

Oxfordshire Firefighters' Pension Schemes Notes to the Annual Benefit Statement 2023



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Notes to the statement

We have provided these notes to explain your annual benefit statement (ABS) 2023. They cannot cover every circumstance and, if there is a dispute relating to this statement, the appropriate law will apply.

The notes do not give you any rights under contract or by law.

Partnership status

For the purposes of this statement, we have assumed your partnership status is 'married' or 'in a civil partnership'.

Please see [Annex F](#) for more information on surviving partner pensions.

Fire and Rescue Authority at 31 March

This is the fire and rescue authority who you were employed by at the date of this statement.

Firefighters' Pension Scheme 2015 start date

This is the date you joined the 2015 Scheme.

Firefighters' Pension Scheme at 31 March

This is the Firefighters' Pension Scheme you are a member of at the date of this statement.

Annual pension at 31 March

This is the total current value of your pension benefits in this employment if you left the scheme at the date of this statement, and which would be paid at the [deferred pension age](#) that applies to the scheme you are a member of at the date of this statement, as shown in the table in [Annex A](#).

This value may be adjusted for a number of reasons. Please see [Annex G](#) for more information.

Death in service lump sum

The current value of the death in service lump sum has been based on the scheme you are a member of at the date of this benefit statement, as shown in the table in [Annex F](#).

Annual survivor's pension

This is the current value of survivor's benefits due if you die as an active member of the scheme at the date of this statement, based on your partnership status as set out in [Annex E](#).

Death in service survivor's pensions are paid at 50% of the higher-tier ill-health pension that would have been due. Please see [Annex F](#) for more information on death benefits.

Recorded beneficiaries

These are the recorded beneficiaries as held on your record. (A recorded beneficiary is the person you have chosen to receive a survivor's pension if you die.)

Please see [Annex F](#) for more information on recording beneficiaries.

Pensionable pay for year ending 31 March

The pensionable pay should equal the amount of pay you have received and paid pension contributions on as a member of the 2015 scheme during the scheme year. Please contact Pension.Fireservice@oxfordshire.gov.uk if you have any questions about pay, including what is included in pensionable pay.

Additional pension bought

If you have chosen to buy added pension through additional contributions, this is the value of the additional pension benefits bought for the current scheme year.

Transfers in

This is the value of any benefits you opted to transfer into the 2015 scheme from another pension provider during the scheme year.

Scheme year CARE total

This is the total value of 2015 pension built up in the scheme year.

Increase for the cost of living

Your 2015 Scheme pension is increased by a [revaluation order](#) each year on 1 April. This statement reflects the adjustment applied as a result of this order to your pension as at 31 March (closing balance).

Final salary pensionable pay

The final salary pensionable pay used to calculate your final salary benefits is the full-time equivalent (FTE) pay as supplied by your authority for the 'Scheme Year' ending at the date of the statement.

Please contact Pension.Fireservice@oxfordshire.gov.uk if you have any questions about pay, including what is included in pensionable pay.

Annual final salary pension

The current value [final salary pension](#) is the pension that is due if you left the scheme at the date of your statement and would be paid at the deferred pension age, as shown in [Annex A](#).

Please see [Annex A](#) for examples of how this has been calculated.

LSI/ APB

Your final salary pension may include an amount relating to long service increment (LSI) and additional pension benefit (APB).

Please see [Annex B](#) for more details on LSI and APB.

Normal Pension Age (NPA)

Your estimated pension is based on your NPA.

Please see [Annex C](#) for details on retiring from the scheme.

Total pension at NPA

This is the total value of your estimated benefits at your [normal pension age](#), and may include both final salary and CARE pension.

This value may be adjusted for the reasons listed in [Annex G](#).

Estimated CARE pension

The estimated value of FPS 2015 CARE pension is calculated based on the pension built up to the date of your statement, plus your estimated service from that date to normal pension age (age 60), multiplied by $1/59.7^{\text{th}}$ of your pensionable pay for the scheme year as shown.

The value of this estimate does not include any adjustment for future revaluation under Treasury Revaluation Orders.

Please see [Annex D](#) for an example of how this is calculated.

Estimated final salary pension

This is the estimated value of your final salary pension (1992, 2006 standard or 2006 special). See [Annex E](#) for more information.

Maximum lump sum

You can exchange part of your pension (up to 25%) for a lump sum. Due to tax regulations, members of FPS 1992 may choose to adjust the amount of lump sum that relates to their FPS 1992 pension to avoid a tax charge or limit the amount of pension they exchange to the maximum tax-free amount available.

