

## PART B

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### 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?

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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?

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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?

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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.

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**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:

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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).

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**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)		<b>No reduction</b>  (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.)	<b>No reduction</b>  (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	<b>Reduction</b> in respect of all such service	<b>Reduction</b> in respect of all such service
Service	Fireman entitled to make uprating election in 1973	<b>Reduction</b> 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.	<b>Reduction</b> 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
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**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
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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).

## 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

1. **0** 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 ANNE 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

## ALLOCATION

- 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:

$$\frac{23.0301 \times \text{£}15040}{60} = \text{£}5772.88$$

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{\text{£}5772.88}{4} = \text{£}1443.22$$

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.

$$\frac{\text{£}1443.22 \times 1390}{100} = \text{£}20060.76$$

Pension payable:

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

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:

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

Commutation:

He commutes 1/4 of his gross pension:

$$\frac{£428.47}{4} = £107.12$$

Lump sum:

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

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

Ill-health pension payable:

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

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

Gross ill-health pension:            £8933.52

Commutation:  
He commutes 1/4 of his gross pension:  
 $\frac{£8933.52}{4} = £2233.38$

Lump sum:  
At age 54 he receives £1390 for each £100 of pension commuted:  
 $\frac{£2233.38 \times 1390}{100} = £31043.98$

Pension payable:  
£8933.52 - £2233.38            = £6700.14 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

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

Commutation:

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

$$\frac{\pounds 5944.62}{4} = \pounds 1486.16$$

Lump-sum:

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

$$\frac{\pounds 1486.16}{100} \times 1500 = \pounds 22292.40$$

Ill-health pension payable:

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

Degree of disablement: 70%

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

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

$$\text{Less } 3/4 \text{ of gross ill-health pension } (\pounds 5944.62): \\ = \pounds 4458.46$$

Reduced injury pension:

$$\pounds 10467.44 - \pounds 4458.46 = \pounds 6008.98$$

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		£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		£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:

<u>A</u>	x	<u>C</u>			
<u>B</u>					
23.5479		x	£6578.49	=	£6442.06 a year
24.0466					

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

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.