

## **RULE D2**

### **Child's special allowance**

**Rule D2 sets out the terms of eligibility for a child's special allowance where a firefighter or former firefighter dies from the effects of a qualifying injury. Part II of Schedule 4 explains how the award should be calculated.**

This Rule was removed from the FPS with effect from 1 April 2006 when the Firefighters' Compensation Scheme was introduced.

The explanation of Rule D2 as it applied up to 31 March 2006 appears on the following pages as "archived" material.

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### Eligibility for a child's special allowance

Rule D2(1) says that if

- you are or were a regular firefighter,
- you die from the effects of a qualifying injury, or infirmity of mind or body occasioned by a qualifying injury, and
- leave a child

he or she will be entitled to a child's special allowance.

### Exclusions

None – this Rule applies to the child of a FPS member **or** optant-out.

### Limitations

See Rule D5 for age limits and the adjustment or limitation of benefits.

See Schedule 1 Part I for the definition of "child" (repeated in "Points To Note", Point 1 below)

If a pension sharing order has been made by a court following divorce, dissolution of civil partnership, or annulment, this does **not** affect the amount payable to eligible children (see Rule D6).

### Method of calculation

The special allowance is calculated in accordance with Part II of Schedule 4. The sum payable will depend upon –

- whether one of the child(ren)'s parents is still alive, and
- the number of children entitled to a special allowance.

#### **Where one of the child(ren)'s parents is still alive –**

- if there are less than 5 children, each child would be entitled to an allowance of 10% of your average pensionable pay\*
- if there are 5 or more children, each child would be entitled to an allowance equivalent to 40% of your average pensionable pay\* as divided by the number of children.

#### **Where neither of the child(ren)'s parents is still alive –**

- if there are less than 5 children, each child would be entitled to an allowance of 20% of your average pensionable pay\*
- if there are 5 or more children, each child would be entitled to an allowance equivalent to 80% of your average pensionable pay\* as divided by the number of children.

\*Average pensionable pay is explained in Rule G1

**Rule D2 (continued)**

<b>Effect of part-time service</b>	If the firefighter had a period of part-time service, Schedule 4 Part II, paragraph 4 requires that the special allowance should be assessed using the formula in Schedule 2 Part VIA and the average pensionable pay the firefighter would have received if a whole-time employee of a fire and rescue authority. In other words, the first stage of the assessment is to calculate the special allowance on the basis that the firefighter was a whole-time employee; the second stage then pro rates the allowance in accordance with the firefighter's actual service as a proportion of whole-time.
<b>Payment</b>	Payment will be made in accordance with Rules L3 and L5.
<b>Example</b>	Examples of the assessment of a child's special allowance are given on pages D2-Example 1.
Useful reference source	<ul style="list-style-type: none"><li>• FSC 30/2004: introduction of pension provisions for part-time regular firefighters</li><li>• FPSC 5/2005: introduction of survivors benefits for civil partners</li></ul>

**Points To Note**

1. A "child" is defined by Part I of Schedule 1 as a legitimate or illegitimate child, step-child or adopted child of a person who dies. It can also mean any other child who was –
  - substantially dependent on that person, and either
  - related to that person, or
  - the child of that person's spouse or civil partner.
2. Because the child's special allowance is based on a proportion of average pensionable pay rather than on service, there are no special provisions applying to this allowance in respect of a firefighter's service before 1 April 1972 as there are for the ordinary allowance under Rule D1.
3. A table summarising the maximum amounts of children's allowances is given at page D Gen 1-Chart 1.
4. It does not necessarily follow that because a former firefighter was entitled to an injury award, his or her child(ren) will also be entitled the injury-based special allowance. The former firefighter must have died as the result of a qualifying injury for the special allowance to be paid, otherwise a child will receive a child's ordinary allowance.
5. If the firefighter does not leave a widow(er) or civil partner and dies in circumstances where an augmented award would have been paid to his or her spouse or civil partner, a child's special gratuity may be payable – see Rule D3 – in addition to the special allowance under Rule D2.

**Rule D2 (continued)**

**Points To Note continued**

6. Children's allowances are taken into account when assessing the level of 13 weeks' "top-up" payment to be paid to a widow(er) or civil partner under Rule E8. If there is no surviving spouse or civil partner or the surviving spouse or civil partner was not entitled to a pension payable for 13 weeks, then the children's allowance will be "topped-up" under Rule E8.
7. The basic amount of a child's special allowance may be reduced if the child is in full-time training and being paid above a certain level (see Rule D5).
8. Children's allowances may need to be recalculated if –
  - their remaining parent dies,
  - the number of eligible children changes, or
  - there is a change in the amount of an allowance payable to a child in training (see Rule D5).
9. A table summarising age and eligibility for children's awards is given at page D5-Chart 1.
10. The amount of a child's special allowance will not be affected by a pension sharing order issued by a court on divorce, dissolution of civil partnership, or annulment, or an "earmarking" order issued on divorce, dissolution of civil partnership, annulment or judicial separation (see Annexe 14).
11. Pension provisions for part-time regular firefighters were introduced from 13 September 2004.
12. Benefits for surviving civil partners were introduced into the FPS on 5 December 2005 but are based on service after 5 April 1988 only.