A [commutation factor](#) is applied to the part of the pension you give up to calculate the amount of the lump sum.

Estimated survivor's yearly pension

How the survivor's pension is calculated will depend on which pension scheme you were a member of at the date you retire.

A survivor's pension is normally paid if, when you die, you are married, have a civil partner or an eligible cohabiting partner (someone you live with who would be entitled to a survivor's pension).

See [Annex F](#) for more information.

Pension debits

At retirement your pension will be reduced by any pension debit in place. See [Annex G](#) for more details.

Annual allowance

This is the estimated annual amount of [pension growth](#) during the [Pension Input Period](#). For the purposes of this statement this has been calculated using your pensionable pay at 31 March.

Tax may be due if your pension growth is either more than the standard annual allowance limit of £40,000 for 2022/23 and £60,000 from 2023/24 or more than your tapered annual allowance of between £4,000 and £40,000 for 2022/23 and between £10,000 and £60,000 from 2023/24. Please see [Annex H](#) for more details.

Lifetime allowance

The lifetime allowance is the maximum amount of pension savings you can have before a tax charge is made.

From 6 April 2023-5 April 2024 the Lifetime Allowance threshold is reduced to NIL.

From 6 April 2024 the Lifetime Allowance is abolished.

See [Annex H](#) for more details.

Service history details

It may not be possible to supply a full-service history on this statement. If you have any questions about your service history, please contact

Pension.Fireservice@oxfordshire.gov.uk

Financial advice

Your fire authority and pension administrator cannot give you financial advice about the information contained in your annual benefit statement. If you need help to find an independent financial advisor, you can use the following link.

www.moneyadviceservice.org.uk/en/articles/choosing-a-financial-adviser

Note on the regulations

The benefits in this statement have been calculated under the Firefighters' Pension Scheme Regulations as at 31 March 2023.

These notes are an informal interpretation of the Firefighters' Pension Scheme Regulations, as only a court can provide a definitive interpretation of the law.

Explanation of terms

Career average pension (CARE)

Career average pension is the pension built up in the 2015 Scheme.

Commutation factors

A commutation factor, as shown in the table below, is applied to the part of the pension you give up, to calculate the amount of the lump sum.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Commutation factors	Calculated by the scheme actuary and reviewed regularly	12:1	Annex ZA of 2006 regulations	12:1

[Annex ZA Firefighters' Pension Scheme (England) Order 2006 - <http://www.legislation.gov.uk/ukxi/2015/590/schedule/2/paragraph/4/made>]

Crystallised benefits

This is the value of pension benefits measured against the lifetime allowance. This is calculated by multiplying the annual pension by 20.

Deferred pension age

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	State Pension age

Final salary scheme pension

For the purposes of these notes, final salary scheme pension is any pension built up in the 1992 Scheme, the 2006 Scheme, or the modified version of the 2006 Scheme.

Normal pension age

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Age 55, or 30 years' service, whichever happens first		60	55	60

Pension input period

This is the period over which the pension growth is measured and is always 6 April to 5 April for all pension schemes. Pension input period is commonly abbreviated to PIP.

Pension growth

For defined benefit schemes, such as the Firefighters' Pension Scheme, the pension growth is the measurement of the increase in pension during the PIP multiplied by a flat factor of 16.

Example

Annual pension at 6 April 2019 = £35,000

Annual pension at 5 April 2020 = £38,000

Pension growth = £38,000 - £35,000 = £3,000 x 16 = £48,000

Revaluation order

The revaluation order for the Firefighters' Pension Scheme is based on average weekly earnings.

The revaluation order is applied to the closing balance of the career average pension on 1 April each year.

Scheme year	Revaluation order
2015/2016	2%
2016/2017	2.6%
2017/2018	3%
2018/2019	2.8%
2019/2020	4%
2020/2021	2.4%
2021/2022	3.1%
2022/2023	4.1%

Scheme year

The scheme year runs from 1 April to 31 March. The current scheme year to which this statement refers is 1 April 2022 to 31 March 2023.

State Pension age

You can calculate your State Pension age here: <https://www.gov.uk/state-pension-age>

Protected member

A protected member was somebody who was protected by legislation to stay in a final salary scheme (1992, 2006 or Special Modified 2006 Scheme). Due to the removal of age discrimination from the schemes, protected members were moved into the 2015 Scheme on 1 April 2022.

