHEME	COMMENTARY
SPOUSE'S SPECIAL PENSION first 13 weeks post-retirement marriage a bar to entitlement	C2, Sch 3 Pt II E8 C5(1)	C2, C3-1 E8-1 C5-1
STATE EARNINGS-RELATED PENSION SCHEME (SERPS) PI transferred-in service transfer value modification	- F7(3) & (4) Sch 6 Pt II Sch 6 Pt III	Annex 2-2 & 5 to 9 Annex 1-9 F7-1 to 4 & 7 F8-4
STATE FLAT-RATE RETIREMENT PENSION modification of contributions pension reduction on account of PI transferred-in service transfer value modification	G2(1) Sch 2 Pt VII 1 - Sch 6 Pt II Sch 6 Pt III	Annex 2-1 & 3 to 4 G2-1 B Gen -2 Annex 2-2 F7-3 F8-3
STATE GRADUATED PENSION SCHEME equivalent pension benefit pension reduction on account of PIL (payment in lieu of contributions) transferred-in service transfer value modification	Sch 2 Pt VII 2 to 4 Sch 1 Pt II 4, Sch 2 Pt VII 2(2)(c) Sch 6 Pt II Sch 6 Pt III	Annex 2-2 & 10 B Gen -3 Annex 2-10 & 11 F7-3 F8-3
STATE PENSIONABLE AGE commuting a small pension to definition GMP at pensionable service; effect of prospective reductions at age 60 or 65 pension reduction at retirement postponed beyond small portion of pension at transfer value and	BB(1) Sch 1 Pt II 2 J1(2)(a) Sch 6 Pt II Sch 2 Pt VII J1(3) K1(5), K5(4) Sch 6 Pt III -	BB-1 J1-1 F7-4 B Gen -2 to 4, G2-1 J1-1 K1-1, K5-2 Annex 4-1
STATISTICAL RETURNS "STEP BACK" in pay	G1(7)	Annex 1-5
STEP-MOTHER	D5(1)(b), Sch 1 Pt I "child"	D5-7

	1992 SCHEME	COMMENTARY
TABLES		
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commutation	B7(3)	B7-1
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purchase of increased benefits	Sch 8 Pt I 5	G6-1
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TAX		Annex 3
no tax relief on refunds of pension contributions		B6-2
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TAX YEAR		
ceasing to serve after beginning of tax year in which state pensionable age attained	C6(1)	C6-1
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PI to coincide with tax year	-	Annex 1-3, Annex 3-1
TEMPORARY EMPLOYMENT IN FIRE SERVICES	A4	A4
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commutation	B7(7)	B7-4
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Total disablement see "DISABLEMENT - total"		
TRAINING, FULL-TIME VOCATIONAL		
definition	D5(2)	D5-3
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central service (net TVs)		A4-2, FB-2
deferred pension, TV bar to discretionary power to pay TVs	B5(2)(a) F9(1)	B5-1
inter-brigade transfers	FB, Sch 6 Pt III	FB
inward transfers	F7, Sch 6 Pt II	F7
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outward transfers	F9, Sch 6 Pt IV	F9
pension contribution refund, TV bar to (see also "CASH EQUIVALENT")	B6(1)(a)	B6-1
Tribunal see "COUNCIL ON TRIBUNALS"		

	1992 SCHEME	COMMENTARY
TYNWALD Unemployability supplement, increase in state disablement pension for see "DISABLEMENT PENSION (DSS)"	Sch 1 Pt II 9	
UNSECURED PORTION (see also "SECURED PORTION")	Sch 1 Pt II 4	
WAR SERVICE definition general payment of additional transfer values	F6 Sch 7 Pt II 1 F6, Sch 7 Pt I to V Sch 7 Pt VI	F6
WHOLE-TIME MEMBERS OF BRIGADES OTHER THAN REGULAR FIREFIGHTERS	J3, J5	J3, J5
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WIDOW'S PENSION - UPGRATING FOR allocation, and child allowance, and commutation, and deferred pension, and ill-health pension, and ordinary pension, and pension contribution, additional and further pension reduction for pensionable service counting again short service pension, and widow's accrued pension and widow's ordinary pension and	Sch 2 Pt VIII 4 Sch 11 Pt II B7(6), Sch 2 Pt VIII 4 Sch 2 Pt VI 1 Sch 2 Pt III 1 Sch 2 Pt I 1 G4 Sch 2 Pt VIII F4(2), F5(2) Sch 2 Pt II Sch 3 Pt III Sch 3 Pt I	B Gen 5-8 B Gen - 6, B9-2 & 3 D1-3, D4-2 B Gen - 6, B7-2 B5-3 B3-3 B1-1 G4-1 B Gen - 5-8 F4-1, F4-3, F5-1 B2-2 C4-2 C1-2
WIDOW'S REQUISITE BENEFIT PENSION calculation entitlement	C6, C8 Sch 3 Pt V C6(2), C8(2) Sch 3 Pt V,	C6-1, C8-1 C6-1 C1-2, C5-1, C6-1
WIDOW'S TEMPORARY PENSION entitlement Widow(er)'s award see under "SPOUSE'S AWARDS"	C6, C7 C6(2), C7(2)	C6-1, C7-1 C6-1, C7-1
WITHDRAWAL ON CONVICTION OF CERTAIN OFFENCES appeal against GMP spouse's pension	H3(3)(a) K5(4) K5(2)(a)	H3-1, K5-2 K5-1 K5-1