

## **RULE F4**

### **Previous service reckonable on payment**

**Rule F4 explains the circumstances in which a regular firefighter who has left and returned to firefighting can count earlier pensionable service subject to payment.  
Schedule 6 Part I explains how the payment is calculated and the terms of payment.**

#### **Eligibility**

Under Rule F4, if you retire from a fire and rescue authority and again become a regular firefighter you may be able to count earlier firefighting service as pensionable service towards your future entitlement to benefits under the FPS. (Remember “retire” simply means “leave”; it does not necessarily mean entitlement to immediate payment of benefits.) You may, however, have to pay for earlier service to reckon. The terms of eligibility are detailed below.

#### **A. Retirement – no pension entitlement, no transfer value paid**

Rule F4(1) states that if you have retired from a fire and rescue authority without any entitlement to a pension and

- no transfer value has become payable by your fire and rescue authority
- you applied, before retirement, for your former fire and rescue authority’s permission to transfer to another authority as a regular firefighter and received your former authority’s consent for such a transfer
- within 12 months of leaving your former fire and rescue authority you joined your new authority, and
- within 6 months of joining your new authority (or within a longer period at your new fire and rescue authority’s discretion) you have undertaken to pay the required sum (see “Cost” below)

you would be entitled to reckon in your new employment the period of pensionable service you could count in your old employment.

#### **B. Cancellation of deferred pension**

Rule F4(4) states that if you retire from a fire and rescue authority with entitlement to a deferred pension and

- again become a regular firefighter with that or another authority ,
- give written notice to the fire and rescue authority responsible for the deferred pension that you wish to relinquish it,
- within 6 months of joining your new authority (or within a longer period at your new fire and rescue authority’s discretion) you have undertaken to pay the required sum (see “Cost” below)

you would be entitled to reckon in your new employment the period of pensionable service you could count in your old employment.

If, however, you were a firefighter serving before 1 April 1972 and had elected to improve widow’s benefits by paying additional or further contributions, your deferred pension would have taken your election into account.

## RULE F4

### Previous service reckonable on payment

<b>Rule F4 (continued)</b>
----------------------------

**Eligibility  
(continued)**

Rule F4(5) says that if your deferred pension is cancelled in these circumstances, the fire authority with whom you were serving when you paid those contributions must refund them to you. You must be treated as never having made the election.

**C. Ill-health retirement – return to firefighting**

If you have an ill-health pension cancelled because you become fit for firefighting again, and return to your former fire and rescue authority within one month of the termination of the award, you would be covered by the provisions of Rule F3 to count previous service. If your ill-health pension is cancelled for the same reason but you return to your authority outside this time limit or commence work as a regular firefighter with some other authority then you must look to the provisions of Rule F4(3). These state that if –

- you have retired from a fire and rescue authority with an ill-health pension
- that pension is terminated under Rule K1A if the pension was awarded on or after 1 April 2006 or under the former Rule K1(3) if the pension was awarded before that date\* (recovery from disability)
- you become a regular firefighter with your former or some other fire and rescue authority, and
- within 6 months of again becoming a regular firefighter (or a longer period at the discretion of the fire and rescue authority you work for on re-employment) you undertake to pay the required sum (see “Cost” below)

you may count previous service.

\* Protection of review under former provisions is allowed by Transitional Provision, Rule 3 of The Firefighters' Pension Scheme (Amendment) (England) Order 2006

**What may count  
as pensionable  
service**

The whole period of pensionable service you could reckon at retirement will count

**but**

you cannot take account of any additional 60ths which may have been added to your pensionable service to compensate you for ill-health retirement.

**Cost**

**In Case A above** (retirement without pension entitlement and where no transfer value has been paid) – Rule F4(2) says that the required sum to be paid to allow previous service to count would be the total of –

- (a) the value of any return of contributions or gratuity (lump sum) paid to you, plus
- (b) the balance of any payment you had undertaken to pay under paragraph 1 of Schedule 6 Part I still outstanding at your retirement.

