

# Firefighters Pension Scheme 2015 (FPS 2025)

## Scheme Introduction

# Add in introduction to who you are

- [ADD detail]



# Hot topics

- **How are these benefits calculated?**
- **How much could you expect to build up?**
- **Ill health benefits**
- **Benefits payable on death**
- **Transferring in previous pension benefits**
- **Pensions & divorce**

# Have you considered?.....

What will you live on when you retire and how old will you be when you receive any pension income?

The basic State Pension in April 2023 is **£203.85** per week for a single person and the retirement age will rise to 68 for many of us.

Will that be enough income in retirement?

On its own, the basic state pension is unlikely to provide you with the equivalent of your current standard of living. **It's important to plan ahead!**

# How much will it cost you?

- The Firefighters' Pension Scheme is an extremely valuable and important part of your employment package.
- Your employer shares the cost and will contribute more than you do to the scheme.
- Your contribution rate depends on how much you are paid; however, the current rates are between 11% to 14.5%. The rate you pay depends on which pay band you fall into.



# Contribution bandings

<b>Band 1</b>	Pensionable pay up to £27,818	11.0%
<b>Band 2</b>	£27,819 to £51,515	12.9%
<b>Band 3</b>	£51,516 to £142,500	13.5%
<b>Band 4</b>	£142,501 or more	14.5%
<b>Your employer contributes</b>		37.6%

# Key benefits



- **Life cover of 3 x pensionable pay** from the day you join and there are no medical requirements or questionnaires to complete
- **Tax relief on all your contributions** even on extra payments you make to top up your benefits. Currently limited to £8,570.14 per year (2024/25 limits).
- **No fees or charges** you only contribute a percentage of your pay
- **When can you receive payment** the normal pension age is 60 with the option of a reduced pension that can be paid from age 55. However, if you choose to continue your service after 60 there will be an uplift applied to your pension

# Key benefits



- **Pension payable for life** with no cap on the length of your service
- **Tax free lump sum** option for all members upon retirement
- **Guaranteed benefits** there is no investment risk and benefits are backed by law
- **Pension Increases** are paid annually from age 55 to those who are in receipt of their pension. Applied from any age if payment is from an ill health pension or a survivor's pension
- **Ill health benefits** available in case you must retire early through ill-health
- **Adult survivor & children's pensions** payable to protect loved ones



# How do benefits build up?

- FPS 2015 is a career average revalued earnings (CARE) scheme.
- Each year you bank a 'slice' of pension ( $1/59.7^{\text{th}}$ ) based on your actual pensionable earnings for that year into your pension account.
- Each year an 'index adjustment' is applied. This would be a percentage increase or decrease ordered by HM Treasury, reflecting the national change in 'Average Weekly Earnings' (AWE).
- At retirement, the 'slices' you have built up are added together and paid as a monthly pension.
- At retirement you have the option to give up (commute) some of your pension to provide for a 'tax free' lump sum.
- Retirements before 60 will have reductions applied to take into account paying the pension for longer.



