

A GUIDE TO

THE NEW FIREFIGHTERS'

PENSION SCHEME 2006

(SCOTLAND)

FOR REGULAR FIREFIGHTERS
(WHOLE-TIME AND PART-TIME)

May 2017

THE NEW FIREFIGHTERS' PENSION SCHEME (SCOTLAND)

When people first start working, a retirement pension is often one of the last things they think about. Then, as they get older and take on more responsibilities, they begin to wonder how they will manage in retirement or how, if anything were to happen to them, their family would manage.

If left too late there may not be enough time to build up a pension to meet retirement needs. It's never too early to start a pension.

The benefits include the following –

- an inflation-proofed pension based on your final pay and length of pensionable service
- an option to convert part of the pension to a lump sum
- payment of pension before normal retirement age if:
 - you have to retire on grounds of permanent ill-health,
 - you are required to take authority-initiated early retirement, or
 - you choose to take member-initiated early retirement
- death-in-service cover providing a lump sum death grant equal to three times pensionable pay
- a pension for your surviving partner
- children's pensions.

This booklet is a brief guide to the New Firefighters' Pension Scheme ("NFPS") for whole-time and part-time regular firefighters. It summarises the main rules which apply at the date of issue (see page 2) but nothing it contains can override pension legislation. In the event of a dispute or disagreement the rules and regulations which govern the Scheme would be used to reach a decision.

For retained firefighters there are two separate booklets, explaining how the Scheme rules would work for them. One of the booklets sets out the special provisions which apply to a retained firefighter serving immediately before 6 April 2006 and who has elected for the "modified" NFPS. i.e. a version of the Scheme which mirrors some of the provisions of the Firefighters' Pension Scheme 1992. The other booklet (this one) sets out the standard NFPS provisions for retained firefighters as they apply to those appointed after 5 April 2006 or who were not eligible for or declined cover under the modified NFPS.

As a firefighter you are also covered by the Firefighters' Compensation Scheme (Scotland) which would pay benefits to you, and/or to your dependants, should you become disabled or die as a result of an injury received in the exercise of your duties as a firefighter. The rules of the Compensation Scheme are set out in separate booklets, too.

All of these guides can be obtained from SPPA. Contact details are given in "Where can I get more information?" on page 32 of this booklet.

A Guide to The New Firefighters' Pension Scheme 2006 (Scotland) for regular firefighters (whole-time and part-time)

This guide reflects the rules of the New Firefighters' Pension Scheme contained in the Firefighters' Pension Scheme (Scotland) Order 2006 (as amended) as they apply to serving regular firefighters at the date of issue.

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BACKGROUND

The first national pension scheme specially designed for firefighters was introduced in 1926. This booklet explains the rules of the New Firefighters' Pension Scheme ("NFPS") as set out in the Firefighters' Pension Scheme (Scotland) Order 2006 which came into effect on 6 April 2006. The previous Scheme – the Firefighters' Pension Scheme 1992 – continues in force for firefighters who were serving before that date and who wish to remain members of that Scheme.

The NFPS is a statutory, public service pension scheme made under section 34 of the Fire and Rescue Services Act 2004.

Unlike occupational pension schemes in the private sector, the NFPS does not have trustees nor does it have the type of pension fund which uses investments to help meet its liabilities. The NFPS in Scotland is a pay as you go scheme. In other words your contributions are not put into a pension fund but instead are used to meet the current payments of the Scottish Fire and Rescue Service's retired firefighters. Whilst this system of financing the scheme is maintained eventually when you retire your pension will be funded by firefighters employed at that time. The deficit between the contributions being paid in and the benefits being paid out at any given time is met by the Scottish Fire and Rescue Service and represents the employer's share of meeting the overall cost of providing a pension under the NFPS. A different means of financing the scheme is used in England.

Social Security rules can have an impact on the way pension schemes work. Historically, members of the NFPS did not participate fully in the State Pension arrangements. Instead, NFPS took on the responsibility for paying part of the pension that would otherwise have been paid by the state and you pay a lower rate of National Insurance contributions. This was known as being 'contracted-out'. You will not receive any State Second Pension in respect of the time in which you were a member of the NFPS (the State Second Pension replaced the State Earnings Related Pension Scheme (SERPS) from 6 April 2002).

From 6 April 2016, the two tier state pension has been replaced by a single tier and the firefighters' pension scheme is no longer "contracted-out".

The NFPS is a registered pension scheme for the purposes of the Finance Act 2004. This means that HM Revenue and Customs allow certain tax concessions. Pension contributions attract tax relief and certain benefits, provided they are within set limits, are exempt from tax charges.

Like other pension schemes, the NFPS must comply with Pension Acts although, as a public service scheme, it is exempt from some requirements. Regulations made under Pension Acts require you to be given items of basic information about the Scheme; this booklet has been written to comply with those Regulations.

Some pension terms may be unfamiliar to you or have a special meaning in the context of the NFPS. An explanation of terms and expressions is given on pages 28 and 29.

If you would like more information about the NFPS, see the contact details on page 32.

WHO CAN JOIN?

Membership of the NFPS was automatic to any person taking up employment with the Scottish Fire and Rescue Service as a firefighter on terms under which he or she is, or may be, required to engage in firefighting, and whose role includes resolving operational incidents, or leading and supporting others in the resolution of such incidents. It does not matter what duty system they are contracted to work – they can be whole-time or part-time regular firefighters, volunteers, or retained duty system firefighters. (Other employees of the Scottish Fire and Rescue Service are covered by the Local Government Pension Scheme.) **Membership is now limited to those firefighters with transitional protection from moving to the 2015 scheme.**

Once admitted to the NFPS, if you are required to perform duties appropriate to your role but not specifically those outlined above (e.g. if you become unfit for "operational" work), provided there is no break in the continuity of your employment you would be allowed to remain a member.

OPTING OUT

If you do not want to be a member of the NFPS you can opt out at any time by giving a signed, written notice to the Scottish Fire and Rescue Service (which will be referred to as the 'authority' throughout this guide). If the notice is in electronic format, you must include a statement confirming that you personally submitted the notice. The notice would take effect from the start of the following pay period. If you opt out, this will be in respect of the whole Scheme; you cannot, for example, choose to opt out of just the Additional Pension Benefit provision.

If you have less than 3 months' qualifying service at the time the notice takes effect, you would normally receive a refund of the contributions you have paid (see page 9).

If you have 3 months' or more qualifying service you would have a choice of –

- a transfer of accrued pension rights to another pension arrangement (see page 16), or
- a deferred pension (see page 14).

You would cease to have any further cover under the NFPS (other than that provided by any deferred pension). You would, however, continue to be covered by the provisions of the Firefighters' Compensation Scheme in the event of a qualifying injury.