**RULE F4**  
**Previous service reckonable on payment**

**Rule F4 (continued)**

- Cost (continued)** If you were a firefighter before 1972 and had elected to pay a lump sum or additional or further contributions to improve widow's benefits, a return of contributions as referred to in (a) would have included the lump sum or additional and further contributions paid to the date of leaving. You would not be required to repay that money (see "Points to Note", Point 3, below).
- The payment referred to in (b) is a sum you may have agreed to pay in respect of an even earlier retirement in order to count previous pensionable service.
- It could be that you transfer to your new fire and rescue authority before any refund has been made, in which case there would be nothing to repay.
- In Case B above** (cancellation of deferred pension) – your "payment" will be nil unless there was a balance of payment you had undertaken to pay under paragraph 1 of Schedule 6 Part I still outstanding at your retirement. (This is a sum you may have agreed to pay in respect of an even earlier retirement in order to count previous pensionable service.)
- In Case C above** (ill-health retirement – return to firefighting) – the required sum to be paid to allow previous service to count must be calculated in accordance with Schedule 6 Part I. The sum varies according to your age, being based on actuarial factors contained in the table in paragraph 2 of Schedule 6 Part 1 (see page F4-Chart 1).
- Effect of part-time service** If the firefighter has a part-time contract when he/she again becomes a regular firefighter, the annual pensionable pay used for assessing the payment due in accordance with the table in Schedule 6 Part I, paragraph 2 must be the rate the firefighter would have received if whole-time.
- Terms of payment** **In all** cases, an agreement to pay the required amount must be given within 6 months of returning to firefighting. The fire and rescue authority by whom the firefighter is re-employed may extend this period at their discretion.
- Paragraph 1 of Schedule 6 Part I states that the amount you undertake to pay should be paid in regular instalments over the lesser of –
- 5 years
  - the remainder of your service to normal pension age.
- The instalments are paid to the fire and rescue authority by whom you were employed when you gave the undertaking to make the payments. The authority can deduct the instalments from your pay or by some other agreed method.
- If you wish you can pay your authority the whole amount in a single lump sum or, at any time, pay any balance remaining by lump sum.

## RULE F4

### Previous service reckonable on payment

<b>Rule F4 (continued)</b>
----------------------------

**Terms of payment (continued)**

If, before having completed payment you retire in circumstances where the only award to which you are entitled is a refund of contributions then any outstanding balance is treated as having been paid. The same would apply if you were to die before completing payment.

If, before having completed payment you become entitled to an award **other** than a refund of contributions, the fire and rescue authority may deduct the outstanding balance from payments of that award.

**Example**

Examples of the assessment of the sum due in Case C above are given on page F4-Example 1.

**Useful reference source**

- FSC 30/2004: introduction of pension provisions for part-time regular firefighters

<b>Points To Note</b>
-----------------------

1. You will count the whole of your previous service again if Rule F4 applies to you. There is no provision for counting part of it.
2. It is important that you sort out the counting of previous service soon after you rejoin because
  - there are time limits for giving an undertaking to make payments
  - the option to count earlier service is only “live” on the first re-employment as a firefighter; if you leave again you will not have a chance to count your earlier service if you rejoin a second time.
3. Rule F4 refers in places to the effect of additional and further payments made under the Firemen’s Pension Scheme Order 1973. These payments relate to the options of a firefighter with service before 1 April 1972 to improve widow’s benefit cover on that service. The firefighter could, if he wished, elect to pay additional contributions, or a lump sum, or have a reduction in benefits to pay for the improved cover. If a firefighter took up the lump sum or additional contribution method of payment, a break in service could cause problems. Today it is unlikely that any cases involving widow’s options will be encountered. At the date of issue of the Firemen’s Pension Scheme Order 1992, however, there could still have been one or two cases to deal with. Consequently to cover these problems, the 1992 Order includes the following terms –
  - If you had a refund of contributions when you first left the fire service your refund would have included the amount you had paid by way of additional contributions or lump sum for widow’s benefit uprating. You would have had insufficient service for benefits and so there would have been no eligibility for widow’s benefits. So the additional sums you had paid for that purpose would have to be returned to you. On re-employment you have the option to repay your refund to reinstate pensionable service. However the sum you are required to repay will be equivalent to your basic contributions only; the returned widow’s option payments are not recovered from you because the contributions or lump sum method of payment cannot properly be reapplied after a break in service