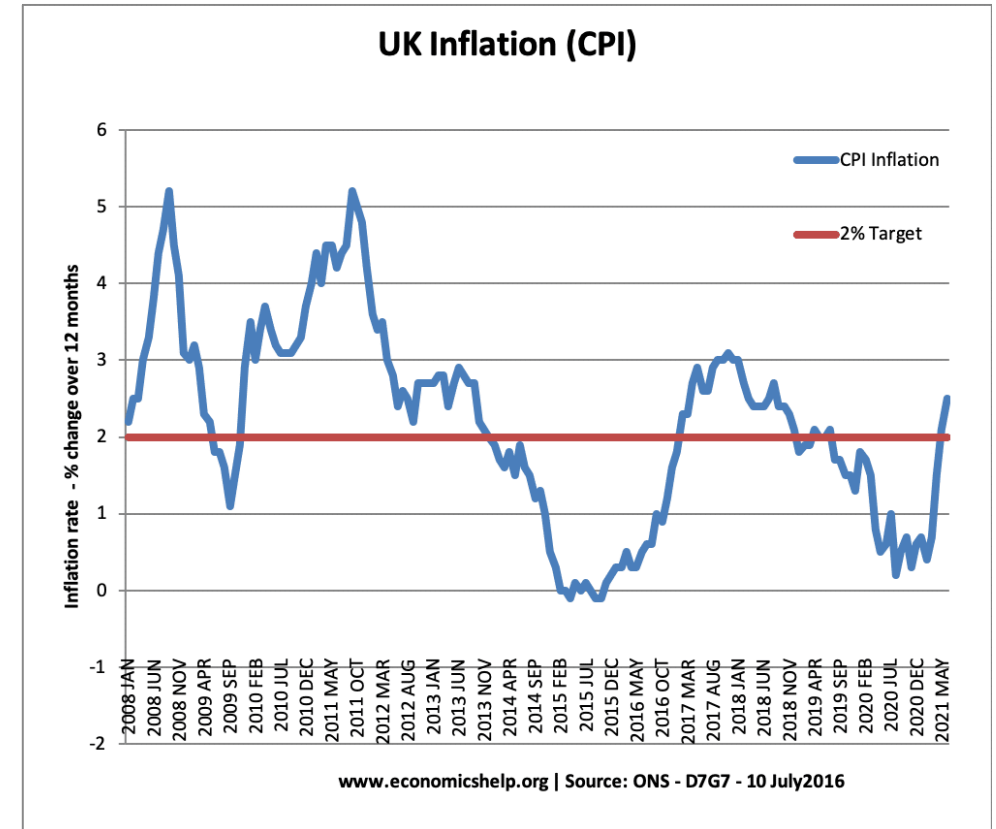
# How are benefits calculated

Date from	Date to	Account balance (starting) £	Actual pay £	Pension build up in year (1/59.7) £	Total pension £	Annual increase	Account balance (closing) £
01/04/2020	31/03/2021	0.00	29,850	500.00	500.00	3%	515.00
01/04/2021	31/03/2022	515.00	30,447	510.00	1,025.00	4%	1,066.00
01/04/2022	31/03/2023	1,066.00	31,000	519.26	1,585.26	3%	1,632.81

# What is the increase?

Your pension benefits are increased each year to reflect changes in the cost of living

- in line with **Average Weekly Earnings (AWE)** whilst **active**
- **Consumer Price Index (CPI)** if the pension is **deferred** or a **pensioner**



# How much could you expect to get

- Joined at 21 as a trainee firefighter (starting salary £27,178)
- Remained a firefighter
- Retired at age 60 with 39 years' service retiring on a salary of £36,226

**A** Annual pension of £23,600 (no lump sum)

or

**B** Annual pension of £17,700 + tax free lump sum £70,800  
(25% of £23,600 = £5,900 which is multiplied by 12)

# Ill health benefits

If you retire from the fire authority due to ill health an Independent Qualified Registered Medical Practitioner will recommend if you are either:

- incapable of performing any of the duties of the role in which you were last employed, because of incapacity of mind or body which will continue until normal pension age (60)
- you are also incapable of undertaking regular employment because of incapacity of mind or body which will continue until normal pension age

Your employer will make the ultimate determination based on this recommendation and this will determine whether you receive an:

- Lower tier Ill Health Pension, or
- Higher tier Ill Health Pension

# Ill health benefits

## Lower Tier

- Calculated on your accrued (built up) service to date of retirement with no early retirement reductions applied (requires 3 months service)

## Higher Tier

- Must have been a member for 5 years
- Lower tier benefit PLUS
- 2% of pre commutation earned pension  $\times$  number of years to age 60



# Benefits payable on death (active members)

The benefits payable are slightly different depending on whether you are an active, deferred or retired firefighter.

## Active Firefighter

- Death Grant payable of 3 times pensionable pay, irrespective of length of service (nomination form available to complete)
- Adult survivor benefits payable to a spouse, civil partner or cohabiting partner

# Benefits payable on death (active members)

Children's Benefits are payable to a Natural / Stepchild / Adopted Child or any other child who is either related to the member or a child of their husband, wife, civil partner or cohabiting partner.