If you opt out of NFPS as a protected member, you will be able to rejoin within 5 years, otherwise you will have access to FPS 2015

Also, under "automatic enrolment" requirements introduced by the Pensions Act 2008 and which impact on all UK employers, the authority will have to periodically re-enrol optants-out back into a pension scheme. (You would have the right to opt out again if you wish.) Seek independent financial advice if you are thinking about opting out of the NFPS. You would save the cost of contributions but may pay more by way of tax (contributions attract tax relief) and National Insurance contributions (while a member of the NFPS you pay the lower, contracted-out rate). You and your dependants would cease to have the pension cover which active membership of the NFPS provides.

WHAT ABOUT PREVIOUS PENSION RIGHTS?

On taking up your employment you will be asked to give details about any previous membership of a pension scheme and to indicate whether or not you would like SPPA to explore the possibility of a transfer of pension rights to the NFPS. The NFPS can accept a transfer from –

- another occupational pension scheme registered with HM Revenue and Customs (this includes some overseas schemes), or
- a personal or stakeholder pension scheme

but will not accept a transfer of pension credit rights, i.e. rights based on a portion of the pension of a former spouse or civil partner as required under a pension sharing order on divorce or dissolution of a civil partnership.

Depending upon the type of pension scheme from which the transfer is requested, certain restrictions and time limits may apply – SPPA will advise you. An application for a transfer must be made in writing. The authority would provide you with an estimate of the benefits the requested transfer would "purchase" in the NFPS. You should compare this with any pension options offered by your previous scheme and decide, within the time limits, whether you wish the transfer to proceed.

If you do have pension rights in some other arrangement but have lost contact with the administrators, the Department for Work and Pensions offer a Pension Tracing Service. All pension schemes (including the NFPS) have to be registered with them and the Tracing Service can help pension holders and/or their dependants trace "lost" pension rights. They can be contacted at –

The Pension Service 9, Mail Handling Site A, Wolverhampton, WV98 1LU

Tel: 0345 6002 537

HOW MUCH DO I PAY IN CONTRIBUTIONS?

As a member of the NFPS you pay a contribution which is a percentage of your pensionable pay. Current contribution rates are shown on page 27. The authority pay an employer's contribution and additional charges for ill-health awards plus the cost of exercising certain discretions allowed under the rules. Employees' and employers' contributions are determined by the Scottish Ministers on the advice of the Scheme Actuary who will have regard to the total cost of Scheme benefits. They are reviewed at each scheme valuation.

The pensionable pay upon which the contributions are assessed is the amount determined in relation to the duties of your role and certain payments which the authority may, at their discretion, treat as pensionable for providing "Additional Pension Benefits" – see page 15.

If you are part-time, contributions will be deducted on your part-time pay.

CONTRIBUTIONS FOR UNPAID LEAVE

During paid maternity, paternity or adoption leave you would pay contributions on whatever rate of pay you receive; if a period of additional maternity, paternity or adoption leave is unpaid, you will have the option to pay contributions on the rate you were receiving immediately before pay ceased (disregarding any "Keeping in Touch" days), if you wish to count that period as pensionable service.

If you have an unpaid period of absence for other reasons (including authorised sick leave), you will have the option to pay contributions (based on the pay you would have received but for the absence) in order that the period can count as pensionable service. You would be required to pay both the employee's and employer's contribution. (At their discretion the authority may agree to pay the employer's contribution for you.)

HOW MUCH SERVICE DO I NEED TO QUALIFY FOR A PENSION?

To be eligible for any of the pensions mentioned in this booklet, you must have at least 3 months' qualifying service in the NFPS. If you have less, you would still be eligible if you have had a transfer of personal pension scheme rights into the NFPS, or have reached normal retirement age (age 60).

AT WHAT AGE WOULD I BE PAID MY PENSION?

Normal retirement age for all regular firefighter members of the NFPS is age 60. If you choose to retire at or after this age, your pension would be put into immediate payment. (See "Age retirement pension" on page 11.)

If you have reached age 55 but not age 60, you could –

- at the authority's discretion, be granted an "authority-initiated early retirement pension" (see page 11). This may be awarded in circumstances where the service determines that you should be retired in the interests of the economical, effective and efficient management of the service. There would be no reduction to the pension.
- choose to take a "member-initiated early retirement pension" (see page 12). In this case, however, your pension would be reduced to reflect early payment.

An ill-health pension (see page 12) may be payable at any age.

If you leave the NFPS before becoming entitled to payment of any of the above awards you may be awarded a deferred pension (see page 14). This would be payable from –

- normal benefit age (65), or
- at your request, between ages 55 and 65, but subject to the reduction which would apply in the case of a member-initiated early retirement pension, or
- at your request and subject to appropriate medical certification, at any age, on grounds of permanent disability which prevents you from undertaking regular employment.

CAN I HAVE A REFUND OF CONTRIBUTIONS?

If you opt out of the Scheme within three months of joining (or of being automatically enrolled – see "Opting Out" on page 6) you are treated as if you have never been a member. The contributions you have paid would be returned through payroll with appropriate adjustments made to tax and National Insurance. If you leave the Scheme in other circumstances and you –

- have less than 3 months' qualifying service in the NFPS, and
- have not reached normal retirement age (60), and
- a transfer of personal pension rights has not been paid into the Scheme

the contributions you have paid would be returned as a refund. Deductions would be made from the refund in respect of –

- the certified amount of any Contributions Equivalent Premium due; this is a payment that has to be made to "buy" you back into the State Second Pension – while a member of the NFPS you would have been contracted out of that element of the State Pension Scheme (**only up to 6 April 2016**); and
- tax – under current HM Revenue and Customs rules this is currently 20% in respect of the first £20,000 refunded and 50% in respect of any amount in excess of £20,000.

Because the NFPS became a closed scheme in April 2015, it is unlikely that any serving members would now be entitled to a refund.

HOW IS A PENSION CALCULATED?

How the various types of pension are calculated is explained on the following pages, but there are certain basic principles.

The NFPS is a final salary pension scheme which means that your pension will be a proportion of final pensionable pay. The proportion will depend, in part, upon how much pensionable service you have at the time of leaving the Scheme. For each year of pensionable service, you will get 1/60th of final pensionable pay. Each day of pensionable service will count as 1/365th of 1/60th. For example, if you retire at age 60 with 35 years 28 days of pensionable service and final pensionable pay of £32,000, your pension would be assessed as –

$$35 \frac{28}{365} \times \frac{1}{60} \times £32,000 = £18,707.58 \text{ a year}$$

WHAT IS PENSIONABLE SERVICE?