## RULE F4

### Previous service reckonable on payment

#### Rule F4 (continued)

#### Points To Note continued

- If you previously retired with an entitlement to a deferred pension then any additional payments you had made would not have been returned to you. Because you had entitlement to a benefit there was widow's pension cover and account would have been taken in that cover of the payments you had made. If your payment was by lump sum, on rejoining the fire and rescue service that payment will still stand and the additional widow's cover allowed on subsequent retirement. If your payment was by additional contributions, however, these must be repaid to you because you cannot resume making such contributions after a break in service (the contribution method of uprating was geared to the making of continuous contributions). Nevertheless, your election to improve widow's benefits will still stand; the method of payment will therefore have to be by reduction of your pension on subsequent retirement as directed by Schedule 2 Part VIII.
4. Unusually, a firefighter may be re-employed on more than one occasion. If the firefighter on first re-employment consented to make the payments necessary under Schedule 6 Part I to reinstate service and had not completed them at the time of leaving then
    - if a refund of contributions was paid on leaving, the contributions refunded by the fire and rescue authority would include any Schedule 6 Part I payments; on second re-employment those contributions must be repaid to the fire and rescue authority for earlier service to count **plus** the balance of contributions due under Schedule 6 Part I still outstanding at the time of leaving;
    - if the firefighter had entitlement to a deferred pension on leaving, the fire and rescue authority would have adjusted the amount of deferred pension payable by any balance of contributions due under Schedule 6 Part I still outstanding at the time of leaving; this balance will be deductible from any award due in respect of the second re-employment if the firefighter relinquishes the deferred pension on that second re-employment.
  5. Pension provisions for part-time regular firefighters were introduced from 13 September 2004.
  6. A large part of F4 was amended with effect from 1 October 2004 by the Firefighters' Pension Scheme (Amendment) (England) Order 2005 but this was simply to reflect changes in terminology as a consequence of the Fire and Rescue Services Act 2004, e.g. the expression "brigade" ceased to exist and "fire service" and "fire authority" became "fire and rescue service" and "fire and rescue authority".
  7. On 21 November 2005, "compulsory retirement age" which was 55 for all ranks up to Station Officer and 60 for all ranks above, was replaced by "normal pension age" which is age 55 for all roles. Schedule 6 Part I Paragraph 1 requires, in some circumstances, payment of regular instalments to normal pension age. Before 21 November 2005, the reference was to compulsory retirement age.

