

ANNEXE 6

1956 OPTANTS

A “1956 Optant” is a firefighter who was serving on 10 July 1956 and who opted **not** to become subject to the (then) new Firemen’s Pension Scheme 1956, preferring instead to retain the pension rights of the earlier Scheme.

Part IV of Schedule 11 of the Firemen’s Pension Scheme Order 1992 explains how the terms of the FPS are modified for anyone who is a 1956 Optant.

This Annexe outlines those special provisions.

The first paragraph of Part IV of Schedule 11 of the Firemen's Pension Scheme Order 1992 allows a former firefighter who –

- was a 1956 Optant
- becomes re-employed as a regular firefighter
- is able to count earlier service as a firefighter under Rules F3 or F4

to elect that the 1956 Optant provisions should no longer apply. The election must be made within 3 months of resuming service as a firefighter and he must pay arrears of pension contributions resulting from the election.

With the passage of time cases like this will no longer be encountered but when the Firemen's Pension Scheme Order 1992 first came into effect there was a very slight possibility that this could happen and so the Scheme had to cater for it.

Equally unlikely, but just possible, some 1956 Optants may still have been serving in 1992 and Part IV of Schedule 11 explains how the Rules set out in the Firemen's Pension Scheme Order 1992 should be modified in their application to these firefighters.

For those firefighters who retired as 1956 Optants, the provisions for widow's and children's benefits for 1956 Optants are still relevant.

Set out below is an outline of the modifications which apply.

Contributions A 1956 Optant pays a basic rate of 7.75%. No additional or further contributions are payable because the option to uprate widow's benefits appeared in legislation made after 1956.

Retirement age A 1956 Optant is allowed to retire on the completion of 25 years' service, even if under age 50, but to get a full 40/60ths pension he must be aged 55. This is because the number of 60ths which can be used in the assessment of pension is restricted according to age.

Calculation of pension There are 2 major differences between the calculation of a pension for a 1956 Optant and for a firefighter subject to the main provisions of the Firemen's Pension Scheme Order 1992. These are in relation to –

- the pensionable pay used in the pension formula, and
- the number of 60ths used in the pension formula.

Pensionable pay A 1956 Optant, in most circumstances, has the advantage of having actual pensionable pay (i.e. as at the date of leaving) used in the assessment of pension. But if he had a promotion in the 3 years prior to leaving then the pensionable pay used would be the greater of –

- pay averaged over the 3 years prior to retirement, or
- actual pensionable pay as if he had not been promoted.

In the case of a widow's requisite pension, however, average pensionable pay would be used as in the case of any other firefighter in service after 5 April 1988.

Number of 60ths in pension calculation Although the number of 60ths which can be credited are initially assessed on the same basis as in current legislation (1/60th for each year of service up to 20 years, 2/60ths for each year of service over 20 years) a 1956 Optant is restricted by an "age limit" as shown below.

<u>Age at retirement</u>	<u>Maximum pension expressed as 60ths of pensionable pay</u>
under 51	30
51	32
52	34
53	36
54	38
55 or over	40

Adjustment to pension No reduction in pension in respect of a widow's uprating option is made because a man who stayed with the former Scheme rules accepted that there would be a widow's flat rate pension only. He does, however, have the right to commute or allocate a portion of his pension. If he does commute or allocate, the relevant reductions to pension would be made.

Ill health and injury pensions

A 1956 Optant's ill-health pension does not provide an enhancement of service in the same way as a current Scheme ill health pension does. Instead it is based on the standard principle of 1/60th for each year of service up to 20 years and 2/60ths for each year of service over 20 years. Nothing is added. However, the age limitation as applies in the case of an ordinary pension (see above) does not apply here and so the 1956 Optant retiring on health grounds could still end up with more pension than he would have done had he retired voluntarily.

If he suffers a qualifying injury, the 1956 Optant has the same entitlement to injury benefits as a firefighter subject to the current FPS even though the "guaranteed minimum income" was not introduced until 1973.