Taper-protected member

A taper-protected member was somebody who was not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so moved into the 2015 Scheme at some point between 24 May 2015 and 31 March 2022, depending on their age.

Unprotected member

An unprotected member is somebody who was not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so was compulsorily moved into the 2015 Scheme on 1 April 2015.

Remedy and your Firefighters' Pensions

Current active members

Remedy and Your Firefighters' Pension

What happens now

2023

- **31 August:** Receive your annual benefit statement - it will not yet reflect Remedy.
- **1 October:** You return to your legacy scheme for the remedy period* (1 April 2015 to 31 March 2022)

2024

- **31 August:** Receive your annual pension statement - it should now reflect Remedy**

2025

- **1 April:** Receive your Remedial Service Statement. You will receive this statement annually until you retire. This statement will show your benefits in both the legacy and the reformed scheme.

YOUR RETIREMENT DATE

If you are due to retire **after** 1 October 2023, you will be asked if you want your benefits for the remedy period to be calculated on the legacy or reformed scheme.

If you are due to retire **before** 1 October 2023, we recommend that you speak with your FRA for their position on immediate detriment and clarification on how your benefits will be calculated.

To find out more information on what the remedy will mean for you please visit the FPS member website: <https://fpsmember.org/2015-remedy/2015-remedy-your-questions-answered>

*This is dependent on the retrospective legislation coming into force on 1 October 2023.

** This will be dependent on software

Annex A – Notes on the current value of benefits at the date of the statement

This is the total current value of your pension benefits in this employment if you left the scheme at the date of the statement, and which would be paid at the deferred pension age as set out in the table below.

	1992 Scheme	2006 Scheme - standard	2006 Scheme - special	2015 Scheme
Deferred pension age	60	65	60	State Pension age

Final salary pension

2006 Scheme (Standard and Special members) Protected

The current value of benefits for the final salary 2006 Scheme is calculated based on service up to the date of the statement divided by an accrual rate, multiplied by your final pensionable pay. The table below lists the accrual rate that applies.

Taper-protected and unprotected members

The current value of your benefits for the final salary 2006 Scheme is calculated based on your service up until you joined the 2015 Scheme, divided by an accrual rate, multiplied by your final pensionable pay. The table below shows the accrual rate that applies.

	2006 Scheme (Standard member)	2006 Scheme (Special member)
Accrual rate	1/60th	1/45th

The examples below show how this is calculated.

- [Example A](#) – 2006 Scheme final salary current value (protected members)
- [Example B](#) - 2006 Scheme final salary current value (tapered or unprotected members)

Example A 2006 Scheme final salary current value (protected members)

Sam is a protected member of the 2006 Scheme, who joined the New Firefighters' Pension Scheme on 6 April 2006 as part of the options exercise and converted six years of 1992 Scheme pension to a 2006 Scheme pension of four years.

Sam was born on 25 November 1960 and is a protected member, due to being 50 or over at 1 April 2012.

At the date of the statement, Sam has pensionable service of 19 years 360 days, with average pensionable pay of £35,219.

Calculation

The deferred pension calculated at the statement date will be as follows. ($£35,219 \div 60 \times 19 \text{ years } 360 \text{ days}$) = **£11,731.62**

Example B 2006 Scheme final salary current value (taper or unprotected members)

Jo is an unprotected member of the 2006 Scheme, who joined the New Firefighters' Pension Scheme on 29 September 2008.

Jo was born on 4 April 1985 and is an unprotected member and moved into the 2015 Scheme on 1 April 2015.

At the date of the statement, Jo has final salary pensionable service of 6 years 184 days (29 September 2008 to 31 March 2015), with average pensionable pay of £31,767.

Calculation

The deferred pension calculated at the statement date will be as follows.

($£31,767 \div 60 \times 6 \text{ years } 184 \text{ days}$) = **£3,443.60**

1992 Scheme

If you are a member of the 1992 Scheme, your deferred pension is calculated as a proportion of the double accrual pension you would have expected at normal pension age, which is age 55 or at 30 years' service, whichever happens first, spread over years actually served. This is known as the [double accrual guarantee](#).

$$\mathbf{B \times C \div D}$$

B = notional pension

C = period in years of pensionable service

D = period in years of notional service

Notional service and pension is the service and pension a firefighter would have expected to receive if they had not left the scheme. The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

The examples below show how this is calculated if you are a protected member or tapered or unprotected member.

