

Additional pension benefit: supplementary provisions

Rule B5D gives additional instructions regarding payment of Long Service Increment APBs and Continual Professional Development APBs.

Background	<p>Entitlement to an Additional Pension Benefit ("APB") in respect of Long Service Increment or Continual Professional Development payments is explained in Rules B5B and B5C respectively. Those two rules explain how a firefighter will qualify for the benefits, and how they are assessed.</p> <p>Rule B5D adds instructions regarding payment of an APB.</p>
Timing of payment of APB	<p>An APB will be paid at the same time as you become entitled to payment of one of the main benefits under the FPS. Rule B5D(1), (2) and (3) explain that this would be when you become entitled to payment under</p> <ul style="list-style-type: none">• Rule B1 (ordinary pension, at or after age 50 with at least 25 years' service),• Rule B2 (short service pension, at or after age 55 with less than 25 years' service),• Rule B3 (ill-health pension, where required to retire on grounds of permanent disablement under Rule A15),• Rule B5 (deferred pension payable at age 60, or earlier on grounds of permanent disablement).
Commutation	<p>Rule B5D(4) allows an APB to be commuted to provide a lump sum in the same way that the main FPS pension can be commuted under Rule B7.</p>
Commutation – small pensions	<p>Rule B5D(4) also allows an APB to be commuted under Rule B8 as if it were a main FPS pension. Rule B8 sets out the option to commute the whole of a pension, if this is permissible under tax rules. Tax rules allow a person, whose total pension entitlement is below a certain limit set each tax year by HM Revenue and Customs, to convert <u>all</u> of the pension(s) to a lump sum. A pension which exceeds the tax limit, may be commuted only in part – as explained in Rule B7.</p>
Survivor's pensions	<p>Survivors' benefits (for a surviving spouse, civil partner and/or children) would normally be payable for a firefighter who dies in service or after retirement. Rule B5D(5) explains that APBs must be taken into account when determining entitlement to, and amount of, these awards under the FPS Part C (spouse and civil partner), Part D (children), and Part E (awards on death - additional provisions).</p>
Pension sharing and APBs	<p>APBs may be subject to pension sharing (and "earmarking") orders on divorce, etc. If a pension sharing order is made, Rule B5D(5) says that the APB is treated as if it were one of the main FPS benefits payable under Part B.</p>

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Rule B5D (continued)

- Useful reference source**
- FPSC 7/2007: proposal for the CPD and LSI APBs
 - FPSC 2/2008 and FPSC 2/2008 (amended): introduction of CPD and LSI APBs
 - FPS Guidance Note 1/2008 (May 2008) and Amended (June 2008: questions and answers about APBs

Points To Note

1. Rules B5B, B5C and B5D were all introduced into the FPS by the Firefighters' Pension Scheme (Amendment) (England) Order 2008 and have effect from 1 July 2007.