

Rule L3 explains the terms and timing of payments under the FPS.

Method of payment of a gratuity

Under Rule L3(8) the fire and rescue authority can pay a gratuity (lump sum) –

- (a) as a single lump sum, or
- (b) in instalments, if they believe it would be to the advantage of the person entitled to it.

It is unusual for a fire and rescue authority to use method (b). If it is used, the instalments will be of such reasonable amounts and paid over such reasonable period as the fire and rescue authority decides is appropriate (and within tax rules set by HM Revenue and Customs).

Rule L3(8)(a) states that a delay in payment is permissible to the extent that the fire and rescue authority may need to determine any question of liability (i.e. the fire and rescue authority need not pay the sum until they are satisfied as to the eligibility for, and amount of, an award – see “Points To Note”, Point 3, below).

Method of payment of a pension or allowance

Rule L3(1) states that a pension or allowance is payable in respect of each week and the fire and rescue authority must make payments in advance at such reasonable intervals as they choose. In practice most authorities pay pensions and allowances in monthly instalments, one month in advance.

When payments are made in advance, if a pensioner dies it is likely that an instalment of pension will have been made in respect of a period after his or her death. Rule L3(2) explains that if this is the case, no recovery of that instalment should be made in respect of the period after the date of death. (An example of how the payment date for a spouse's or surviving civil partner's pension should be determined is given on page L3-Example 1.)

Similarly, if a widow(er) or surviving civil partner marries, remarries, forms a civil partnership, or forms a subsequent civil partnership (in which case entitlement to pension ceases), Rule L3(3) explains that no recovery of the advance payment should be made in respect of the period after the date of the further marriage or civil partnership.

As with the payment of gratuities, Rule L3(1) states that a delay in payment is permissible to the extent that the fire and rescue authority may need to determine any question of liability (i.e. the fire and rescue authority need not pay the sum until they are satisfied as to the eligibility for, and amount of, an award – see “Points To Note”, Point 3, below).

Rule L3 (continued)

Date of entitlement to award

Refund of contributions

Rule L3(9) explains that if you are entitled to a return of aggregate contributions under Rule B6, the fire and rescue authority do not have to make the payment until the earlier of –

- one year from your date of retirement, or
- your request for payment of the refund.

Personal benefits

A firefighter or other employee of a fire and rescue authority will be entitled to payment from the date specified in the relevant Rule which allows the benefit. The “due date” for benefits is not repeated in Rule L3 – but see pages L3-Chart 1 which summarise payment dates.

Survivors' benefits

Rule L3(2) will not allow a recovery of any excess of a payment in advance for the period after which a pensioner dies. However, Rule L3(6) states that no survivors' benefits will commence until the end of the advance payment period. For example, consider the case of a firefighter who received an advance monthly payment for the whole month of September on 31 August and then died on 4 September. The fire and rescue authority cannot recover the overpayment for the period 5th to 30th September, but the first payment period for widow(er)'s, civil partner's or children's pension will not commence until 1 October.

Except where the above requirement applies, Rule L3(4) states that survivors' benefits are payable from the date of death of the firefighter.

If a firefighter dies less than a year after receiving a gratuity (lump sum), Rule L3(7) states that survivors' benefits may be delayed up to a year after death at the discretion of the fire and rescue authority.

If an eligible child is born posthumously, Rule L3(5) requires that the child's allowance under Part D would be payable from the date of his or her birth.

Pension credit member benefits

Rule IA1 says that a pension credit member's pension is payable from “normal benefit age”, i.e. age 60 or, if later, from the date a pension sharing order takes effect.

Under Rule IA3, if the person dies before the pension credit pension becomes payable, a death grant is paid.

Rule L3 (continued)

- Useful reference source**
- FSC 39/1978: this accompanied the amendment to Firemen's Pension Scheme Order 1973 which enabled fire authorities to convert pensions from weekly to annual amounts
 - FPSC 5/2005: introduction of survivor's benefits for civil partners

Points To Note

1. For a summary of the dates when payment of benefits is due see pages L3-Chart 1. Although, with effect from 1 April 2006, injury awards are payable under the Firefighters' Compensation Scheme rather than the FPS, the Chart retains its mention of injury awards (in a lighter typeface) for completeness in the event that reference needs to be made for old cases.
2. Further details about the payment of awards are contained in Rule L5.
3. The reference to the fire and rescue authority being allowed to delay payment is because they will need to check a great many details to ensure eligibility for, and amounts of, benefit due. This could be because details need to be collected to check your qualification for the benefit – birth certificate, medical certificate, etc, or your preferred options – commutation, allocation, payment details, etc. Or it may be that the authority needs to obtain information from an outside source, e.g. National Insurance Services to the Pensions Industry (formerly the Contracted-out Employments Group of the Inland Revenue), or details from the Government Actuary's Department. Not all of this information may be to hand on your date of retirement.
4. HM Revenue and Customs have confirmed that for the purposes of complying with tax requirements as regards the timing of payments, the Benefit Crystallisation Event ("BCE") date will be the date on which the fire and rescue authority have all the information necessary to decide an award if this is later than the payment date determined by the FPS.

When awards can be paid

WHEN IS YOUR PENSION PAID?

Subject to any delay necessary to establish your entitlement, or the amount of your award, your pension will be payable for your lifetime from the date of your retirement, unless –

- it is an injury pension under Rule B4, and you ceased to serve before you became permanently disabled, in which case it will come into payment from the date of your disablement. If this date cannot be established it will probably be taken to be the date on which your claim of disablement was made known to your fire and rescue authority – see Rule A10(4).
- it is a deferred pension which under Rule B5(4) will not come into payment until you reach age 60 or until you are permanently disabled if sooner.
- it is an ill-health pension of which the unsecured portion is cancelled under Rule K1, or an injury pension which is cancelled under Rule K1 or Rule K2.
- it is a Guaranteed Minimum Pension, a “secured portion”, or an Equivalent Pension Benefit – all or any of these would come into payment at State pensionable age (these benefits derive from the inter-relationship between the FPS and the State pension scheme – see Annexe 8).
- your pension is withdrawn while you are re-employed as a regular firefighter under Rule K4 in which case –
 - payment will cease from the date your fire and rescue authority determine
 - part of your pension will remain in payment if your fire and rescue authority decide on part withdrawal, or if you have a secured portion or GMP which may not be withdrawn
 - payment may be resumed if your fire and rescue authority decide on temporary withdrawal only.
- your pension is forfeited under Rule K5 in which case –
 - payment will cease from the date your fire and rescue authority determine
 - part of your pension will remain in payment if your fire and rescue authority decide on part forfeiture, or if you have a secured portion or GMP which may not be forfeited
 - payment may be resumed if your fire and rescue authority decide on temporary forfeiture.

WHEN IS A WIDOW(ER)'S PENSION PAID?

Subject to any delay necessary to establish entitlement, or the amount of award, your widow(er)'s or surviving civil partner's pension will be payable for his or her lifetime from the date of your death, unless –

- you had received a pension payment covering a period after your death, in which case the pension will be paid from the end of that period.
- you die less than a year after receiving a gratuity (lump sum) other than an injury gratuity under Rule B4(2) in which case payment of the survivors' benefits may be delayed up to a year after your death, at the discretion of your fire and rescue authority.
- it is a temporary pension under Rule C6.
- entitlement ceases, e.g.
 - on forfeiture under Rule K5
 - on remarriage under Rule C9
 - on the pension being commuted for a gratuity (lump sum) under Rule E5.

RULE L3
Payment of awards

When awards can be paid (continued)

WHEN IS A CHILD'S ALLOWANCE PAID?

Subject to any delay necessary to establish entitlement, or the amount of award, your child's allowance will normally be payable from –

- the date of your death, or
- the date of the child's birth if it is born after your death.

The exceptions are where –

- you had received a pension payment covering a period after your death in which case the child's allowance will be paid from the end of that period, or
- you die less than a year after receiving a gratuity (lump sum) other than an injury gratuity under Rule B4(2) in which case payment of the child's allowance may be delayed up to a year after your death, at the discretion of your fire and rescue authority.

Your child's allowance will be payable while entitlement continues, i.e. except during any period for which it ceases to be payable under Rule D5.

WHEN IS A DEPENDENT RELATIVE'S SPECIAL PENSION PAID?

An adult dependent relative's special pension under Rule E2 is payable for such periods as your fire and rescue authority may determine, unless it is forfeited under Rule K5.

WHEN IS A PENSION CREDIT MEMBER'S PENSION PAID?

A pension credit member's pension is payable on the attainment of age 60 or, if the pension sharing order is received after this date, from the effective date of the order.

WHEN IS A GRATUITY (LUMP SUM) PAID?

A gratuity (lump sum) is payable as soon as the entitlement to it arises, subject to any delay necessary to establish entitlement to, or the amount of, the award.

WHEN IS A REFUND OF CONTRIBUTIONS PAID?

In a case where a refund of contributions is due under Rule B6 your fire and rescue authority are entitled to withhold payment until one year after your leaving date unless you request payment earlier under Rule L3(9).

**Example of determination of payment date for a spouse's pension
following the death of a fire pensioner**

Example

A male fire pensioner dies on 10 June. On 31 May he received an instalment of pension for the period 1 June to 30 June. His widow is entitled to an ordinary pension under Rule C1 and the 13 week "top-up" payment under Rule E8.

1. The overpayment in respect of 11 June to 30 June cannot be recovered. Rule L3(2) says –
"Where a person dies after receiving a payment in advance in respect of a pension or allowance, no claim for repayment shall be made on the ground that the payment or any part of it is referable to a period after his death."
2. From what date is the widow's ordinary pension under Rule C1 payable? Rule L3(4) says –
"Subject to paragraphs (5) to (7), pensions under Part C and allowances under Part D ("survivors' benefits") are payable from the date of the death."

So, unless paragraphs (5) to (7) contain anything to the contrary, the widow's pension would come into payment with effect from 10 June.

Paragraph (5) does not apply because it relates to a child's allowance where the child is born posthumously, and (7) does not apply because the deceased did not receive a gratuity.

Paragraph 6 does apply; it says –

"Where the deceased –

(a) was in receipt of a pension, and

*(b) dies during a period in respect of which he had already received it,
no survivors' benefits are payable before the end of that period."*

The fire pensioner in this Example was in receipt of a pension and died during the month of June, having received payment of that month's instalment of pension on 31 May. The effect of Rule L3(6) moves the date for payment of the widow's pension from 10 June as provided for in Rule L3(4) to 1 July.

(If the deceased was a serving firefighter or former firefighter with a deferred pension not yet in payment, Rule L3(6) would not apply and so the widow would have been entitled to her pension from 10 June.)

3. Having established that the widow's pension is due from 1 July, when would payment commence? Rule L3(1)(b) says –
"The fire and rescue authority shall discharge their liability in respect of it by making payments in advance at such reasonable intervals as they may determine. . ."

Her husband was paid one calendar month in advance, each instalment of pension being made on the last banking day of the previous calendar month. Consequently this fire and rescue authority would pay the instalment of widow's pension due for the period 1 July to 31 July on 30 June (or an earlier day if 30 June is a weekend or a bank holiday).

4. The fire and rescue authority determines that the widow is entitled to the 13-week "top-up" payment under Rule E8. This, too, is due from 1 July. Rule E8(2) says –
"For each of the first 13 weeks for which it is payable the survivor's pension shall, if necessary, be increased . . ."
5. Although, in this Example, the former firefighter is male, the same principles would apply in respect of a female former firefighter.