This is your period of service as a member of the NFPS and in respect of which you have paid contributions. If your hours of employment are less than whole-time, the "calendar" (qualifying) length of service would be pro rated to reflect your part-time hours. For example if you work half-time and have completed six "calendar" years of service, your pensionable service will be three years.

Various other periods may count as pensionable service, e.g. service credited on receipt of a transfer value from another pension arrangement, or unpaid leave (including

additional maternity, paternity and adoption leave) where you have paid contributions, or "purchased" service where you have paid contributions to improve retirement benefits, or service which previously counted towards a NFPS pension which has been cancelled.

WHAT IS FINAL PENSIONABLE PAY?

In most cases this will be your pensionable pay averaged over the last 365 days of pensionable service. It would not, however, include those payments which have been treated as pensionable for providing "Additional Pension Benefits" (see page 15).

If either of the two preceding periods of 365 days would produce a greater amount, the final pensionable pay from one of those earlier periods could be substituted. This protects your pension if you have a reduction in pay in your last couple of years' service. If you have a reduction in pay earlier on in your service, the "two pension option" (see page 14) could help you.

If your hours of employment are less than whole-time, although your pensionable service will be pro rated to reflect your hours, the final pensionable pay used in the pension calculation will be the final pensionable pay you could have counted if you had been whole-time.

AGE RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 10) and who retires at or after age 60. The basic formula is used, i.e.

$$\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, a firefighter who has completed 40 years' pensionable service and whose final pensionable pay is £30,000 would receive immediate payment of a pension of –

$$40/60 \times £30,000 = £20,000 \text{ a year}$$

Part of the annual pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 18.

AUTHORITY-INITIATED EARLY RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 10), who has reached age 55 but not age 60, and the Scottish Fire and Rescue Service has determined that he/she should be retired in the interests of the economical, effective and efficient management of their functions. The basic formula is used, i.e.

$$\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, a firefighter aged 55 who has completed 10 years' pensionable service and whose final pensionable pay is £27,000 would receive immediate payment of pension of –

$$10/60 \times £27,000 = £4,500 \text{ a year}$$

There would be no reduction of the pension to take account of the fact that it is being paid early (the Scottish Fire and Rescue Service would meet the cost of early payment).

Part of the annual pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 16.

MEMBER-INITIATED EARLY RETIREMENT PENSION

This award would be payable to a firefighter who has sufficient service to qualify for a pension (see page 10), who has reached age 55 but not age 60, and who voluntarily chooses to retire with immediate payment of benefits. (The Scottish Fire and Rescue Service has not determined that he/she should be retired on grounds of ill-health or in the interests of the management of the service.)

The first part of the calculation uses the basic formula, i.e.

$$\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$$

but then a reduction based on the Scheme Actuary's guidance is applied to reflect the cost of early payment.

For example, a firefighter who retires at age 58, having completed 10 years' pensionable service with final pensionable pay of £27,000 and a relevant actuarial factor (at the date of issue of this guide) of 0.689, would have entitlement to a pension assessed as –

$$(1/60 \times 10 \times £27,000) \times 0.689 = £3,100.50 \text{ a year}$$

Part of the annual pension (after reduction) can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 16.

ILL-HEALTH PENSION

A firefighter who has sufficient service to qualify for a pension (see page 9) and who is permanently disabled for the performance of the duties of his/her role may be considered at any age for an ill-health pension. There are two tiers of ill-health award –

- a lower tier award which provides a lower tier ill-health pension based on the formula:
 $1/60 \times \text{pensionable service} \times \text{final pensionable pay}$
- a higher tier award which provides a lower-tier ill-health pension as shown above plus a higher tier ill-health pension based on the formula:
 $(2\% \times \text{pensionable service}) \times \frac{\text{prospective pensionable service to age 60}}{\text{service to age 60}} \times \frac{\text{final pensionable pay}}{60}$

The higher tier award is made where the firefighter has at least 5 years' qualifying service and is permanently disabled from undertaking regular employment.

For example, a firefighter aged 50 who has completed 12 years' service and whose final pensionable pay is £30,000 retires on grounds of ill-health with a lower tier award. He would receive immediate payment of a pension of –

$$12/60 \times £30,000 = £6,000 \text{ a year}$$

If, instead, he is given a higher tier ill-health award, the higher tier pension would be –

$$(2\% \times 12) \times 10 \times £30,000/60 = £1,200 \text{ a year}$$

In total, the higher tier ill-health award would be –

$$£6,000 \text{ (lower tier pension)} + £1,200 \text{ (higher tier pension)} = £7,200 \text{ a year}$$

Part of the lower-tier pension can be commuted to provide a lump sum – see page 16.

DEFERRED PENSION

If you leave the NFPS (either because you cease to be a firefighter or because you opt out of the Scheme) having sufficient service to qualify for a pension (see page 8) but not being eligible for immediate payment because you are not old enough nor retiring on grounds of ill-health, then you would be entitled to a deferred pension. This would be assessed on the basic formula, i.e.

$$\text{annual pension} = 1/60 \times \text{pensionable service} \times \text{final pensionable pay}$$

For example, a firefighter aged 27 who has completed 6 years' pensionable service and whose final pensionable pay is £28,000 would be entitled to a deferred pension of –

$$6/60 \times £28,000 = £2,800 \text{ a year}$$

As its name suggests, payment of a deferred pension would not be immediate. It would normally be put into payment at age 65. You could, however, request earlier payment at or after age 55. If the Scottish Fire and Rescue Service agree to the earlier payment then the pension plus any Pensions Increase (i.e. "cost of living" increases) would be paid right away but subject to a similar actuarial reduction as would apply in the case of a member-initiated early retirement pension (see page 12). If the firefighter in the above example requests payment at age 59, then assuming a Pensions Increase factor of 2.3 and an actuarial reduction factor of 0.725, the firefighter would receive immediate payment of

$$£2,800.00 \times 2.3 \times 0.725 = £4,669.00 \text{ a year}$$

A firefighter entitled to a deferred pension who suffers ill-health before it is due to come into payment, to the extent that he/she is permanently disabled from undertaking regular employment (i.e. a similar test to that which decides if a serving firefighter would be eligible for a higher tier ill-health award), can have the deferred pension put into immediate payment without reduction. (However, there would be no higher tier ill-health pension element as there would be in the case of the higher tier ill-health award.)

Part of a deferred pension can be commuted to provide a lump sum if the firefighter wishes – see "Commutation" on page 16.

