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Firefighters' Pension Schemes Annual Benefit Statement Notes

Section 1: Personal Details

It is important that you check the information listed in this section. If any of the information in this section is incorrect please contact us, with the relevant details and evidence by emailing firepensions@northamptonshire.gov.uk.

Full name

If you have changed your name, we will need a copy of your marriage certificate or change of name deed so that we can update your pension record, this can be scanned in or photographed and sent to us by email. Please ensure you certify your certificate copy with your signature.

Partnership status

Your partnership status reflects our current records. Your partner's pension will be calculated based on your partnership status at the date of your death. If it is not correct or showing as "Not Known", please contact the Pensions Team.

Date commenced employment

This is the date you joined your current employment within this post.

Firefighters Pension Scheme 2015 Start Date

This is the date you joined the 2015 Scheme, or will join it, if you remain in your pensionable employment until that date. If you are a protected member of the 1992, 2006 or Special Modified 2006 Scheme, this will not appear on your statement.

Fire Authority at 31 March 2017

This is the Fire and Rescue Authority who you were employed by at 31 March 2017

Firefighters Pension Scheme at 31 March 2017

This is the Firefighters' Pension Scheme you were a member of at the date of this statement.

If you are a taper-protected member and have not yet reached your taper date, you will join the Firefighters' Pension Scheme 2015 on the date shown under the heading "Firefighters Pension Scheme 2015 Start Date", assuming you stay in your pensionable employment until that date.

FPS 1992: Firefighters Pension Scheme 1992

FPS 2006: New Firefighters Pension Scheme 2006

FPS 2015: Firefighters Pension Scheme 2015



Section 2: Summary of Total Benefits at 31 March 2017

The benefits in this section are an estimate of the total pension benefits. If you have transitioned into the Firefighters Pension Scheme 2015, this will be the combination of those benefits and the benefits built up in your original Scheme.

These figures are based on a number of assumptions, and do not confer any statutory rights.

Annual Pension at 31 March 2017:

This is the total current value of your pension benefits, in this employment, if you left the scheme at 31 March 2017 and which would be paid at the deferred pension age that applies to the scheme you are a member of as shown in the table below.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	Your State Pension age

When you retire, in certain circumstances, some adjustments may be made to these figures. If any of these circumstances are applicable to you, they will be treated in the following way, for the purpose of this estimate.

- a) Actuarial reduction – the figures quoted may be reduced if you take them before your deferred pension age.
- b) Scheme Pays Annual Allowance Tax charge– if you have opted to use Scheme Pays (where you pay an annual allowance tax charge from your pension scheme), the figures on the statement take account of the reduction to your pension benefits to meet the charge. The amount of the reduction will be calculated when you take your pension.
- c) Pension Sharing Order – if your benefits have been subject to a Pension Sharing Order (following a divorce or dissolution of a civil partnership), the figures on the Statement take account of the reduction to benefits imposed by the Pension Sharing Order.
- d) Split pensions – the figures on the statement do not take account of any adjustment that may be made at your retirement to reflect a period at a higher pay. If a split pension applies, it will be calculated when you take your pension.

Benefits payable on your death in service at 31 March 2017

This section tells you the value of the pension benefits that would have been paid to the relevant survivors/nominated beneficiaries, if you had died, as an active member of the scheme, on 31 March 2017.



Death in Service Lump Sum

The Death in service lump sum has been calculated based on the scheme you were a member of at 31 March 2017 and the table below shows how this has been calculated for each scheme. This will be paid to your “Nominated Beneficiaries” listed on your statement.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Death in service lump sum	2 x pensionable pay	3 x pensionable pay	2 x pensionable pay	3 x pensionable pay

Annual Survivor Pension

Annual survivor pension is the pension that would be paid to your spouse or partner if you had died as an active member of the scheme on 31 March 2017, based on your partnership status as set out in Section 1.

Death in service survivor’s pensions are paid at 50% of the higher-tier ill-health pension that would have been due.

The table below shows whether a surviving partner would receive a pension if you died in service (based on your partnership status).

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Husband, wife or civil partner only	Yes	Yes	Yes	Yes
Cohabiting partner (someone you live with who would be entitled to a survivor’s pension)	No	Yes, if the scheme manager agrees		



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Nominated Beneficiaries

Your nominated beneficiary receives the proportion of your death in service lump sum and then your spouse/ legal partner receives the full partner's pension. The proportion is reflected from the Expression of Wish form you have completed and submitted previously.

Members of the 1992 Scheme are not able to nominate beneficiaries as survivors benefits will only be paid to a husband, wife or civil partner.

If you are a member of the 2006, Special modified 2006 or 2015 scheme and this section is blank, we do not currently hold a nomination on your record.

Section 3: Career Average Pension Benefits as at 31 March 2017

This sections provides details of the pension benefits you have built up as a member of the 2015 scheme.

This section will not appear on your statement, if you are a protected member of either the 1992 or 2006 Schemes or a taper protected member that has not yet moved into the 2015 scheme.