- [Example C](#) – 1992 Scheme final salary current value (protected members) •
- [Example D](#) – 1992 Scheme final salary current value (tapered or unprotected members)

Example C 1992 Scheme final salary current value (protected members)

Jane is a protected member of the 1992 Scheme, who joined the Firefighters' Pension Scheme on 31 July 1992.

Jane was born on 1 September 1966, and would expect to retire on 30 July 2023, having completed 30 years' service.

At 31 March 2022, Jane has completed 29 years and 244 days of service. Her final salary pensionable pay is £39,383.

Calculation

Jane's deferred pension calculated at 31 March 2023 will be as follows.

B = notional pension

As Jane will be able to complete 30 years' service before age 55, her notional pension will be 40/60ths x £39,383.

$$B = 40 \div 60 \times £39,383 = £26,255.33$$

C = Period of years of pensionable service to 31 March 2022

C = 29 years and 244 days

D = Period of years of notional service

D = 30 years

$$(\text{£}26,255.33 \times 29 \text{ years } 244 \text{ days} \div 30 \text{ years}) = \text{£}25,965.21$$

The calculation for a taper-protected or unprotected member is the same formula as for a protected member. However, the period of years of pensionable service (C) is calculated to the date of joining the 2015 Scheme.

The notional pension and service for a 1992 taper-protected or unprotected member remains unchanged and is the service and pension you would have expected to achieve at normal retirement age under the 1992 Scheme if there had been no reform to the pension scheme.

Example D 1992 Scheme final salary current value (tapered or unprotected members)

Ben is an unprotected member of the 1992 Scheme, who joined the Firefighters' Pension Scheme on 1 December 1997.

Ben was born on 30 March 1972 and will retire on his 55th birthday (29 March 2027), having completed 29 years and 119 days.

His final salary pensionable pay is £39,383.

Calculation

Ben's deferred pension calculated at the date of the statement will be as follows.

B = notional pension

The notional pension is calculated as the pension Ben would have received at age 55.

29 years 119 days service plus 9 years 119 days (double accrual) = 38 years 238 days ÷ 60ths.

38 years 238 days ÷ 60 x £39,383 = £25,370.56

B = £25,370.56

C = Period of years of pensionable service in the 1992 Scheme (to 31 March 2015)

C = 17 years 121 days

D = Period of years of notional service

D = 29 years 119 days

(£25,370.56 x 17 years 121 days ÷ 29 years 119 days) = **£14,993.85**

Career-average (CARE) pension - 2015 Scheme

The current value of your 2015 Scheme pension is your closing balance at the date of this statement.

This is calculated using the closing balance from your last year's statement, adding the increase for revaluation and adding the pension built up in the current scheme year.

Example Pensionable pay

1 April 2015 to 31 March 2016 - £40,000

1 April 2016 to 31 March 2017 - £42,500

1 April 2017 to 31 March 2018 - £50,000

1 April 2018 to 31 March 2019 - £55,000

1 April 2019 to 31 March 2020 - £64,000

1 April 2020 to 31 March 2021 - £70,000

1 April 2021 to 31 March 2022 - £72,500

1 April 2022 to 31 March 2023 - £76,300

Current value 2015 Scheme pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£670.02 (£40,000 x 1 ÷ 59.7)	£670.02
1 April 2016 to 31 March 2017	£670.02	at 2% £13.40	£711.89 (£42,500 x 1 ÷ 59.7)	£1,395.31
1 April 2017 to 31 March 2018	£1,395.31	at 2.6% £36.26	£837.52 (£50,000 x 1 ÷ 59.7)	£2,269.11
1 April 2018 to 31 March 2019	£2,269.11	at 3% £68.07	£921.27 (£55,000 x 1 ÷ 59.7)	£3,258.46
1 April 2019 to 31 March 2020	£3,258.46	at 2.8% £91.24	£1,072.03 (£64,000 x 1 ÷ 59.7)	£4,421.72
1 April 2020 to 31 March 2021	£4,421.72	at 4% £176.87	£1,172.53 (£70,000 x 1 ÷ 59.7)	£5,771.12
1 April 2021 to 31 March 2022	£5,771.12	at 2.4% £138.51	£1,214.40 (£72,500 x 1 ÷ 59.7)	£7,124.03
1 April 2022 to 31 March 2023	£7,124.03	at 4.1% £292.09	£1,278.06 (£76,300 x 1 ÷ 59.7)	£8,694.18

Annex B – Notes on LSI and APB

Long service increment (LSI)

LSI is calculated in line with the formula:

$$\frac{A + (B \times 2) \times \text{£}990}{60}$$

A is the number in years (counting part of a year as the appropriate fraction) by which the pensionable service up to and including 30 June 2007 is more than 15 but less than 20.

