

Ill-Health and Injury Pension Scheme Rules

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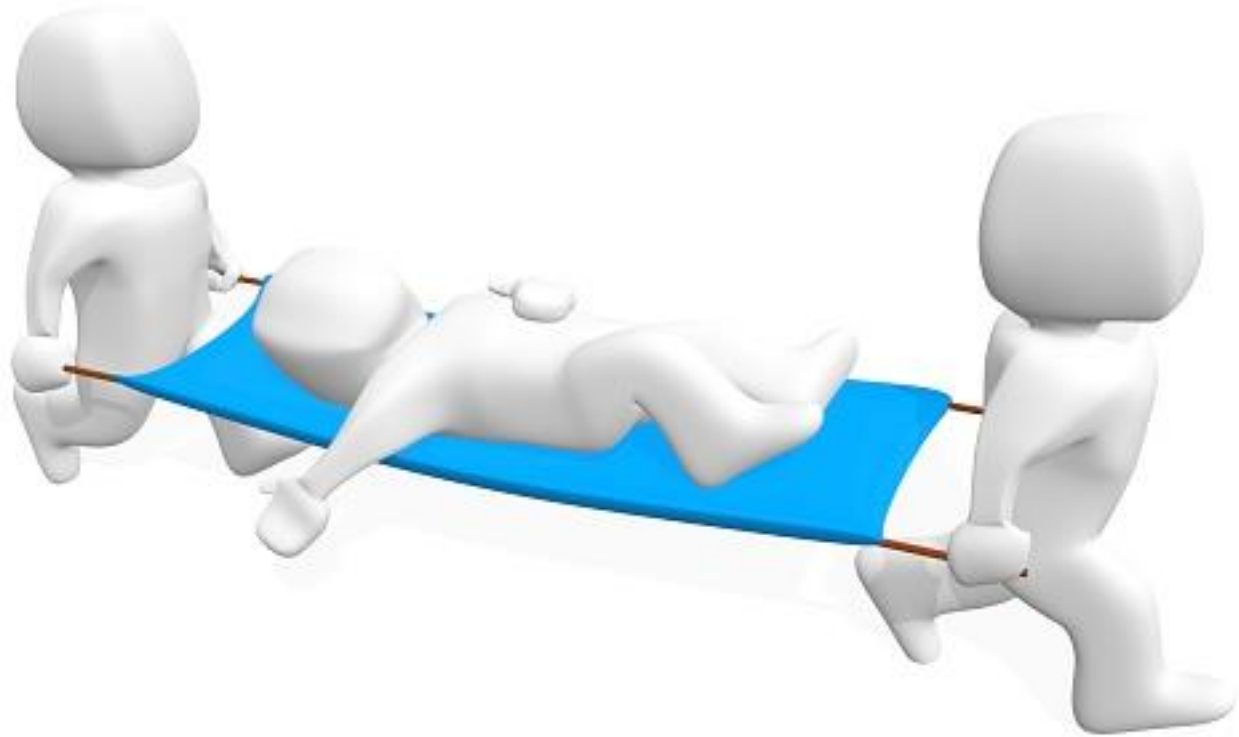
Important note

- These slides are developed to provide a short overview of the pension regulations with regards to Ill-Health and Injury benefits across the schemes, and are not intended to replace regulations.
 - The regulations are referred to without and should always be checked when calculating any benefit payable.
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Types of member

1992 Scheme	2006 Scheme	Special Firefighter members	2015 Scheme	Compensation Scheme
Protected standard members	Protected standard members	Protected special members	2015 only members	Benefits based on service
	Protected retained members		1992 transitional members	Protections for retained firefighters
			2006 standard transitional members	
			2006 retained transitional members	
			2006 Special transitional members	

III-Health



Pension Schemes - Statute



- 1992 <http://www.legislation.gov.uk/uksi/1992/129/schedule/2/made>
 - 2006
 - Standard -
<http://www.legislation.gov.uk/uksi/2006/3432/contents/made>
 - Special -
<http://www.legislation.gov.uk/uksi/2014/445/contents/made>
 - 2015 <http://www.legislation.gov.uk/uksi/2014/2848/contents/made>
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Funding

	FPS 1992 [LA2] *	FPS 2006 Standard and Special Members [Part 13]	FPS 2015 [Part 9]
Payments into FPF	LA2	Part 13, Para 2	Regulation 123
Lower Tier III-Health charge [2 times pensionable pay]	LA2 (4)	Part 13, Para 2 (5)	Regulation 123 (c)
Higher Tier III-Health charge [4 times pensionable pay]	LA2 (3)	Part 13, Para 2 (4)	Regulation 123 (b)