- Providing the child is under age 18.
- Between age 18 & 23 if in full time education.
- For life if the child is unable to engage in regular employment due to physical or mental impairment which is likely to be permanent .



# Benefits payable on death (active members)

## **What's payable**

### **Adult survivor**

50% of the ill-health pension that you would have received if you had been permanently incapacitated at the date of death.

### **Children's benefits**

25% of the ill-health pension that you would have received if you had been permanently incapacitated at the date of death.

Up to 50% if more than one child (divided by the number of eligible children), e.g. 4 eligible children would receive 12.5% each

# Benefits payable on death (deferred members)

The benefits payable to survivors following the death of a firefighter who has left employment with deferred benefits are:

- Adult Survivor Benefits payable are based on 50% of the firefighters' deferred pension
- Children's pensions are also based on the firefighters' actual pension and remain 25% or 50% divided by number of eligible children

# Benefits payable on death (pensioner members)

The benefits payable to survivors following the death of a firefighter who is already in receipt of their pension are:

- 5 year guarantee lump sum
- Adult Survivor Benefits payable are based on 50% of the firefighters' actual pension
- Children's pensions are also based on the firefighters' actual pension and remain 25% or 50% divided by number of eligible children

If you are both an active and pensioner member at the date of death, the highest lump sum death benefit would be payable.

## Things to remember for both active, deferred and pensioner members:

**Significantly younger spouse / civil partner / cohabiting partner:** there is a possible reduction to benefits (2.5% for every year or part year by which he or she is more than 12 years younger, up to a maximum reduction of 50%)

# Transferring previous pension benefits into FPS 2015

- If you have been a member of another pension scheme you may be able to transfer those benefits into the FPS.
- You are encouraged to do this within 12 months of commencing employment.
- Transfers can take several months to be completed so it is best not to delay.
- If you have other firefighters' pension benefits you may be able to link these to your new record (providing that they do not overlap)



# Transferring in previous pension benefits into FPS 2015

Former scheme type	Time limit
Club transfer	12 months of joining
Non Club – occupational scheme	No restriction
Non Club – non occupational	One year (but with FRA discretion to extend)

# Leaving the scheme before retirement

- If you are thinking of opting out of the scheme, it is encouraged that you understand the implications to this and suggest that you read the [opting out factsheet](#).
- If you leave within 3 months your pension contributions would be refunded from the scheme (if you do not have any other records)
- Leave with more than 3 months service your pension benefits will be deferred until the normal pension age of the scheme (which is your state pension age currently age 68). As the normal pension age is linked to your state retirement age this could increase.
- You can transfer your FPS 2015 pension benefits to another arrangement, but the scheme rules contain strict criteria governing the kind of arrangement you are able to transfer to.



# Pensions & Divorce

When getting divorced couples or the courts usually come to an agreement as to how assets will be divided. Property, cars, savings and any pensions will be considered.

To decide how a pension should be shared the courts will need to know the Cash Equivalent Transfer Value (CETV).

If you require information on pension sharing on divorce or a CETV, contact XXXX who will provide you with a guide to explain, and help you through this process.



# Want to know more?

Useful links:

FPS member website:

<https://fpsmember.org>

FPS regulation and guidance website:

<https://www.fpsregs.org>

Home | Fire home | Contact us | FPS2015 | 2006 scheme | 1992 scheme | RDS modified | Google Custom Search

Home > Firefighters home > 2015

**Firefighters FPS2015**

**Information for firefighter members**  
Information about transfers, death benefits, opting in and out, tax allowances and more. Choose the scheme you're in.

**Active member index**

**When can I retire?**

**Claiming a pension**

**Leavers**

**Quicklinks**

**Need to know**

- Fire 2015: Pension statement
- News - All schemes
- News - 2015 scheme
- Full time scheme guide (pdf)

Legal stuff | Social stuff | Other

Visit our website

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# Contact Information

XXXXXX

- [ADD CONTACT DETAILS]



**my**PENSION