B is the number in years (counting part of a year as the appropriate fraction) by which the pensionable service up to and including 30 June 2007 is more than 20.

Additional pension benefit (APB)

An additional pension benefit (APB) is paid where the fire and rescue authority decides that the benefits listed (a) to (d) below are pensionable.

The amount of APB is calculated by multiplying the pension contributions made on the APB payment by an age-related factor provided by the scheme actuary.

APB stopped building up at 31 March 2022.

Click on the following link for [more information and factors for APBs](#).

Example

A member of the 1992 Scheme is age 50 on 1 July 2020.

The relevant age-related factor is 21.1.

The APB in the year to 30 June 2020 attracts pension contributions of £175.

The additional benefit is calculated as £175 ÷ 21.1 = £8.29 per year.

Additional pensionable payments

Plain English Campaign's Crystal Mark does not apply to the text in quotation marks below.

“The Firefighters’ Pension Scheme (England Only) Regulations, Part B, Rule B5C, paragraph 5 lists the benefits pensionable under an APB as below - <http://www.legislation.gov.uk/ukxi/2013/1392/schedule/paragraph/2/made>

- a) any allowance or supplement to reward additional skills and responsibilities that are applied and maintained outside the requirements of the firefighter's duties under the contract of employment but are within the wider functions of the job;
- b) the amount (if any) paid in respect of a firefighter's continual professional development;
- c) the difference between the firefighter's basic pay in their day to day role and any pay received whilst on temporary promotion or where he is temporarily required to undertake the duties of a higher role;
- d) any performance related payment which is not consolidated into his standard pay."

More detailed information about APBs can be found in the [APB factsheet](#).

Annex C – Notes on retiring from the scheme

Normal retirement

Entitlement to benefits is from normal pension age as shown in the following table.

1992 scheme	2006 scheme (standard)	2006 scheme (special)	2015 scheme
Age 55 or 30 years' service, whichever happens first	60	55	60

1992 member

Members with 1992 firefighters' pension service can retire and take their 1992 pension at the retirement age for the 1992 scheme. The earliest age you could retire is 50 (with 25 years' service).

If you choose to retire and take your benefits from the 1992 scheme at the **age of 55 or over**, you can draw the 2015 scheme pension early. Or, you can retire and take your benefits from the 1992 scheme and defer payment of your 2015 scheme pension until your State Pension age, when it would be paid unreduced.

If you choose to retire and withdraw your benefits from the 1992 scheme **before age 55**, the 2015 pension benefits are deferred to your State Pension age and paid at an unreduced rate. However, you can draw your deferred benefits early, from age 55.

Early retirement from FPS 2015

The minimum pension age for taking the 2015 scheme pension is age 55.

If you take your 2015 scheme pension earlier than the normal pension age of 60, an [early retirement factor](#) will apply – see the tables within Appendix A of the Government Actuary's Department (GAD) guidance.

Active factors

If you retire at age 55 or over, you can take your reduced benefits immediately. A reduction factor depending on your age will be applied to the value of your 2015 scheme pension at the date you want to retire.

Deferred factors

If you leave employment before age 55, you can apply to have your deferred benefits paid from age 55 at the earliest. A reduction factor depending on your age will be applied to the value of your 2015 scheme pension at the date you want to retire. Otherwise benefits will be paid in full at State Pension age.

Please see also the following resources:

- [Benefit flowchart for an FPS 2015 member with 1992 transitional benefits](#)
- [Benefit flowchart for an FPS 2015 member with standard 2006 transitional benefits](#)
- [Benefit flowchart for an FPS 2015 member with special 2006 transitional benefits](#)
- [Benefit flowchart for a member with FPS 2015 benefits only](#)
- [Retiring from FPS 2015 factsheet](#)

Annex D – Notes on calculating the estimated value of the 2015 scheme pension at retirement

Scheme – estimated pension

The estimated value of the 2015 scheme pension is calculated based on the 2015 pension built up to the date of your statement, plus your estimated service from that date to your normal pension age (age 60), multiplied by the 2015 scheme pay, multiplied by $1/59.7^{\text{th}}$ of your pensionable pay for the scheme year.

The value of this estimate does not include any adjustment for future revaluation under Treasury Revaluation Orders.

The three examples below show how this would be calculated at different dates of joining the scheme.