TWO PENSION OPTION ("SPLIT AWARD")

Unlike the other pensions mentioned here, which generally reflect the age and/or grounds for retirement, the two pension option is a device to protect the final salary benefits of a firefighter who has a reduction in pensionable pay. In the event of such a reduction, the pension rights accrued up to the date of leaving would be assessed as if a deferred pension, and a second pension would start to accrue from the following day.

When the firefighter eventually leaves in circumstances where the second pension becomes payable, the first pension would be payable too. Alternatively, the firefighter could choose to add the service upon which the first pension would be based, to the service upon which the second service is based and have a single pension calculated on the second period's final pensionable pay. This could be the best option if pensionable pay in the second period now exceeds pensionable pay for the first (allowing for inflation).

Part of split pensions can be commuted to provide a lump sum – see page 14.

ADDITIONAL PENSION BENEFITS ("APBs")

Additional Pension Benefits ("APBs") are a form of contributions-based pension paid in addition to the main final salary NFPS pension. They are a method of ensuring that an element of pay, which is treated as pensionable but which may not be present at the end of a firefighter's service, will nevertheless be recognised in respect of contributions paid.

APBs were first introduced to cater for the impact on pensionable pay of the phasing out of Long Service Increment ("LSI"). The removal of LSI affected the pension expectation of those firefighters who were receiving it. The only members of the NFPS who will have entitlement to a LSI APB are those longer-serving firefighters who transferred from the Firefighters' Pension Scheme 1992. No further LSI APBs will be awarded. It was a one-off form of protection.

However, APBs remain available to cater for other elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the authority, at their discretion, may allow to be treated as pensionable.

The way in which APBs work is that you pay basic pension contributions on the relevant element of pay, and the authority pays contributions at the employer's contribution rate. The contributions which have been paid by you and the service over the previous 12 months are totalled every 1 July and the sum is then used to "buy" an amount of APB for that year by reference to factors provided by the Scheme Actuary. The amounts of APB at the end of each year are index-linked. They are totalled and paid to you as an additional pension when you become eligible to receive your main NFPS pension. (But note that if your main NFPS pension is paid on member-initiated or authority-initiated early retirement, the APB would be subject to an actuarially assessed reduction.)

CAN I PURCHASE ADDITIONAL SERVICE?

If you are an active member of the Scheme, and will not be able to accrue 40 years' pensionable service by age 60, you can purchase additional service by the payment of additional contributions or by lump sum. The additional contributions or lump sum would be based on factors provided by the Scheme Actuary.

Purchased service would count as pensionable service in the assessment of benefits.

To pay additional contributions, an election to do so must be made at least 2 years before normal pension age (60) and you must not be due to retire (e.g. on health grounds) in the immediate future. They would be deducted with effect from your next birthday following your election, along with your basic contributions. They would be assessed on your pensionable pay excluding any element treated as pensionable for APBs.

If you leave or cease paying contributions for any other reason before reaching age 60, you would be credited with the appropriate portion of service "purchased" to date. If you choose to pay by lump sum you must make your election to do so within 12 months of the date you became a firefighter, and the payment must be made within 3 months of the date on which you gave notice that you wished to pay. SPPA can give you further details about purchase.

TRANSFER OF PENSION RIGHTS OUT OF SCHEME

If you leave the NFPS having sufficient service to qualify for a pension (see page 8) but not eligible for immediate payment because you are not old enough, nor retiring on grounds of ill-health, as an alternative to a deferred pension you could request that your pension rights should be transferred to some other pension arrangement. A transfer value, a sum representing the capital value of your pension rights, would be assessed in accordance with guidance provided by the Scheme Actuary and offered to the trustees or managers of your new pension scheme. The transfer would take place only if you so instruct and if the authority are satisfied that the new scheme has the necessary approval of HM Revenue and Customs. Please note that as of 6 April 2015 transfers are no longer possible from unfunded public sector schemes (which NFPS is) to schemes offering flexible benefits.

You may leave employment with the Scottish Fire and Rescue Service to transfer to another authority in England, Wales or Northern Ireland where you remain a member of the NFPS. (If the new employment is at a lower rate of pay, the two pension option (see page 14) would be available to you.) Your pension rights will normally transfer with you.

COMMUTATION

If, on retirement, you prefer to have a lump sum as well as a pension you can provide one by "commutation". To do this you must give written notice, no earlier than 4 months before your intended retirement and no later than the day before your pension is due to come into payment. You would state how much of your pension (including any Additional Pension Benefit) should be commuted, i.e. converted into a lump sum. (Note that you may not commute any portion of a higher tier ill-health pension.)

You can commute as much or as little as you like provided that it is not more than one quarter of your pension (or reduced pension if you have chosen to receive it early).

For each £1 of pension that you commute, you would receive £12 as a lump sum. For example, if you were entitled to a pension of £16,000 a year and you chose to commute the maximum portion of one quarter, this would be £4,000. Your total benefits would be:

Pension: £16,000.00 - £4,000.00 = £12,000.00 a year

Lump sum: £4,000.00 x 12 = £48,000.00

Please be aware that HM Revenue and Customs limit the amount of lump sum which a pension scheme member can receive tax-free. If it looks as if limits are likely to be exceeded, SPPA will be able to tell you how much you can commute while remaining within the tax limits.

ALLOCATION

Allocation is an option to give up part of your pension at retirement to provide, on your death, a pension for a spouse, civil partner, nominated partner or other dependant. It is an old provision which has carried forward to the NFPS from earlier versions of the Scheme even though dependants' benefits have improved from their original levels.

An election to allocate must be given no later than the day before benefits become payable and no earlier than 2 months before. It is subject to medical evidence of good health and normal life expectancy. The amount provided as a pension on allocation depends upon the age and sex of the firefighter and of the nominee.

SPPA can give you a personalised quote before your pension becomes due if you are interested in this option.

DIVORCE OR DISSOLUTION OF CIVIL PARTNERSHIP THE EFFECT ON PENSION RIGHTS

In the event of divorce, dissolution of civil partnership, annulment or judicial separation, a court may order a pension scheme to pay all or part of a member's entitlement to pension to his/her former spouse or civil partner. This could be in accordance with an attachment order, sometimes referred to as an "earmarking" order, or under the terms of a "pension sharing" order.

SPPA can provide pensions information, if so requested, for the court proceedings.

An earmarking order could apply to all or part of your retirement pension, potential lump sum, or possibly your death grant. If you have already retired, the order may require immediate payment of pension to your former spouse or civil partner. If you are an active or deferred member the order would not have effect until the benefits become payable.

A pension sharing order would have immediate effect. The court would instruct that a percentage of the value of your benefits should be deducted to provide "pension credit rights" for your former spouse or civil partner (who becomes a "pension credit member" of the NFPS). The pension credit rights would remain in the NFPS until the pension credit member is eligible to draw them at age 65, or put into immediate payment if he/she has already reached that age.