**Example of assessment of child's special allowance**

**Example A**

*A firefighter dies in service as a result of a qualifying injury and leaves a widow and 6 children eligible for a child's special allowance. At his date of death, his average pensionable pay (APP) is £25,000.*

Each child will be entitled to a child's special allowance based on a percentage of their father's APP. Because one of the children's parents is alive a single child's allowance will be 10% of the firefighter's APP. Up to 4 children can receive this amount. Where there are more than 4 children, they will each receive an equal share of the maximum total allowance of 40% of the firefighter's APP.

Formula: One child's special allowance is –

$$10\% \times \text{APP}$$

Maximum total of child's special allowances is –

$$40\% \times \text{APP}$$

One child's special allowance will be :

$$10\% \times £25,000.00$$

$$= £2,500.00 \text{ a year}$$

Maximum total of child's special allowances will be:

$$40\% \times £25,000.00$$

$$= £10,000.00 \text{ a year}$$

The maximum total is apportioned equally between the number of eligible children until 4 remain:

- if there are 6 eligible children, each child will receive an allowance of  $£10,000.00/6 = £1,666.67$  a year
- if there are 5 eligible children, each child will receive an allowance of  $£10,000.00/5 = £2,000.00$  a year
- if there are 4 eligible children, each child will receive an allowance of  $£2,500.00$  a year
- if there are 3 eligible children, each child will receive an allowance of  $£2,500.00$  a year
- if there are 2 eligible children, each child will receive an allowance of  $£2,500.00$  a year
- if there is only one eligible child, he or she will receive an allowance of  $£2,500.00$  a year

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Each child's allowance will be increased by Pensions Increase from the date at the end of the averaging period used for working out APP, i.e. normally from the day after the firefighter's last day of service. The allowance will continue to increase in this way each year for so long as it is payable. See Annexe 10 for more information about Pensions Increase and how it is applied.

Another example follows . . .

**Example of assessment of child's special allowance (continued)**

**Example B**

*Assume the firefighter in Example A was a widower and on his death his 6 children do not have a living parent.*

As in Example A, each child will be entitled to a child's special allowance based on a percentage of their father's APP. Because they do not have a living parent, a single child's allowance will be 20% of the firefighter's APP. Up to 4 children can receive this amount. Where there are more than 4 children, they will each receive an equal share of the maximum total allowance of 80% of the firefighter's APP.

Formula: One child's special allowance is –

$$20\% \times \text{APP}$$

Maximum total of child's special allowances is –

$$80\% \times \text{APP}$$

One child's special allowance will be :

$$20\% \times \text{£}25,000.00$$

$$= \text{£}5,000.00 \text{ a year}$$

Maximum total of child's special allowances will be:

$$80\% \times \text{£}25,000.00$$

$$= \text{£}20,000.00 \text{ a year}$$

The maximum total is apportioned equally between the number of eligible children until 4 remain:

- if there are 6 eligible children, each child will receive an allowance of  $\text{£}20,000.00/6 = \text{£}3,333.33$  a year
- if there are 5 eligible children, each child will receive an allowance of  $\text{£}20,000.00/5 = \text{£}4,000.00$  a year
- if there are 4 eligible children, each child will receive an allowance of  $\text{£}5,000.00$  a year
- if there are 3 eligible children, each child will receive an allowance of  $\text{£}5,000.00$  a year
- if there are 2 eligible children, each child will receive an allowance of  $\text{£}5,000.00$  a year
- if there is only one eligible child, he or she will receive an allowance of  $\text{£}5,000.00$  a year

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Each child's allowance will be increased by Pensions Increase from the date at the end of the averaging period used for working out APP, i.e. normally from the day after the firefighter's last day of service. The allowance will continue to increase in this way each year for so long as it is payable. See Annexe 10 for more information about Pensions Increase and how it is applied.

Also, because no widower's pension is payable, for the first 13 weeks following their father's death the children's allowances would be increased to a total rate which is not less than the firefighter's weekly rate of pay. See Rule E8.

Another example follows . . .

**Example of assessment of child's special allowance (continued)**

**Example C**

*A firefighter who is a widow dies in service as a result of a qualifying injury and leaves a daughter eligible for a child's special allowance. She had served for 14 years, 10 years at whole-time, 4 years at part-time (quarter-time). At her date of death her average pensionable pay was £8,000. The whole-time equivalent is £32,000.*

Because she does not have a living parent, a single child's allowance will be 20% of the firefighter's APP. This will be 20% of the average pensionable pay the firefighter would have received had she been whole-time throughout her period of service and pro rated by the period served as a proportion of whole-time.

Formula: The child's special allowance if her mother had been whole-time would be –

$$20\% \times \text{APP}, \text{ i.e. } 20\% \times \text{£}32,000$$

$$= \text{£}6,400.00$$

To this would be applied the formula:

$$\frac{A \times (B + C)}{D} \quad \text{where}$$

$$A = \text{£}6,400$$

$$B = 10$$

$$C = 1$$

$$D = 14$$

The child's special allowance will be :

$$\frac{\text{£}6,400 \times (10 + 1)}{14}$$

$$= \text{£}5,028.57 \text{ a year}$$

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The child's allowance will be increased by Pensions Increase from the date at the end of the averaging period used for working out APP, i.e. normally from the day after the firefighter's last day of service. The allowance will continue to increase in this way each year for so long as it is payable. See Annexe 10 for more information about Pensions Increase and how it is applied.

Also, because no widower's pension is payable, for the first 13 weeks following her mother's death the child's allowance would be increased to a total rate which is not less than the firefighter's weekly rate of pay. See Rule E8.