- [Example A](#) – Unprotected member who joined the scheme at 1 April 2015
- [Example B](#) – Previous 1992 member who joined the 2015 scheme on 1 April 2022

Example A – Unprotected member who joined the scheme at 1 April 2015

Sarah's date of birth is 25 May 1972. Sarah moved into the 2015 scheme as an unprotected member on 1 April 2015 and will reach normal pension age (age 60) on 25 May 2032.

Pensionable pay

1 April 2015 to 31 March 2016 - £40,000
1 April 2016 to 31 March 2017 - £42,500
1 April 2017 to 31 March 2018 - £50,000
1 April 2018 to 31 March 2019 - £55,000
1 April 2019 to 31 March 2020 - £64,000
1 April 2020 to 31 March 2021 - £70,000
1 April 2021 to 31 March 2022 - £72,500
1 April 2022 to 31 March 2023 - £76,300

Current value 2015 scheme Pension

Scheme year	Opening balance	Revaluation	In-year build-up	Closing balance
1 April 2015 to 31 March 2016	£0.00	£0.00	£670.02 (£40,000 x 1 ÷ 59.7)	£670.02
1 April 2016 to 31 March 2017	£670.02	at 2% £13.40	£711.89 (£42,500 x 1 ÷ 59.7)	£1,395.31
1 April 2017 to 31 March 2018	£1,395.31	at 2.6% £36.26	£837.52 (£50,000 x 1 ÷ 59.7)	£2,269.11
1 April 2018 to 31 March 2019	£2,269.11	at 3% £68.07	£921.27 (£55,000 x 1 ÷ 59.7)	£3,258.46
1 April 2019 to 31 March 2020	£3,258.46	at 2.8% £91.24	£1,072.03 (£64,000 x 1 ÷ 59.7)	£4,421.72
1 April 2020 to 31 March 2021	£4,421.72	at 4% £176.87	£1,172.53 (£70,000 x 1 ÷ 59.7)	£5,771.12
1 April 2021 to 31 March 2022	£5,771.12	at 2.4% £138.51	£1,214.40 (£72,500 x 1 ÷ 59.7)	£7,124.03
1 April 2022 to 31 March 2023	£7,124.03	at 4.1% £292.09	£1,278.06 (£76,300 x 1 ÷ 59.7)	£8,694.18

Estimated projection to normal retirement age (60)

Service from 1 April 2022 to 24 May 2032 (last day of service) of 10 years and 54 days multiplied by £76,300 x 1 ÷ 59.7, equals a total estimated pension of **£12,780.72**.

Total estimated 2015 scheme pension at normal retirement age

Current value (£8,694.18) plus estimated projection (£12,780.72) = **£21,474.90**

Example B – Previous 1992 scheme member who joined the 2015 scheme on 1 April 2022

Gary was a member of the 1992 scheme, whose date of birth is 15 July 1966. He moved into the 2015 scheme on 1 April 2022. Gary will reach normal pension age (age 60) on 15 July 2026.

Gary's current actual pay at the date of the statement is £40,633.

His service from 1 April 2022 to 14 July 2026 (last day of service) is 5 years and 105 days.

His estimated 2015 scheme pension is calculated as $£40,633 \times 1 \div 59.7$ multiplied by 4years 105 days. This equals a total estimated pension of **£3,403.69**

Annex E – Notes on calculating the estimated value of the final salary scheme pension at retirement

This is the estimated value of your final salary pension (1992, 2006 standard or special). Note that you will not continue to build up final salary pension after 31 March 2022.

Protected members

A protected member is somebody who was protected by legislation to stay in their existing final salary scheme (1992, 2006 standard or special), and so moved into the 2015 scheme on 1 April 2022.

If you qualified as a protected member, your final salary estimated pension is calculated based on your service up to 31 March 2022 divided by an accrual rate multiplied by your final pensionable pay at the date of this statement.

The table below shows the accrual rate that applies.

	1992 scheme	2006 scheme (standard)	2006 scheme (special)
Accrual rate	1/60th for first 20 years 2/60ths for each of the following years	1/60th	1/45th

Your 2015 Scheme benefits are calculated as per Appendix D – estimated value of CARE.

Taper-protected and unprotected members

- **1992 scheme**

Members who were previously taper-protected and unprotected members of the 1992 scheme are protected by the [double accrual guarantee](#). This guarantee protects the 'double accrual' they would have expected to get for working over 20 years and is set out in legislation.