The pension credit cannot be transferred to another pension arrangement. If the pension credit member dies before, or within five years of, payment of his/her pension, a death grant would be paid. There are no survivor pensions attached to a pension credit.

PENSIONS FOR SURVIVING PARTNERS

Bereavement pension

For the first 13 weeks following the death of a member, a "bereavement pension" may be paid to a surviving partner. If the member was:

- an active member at the date of death, the weekly amount of bereavement pension would be the difference between the weekly amount of pensionable pay or assumed pensionable pay that the member was receiving at the date of death, and the weekly amount of surviving partner's pension.
- a pensioner member at the date of death, the weekly amount of bereavement pension would be the difference between the weekly amount of pension to which the pensioner

member was entitled at the date of death, and the weekly amount of surviving partner's pension.

- a deferred member at the date of death and the pension had not come into payment, no bereavement pension would be payable.

Where there is no surviving partner, an eligible child would be entitled to the bereavement pension. If there is more than one eligible child, the bereavement pension would be divided so that each receives an equal share. The amount of bereavement pension would be the same as for a surviving partner according to whether the deceased was an active member, or a member in receipt of a pension. If one of the children ceases to be eligible during the 13 weeks for which payment is to be made, the pension would be re-divided in equal portions between the remaining eligible children.

Payment of bereavement pension would also be made to an eligible child or children if a surviving partner entitled to the payment were to die before the end of the 13 week payment period. The child or children would receive bereavement pension for the remaining part of the period.

Survivor's long term pension

In the event of the death of a Scheme member (whether before or after retirement) provided they had at least 3 months' qualifying service, a pension will be paid to an eligible surviving partner.

A person is a "surviving partner" if they are –

- the spouse or civil partner of the member, or
- cohabiting with the member and –
 - not married or in a civil partnership with that member or any other person, and
 - could enter into a marriage or civil partnership with that member but have not done so, and
 - the authority determine that they are financially dependent on the member or is, with the member, in a state of mutual financial dependency, and
 - in a long-term relationship with the member, i.e. a relationship that has continued for a period of at least 2 years at the time the question of status needs to be considered (or a shorter period at the discretion of the authority).

Providing the surviving partner is not more than 12 years younger than the member at date of death, a surviving partner's pension –

- following the death of an active member would be half of the pension which the member would be entitled to draw if, at the date of death, they had retired on the grounds of ill-health with a higher tier ill-health pension.
- following the death of a deferred member would be half of the amount of pension the member would have been entitled to.

- following the death of a pensioner member would be half of the rate of pension payable to the member immediately before the death (this would be the pension after any commutation or allocation but before any reduction made for early retirement.)

If the surviving partner is more than 12 years younger than the member at date of death a reduction will be made to the pension payable of up to 50% of the pension.

A surviving partner's pension is payable for life. It would not cease on marriage or remarriage or upon entering into a new partnership. In addition to the surviving partner's pension, a "bereavement pension" may also be payable.

PENSIONS FOR ELIGIBLE CHILDREN

In the event of the death of a Scheme member (whether before or after retirement) provided they had at least 3 months' qualifying service, a pension will be paid to an eligible child.

A "child" in relation to a deceased member means –

- (a) a natural child, stepchild or adopted child of the member; or
- (b) the natural child, step-child or adopted child of the member's spouse, civil partner or cohabiting partner; or
- (c) any natural child of the member who was born after the member's death and with whom the child's mother was pregnant at the date of the death.

The child is an "eligible child" if –

- financially dependent on the deceased member at the date of the deceased member's death (or, in the case of (c) above, would have been if born before the death);
- not married or in a civil partnership; and
- the authority determine that the child satisfies any of the following conditions –
 - they are under age 18, or
 - they are in full-time education or on a course of at least one year's duration and have not reached the age of 23, or
 - they were dependent on the member, because of permanent incapacity of mind or body, at the date of the member's death.

Following the death of:

an **active member**, an eligible child or eligible children would be entitled to a quarter of the pension, which the member would be entitled to draw if, at the date of death, they had retired on the grounds of ill-health with a higher tier ill-health pension.

a **deferred member**, an eligible child or children would be entitled to a quarter of the amount of pension to which the member would have been entitled

a **pensioner member**, an eligible child or children would be entitled to a quarter of the rate of pension payable to the member immediately before the death (this would be the pension after any commutation or allocation but before any reduction made for early retirement.)

- if there is more than one eligible child it is one half of the pension mentioned above, divided between the children equally; if one of the children ceases to be an "eligible child" the half pension would be reapportioned between the others.

No eligible partner

Sometimes there may be an eligible child or eligible children, but no person entitled to a surviving partner's pension. In these circumstances the pension that would have been paid to the surviving partner (see "[Pensions for Surviving Partners](#)" on pages 17 & 18) will be paid to an eligible child, or apportioned between eligible children and paid in addition to their eligible child's pension.

DEATH GRANT

If you were to die in service as a member of the NFPS, a death grant would be payable. This would normally be three times your pensionable pay as at the date of death. (If you were absent from duty without pay at that time, the death grant would be three times your pensionable pay on the last occasion that you received it.)

If you are working part-time hours the pensionable pay would be the part-time rate. For someone who has worked variable hours, account would be taken of this. In these circumstances the death grant would be the greater of –

- 3 x part-time rate of pensionable pay based on hours at date of death, or
- 3 x whole-time pensionable pay x pensionable service/qualifying service.

Similarly, if the firefighter had a split pension (see page 14), the death grant would be the greatest of –

- 3 x pensionable pay at the date of death (if part-time, this would be the part-time rate based on hours at the date of death), or
- 3 x whole-time pensionable pay x pensionable service/qualifying service, or
- 3 x pensionable pay based on a proportion of the pensionable pay at the date at which the pension was split and at the date of death.

The authority has absolute discretion as to whom to pay the death grant but you may nominate the person(s) that you would wish to be the recipient(s). The authority would take your wishes into account when making their decision.

A death grant on the above principles would be payable only where a firefighter dies while a serving member of the NFPS. But a death grant may also be payable if a former firefighter dies after retirement, having been in receipt of pension payments for less than

five years. In these circumstances, the death grant would be equivalent to the total pension that would have been paid for five years less the instalments paid up to the date of death. It is, in effect a five year "guarantee" of pension. Again, the authority has absolute discretion as to whom the death grant should be paid but they may have regard to a nomination made by the firefighter.

There is no death grant payment in respect of a deferred pension which has not come into payment at the date of death of the firefighter.