Current valuation

Finance Guidance dated August 2006

III-Health - Regulations

	FPS 1992 [Part B] *	FPS 2006 Standard and Special Members [Part 3, Para 2]	FPS 2015 [Part 5, Chapter 4]
Entitlement	Regular firefighter retires by reason of disablement [Rule B3]	Firefighter retires by reason of permanent disablement [Sub-Para 1]	In opinion of IQMP member is incapable of performing duties of the role [65(1a)]
Disablement	means incapacity, occasioned by infirmity of mind or body, for the <u>performance of duty</u> [A10 (2)]	in relation to a firefighter member, means such incapacity, occasioned by infirmity of mind or body, as makes him unable to perform any duties of the role in which he was last employed; [Part 1, para 3 (2)]	incapable of performing any of the duties of the role in which the member was last employed because of incapacity of mind or body; [65 (1a)]
Permanency	Whether the disablement will continue to normal retirement age / normal benefit age (if deferred) [A10 (1A)]	Whether the disablement will continue to normal retirement age / normal benefit age (if deferred) [Part 1, para 3 (3)]	Incapacity will continue until normal pension age [65 (1a)]

III-Health - Regulations

	FPS 1992 [Part B] *	FPS 2006 Standard and Special Members [Part 3, Para 2]	FPS 2015 [Part 6]
Lower Tier	Where the firefighter is <u>capable</u> of undertaking regular employment [B3, para 3]	Leaves employment by reason of permanent disablement [Para 2 (1)]	In opinion of IQMP member is incapable of performing duties of the role [65(1a)]
Higher Tier	Where the firefighter is <u>incapable</u> of undertaking regular employment [B3, para 4]	Where the firefighter is <u>incapable</u> of undertaking regular employment [Part 3, para 2 (3c)]	in the opinion of an IQMP the member is incapable of undertaking regular employment [65(2a)]
Deferred Pension	Where permanently disabled for engaging in firefighting or performing any other duties appropriate to former role as a firefighter [B5(4)]	In opinion of IQMP the person is permanently disabled from undertaking <u>regular employment</u> [Para 3 (4b)]	In opinion of IQMP the member is incapable of undertaking <u>regular employment</u> ... continue until deferred pension age; [67 (b)]

III-Health - Regulations

	FPS 1992 [Part B] *	FPS 2006 Standard and Special Members [Part 3, Para 2]	FPS 2015 [Part 6]
Lower Tier	Pension immediately payable at ill-health retirement date	Pension immediately payable at ill-health retirement date	2015 pension plus any equivalent amount [66 (2 & 3A)]
Higher Tier	Enhanced pension paid instead of lower tier. <10 years – doubled service >10 years Greater of 20 years Or service over 20 yrs plus 7 years Plus underpin of notional deferred pension if greater [Schedule 2, Part 3]	Enhancement paid in addition to lower tier. [(2% x pensionable service) x prospective pensionable service to age 60 x (final pensionable pay ÷ 60)] [Annex 1, 2]	Enhancement paid in addition to lower tier calculated by multiplying the annual amount of the adjusted lower tier ill-health pension by the member's assumed period of pensionable service and by 2%. [66 (3)]
Commutation	Commute lower tier only [B7(2A)]	Commute lower tier only [Part 3, Para 9 (3)]	Commute lower tier only [71 (6)]

What does one pot mean?

- Benefits all accessed from the 2015 scheme.
- Death benefits - [Rule 78](#)
- Ill Health – [Rule 65](#)

- (c) in regulation 65 (entitlement to lower tier ill-health pension and to higher tier ill-health pension), after paragraph (3) insert—
- “(4) Where an active member (A) is entitled to a lower tier ill-health pension and paragraph 22 (transition member who has not reached normal pension age under the NFPS) or paragraph 24 (transition member who has not reached normal pension age under the 1992 Scheme) of Schedule 2 to these Regulations applies in relation to A—
- (a) if paragraph 22 applies in relation to A, A is also entitled to an amount equivalent to the annual amount of a lower tier ill-health pension that would, if the member were entitled to payment of a lower tier ill-health pension under rule 2(2) of the NFPS, be payable to the member under the NFPS;
 - (b) if paragraph 24 applies in relation to A, A is also entitled to an amount equivalent to the annual amount of a lower tier ill-health pension that would, if the member were entitled to payment of a lower tier ill-health pension under rule B3 (ill-health awards) of the 1992 Scheme, be payable to the member under the 1992 Scheme.
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III- Health Reviews