<http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made>

- **2006 scheme (standard and special members)**

If you were a taper-protected or unprotected member, your estimated pension is calculated based on your service until you join the 2015 scheme, divided by the relevant accrual rate (as in the table above) multiplied by your final pensionable pay at the date of this statement.

Annex F – Notes on the survivor’s pension

Depending on the scheme you are a member of, a survivor’s pension is paid if, when you die, you are married or have a civil partner or eligible ‘cohabiting partner’ (someone you live with who would be entitled to a survivor’s pension).

The table below shows whether a surviving partner would receive a pension when you die, based on your partnership status and which pension scheme you are a member of.

	1992 scheme	2006 scheme (standard)	2006 scheme (special)	2015 scheme
Husband, wife or civil partner only	Yes	Yes	Yes	Yes
Cohabiting partner	No	Yes	Yes	Yes (if the scheme manager agrees)

Survivor’s pension if you die in service

How a survivor’s pension is calculated will depend on which pension scheme you were a member of at the date of your death. From 1 April 2022, all members were moved to the 2015 scheme.

Although the statement is based on your benefits at 31 March 2023, survivor’s benefits are based on future entitlement.

Death in service survivor’s pensions will be paid to eligible partners at 50% of the higher-tier ill-health pension that would have been payable.

Under the 2015 scheme, if your husband, wife or partner is more than 12 years younger than you there would be a reduction of 2.5% for every year or part of a year over the 12 years, to a maximum of 50%.

Death in service survivor’s benefits for members of the 2015 scheme with an equivalent 1992 portion of pension are paid under the 2015 scheme, which means that if you are not married when you die, a cohabiting partner will still be entitled to half of the equivalent 1992 pension as well as the 2015 portion.

Survivor's pension if you die after you retire

How the survivor's pension is calculated will depend on which pension scheme you were a member of at the date you retired. Generally, a survivor's pension for a husband, wife or partner would be half of the pension that you would be entitled to when you retire.

Under the 2006 and 2015 schemes, if your husband, wife or partner is more than 12 years younger than you, there would be a reduction of 2.5% for every year or part of a year over the 12 years, to a maximum of 50%.

If you die after you retire, and you are not married or in a civil partnership, survivor's benefits for members of the 2015 scheme who have a 1992 portion of pension are calculated differently to those of the 2006 and 2015 schemes. This is because a survivor's pension is only paid to a husband, wife or civil partner in the 1992 scheme but to a cohabiting partner in the 2015 Scheme.

This means if you are not married when you die, a cohabiting partner would be entitled to half of the 2015 pension, but not to half of any 1992 portion of pension, as this is only awarded to husbands, wives, and civil partners.

The table below shows survivor's pension options in the schemes for unprotected and taper-protected members.

	Transition 1992	Transition 2006 (standard)	Transition 2006 (special)
Transitional benefits	50% of 1992 pension due to husband, wife or civil partner	50% of 2006 pension due to surviving partner	50% of 2006 special member pension due to surviving partner
2015	50% of 2015 pension due to surviving partner	50% of 2015 pension due to surviving partner	50% of 2015 pension due to surviving partner

A transition member is a firefighter who is entitled to a pension in both the final salary scheme (1992, 2006 standard or special) and the 2015 scheme.

Nominating a beneficiary

The rules of the 2006 scheme were amended in 2018 to remove the need for you to complete a nomination for someone (a 'qualifying partner') who you want a survivor's pension to be paid to.

However, we consider it best practice for members to record who they want a surviving partner's pension to go to if they die. This will save a surviving partner from unnecessary administrative duties at what would be a sensitive time.

Please contact your FRA to find out how to access the form or make any amendments to your decision.

Death in service lump sum

				2015 Scheme
Death in service lump sum				3 x pensionable pay

Death on pension lump sum

A death grant may also be payable to FPS 2015 members if you die after retirement, and you have been receiving pension payments for less than five years. In these circumstances, the death grant would be the difference between five times the annual amount of pension and the amount of instalments of pension paid. It is in effect a five year guarantee of pension.

Members of the 2015 scheme can fill in an 'expression of wish' form for beneficiaries to receive the death in service lump sum, though the final decision rests with the Fire and Rescue Authority.

Please contact your FRA to find out how to access the form or make any amendments to your decision.

Annex G – Notes on adjustments to your pension

Your pension may be adjusted by any of the following:

- a) **Actuarial reduction** – the figures quoted may be reduced if you take them before the date that they would normally be paid. See [Annex C](#).
- b) **Scheme Pays** – if you have chosen to use Scheme Pays to pay an annual allowance charge from your pension scheme, this debit is included on your statement and the figures quoted have been reduced to meet the charge.