COMMUTATION OF TRIVIAL PENSIONS

If a pension payable to a member of the NFPS, or to an eligible dependant, is less than limits set by HM Revenue and Customs, subject to certain other requirements of the tax rules being satisfied (e.g. the age of the pensioner) SPPA may commute the pension to a lump sum.

Alternatively, SPPA may decide to pay a small pension at less frequent intervals than the intervals at which they normally pay pensions.

EFFECT OF TAX RULES

The NFPS has to comply with rules set by HM Revenue and Customs. There are, for example, limits on the amount of pension and lump sum which can be taken by a pension scheme member before tax charges apply.

The two main limits on your benefits are the annual allowance and the lifetime allowance.

The growth in the value of your pension each year (based on a "pension input period" – see "Explanation of Expressions" on pages 28 & 29) must be compared with an annual limit set by the Treasury. If the value exceeds the limit, tax would be due, payable through self-assessment. Or you could elect that SPPA should make the payment on your behalf and collect the sum due from your benefit entitlement (this is referred to as the "scheme pays" method).

When benefits are due the total value must be tested against the lifetime allowance, also set annually. If the value exceeds the limit, tax would be deducted by SPPA and paid over to HM Revenue and Customs.

The testing of the value of benefits is in respect of all pension benefits you may have accrued, including from arrangements other than the NFPS. Consequently SPPA will ask you to provide statements in respect of any other pension arrangement you may have so that they can check the total value of benefits before making payment from the Scheme. SPPA can give you more details of the way in which tax rules work, how benefits are valued, current limits and the tax chargeable. There is also information available on our [website](#).

PENSIONS INCREASE

Benefits payable under the NFPS are increased in accordance with Pensions Increase Acts and Orders. Any increase due is paid with immediate effect on ill-health pensions and pensions for widow(er)'s, civil partners and children. Otherwise it may be put into payment at or after age 55 when the pension to which it relates is put into payment. In the case of deferred benefits the increase would accrue from the day after the date of leaving the NFPS and paid when the deferred pension is paid.

PAYMENT OF BENEFITS

Pensions are paid in arrears in monthly instalments by SPPA. Lump sums by commutation are paid as soon as possible after they become due.

The authority has discretion as to whom an award for a minor (a person below age 18) will be paid but they must have assurance that it would be used for the benefit of the minor. Similarly, if payment is due to a person who has become incapable of managing his/her affairs, the authority has discretion to pay it to another person as they think best.

If there has been a loss to the funds of the authority because of fraud, theft or negligence on the part of a firefighter in connection with his/her employment, the authority may withhold all or any of the sum lost subject, in the event of dispute, to the order of a court. (See also "Withdrawal of pension" on page 23.)

WITHDRAWAL OF PENSION

In certain circumstances a benefit payable under the NFPS can be reduced or withdrawn.

Benefits may be reduced by an "earmarking" or pension sharing order issued on divorce, dissolution of a civil partnership, annulment or judicial separation – see page 17.

The authority may withdraw the whole or part of a retired NFPS member's pension for any period during which that person is serving as a firefighter with any fire and rescue authority (i.e. on re-employment after retirement) and can abate a pension for the period that a pensioner is employed in any capacity with any fire and rescue authority.

They may also withdraw part or all of a pension, permanently or temporarily, if the person otherwise entitled to the pension has been convicted of an offence –

- of treason, or under the Official Secrets Acts 1911 to 1989 (in the case of a dependant the offence must have been committed after the death of the Scheme member);
- committed in connection with his/her service as an employee of a fire and rescue authority which is certified by the Scottish Ministers either to have been gravely injurious to the interests of the State or likely to lead to serious loss of confidence in the public service; or
- under section 34(6) of the Fire and Rescue Services Act 2004 (acts or omissions for obtaining awards or other sums).

A pension is not payable to a dependant convicted of the murder of the firefighter from whose pension rights the pension derives; in the case of manslaughter, the authority has the discretion to withhold all or part of the pension.

If a person has been receiving an ill-health pension for less than 10 years, and has not reached State pension age, the authority must, at such intervals as they think fit, review his/her continuing entitlement to receive the pension. To do this they will consider, with the help of a medical opinion, whether the person has recovered sufficiently to be capable of carrying out any duty appropriate to the role from which he/she was retired on health grounds. If a higher tier ill-health pension is in payment, the authority must also consider if the person has become fit enough to undertake any regular employment.

In the case of a lower tier award, if the person's condition has improved to the point at which he/she could return to his/her role as firefighter and the authority offer such employment, the pension will cease. A person who takes up the employment would have the ill-health pension cancelled but the service upon which it was based would count towards a subsequent pension. If the person refuses the job offered, the ill-health pension would be cancelled and the service upon which it was based would count towards a deferred pension payable, when eligible, under deferred pension rules – see page 14

In the case of a higher tier award, if the person is considered fit to return to his/her former role as a firefighter, the position would be as described above (but service counting towards further pension entitlement would not include the higher tier "enhancement"). If not considered fit enough to be a firefighter, but fit enough for regular employment, the lower tier ill-health pension would continue in payment but not the higher tier.

Deferred pensions in payment early on grounds of ill-health must be reviewed too. If the person is found fit for regular employment, payment is suspended until age 65.

RIGHTS OF APPEAL

If a NFPS member, or a dependant, is dissatisfied with a decision made by SPPA/ authority (or the failure to make a decision) there are rights of appeal available.

The NFPS contains arrangements for Internal Dispute Resolution Procedures ("IDRP") based on the requirements of the Pensions Act 1995. There are also provisions for medical appeal if a person is dissatisfied with a medical opinion upon which a determination of award is based.

Looking at the medical appeal route first, if the authority are considering whether or not to make an award of an ill-health pension to a firefighter (or to allow early payment of a deferred pension on health grounds), they must first obtain the written opinion of an independent qualified medical practitioner ("IQMP") as to whether the person is permanently disabled for the duties of his/her role and, if so, whether he/she would be capable of any other regular employment. The authority must notify the firefighter of their decision as to award and supply a copy of the medical opinion upon which their determination is based.

If the NFPS member is dissatisfied with the award and believes the problem lies in the medical opinion, then he/she can appeal against the opinion to a Board of Medical Referees. (Before this stage, however, if the member provides new evidence of a medical nature and the member and the authority agree, the IQMP can be asked to review the medical opinion in the light of the new evidence.)

A similar process applies if an ill-health award is reviewed and the person is dissatisfied with the outcome – see "Withdrawal of pension" on page 23.

If the grievance of the NFPS member, a dependant, or a pension credit member is with a decision made by the SPPA/authority rather than with the content of a medical opinion, or is in respect of a non-medical aspect of the opinion, he/she can use IDRP to seek resolution. The grievance will be considered and a written response made.

Full details of the medical appeal procedures, the IDRP process, and relevant time limits can be supplied by the authority.

THE PENSIONS ADVISORY SERVICE ("TPAS")

TPAS is an independent voluntary organisation which provides information and guidance on pension matters. They are available at any time to assist occupational pension scheme members and beneficiaries in connection with any pension query they may have or any difficulty which they have failed to resolve with their pension scheme administrators. Their service is free. TPAS cannot enforce pensions action but, if felt appropriate, could recommend a person to put his/her case to the Pensions Ombudsman. They can be contacted at –

The Pensions Advisory Service,
11, Belgrave Road, London, SW1V 1RB

Telephone: 0300 123 1047

Website: www.pensionsadvisoryservice.org.uk

THE PENSIONS OMBUDSMAN

The Pensions Ombudsman can investigate a pension scheme member's complaint of maladministration or a dispute of fact or law between a scheme member and pension scheme managers or employer. However, the Ombudsman cannot help if court proceedings have begun in respect of the dispute or if an appeal has been made to the Board of Medical Referees under NFPS rules.

The Ombudsman will expect the case to have first been put through Internal Dispute Resolution Procedures. Also, a complainant who writes to the Ombudsman direct will normally be requested to have the case dealt with initially by The Pensions Advisory Service (see page 24).

The Pensions Ombudsman can be contacted at –

The Office of the Pensions Ombudsman,
11 Belgrave Road, London, SW1V 1RB

Telephone: 020 7630 2200

Website: www.pensions-ombudsman.org.uk

THE PENSIONS REGULATOR

The Pensions Regulator is a regulatory body which came into existence on 6 April 2005 having been set up under the Pensions Act 2004. (It replaced the earlier Occupational Pensions Regulatory Authority.) It ensures that pension scheme members' interests are protected and that schemes comply with the law.

It deals with issues about pension schemes as a whole. It does not deal with queries about individual's pension benefits but recommends that a person seeking free information and advice on all types of pensions should approach The Pensions Advisory Service (see page 24).

STATE PENSION BENEFITS

State Pension age is the age at which pensions are payable from the State. Once you reach State Pension age, the basic State Pension will become payable to you, provided you have paid sufficient National Insurance contributions, in addition to your NFPS pension. You can obtain more information about your State Pension at www.gov.uk/check-state-pension

Historically, members of the NFPS did not participate fully in the State Pension arrangements. Instead, NFPS took on the responsibility for paying part of the pension that would otherwise have been paid by the State and you pay a lower rate of National Insurance contributions. This was known as being 'contracted-out'. You will not receive any State Second Pension in respect of the time in which you were a member of the NFPS (the State Second Pension replaced the State Earnings Related Pension Scheme (SERPS) from 6 April 2002).

From 6 April 2016, the two tier state pension has been replaced by a single tier and the Firefighters' Pension Scheme is no longer 'contracted-out'.

PENSION CONTRIBUTION TABLE

The following Table sets out the appropriate contribution rates according to a firefighter's pensionable pay. It is current with effect from 1 April 2017.

Pensionable pay	Contribution rate from 1 April 2017
Up to and including £15,454	8.5% of pensionable pay
More than £15,454 and up to and including £21,636	9.4% of pensionable pay
More than £21,636 and up to and including £30,909	10.4% of pensionable pay
More than £30,909 and up to and including £41,212	10.9% of pensionable pay
More than £41,212 and up to and including £51,515	11.2% of pensionable pay
More than £51,515 and up to and including £61,818	11.3% of pensionable pay
More than £61,818 and up to and including £103,030	11.7% of pensionable pay
More than £103,030 and up to and including £123,636	12.1% of pensionable pay
More than £123,636	12.5% of pensionable pay

The pensionable pay shown in Column 1 of the Table should not include any elements of pay over and above that determined in relation to the duties of the role, e.g. temporary payments and Continual Professional Development payments which would form the basis of Additional Pension Benefits. But, having established the appropriate contribution rate in Column 2 by disregarding such payments, they are taken into account when contributions are assessed and deducted.

In the case of a part-time regular firefighter, the pension contribution rate is assessed by reference to the pay that would have been received if whole-time. But contributions are then deducted on the part-time rate of pay.

Where there is a permanent material change to the terms and conditions of a firefighter's employment, which affects pensionable pay, from the date of the change the contribution rate must be re-assessed.

EXPLANATION OF EXPRESSIONS

Expression	Explanation
active member	A serving firefighter who is a member of the New Firefighters' Pension Scheme, i.e. not having opted out or retired on pension.
additional pension benefits ("APBs")	See the explanation on page 15.
age retirement pension	See the explanation on page 11.
authority-initiated early retirement pension	See the explanation on page 11.
child	A natural, adopted or step-child of the firefighter, or any other child who was dependent on him/her and who is either related to the firefighter or a child of his/her spouse, or civil partner, or nominated partner. Dependency has to be established in accordance with the rules of HM Revenue and Customs.
civil partner	The person with whom a firefighter has formed a civil partnership.
commutation	The conversion of part of an annual pension into a lump sum payment – see page 16, or the whole of a "trivial" pension – see page 21.
contracted-out	See "State Pension Scheme" on page 25.
death grant	A lump sum payable on the death of a serving firefighter, or a pensioner or pension credit member of the NFPS in certain circumstances – see page 20.
deferred pension	See the explanation on page 14.
final pensionable pay	See the explanation on page 11.
ill-health pension	See the explanation on page 12.
Internal Dispute Resolution Procedures	See "Rights of Appeal" on page 24.
medical opinion/certification	A certificate containing the opinion of an independent qualified medical practitioner.
member-initiated early retirement pension	See the explanation on page 12.
Surviving Partner	See the explanation of "surviving partner" in "Pensions for surviving partners" on pages 17&1817.