	FPS 1992 [Part K]	FPS 2006 Standard and Special Members [Part 9]	FPS 2015 [Part 5, Chapter 4]
Ill Health review	<p>In payment for less than 10 years and under age 60.</p> <p>Authority has discretion to review at intervals as appropriate. [K1]</p>	<p>In payment for less than 10 years, and under SPA.</p> <p>Authority has discretion to review at intervals as appropriate.</p> <p>[Part 9, Para 1]</p>	<p>In payment for less than 10 years, and under SPA.</p> <p>Authority has discretion to review at intervals as appropriate [68(1)]</p>
Cessation of higher tier	Where firefighter found to be capable of regular employment [K1A (1)]	Where firefighter found to be capable of regular employment [Part 9, Para 2 (2)]	Where firefighter found to be capable of regular employment [69 (1)]
Cessation of lower tier	Where firefighter found to be capable of performing duties of role from which retired [[K1A (2)]	Where firefighter found to be capable of performing duties of role from which retired [Part 9, Para 2 (3)]	Where firefighter found to be capable of performing duties of role from which retired [69(3)]
Cessation of deferred ill-health	Where capable of regular employment [[K1A (5)]	Where capable of regular employment [Part 9, Para 2 (5)]	Where capable of regular employment [69 (7)]

Medical Appeals

	FPS 1992 [Part H & Schedule 9]	FPS 2006 Standard and Special Members [Part 8, & Annex 2]	FPS 2015 [Part 12, Chapter 2]
Review: IQMP can review a previous decision where new medical evidence is presented [Within 28 days of new evidence]. Must provide details in writing within 14 days of decision	H1A & Schedule 9	Part 8, Para 3 & Annex 2	Regulation 153
Appeal by member: Within 28 days of decision (some discretion)	H2 & Schedule 9	Part 8, Para 4 & Annex 2	Regulation 154
Reviewing member:	Schedule 9 2B	Annex 2 (4)	Regulation 156 (8 to 11)
Error of fact: Can be referred back to board	Schedule 9 6A	Annex 2 (8A)	Regulation 159
Costs: Costs may be recovered if the opinion is that the appeal was “frivolous, vexatious or manifestly ill founded, or that the appeal is withdrawn less than 21 days of hearing date	Schedule 9 (8)	Annex 2 (10)	Regulation 161

Compensation Scheme



Funding

- Costs borne entirely by Fire Authority
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Compensation Scheme - Statute

Statutory Instrument	Brief description of amendment
<u>2006/1811</u>	Established the compensation scheme by statute in 2006
<u>2006/3434</u>	Minor amendments
<u>2014/447</u>	Amendments to reflect introduction of special members
<u>2015/590</u>	Amendments to ensure the compensation scheme applies to members of the 2015 scheme
<u>2017/892</u>	Amendments so that survivor benefits do not cease on new relationship

Injury Pensions- Regulations

	Compensation Scheme [Part 2]
Injury awards Payment of pension and gratuity [Para 1]	A firefighter who has retired and is <u>permanently disabled</u> if the infirmity was occasioned by a qualifying injury. [Part 2, Para 1 (1)]
Compensation for permanent incapacity while on duty Payment of five times annual pensionable pay [Para 3]	Permanently incapacitated for carrying on <u>any occupation</u> solely by reason of qualifying injury [Part 2, Para 3 (1b)]

Definitions

Compensation Scheme

Disablement	means incapacity, occasioned by infirmity of mind or body, for the <u>performance of duty</u> [Part 1, Rule 8 (3)]
Permanency	Whether the disablement will continue until the persons normal pension age [Part 1, Rule 8 (2)]
Degree of disablement	Determined by degree to which earning capacity has been affected [Part 1, Rule 8 (4)]
After appearing injury	Where a person has retired before becoming disabled and the date on which he becomes disabled can not be ascertained... date taken to be when claim first made to FRA [Part 1, Rule 8 (6)]

Degree of Disablement

$$(A - B \div C) \times 100 = D$$

$$C \times D = (E) \%$$

- (A) Current earnings relevant to wholetime firefighter role
 - (B) Potential (wholetime) average level of earnings as a non firefighter after receiving the injury. If the IQMP is of the opinion that the person is not medically capable of working wholetime use the potential level of earnings for the hours which can be worked
 - (C) The unadjusted degree of disablement
 - (D) the apportionment of contribution of injury to disablement (see medical opinion)
 - (E) Degree of Disablement
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Degree of Disablement

$$(\pounds 23,391 - \pounds 17,602 (\pounds 5789) \div \pounds 23,391) \times 100 = 24.74\%$$

- (A) Current earnings relevant to wholetime firefighter role **£23,391**
 - (B) Potential (wholetime) average level of earnings as a non firefighter after receiving the injury. If the IQMP is of the opinion that the person is not medically capable of working wholetime use the potential level of earnings for the hours which can be worked **£17,602**
 - (C) The unadjusted degree of disablement
 - (D) the apportionment of contribution of injury to disablement (see medical opinion)
 - (E) Degree of Disablement
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Injury Gratuity

The injury gratuity is a lump sum based on a percentage of “average pensionable pay”. The percentage is decided according to the degree of disablement as follows:

Degree of Disablement	Gratuity
Slight Disablement (25% or less)	12.5% of average pensionable pay
Minor Disablement (more than 25% but not more than 50%)	25% of average pensionable pay
Major disablement (more than 50% but not more than 75%)	37.5% of average pensionable pay
Severe disablement (more than 75%)	50% of average pensionable pay

Injury Pension

The injury pension is based on a percentage of “average pensionable pay”. The percentage is decided according to the degree of disablement and service as follows:

Degree of Disablement	Less than 5 years	5 or more but less than 15 yrs	15 or more but less than 25 yrs	25 years or more
Slight Disablement (25% or less)	15%	30%	45%	60%
Minor Disablement (more than 25% but not more than 50%)	40%	50%	60%	70%
Major disablement (more than 50% but not more than 75%)	65%	70%	75%	80%
Severe disablement (more than 75%)	85%	85%	85%	85%

Injury Pension - Deductions

The injury pension is reduced by:

- 75% of any pension paid under the Firefighter Pension Scheme;
 - In the case of an optant out, 100% of any pension which would have been paid under the Firefighter Pension Scheme had the firefighter been a member.
 - State benefits which relate to the injury. The deductible benefits change from time to time.
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Retained Firefighter

	Compensation Scheme [Part 8]
Entitlement to ill-health pension for retained firefighter [Part 8, rule 2, (4)]	A retained firefighter who was employed prior to 6 April 2006 and awarded an injury pension before 1 st April 2014 shall be treated as having been a regular firefighter and awarded an ill-health pension
Protected right to [Part 8, rule 2 (4) [SI 2014/447Rule 3 (2)]	A retained firefighter employed prior to 6 April 2006, who didn't subsequently become a 'special member' under the terms of the modified arrangements and <u>after 1 April 2014</u> has been retrospectively awarded an injury pension. Where it has been determined that the injury is a qualifying injury and was sustained <u>before the 1st April 2014.</u>

Injury Review

	Compensation Scheme [Part 9, Para 1]
Ill Health review	Authority has discretion to review at intervals as appropriate. [1(1)] Authority has discretion to cease reviews after expiration of 5 years from date first payable [1(3)]
Re-assessment of injury Can be assessed up or down	Where degree of disablement is found to be altered [1(1)]
Cessation of injury pension	Where disability ceased [1(2)]

Medical Appeals

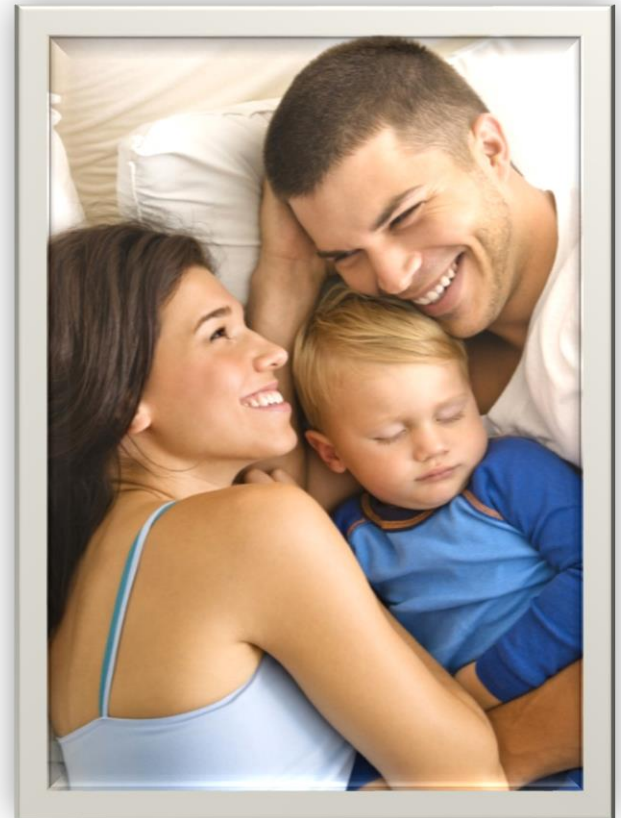
	Compensation Scheme Part 6, Para 2 & Schedule 5
Appeal by member: Within 28 days of decision (some discretion)	Schedule 5
Costs: Costs may be recovered if the opinion is that the appeal was “frivolous, vexatious or manifestly ill founded, or that the appeal is withdrawn less than 21 days of hearing date	Schedule 5 (9)

Guidance – Currently under review

- [IQMP Guidance](#) – Edition 4 Dated October 2012
 - Ill Health and Injury Certificates
 - Compensation Scheme Guides
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Pensions for Survivors

- Spouse
- Civil Partner
- Co-habiting partner
- Children's pension



Please see quick guide to death benefits [here](#)

Disclaimer

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 - **Readers should take their own legal advice on the interpretation of any particular piece of legislation.**
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Thank you for listening

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