**RULE F4**  
**Previous service reckonable on payment**

**Factors for assessment of payment required under Rule F4(3)**

<b>1</b> <b>Age</b>	<b>2</b> <b>Schedule 6 Part I</b> <b>Calculation Factor</b> <b>(males and females)</b>	<b>3</b> <b>Schedule 6 Part II</b> <b>National Insurance</b> <b>Factor</b> <b>(males)</b>	<b>4</b> <b>Schedule 6 Part II</b> <b>National Insurance</b> <b>Factor</b> <b>(females)</b>
Less than 20	0.0950	0.25	0.50
20	0.0950	0.25	0.50
21	0.0950	0.25	0.55
22	0.0950	0.30	0.60
23	0.0950	0.30	0.65
24	0.0950	0.30	0.70
25	0.0950	0.35	0.75
26	0.0950	0.40	0.80
27	0.0950	0.40	0.85
28	0.0950	0.45	0.90
29	0.0950	0.50	0.95
30	0.0950	0.50	1.05
31	0.0950	0.55	1.15
32	0.0950	0.60	1.25
33	0.0950	0.65	1.35
34	0.0950	0.70	1.45
35	0.0950	0.80	1.55
36	0.0950	0.90	1.65
37	0.0950	1.00	1.75
38	0.0960	1.10	1.85
39	0.0970	1.20	1.95
40	0.0980	1.30	2.10
41	0.0990	1.40	2.25
42	0.1005	1.50	2.45
43	0.1020	1.60	2.65
44	0.1040	1.70	2.90
45	0.1055	1.80	3.15
46	0.1070	1.90	3.40
47	0.1090	2.00	3.70
48	0.1105	2.20	4.00
49	0.1125	2.40	4.35
50	0.1140	2.60	4.75
51	0.1160	2.90	5.15
52	0.1180	3.20	5.60
53	0.1200	3.50	6.10
54	0.1230	3.80	6.65
55	0.1260	4.20	7.25
56	0.1260	4.60	7.95
57	0.1260	5.00	8.75
58	0.1260	5.40	9.65
59	0.1260	5.80	10.65
60	0.1260	6.30	11.75
61	0.1260	6.80	11.75
62	0.1260	7.40	11.75
63	0.1260	8.10	11.75
64	0.1260	9.00	11.75
65	0.1260	9.50	11.75

## RULE F4

### Previous service reckonable on payment

#### Example of assessment of payment required under Rule F4(3)

#### Example A

*A firefighter leaves the service at age 35 with entitlement to an ill-health award. This is based on 6 years 27 days of pensionable service and 2 of those years were before 1 April 1980. His pension is subsequently cancelled but he does not resume employment with his former fire and rescue authority within one month of the termination of his pension. He does resume firefighting 2 years later with a different authority. On re-employment he is age 37 and his annual pensionable pay is £18,000 a year.*

Had he returned to firefighting within one month of his pension being terminated he would have been able to count previous pensionable service at no cost under Rule F3. Returning to firefighting 2 years later he may reckon previous pensionable service only if he undertakes to make the payment required by Schedule 6 Part I. Because he has service before 1 April 1980 which would require retirement benefits to be reduced in line with National Insurance "modification" (see B Gen 2 and Annexe 8), the figure calculated in accordance with the factors in the table in Part I of Schedule 6 must be adjusted by factors in the table in Part III of Schedule 6. (Both sets of factors are copied on to page F4-Chart 1.) The payment should be made in accordance with "Terms of Payment" in the explanation of Rule F4.

Formula:  $[A \times B \times C]$  less  $[1/2 \times D \times E]$ , where

- A is the person's annual pensionable pay on again becoming a regular firefighter
- B is the factor in the second column of the table on page F4-Chart 1 relevant to the person's age on again becoming a regular firefighter
- C is the number of complete years of pensionable service the person was entitled to reckon on retirement
- D is the annual amount of National Insurance modification of benefits under paragraphs 1 to 3 of Part VII of Schedule 2, and
- E is the National Insurance factor in the third column (men) or fourth column (women) of the table on page F4-Chart 1 relevant to the person's age at the date of previously leaving the service.

Sum to be paid by firefighter to count previous service as pensionable:

$$\begin{aligned} & [£18,000.00 \times 0.0950 \times 6] \text{ less } [1/2 \times £3.40 \times 0.80] = £10,260.00 - £1.36 \\ & = £10,258.64 \end{aligned}$$

---

#### Example B

*A firefighter leaves after 18 months' service and takes a refund of contributions. She again becomes a firefighter 10 years later at age 41. Her annual pensionable pay on re-joining the fire service is £18,500. All of her earlier service was after 31 March 1980 and so would not have attracted a National Insurance modification reduction to retirement benefits.*

The formula for assessing the payment due will be similar to that used in Example A except there will be no adjustment by the National Insurance modification factor.

Formula:  $A \times B \times C$ , all of which have the same meaning as in Example A

Sum to be paid by firefighter to count previous service as pensionable:

$$\begin{aligned} & £18,500.00 \times 0.0990 \times 1 \\ & = £1,831.50 \end{aligned}$$