This will be recalculated when you take your pension.

- c) **Pension sharing order** – if a pension sharing order or earmarking order following a divorce or a dissolution of a civil partnership applies to your pension benefits, this debit is included on the statement and the figures quoted have been reduced to meet the charge.

The amount of the reduction will be recalculated when you take your benefits.

- d) **[Two pensions](#)** – the figures on the statement do not take account of any adjustment that may be made when you retire to reflect a period at a higher pay.

If you are entitled to a two pension benefit, it will be calculated when you take your pension.

Annex H – Notes on pension growth

Annual allowance

This is the amount your pension can increase by during the tax year without giving rise to a tax charge (although you can carry over three years' previous unused allowance to offset the charge). Most people will not be affected, but if you have been contributing to the pension scheme for many years or have transferred in a large amount from a previous pension provider and are promoted and your pay increases, you may be affected.

- Standard annual allowance

The standard annual allowance for 2022-23 is £40,000. This will increase from 6 April 2023 to £60,000

- Tapered annual allowance

If you have taxable income of over £200,000, a tapered annual allowance of between £40,000 and £4,000 may apply for the 2022/23 year and between £60,000 and £10,000 for 2023/24

To calculate your annual allowance for the scheme year, you must multiply your pension growth by 16.

Example

Annual pension at 6 April 2021 = £35,000

Annual pension at 5 April 2022 = £38,000

Pension growth = £38,000 - £35,000 = £3,000 x 16 = £48,000

For the purposes of this statement your pension growth has been calculated using your pensionable pay at 31 March. If this amount is near to the £40,000 standard allowance or within £5000 of your individual tapered allowance for 2022/23, you should ask for a calculation of your pension input period amount, using your pay as at 5 April.

You can find more information, including an annual allowance checking tool, on the Government's website www.gov.uk/tax-on-your-private-pension/annual-allowance An [annual allowance factsheet](#) is also available.

Lifetime allowance

The lifetime allowance is the maximum amount of pension savings you can have before a tax charge is made. To calculate how much of your lifetime allowance you have used, multiply your annual pension by 20, divide this by the lifetime allowance and multiply by 100.

From 6 April 2023-5 April 2024 the Lifetime Allowance threshold is reduced to NIL.

From 6 April 2024 the Lifetime Allowance is abolished.

The standard maximum tax-free lump sum in relation to the Lifetime Allowance is restricted to £268,275.

The excess lump sum will be taxed at your marginal tax rate.

The excess lump sum is treated as taxable income

From 6 April 2023 the income at which the additional tax rate (40%) applies is reduced to £125,140

Please see the [lifetime allowance factsheet](#) for more information.

Double accrual guarantee

In the 1992 scheme, a firefighter's pension scheme membership over 20 years is doubled. For example, the pension for a member with 30 years' service in the 1992 scheme would be calculated at 40/60ths (20 + 10 + 10). This is more commonly known as 'double accrual'.

The new regulations give members who move from the 1992 scheme into the 2015 scheme a proportion of the double accrual they could have expected to receive had they stayed in the 1992 scheme. Full continuous pensionable service (that is, before and after membership of the 2015 scheme) is taken into account to calculate the benefits to be awarded under the 1992 scheme.

The Firefighters' Pension Scheme (England only) regulations have introduced a formula in Schedule 2, Part 2, Part 2A $(A \div 60) \times (B \div C) \times APP$ to calculate this.

[Part 2A - <http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made>]

A = Maximum 60ths a member could have built up to their estimated retirement date had there been no change to the 1992 Scheme

B = 1992 service up to 31 March 2015, or the taper date.

C = Calendar years' service in both the 1992 and 2015 schemes APP = Final salary pensionable pay

Example

A firefighter who joins the scheme at 1 April 1999 has 16 years' service at 31 March 2015.

They then build up a further nine years of service in the 2015 scheme to age 55. Total service = 25 years.

So, if there had been no change to the 1992 scheme, they would have expected their pension to be calculated on 30/60ths.

$$(A \div 60) \times (B \div C) \times APP$$

$$A = 30$$

$$B = 16 \text{ years in the 1992 scheme}$$

$$C = 25$$

$$APP = \text{£}20,000$$

$$(30 \div 60) \times (16 \div 25) \times \text{£}20,000 = \text{£}6,400$$