Expression	Explanation
NFPS	The New Firefighters' Pension Scheme, i.e. the pension scheme set out in the Firefighters' Pension Scheme (Scotland) Order 2006.
normal benefit age	Age 65. The age at which a deferred benefit would be paid.

normal retirement age	The age at which, if a person retires, pension benefits would be payable immediately – this is age 60 in the NFPS.
pensionable pay	See "How much do I pay in contributions?" on page 7.
pensionable service	See the explanation on page 10.
pension credit rights	The pension rights, under the NFPS, of a pension credit member. These would be derived from the member's pension rights and transferred to a former spouse or a civil partner in accordance with a pension sharing order – see page 17.
pension input period	This is the 12-month period used to determine the growth in pension each year as required by HM Revenue and Customs. Fire and rescue authorities nominate 31 March as the end of each pension input period.
permanently disabled	Means that the disablement is likely to continue until normal retirement age (60) in the case of an active member, or to normal benefit age (65) in the case of a deferred member.
qualifying service	<p>This is the service which is used to decide if a person is eligible for benefits under the NFPS. It includes –</p> <ul style="list-style-type: none"> • the period, i.e. the full "calendar length" – even in the case of a part-time member – during which a person is a member of the NFPS and paying contributions; • any period of unpaid leave (including additional maternity, paternity and adoption leave) in respect of which contributions are paid; • service credit brought into the Scheme as a transfer of pension rights; • service which counted as qualifying for the earlier part of a split award or which counts as a result of the cancellation of a deferred or ill-health pension on re-employment; • service which counted as qualifying in the Firefighters' Pension Scheme 1992 if a person transfers from that Scheme to the NFPS.
regular employment	Employment for at least 30 hours a week on average, over a period of not less than 12 months.
spouse	The person to whom a firefighter is legally married.
State pension age	This is currently subject to change. For the latest information, see www.gov.uk/calculate-state-pension
two pension option	A way of protecting final salary pensions after a reduction in pay – see page 14.
widow(er)	The person to whom the firefighter was legally married at date of death.

SUMMARY OF THE PROVISIONS OF THE NEW FIREFIGHTERS' PENSION SCHEME

Membership	is open to all firefighters whose role includes resolving operational incidents or leading and supporting others in the resolution of such incidents, regardless of duty system or hours of employment.
Basic contribution rate	is a percentage of your pensionable pay determined by the pay bands shown in the Table on page 27. Currently, contribution rates range from 8.5% to 12.5%.
Additional contributions	can be paid, by election and subject to eligibility, to "purchase" additional service or to count certain types of unpaid leave as pensionable service.
Previous pension rights	as a member of the NFPS, or with another pension arrangement (including the Firefighters' Pension Scheme 1992), may be transferred to add to current service as a Scheme member.
Normal retirement age	is age 60.
Basic principles of assessment of pension	<p>provide a proportion of final pensionable pay according to pensionable service accrued at the date of calculation:</p> $1/60 \times \text{pensionable service} \times \text{final pensionable pay}$ <p>In the case of a part-time employee, the service would reflect the part-time hours worked (e.g. half-time for two years would give one year of pensionable service) but the final pensionable pay would be based on the whole-time equivalent rate.</p>
Two pension option "split award"	is a means of protecting final salary pension rights where pay is reduced in a final salary pension scheme. At the point of reduction the first pension would be "closed" and a new pension started. When the member retires, both pensions would be paid or, if more advantageous, the service on which the two pensions are based could be added together and a single pension paid.
Additional Pension Benefits ("APBs")	APBs cater for elements of pay which may not be permanent and so not suitable for final salary benefits, e.g. Continual Professional Development payments and certain other allowances and payments that the authority, at its discretion, may allow to be treated as pensionable. Contributions are paid on this element of pay by the firefighter and the authority and are used to buy an APB. The amounts of APB at the end of each year are index-linked. They are totalled and paid to you as an additional pension when you become eligible to receive your main NFPS pension.
Ill-health award	can be payable from any age if the NFPS member is permanently disabled for the performance of the duties of his/her role. It can be a lower tier award or a higher tier award. The lower tier award, which is a lower tier ill-health pension (assessed using the basic pension formula), would be paid where the member is capable of regular employment (other than as a firefighter). The higher tier award, which is a lower tier ill-health pension plus a higher tier ill-health pension (assessed using a proportion of prospective service), would be paid where the member is not capable of regular employment.
Commutation	allows a firefighter to give up part of his/her annual pension to provide a one-off payment of a lump sum.

Early leaver benefits	<p>Apply in the event of a firefighter leaving the authority before normal retirement age. The benefits, dependent upon length of service, the nature of the termination of employment, the age of the member and/or the choice of the member are:</p> <ul style="list-style-type: none"> • a refund • a transfer of pension rights to another fire and rescue authority • a transfer of pension rights to another pension arrangement • a deferred pension • an authority-initiated early retirement pension • a member-initiated early retirement pension.
Death benefits	<p>Are provided in the form of a death grant of three times pensionable pay for a member who dies in service or a five year guarantee where the firefighter has retired and a pension is in payment, plus dependants' benefit cover for a surviving spouse, or civil partner, or nominated partner and for children.</p>
Effect of divorce or dissolution of civil partnership	<p>Depends upon the decision of the court. If the court issues an "earmarking" order, all or part of the death grant, pension, or lump sum by commutation may be paid to the former spouse or civil partner at the time those benefits would normally be paid to, or in respect of, the NFPS member. If, instead, the court issues a pension sharing order, part of the firefighter's accrued value of pension rights will be deducted from the effective date of the order to provide benefits for the former spouse or civil partner who becomes a "pension credit member" in the NFPS.</p>
Pension credit member's benefits	<p>Are provided for the former spouse or civil partner of a NFPS member in the event of a court issuing a pension sharing order on divorce. The benefits are payable from age 65 and comprise a pension, and the option of a lump sum provided the firefighter had not already commuted part of his/her pension. A death grant of two and a quarter times the annual pension would be paid if the pension credit member dies before his/her pension is due to come into payment. There is a five year guarantee where the pension is in payment, provided the pension credit member is under age 75. In these circumstances a death grant based on the difference between instalments paid and instalments due – for five years – would be paid to the person's estate.</p>
Pensions Increase	<p>A "cost-of-living" increase is applied to members' and dependants' pensions, usually on an annual basis, in accordance with Pensions Increase Acts and Orders.</p>
Rights of appeal	<p>Can be used if dissatisfied with the decisions of the authority/SPPA, or the medical opinion on which certain decisions are based.</p>

WHERE CAN I GET MORE INFORMATION?

If you –

- need more information about any of the provisions of the New Firefighters' Pension Scheme,
- require forms on which to nominate a partner for death benefits, or to indicate to whom you would wish any death grant to be paid,
- would like a statement of retirement benefits or transfer value, or
- wish to see the Statutory Instruments which contain the rules of the Scheme,

you should contact SPPA:

Scottish Public Pensions Agency
7 Tweedside Park
Tweedbank
Galashiels
TD1 3TE

Telephone: 01896 893080

Email: sppafirepensions@gov.scot

More pension information can be found on the website:

www.sppa.gov.uk

Please remember that although SPPA can give you details of benefit entitlement or options under the NFPS, they are not permitted to advise you to take any particular course of action when a choice arises. If you are uncertain what steps to take, it is suggested that you seek the assistance of an independent financial adviser (some advisers may charge for this service).

