

**Withdrawal of pension during service as regular firefighter**

**Rule K4 explains the fire and rescue authority’s discretion to withdraw all or part of your pension during a period of employment as a regular firefighter.**

**Power to reduce or withdraw or reduce pension**

Rule K4 states that the fire and rescue authority responsible for paying your pension can reduce it, or withdraw it altogether, during any time that you are employed as a regular firefighter. This Rule applies whether the employment is with the fire and rescue authority from which you retired with entitlement to the pension, or with another fire and rescue authority.

It does **not** apply, however, if you are employed as a firefighter while receiving a pension under Part C ("Awards on death – spouses or civil partners"). For example if, as a serving firefighter you are entitled to a widow(er)'s or surviving civil partner's pension following the death of your husband/wife/partner who was also a firefighter, the widow(er)'s or civil partner's pension would continue in payment.

**Tax**

Tax rules allow temporary suspension or reduction of pensions by public service pension schemes on re-employment of members within the public sector. If a scheme pension is abated at the point it first arises, the amount of pension tested against the lifetime allowance is the full amount, ignoring any abated amount.

**Useful reference source**

- FSC 30/004: amendment to ensure a serving firefighter cannot have a widow(er)'s pension under the Firefighters' Pension Scheme withdrawn
- FPSC 5/2005: introduction of survivor's benefits for civil partners

**Points To Note**

1. This Rule covers circumstances where, normally, a firefighter is in receipt of a pension other than an ill-health pension or a deferred pension paid early on health grounds. (If in receipt of an ill-health pension and found to be fit enough to be re-employed as a firefighter, the ill-health pension would normally be withdrawn under Rule K1/Rule K1A.)
2. A commuted lump sum payable on retirement is not affected by the subsequent withdrawal of a pension under this Rule.
3. The Department recommends that, in accordance with general public service pensions policy, fire and rescue authorities should, on a pensioner’s resuming service as a regular firefighter withdraw so much of the fire pension that the total of pension and pay on rejoining does not exceed the rate of pay before retirement, i.e. –

$$\text{reduction} = [\text{new pay} + (\text{pension} + \text{Pensions Increase})] - (\text{former pay} + \text{Pensions Increase})$$

In most cases, where current pay at least equals previous pay, the firefighter's pension is likely to be wholly withdrawn during the second period of service unless that period of service is part-time. By uprating the pension and the former pay by Pensions Increase factors (see Annexe 10), even if Pensions Increase is not yet payable to you, it would ensure a more equitable comparison with a current pay figure.

**Withdrawal of pension during service as regular firefighter****Rule K4 (continued)****Points To Note continued**

5. When you retire from your new employment, your pension position will be as follows –
- your original pension will come back into payment
  - your retirement benefit in respect of your second retirement will be a separate award depending solely on the length and circumstances of your second period of service, i.e. it could be –
    - a short service award under Rule B2
    - an ill-health award under Rule B3, or
    - a deferred pension under Rule B5,

The provisions for commutation and allocation under Rules B7 and B9 would apply if appropriate. In addition, if you should become permanently disabled as a result of a qualifying injury, an injury award under the Firefighters' Compensation Scheme could be payable.

6. The same principle would apply to the benefits available for your dependants –
- for the first 13 weeks after your death:
    - if you should die in service, your widow(er)'s, civil partner's or children's awards would be increased to equal your weekly pensionable pay just before you died (and any part of your pension which was also in payment at the time of your death), or
    - if you should die after your second retirement, your widow(er)'s, civil partner's or children's awards would be increased to equal the weekly amount of your pension or pensions in payment at the time of your death (with Pensions Increase) if any
  - after the first 13 weeks your widow(er)'s, civil partner's and dependants' benefits would each be calculated according to their entitlement arising in respect of each of your periods of service.
7. It is possible, although highly unlikely, that a re-employed firefighter could still be serving beyond State pensionable age and that payment of the Guaranteed Minimum Pension (GMP) would be postponed under Rule J1(3)(a). Consequently, a fire and rescue authority must bear in mind the increase in a GMP which would result, when deciding how much pension to withdraw.
8. This Rule would not apply in the case of a person who is entitled to a pension credit pension (under a pension sharing order made by a court on divorce, dissolution of civil partnership or annulment) because of the disapplication of the Rule under Rule IA4.
9. The original drafting of this Rule did not take into account the fact that firefighters might marry each other. Consequently no provision was made for circumstances where a serving firefighter may also be entitled to a widow(er)'s pension under the FPS. As originally drafted the Rule would have given a fire authority the discretion to withdraw the widow(er)'s pension. An amendment was made to the FPS on 13 September 2004 to remove this discretion. A civil partner's pension was added to this exclusion with effect from 5 December 2005.