

The Firefighters' Pension Scheme 2015

Notice to opt out of pension saving

The Firefighters' Pension Scheme 2015 (FPS 2015) allows you to save while you are working in order to enjoy a pension once you retire. It is one of the best occupational pension schemes in the UK. What's more, the FPS 2015 is provided by your employer who meets a large part of the cost of providing the excellent range of secure benefits, so it's an extremely valuable and important part of your employment package.

Whatever your reasons for considering opting out of the scheme, we ask that you give this matter careful consideration before making a final decision. You may wish to take financial advice before making a decision to opt out. If you are opting out of the FPS 2015 due to advice you have received, you should ask for this advice in writing.

Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out, you can tell The Pensions Regulator – see www.the.pensionsregulator.gov.uk

Equally, no one can force you to remain a member of the scheme but, if you elect not to be a member, you should understand the implications both for you and your dependants.

DO I REALLY WANT TO OPT OUT OF THE FPS 2015?

Why should I remain in the FPS 2015?

As a member of the scheme, the FPS 2015 would provide you with a secure future retirement income, independent of share prices and stock market fluctuations. There's also cover in the event of early retirement on the grounds of permanent ill-health or redundancy. Plus, you have the option, on retirement, to exchange part of your pension for some tax-free cash. The benefits of joining the FPS 2015 also, from the moment you join, include life cover and family benefits for a widow, widower, civil partner, nominated cohabiting partner and children in the event of your death.

If these things are of value to you, you should consider remaining in the FPS 2015.

You may think that retirement is a long way off and so isn't something to worry about in the short term, however, it's never too early to save for your retirement – if you put off pension saving, it may be difficult to catch up in the future.

You could, of course, just depend on the State pension, but will this be enough to provide you with the standard of living in retirement that you wish to have? The full basic State Pension from April 2012 was £107.45 a week for a single person and £171.85 a week for a couple, individual circumstances may affect the amount you

get. Please note too, the arrangements for the state retirement pension change from 6 April 2016.

You can find out about your state retirement pension and how to request a forecast from the directgov website:

<http://www.direct.gov.uk/en/pensionsandretirementplanning/statepension/index.htm>

How much does membership of the FPS 2015 cost?

Your contribution rate depends on how much you are paid but it is currently between 10.00% and 14.50% of your pensionable pay. The rate you pay depends on which pay band you fall into.

If you work part-time or as a retained firefighter, your contribution rate will be based on the whole time equivalent pay rate for your job, although you will only pay pension contributions on the pay you actually earn.

Here are the pay bands and contribution rates that apply from April 2015.

Pensionable pay	Contribution Rate
£15,000 to £27,000	10.00%
£27,000 to £50,000	12.20%
£50,000 to £142,500	13.50%
More than £142,500	14.50%

The pay band ranges will be increased each year in line with the cost of living.

However, the cost of being a member of the FPS 2015 is less than you might think. If you pay tax and National Insurance, you get tax relief on your contributions. Until April 2016, you also pay a lower rate of National Insurance as you won't pay into the State Second Pension (a small extra pension on top of the state pension). The State Pension changes to a flat rate scheme from 6 April 2016, the FPS 2015 is no longer a contracted out scheme for national insurance purposes from that date and your national insurance contribution will increase.

What if I am a Retained Firefighter?

It is still worth thinking of being a member of the FPS 2015, as you would enjoy the full range of benefits the FPS 2015 provides.

What if I only intend to stay in my job for a short time?

Many people move jobs frequently. If you do, you should consider how best to save for your retirement. By remaining in the FPS 2015 you would be saving towards your retirement while you're working and enjoying the full range of benefits the FPS 2015 provides.

If you move on to another employment with the public sector, you could choose to transfer your FPS 2015 pension rights to your new pension provider; alternatively, you would be entitled to a deferred pension. The deferred pension would be held in

the FPS 2015 and increase each year in line with the cost of living until you reach state pension age, at which point it would be brought into payment.

NOTES

1. You can only sign and date this opt out form once you have commenced employment.
2. If you are a high earner who has applied for and obtained a Fixed or Enhanced Protection certificate from HM Revenue and Customs and you wish to retain that protection, you may decide to opt out of the FPS 2015. We would recommend you speak to an independent financial adviser before you make a decision.
3. The completed opt out form should be returned to the Rachel Coles at Oxfordshire Fire & Rescue Service, Sterling Road, Kidlington, OX5 2DU.
4. If you have another employment (including additional posts within Oxfordshire Fire & Rescue Service) then you must complete a separate opt out form for each.
5. If Oxfordshire Fire & Rescue Service receives your completed signed and dated opt out form before you reach three months membership, you will be treated as though you were never a member and will receive a full refund of any contributions deducted from your pay. This adjustment of pay will be actioned by the payroll service supplied by IBC. If you opt out after three months, you will be entitled to a deferred pension.
6. If you opt out of the FPS 2015 and subsequently change your mind, you will be able to re-join as long as you remain in the employment that qualifies your membership of the scheme.
7. If you stay opted out, your employer will automatically put you back into the FPS 2015 in around three years' time. You will however, be entitled to opt out of scheme membership again.
8. If you change job (including transfers within Oxfordshire Fire & Rescue Service), your employer will normally put you back into pension saving straight away.

The Firefighters' Pension Scheme 2015
Oxfordshire Fire & Rescue Service
ELECTION TO OPT OUT OF THE FIREFIGHTERS'
PENSION SCHEME 2015

Name:	
Address:	
Post code:	
Email:	
Payroll Reference	
Ni Number	

Declaration:

I declare that by opting out of the FPS 2015 I am knowingly giving up the opportunity to participate in the FPS 2015 which would provide a package of benefits including:

- a pension that is secure and gives me the guarantee of a pension that is backed by law;
- the option to exchange part of my pension for a tax-free lump sum at retirement;
- voluntary retirement from age 60, or from age 55 (this will incur a reduction);
- an ill-health pension from any age (which could be paid at an increased rate if ill-health meant I would be incapable of gainful employment until my normal retirement age);
- early payment of pension benefits if I am made redundant or retired on business efficiency grounds at age 55 or over;
- a death in service lump sum of three times my final pay;
- protection for my family upon my death, including either a widow's, widower's, civil partner's or nominated cohabiting partner's pension as well as children's pensions;
- the index-linking of benefits to ensure they keep pace with the cost of living.

I have read the entire 'notice to opt out of pension saving' leaflet and confirm that I wish to opt out of pension saving.

I understand that if I opt out, I will lose the right to pension contributions from my employer.

I understand that if I opt out I may have a lower income when I retire.

Signed:

Date: