

# **X FIRE AND RESCUE AUTHORITY**

## **FIREFIGHTERS' PENSION SCHEMES**

### **Personalised Benefit Statement and Transfer Statement**

These notes explain the personalised statements which have been issued to you as part of the Information Pack so that you can compare the benefits you have accrued in the Firefighters' Pension Scheme based on service up to 5 April 2006 with the value of benefits provided by the New Firefighters' Pension Scheme if you were to transfer that service during the Options Period.



## Example of Benefit Statement – for illustration only

The layout of this example is similar to that of the Benefit Statement in your Information Pack but some of the details have been given a reference number – see opposite for an explanation of the numbered details.

Firefighters' Pension Scheme Personal Benefit Statement						
Mr A. Scheme-Member ① Anystreet Anytown AB12 3CD  Issue Date: 1 January 2007 ②						
Personal Details						
Full Name	Arthur Scheme-Member ①					
Date of Birth	12/03/1962 ②					
National Insurance Number	AB123456C ③					
Payroll Reference	123-4567 ④					
Role	Firefighter ⑤					
Pensionable Pay	£28,722.39 ⑥					
Current Working Hours	Whole Time ⑦					
Present Value of Benefits Assuming Service up to 05/04/2006						
Total Service	16 years 65 Days ①					
Pension	£9,775.60 (per annum) ②					
Spouse's Pension	£4,887.80 (per annum) ③					
Value of Death Benefits Assuming Service up to 05/04/2006						
Death Grant	£57,444.78 ①					
Spouse's Pension for first 13 weeks	£550.59 (per week) ②					
Thereafter	£5,547.75 (per annum) ③					
Benefits Payable on Retirement without Commutation						
Date of Retirement	11/03/2017 ①					
Total Service	27 Years 40 Days ②					
Pension	£16,380.94 (per annum) ③					
Spouse's Pension	£8,190.47 (per annum) ④					
Benefits Payable on Retirement with Maximum Commutation						
Date of Retirement	11/03/2017 ①					
Total Service	27 Years 40 Days ②					
Pension	£12,285.71 (per annum) ③					
Tax Free Lump Sum	£59,380.91 ④					
Spouse's Pension	£8,190.47 (per annum) ⑤					
Your membership details						
Employer	Period		Calendar length	Percentage of whole time	Period of membership	
	From	To	years/days		years/days	
Firefighters' Pension Scheme	07/11/2000	continuing				
Anytown Garden Centre	05/08/1996	01/11/2000	14/089	75.5910	10/280	

### Firefighters' Pension Scheme Personal Benefit Statement

- ① Are these details correct? (The address will be shown only if it is held on your pension record. If the details are incorrect or missing, please use the "Amendment Form" at the end of these notes to notify the Authority.)
- ② The "Issue Date" is the date at which the statement was prepared. It does not affect the figures.

#### Personal Details

- ①, ②, ③, ④ "Name", "Date of Birth", "National Insurance Number", "Payroll Reference". Are all these details correct? If not, put the correct information on the "Amendment Form".
- ⑤ This should be the role you held at 5 April 2006.
- ⑥ This is the amount of pensionable pay upon which your benefits in this statement have been calculated. When you retire the pensionable pay used in the assessment of your benefits will be an average of the pay you have received over, normally, your last year of service and would be worked out in careful detail. To provide calculations in bulk for all Scheme members as part of this information exercise, however, the computer system has estimated pensionable pay on contributions paid over the year ending 31 March 2006. If it looks considerably different to what you would have expected, please mention this on the "Amendment Form".
- ⑦ "Current working hours" reflects the contractual hours you were working at 5 April 2006. If not accurate, please put the correct number of hours on the "Amendment Form".

#### Present Value of Benefits Assuming Service up to 05/04/2006

- ① Total service is your total period of service as a member of the Firefighters' Pension Scheme up to 5 April 2006 plus any service credit for benefits transferred from some other pension arrangement – see "Your membership details".
- ② This is the amount of deferred pension to which you would be entitled if you left the Firefighters' Pension Scheme at 5 April 2006. If you choose to join the New Firefighters' Pension Scheme but not to transfer service, these are the pension rights which would remain in the Firefighters' Pension Scheme. A deferred pension is paid from age 60.
- ③ This is the pension paid to your spouse if you were to die while entitled to a deferred pension. If you are in a civil partnership and all your service has been after 5 April 1988, the same amount would be paid to your civil partner. Service before 6 April 1988, however, does not count in the assessment of a surviving civil partner's pension.

#### Value of Death Benefits Assuming Service up to 05/04/2006

- ① This is the estimated figure of death grant payable on death in service at 5 April 2006. It has been estimated using the same average pensionable pay figure as used for pension calculations in the statement. If a death grant did become payable, however, it would be assessed as twice your actual annual rate of pay at the date of death.
- ② For the first 13 weeks following a firefighter's death in service, his/her surviving spouse or civil partner would receive a pension equivalent to the firefighter's weekly rate of pay at that date. The figure shown here is based on the same estimated pay as used for the death grant assessment.
- ③ After the first 13 weeks, the spouse's pension would be half of the pension the firefighter would have received had he/she retired with an upper tier ill-health award at the date of death. A surviving civil partner would be entitled to a similar pension but based on service after 5 April 1988 only.

#### Benefits Payable on Retirement without Commutation

- ① This is the day immediately before you attain age 55 (normal pension age in the Firefighters' Pension Scheme) or attain 30 years' service if earlier. (30 years is the maximum length of service you can count in the Scheme.)
- ② Your total pensionable service at that date.
- ③ This is the pension to which you would be entitled at that date if you do not commute part to provide a lump sum.
- ④ This is the surviving spouse's pension based on your estimated pension at retirement. The pension for a surviving civil partner would be based on service after 5 April 1988 only.

#### Benefits Payable on Retirement with Maximum Commutation

- ①, ② As above, this is the day immediately before you attain age 55 and your total pensionable service at that date, or the day immediately before you attain 30 years' service if earlier.
- ③ This is your pension assuming you commute the maximum permissible portion of your pension at that date (1/4).
- ④ This the lump sum provided by commutation of pension.
- ⑤ This is the pension, death after retirement, for your surviving spouse or civil partner. It is not affected by commutation.

#### Your membership details

This shows the period of pensionable employment which counts towards your pensionable service. If there is anything with which you do not agree, give details on the "Amendment Form".

*See the Guide to the Firefighters' Pension Scheme 1992 for an explanation of the reckoning of service and pay, and the assessment of benefits.*

## Example of Transfer Statement – for illustration only

The layout of this example is similar to that of the Transfer Statement in your Information Pack but some of the details have been given a reference number – see opposite for an explanation of the numbered details.

<b>Firefighters' Pension Scheme</b>	
<b>Benefits Available on Transferring to the New Firefighters' Pension Scheme</b>	
Full Name	Arthur Scheme-Member ①
National Insurance Number	AB123456C ②
Payroll Reference	123-4567 ③
Pensionable Pay	£28,722.39 ④
<b>Service Conversion Calculation</b>	
<b>Assuming Service up to 05/04/2006</b>	
Total Service in the Firefighters' Pension Scheme	16 years 65 Days ①
<b>Service available in the New Firefighters' Pension Scheme</b>	
136% <sup>a</sup> of 16 years 65 days = 22 years 1 day ②	
<b>Present Value of Benefits</b>	
<b>Assuming Service up to 05/04/2006</b>	
Total Service Pension	22 Years 1 Day ①
Partner's Pension	£10,532.85 (per annum) ②
	£5,266.43 (per annum) ③
<b>Value of Death Benefits</b>	
<b>Assuming Service up to 05/04/2006</b>	
Death Grant	£86,167.17 ①
Partner's Pension for first 13 weeks	£550.59 (per week) ②
Thereafter	£6,944.44 (per annum) ③
<b>Benefits Payable on Retirement without Commutation</b>	
Date of Retirement	11/03/2022 ①
Total Service Pension	37 Years 341 Days <sup>b</sup> ②
Partner's Pension	£18,159.37 (per annum) ③
	£9,079.69 (per annum) ④
<b>Benefits Payable on Retirement with Maximum Commutation</b>	
Pension	£13,619.53 (per annum) ①
Tax Free Lump Sum	£54,478.11 ②
Partner's Pension	£6,809.77 (per annum) ③

<sup>a</sup> The "Age on joining FPS" which decides the percentage to be used here (see the table on page 6) is "stepped back" if a transfer credit has been received into the FPS from another pension arrangement. In this example the firefighter joined the FPS on 7.11.200 – see "Your membership details" on page 2 – but he can count 10 years 280 days of service credit in respect of membership of the Anytown Garden Centre pension scheme. Consequently the date of 7.11.2000 is put back to 31.1.1990, i.e. 10 years 280 days earlier. His date of birth is 12.3.1962 and his age at 31.1.1990 would be 27. For working out the service available in the NFPS on transfer, the percentage appropriate to age 27 is used. This is 136% - a higher percentage than that which would have been used for his age at 7.11.2000 (age 38, 107%).

<sup>b</sup> If total service shown here is greater than 45 years, a transfer of service from the FPS to the NFPS will not be possible. A transfer is not permissible if transferred service plus future service would produce a pension greater than 45/60ths of pensionable pay.

**Firefighters' Pension Scheme**  
**Benefits Available on Transferring to the New Firefighters' Pension Scheme**

- ①, ②, ③ Are these details correct? If the details are incorrect or missing, please put them on the attached "Amendment Form" in order to notify the Fire and Rescue Authority.
- ④ This is the amount of pensionable pay upon which your benefits in this statement have been calculated. When you retire the pensionable pay used in the assessment of your benefits will be an average of the pay you have received over, normally, your last year of service and would be worked out in careful detail. To provide calculations in bulk for all Scheme members as part of this information exercise, however, the computer system has estimated pensionable pay on contributions paid over the year ending 31 March 2006. If it looks considerably different to what you would have expected, please mention this on the "Amendment Form".

**Service Conversion Calculation**  
**Assuming Service up to 05/04/2006**

- ① This is the total pensionable service you can count in the Firefighters' Pension Scheme at 5 April 2006 including any service credit in respect of a transfer of previous pension rights.
- ② This is how much that pensionable service would be worth if you joined the New Firefighters' Pension Scheme and elected to transfer it over. The factor used has been provided by the Government Actuary's Department and is based upon your age on entry to the Firefighters' Pension Scheme (but see footnote <sup>a</sup> on page 4). The table of factors is shown on the next page. **Please note that the factors assume you are not older than 55.** If you are, this service assessment could be incorrect. Contact your Authority – you can use the "Amendment Form" to do this – for a revised assessment.

**Present Value of Benefits**  
**Assuming Service up to 05/04/2006**

- ① The service credit you would receive in the New Firefighters' Pension Scheme if you transfer service from the Firefighter's Pension Scheme on the above terms.
- ② The pension you would receive as an age retirement pension or a deferred pension from the New Firefighters' Pension Scheme based upon that service credit.
- ③ The amount of pension which would be paid, in respect of the service credit, to your surviving spouse or civil partner or nominated partner under the New Firefighters' Pension Scheme if you were to die while entitled to a deferred pension or an age retirement pension.

**Value of Death Benefits**  
**Assuming Service up to 05/04/2006**

- ① This is the estimated figure of death grant which would be payable under the New Firefighters' Pension Scheme on death in service. It is not service-related and so would apply whether or not you choose to transfer service from the Firefighters' Pension Scheme. It has been estimated using the same pensionable pay figure as used for pension calculations in the statement. If a death grant did become payable, however, it would be assessed as three times your actual annual rate of pay at the date of death.
- ② For the first 13 weeks following a firefighter's death in service, his/her surviving spouse or civil partner or nominated partner would receive a pension equivalent to the firefighter's weekly rate of pay at that date. The figure shown here is based on the same estimated pay as used for the death grant assessment.
- ③ After the first 13 weeks, the spouse, civil partner or nominated partner would be entitled to a pension equal to half the pension the firefighter would have received had he/she retired with an upper tier ill-health award at the date of death.

**Benefits Payable on Retirement without Commutation**

- ① This is the day immediately before you attain age 60 (normal pension age in the New Firefighters' Pension Scheme).
- ② Your total pensionable service at that date assuming service is transferred from the Firefighters' Pension Scheme. (This must be less than 45 years or a transfer will not be possible.)
- ③ The pension to which you would be entitled at that date if you do not commute part to provide a lump sum.
- ④ The pension which would be paid to your surviving spouse, civil partner, or nominated partner on death after retirement. It is equivalent to half of your uncommuted pension.

**Benefits Payable on Retirement with Maximum Commutation**

- ① The pension to which you would be entitled if you retire at age 60 (as above) and choose to commute the maximum amount (one quarter) to provide a lump sum.
- ② The lump sum provided by commutation of pension.
- ③ The pension for your surviving spouse, civil partner or nominated partner payable on death after retirement. It is equivalent to half of your pension after commutation.

*See the Guide to the New Firefighters' Pension Scheme 2006 for an explanation of the reckoning of service and pay and the assessment of benefits.*

## General Points

1. If any of the details shown on the Benefit Statement or Transfer Statement do not appear correct, use the attached "Amendment Form" to raise the matter with the Fire and Rescue Authority.
2. The Benefit Statement will give you an idea of the level of benefits you could expect to receive if you remain a member of the Firefighters' Pension Scheme (FPS); it also indicates the deferred pension which you could leave in the FPS if you join the New Firefighters' Pension Scheme (NFPS) but do not elect to transfer pension rights accrued up to and including 5 April 2006.
3. The Transfer Statement shows the pension credit you would receive in the NFPS if you choose to join and transfer pension rights from the FPS; it also shows what effect this could have on your expectation of benefits at normal retirement age. It uses conversion factors provided by the Government Actuary's Department. For a FPS member who is age 55 or less, these are:

Age on joining FPS <sup>c</sup>	Factor	Age on joining FPS	Factor	Age on joining FPS	Factor
25 and below	140%	29	130%	33	116%
26	138%	30	127%	34	112%
27	136%	31	124%	35	107%
28	133%	32	120%	over 35	107%
NFPS service = FPS service to 5 April 2006 x factor					

If you are age 56 or over, a different set of factors apply and the figures given in the Transfer Statement could be incorrect. Please contact your Fire and Rescue Authority.

4. Note that these factors will be used during the period of the Options Exercise only. It may still be possible to transfer accrued pension rights from the FPS to the NFPS at a later date, but standard Cash Equivalent Transfer Value principles would be used and may not be as generous.
5. Because of the scale of the Options Exercise, it has not been possible to work out average pensionable pay as precisely as will be the case when you retire. It has been based on pay created from the contributions you have paid during the period 1 April 2005 to 31 March 2006. If, for any reason, your contributions were reduced because of absence, etc., the pensionable pay figure may not be correct. Use the "Amendment Form" to notify the Fire and Rescue Authority if you believe this to be the case. The averaged pay figure has also been used to show the value of the death grant and the 13-week payment payable to a spouse or partner. In fact your actual rate of pay at date of death (not averaged) would be used to assess these benefits. Consequently, the benefit figures given in the statements may be slightly less than would actually be due.
6. Children's benefits are not shown in the statements but these, too, would be payable. For example, if service is transferred from the FPS to the NFPS, the service would be taken into account in the assessment of a child's pension.
7. If, following divorce, a court order was issued requiring part of your pension entitlement to be paid to your former spouse, this will not be taken into account in the statements. Use the "Amendment Form" to request adjusted details.
8. You will find information about the type of benefits offered and how they are assessed, in Guides to the two Schemes. There is also a four-page comparison chart and notes entitled "Your Choice" so that you can compare the key differences between the Schemes.
9. Your decision as to whether or not you wish to join the NFPS and, if so, whether you wish to transfer over your service from the FPS, should be given on the "Acknowledgement and Decision Form" enclosed in the Pack.

<sup>c</sup> See footnote <sup>a</sup> on page 4

If you wish to amend or query any of the information given on the Benefits Statement or Transfer Statement, please complete this form, cut out and return as directed in the covering letter in the Information Pack



**AMENDMENT FORM**

Surname .....

Forename(s) .....

Date of birth ..... National Insurance No. ....

Employee number ..... Payroll Reference .....

Work location .....

Home address .....

.....

**Certain details given on the Benefit Statement/Transfer Statement are incorrect. Please note as follows:**

- My name is shown incorrectly. My correct name is shown above.
- My address is shown incorrectly or not at all. I give my correct address above.
- My date of birth is shown incorrectly. The correct date is shown above.  
*Please attach a copy of your birth certificate.*
- My National Insurance number is shown incorrectly. The correct details are shown above.
- My Payroll Reference is shown incorrectly. The correct number is shown above.
- My role at 05/04/2006 is shown incorrectly. It should be .....
- My working hours at 05/04/2006 are shown incorrectly. They should be .....
- I do not agree with the details of service or pay shown. I set out my reasons below/overleaf.
- I am aged 56 or over and am interested in transferring service from the FPS to the NFPS. Please send me a revised Transfer Statement.
- Other. *Give details below / overleaf.*

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Signed ..... Date .....