Pension built up in year ending 31 March 2017

This sub-section shows you the amount of Career Average pension built up during the current Scheme year.

Earned Pension

This is the value of 2015 Scheme pension built up in the scheme year (1 April 2016 to 31 March 2017) based on the amount of pay you have received and paid standard contributions on, as a member of the 2015 Scheme.

If you have any questions about your pay, including what is included in pensionable pay, please contact your payroll provider.

Additional Pension Bought

If you have chosen to pay additional pension contributions, this is the current value of the additional pension bought during the period 1 April 2016 to 31 March 2017.

Transfers In

This is the value of any benefits you elected to transfer into the 2015 Scheme from another pension provider during the scheme year that ended on 31 March 2017.

Total

This is the sum total of your Earned Pension, Additional Pension bought and Transfers in.



Total Career Average Pension to 31 March 2017

This sub-section shows you the total amount of Career Average Pension built up since you joined the 2015 Scheme.

Closing balance at 31 March 2016

This is the value of 2015 Scheme pension as at 31 March 2016.

Effect of Revaluation Applied 1 April 2016

The 2015 Scheme pension is revalued by a Treasury Revaluation Order on 1 April each year. The revaluation for the Firefighters Pension Scheme 2015 is based on the change in average weekly earnings over the year to 30 September 2015 increased by 2%. This rate of revaluation is applied, on 1 April 2016, to the closing balance at 31 March 2016, the amount shown in this column will be added to your closing balance from last year.

Pension build up in year

This is the total of the pension built up in the Scheme year, as shown in the previous sub-section.

Total Career Average Pension at 31 March 2017

This is the total value of your Career Average Pension, at 31 March 2017, after adding the effect of 2016 revaluation and Pension built up in the scheme year to your closing balance from 31 March 2016.

Section 4: Value of Final Salary Pension Benefits as at 31 March 2017

This section shows the value of your Final Salary pension benefits at 31 March 2017. If you have only ever been a member of the 2015 Scheme, in this Fund, this section will state 'Not Applicable'.

Your pension benefits based on final salary pay

The pensionable pay used to calculate your final salary benefits is the full-time equivalent pay as supplied by your Fire Authority for the year ended 31 March 2017.

Please contact your payroll provider if you have any questions about pay, including what is included in pensionable pay.

Annual Pension

This is the final salary scheme pension you would receive at the deferred pension age shown in the table overleaf had you left the scheme on 31 March 2017.



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	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	Your State Pension age

APB on LSI and Other APB

Your final salary scheme pension may include an additional pension benefit (APB) amount relating to long service increment (LSI) and/or other pay that attracts an addition pension benefit.

Section 5: Annual and Lifetime Allowance

This section shows you how much of your Annual and Lifetime Allowance has been used up to 31 March 2017, in relation to your pension benefits, in the employment that this statement relates to.

The Estimated Pension Input is the value of your pension benefits. The pensions input does not include any AVCs (additional voluntary contributions). You will only have a tax charge if the value of your pension savings for a tax year increases by more than the annual allowance.

The Carried Forward Allowance allows unused allowance from the three previous pension input periods to be offset against any excess in the current year.

Lifetime Allowance (LTA) is the limit on the total value of pension benefits you can take at retirement without incurring a tax charge on the amount over the limit. If the percentage of standard LTA shown on your statement is more than 100%, you may have to pay a lifetime allowance tax charge when your benefits are paid to you. This may also be the case if you have other pension benefits (including additional voluntary contributions (AVCs) which are not included in this statement) that, when combined with your existing benefits, have a value of more than the LTA.

Section 6: Projections if you remain contributing to the Scheme until Normal Pension

Date

This section provides you with an estimated projection of your pension benefits, assuming that you remain a member of the Scheme, in your current employment, until your normal pension age.

The normal pension age of each scheme is as overleaf:



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1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
The earlier of: - Age 55, and - At least age 50 with 30 years' service	60	55	60

1992 taper-protected or unprotected members

Taper-protected or unprotected members with benefits built up in the 1992 Scheme can retire and take their 1992 pension at the retirement age for the 1992 Scheme. If you are under 55 years old, at that time, the 2015 Scheme pension could be paid early, from age 55, with the appropriate reduction.

Pension (with no Lump Sum)

This is the total value of your estimated benefits, at your normal pension age, and may include both final salary and 2015 Scheme pension.

This value takes into consideration any adjustments that may be made for the following.

- a. Scheme Pays – if you have opted to use Scheme Pays (where you pay an annual allowance charge from your pension scheme), the figures on the statement do not take account of the reduction to your benefits to meet the charge. The amount of the reduction will be calculated when you take your pension.
- b. Split pensions – the figures on the statement do not take account of any adjustment that may be made at retirement to reflect a period at a higher pay. If a split pension applies, it will be calculated when you take your pension.

Including Projected 2015 Scheme Pension

If you are a protected member of either the 1992, 2006 or Special Modified 2006 schemes, this does not apply.