Widow's ordinary pension and widow's accrued pension

In the assessment of a widow's ordinary pension, or a widow's accrued pension, the widow will not receive a third rate or a half rate pension because her husband, by choosing to stay with earlier FPS provisions, was not entitled to uprate his service to attract a higher rate of widow's benefits. Instead her pension will be the greater of the following:

- (a) a flat rate pension; this varies according to the rank of the firefighter and not the same as in the figures given in Rule E9, (although the terms of Pensions Increase would be the same) –
 - rank no higher than Sub-Officer: £284.83 a year
 - rank higher than Sub-Officer but not higher than Divisional Officer (Grade 1): £370.90 a year
 - rank higher than Divisional Officer (Grade 1): £454.55 a year

or

- (b) a requisite benefit –

$$\frac{\text{pensionable service after 5.4.1978}}{160} \times \text{average pensionable pay}$$

or

- (c) a pension which, together with the State pension scheme widow's pension equals a percentage of the firefighter's pensionable pay. The percentage will relate to the number of completed years' service as shown below –

<u>Completed years' service</u>	<u>Percentage</u>
10, 11, 12, 13 or 14	5.0
15, 16, 17, 18 or 19	7.5
20, 21, 22, 23 or 24	10.0
25, 26, 27, 28 or 29	12.5
30 or more	16.0

There is no option for a widow to elect for a reduced pension and a lump sum gratuity as would be allowed under the Firemen's Pension Scheme 1992.

Widow's special award and widow's augmented award

This would be the same as under the main provisions of the Firefighter's Pension Scheme Order 1992

Widow's "appropriate amount" under Rule I3 (awards on death of serviceman)

For the widow of a 1956 Optant the flat rate pension would be £248.83 a year rather than the usual £379.78 a year.

Child's ordinary allowance and child's accrued allowance

If a child's ordinary allowance or a child's accrued allowance should be payable, this will be at the flat rate level only. The flat rate allowance is based on the rank of the firefighter, as follows –

Where one of the child's parents is still alive

- rank no higher than Sub-Officer: £107.99 a year
- rank higher than Sub-Officer but not higher than Divisional Officer (Grade 1): £127.29 a year
- rank higher than Divisional Officer (Grade 1): £157.02 a year

Where neither of the child's parents is still alive

- rank no higher than Sub-Officer: £159.11 a year
- rank higher than Sub-Officer but not higher than Divisional Officer (Grade 1): £188.84 a year
- rank higher than Divisional Officer (Grade 1): £233.19 a year or, at the discretion of the fire authority:
 - rank no higher than Sub-Officer: £209.19 a year
 - rank higher than Sub-Officer but not higher than Divisional Officer (Grade 1): £249.88 a year
 - rank higher than Divisional Officer (Grade 1): £311.44 a year

Pensions Increase would apply to these amounts as it would under Rule E9 of the Firemen's Pension Scheme Order 1992.

Child's special allowance and child's special gratuity

If the 1956 Optant dies in circumstances where a child's special allowance or special gratuity would be available under the Firemen's Pension Scheme Order 1992 the method of assessment is the same as under the main provisions of the Firefighters' Pension Scheme Order 1992.

Lump sum death grant

This would be paid. A 1956 Optant serving on 1 July 1991 when the lump sum death grant was introduced would have had his contribution rate raised from 7.5% to 7.75% to pay for this. (Those firefighters subject to the main provision of the Firemen's Pension Scheme Order 1973 had their contribution rate raised from 10.75% to 11% to pay for the death grant – both groups, therefore, had their contribution rate raised by 0.25%.)

**Increase of
pensions and
allowances during
first 13 weeks
following death of
(former) firefighter**

The temporary increase in pension payments to widows/children of firefighters or former firefighters subject to the main provisions of the Firemen's Pension Scheme Order 1992 will not be paid in the case of a 1956 Optant.