The estimated value of the 2015 Scheme pension is calculated based on any 2015 Scheme pension built up to 31 March 2017, plus your estimated service after that date to your normal pension age (age 60). This is then multiplied by 1/59.7th of your pensionable pay for the scheme year 1 April 2016 to 31 March 2017, or the annual equivalent if you are a taper-protected member who transitioned to the 2015 Scheme after 1 April 2016 but before 31 March 2017.

If you had not yet moved into the 2015 Scheme at 31 March 2017, but will do so before your normal pension age, the pensionable pay used to estimate your 2015 Scheme benefits is your final salary pay



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shown in Section 4 of your statement, reduced to the part time equivalent if you are not a whole time firefighter.

The projected figures do not include any adjustment for future revaluation under Treasury Revaluation Orders.

Projected Final Salary Scheme Pension to Normal Pension Age

This is the estimated value of your final salary pension from the 1992, 2006 or Special Modified 2006 Scheme.

Protected members

If you qualify as a fully protected member, with only a final salary pension, your estimated pension is calculated based on your service up to your normal pension age. This is multiplied by an accrual rate, then multiplied by your final pensionable pay at the date of this statement.

The table below shows the accrual rate that applies.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme
Accrual rate	1/60th for up to 20 years' service 2/60ths for each of the following years (giving a total maximum of 40/60ths)	1/60th	1/45th

Taper-protected and unprotected members

2006 Scheme (Standard and Special members)

If you are a taper-protected or unprotected member, with both final salary and CARE pension benefits, your estimated pension is calculated based on your years of service until you join(ed) the 2015 Scheme. This is multiplied by the relevant accrual rate (as in the table above) and then multiplied by your final pensionable pay, at the date of this statement.

1992 Scheme

Taper-protected and unprotected members of the 1992 Scheme are protected by the 'double accrual guarantee'. This guarantee protects the 'double accrual' they would have expected to get for working over 20 years, and is set out in legislation:

<http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made>



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The formula used to calculate the 'double accrual guarantee' is:

$$(A \div 60) \times (B \div C) \times APP$$

Where:

A = Maximum 60ths you could have accrued to your normal pension age had there been no change to the 1992 Scheme

B = 1992 Scheme service up until the date you moved/would move into the 2015 Scheme.

C = Calendar years' service in both the 1992 and 2015 schemes

APP = Average Pensionable Pay (Final Salary Pay)

Maximum Lump Sum

You can exchange part of your pension (up to 25%) for a lump sum. Due to tax regulations, members of the 1992 Scheme (including protected, taper-protected and unprotected members) may choose to adjust the amount of lump sum that relates to their 1992 Scheme pension, to avoid a tax charge; or limit the amount of pension they exchange to the maximum tax-free amount available.

A commutation factor, as shown in the table below, is applied to the part of the pension you give up to calculate the amount of the lump sum. Please note, for 1992 Scheme members a tax charge may apply should their commutation factor be greater than 20, this can be avoided by commuting a lower proportion of pension. (Please refer to your Tax office for further guidance).

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Commutation factors	Age related factor calculated and reviewed by the scheme actuary	12:1	Age related factor as set out in Annex ZA of 2006 regulations (link below)	12:1

<http://www.legislation.gov.uk/uksi/2015/590/schedule/2/paragraph/4/made>

Prospective Survivor's annual pension if you remain in the Scheme to Normal Pension Age (with no Lump Sum taken)

How the survivor's pension is calculated will depend on which pension scheme you are a member of at the date you retire. Generally, a survivor's pension for a husband, wife or civil partner would be half of the pension that you were entitled to when you retired.

However, survivor's benefits for husbands, wives and civil partners of members of the 2015 Scheme, with a 1992 portion of pension, are calculated slightly differently to those of the 2006 and 2015 schemes.



Under the 2006 and 2015 schemes, if your husband, wife or partner is more than 12 years younger than you, there would be a reduction of 2.5% for every year or part of a year over those 12 years, to a maximum of 50%.

Section 7: Value of Pension Debits as at 31 March 2017

This is the value of any pension debits which have been made on your statement. The figures quoted within your statement will be post these debits, which include Pension Sharing Orders, Actuarial Reduction. Please see Section 2 of the notes for further explanation.

Section 8: Service History Details

Breakdown of your service history details in this employment

This section provides a breakdown of your service history.

We are only able to show the three most recent changes to your service history; therefore your entire service history may not be shown.

Financial advice

Neither your fire authority nor LGSS Pensions Service can give you financial advice about the information contained in your annual benefit statement. If you need help to find an independent financial advisor, the following link may be helpful. www.moneyadvice.service.org.uk/en/articles/choosing-a-financial-adviser

Note on the regulations

The benefits in this statement have been calculated under the Firefighters Pension Scheme Regulations applicable in June 2017.

These notes are an informal interpretation of the Firefighters Pension Scheme Regulations, as only a court can provide a definitive interpretation of the law.