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Firefighters' Pension Schemes Annual Benefit Statement Guidance Notes for Deferred Members

Deferred Pensioner Benefit Details

This section shows the personal Information that we currently hold on your record. 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.

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.

NI Number

This is the National Insurance Number we hold on record for you

Date of Birth

This is the date of birth we hold on record for you

Marital Status

Where a partnership status is not held on our records the default status is single. If you are married, in a civil partnership or have nominated a partner to receive a pension in the event of your death, and no spouse's/partner's pension is shown on your statement, please notify us, via the contact details given below, to ensure that your record is updated and future statements show the appropriate prospective benefits.

Date of leaving

This is the date you left your final employment.

Pensionable Remuneration at Date of Leaving

This is the pensionable pay used to calculate your benefits, as supplied by your Fire Authority, at the point you left the Pension Scheme.

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



Date of Pensions Increase

This is the date at which the latest pensions increase was applied to your benefits. This statement was produced as at that date, to reflect the latest adjustment affecting the value of your deferred benefit.



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1992/2006 Firefighters Pension Scheme Benefits

Your statement has been calculated with each section relating to the scheme you are a member of at the time of membership, depending on whether you transitioned to the 2015 scheme. This section shows the value of your deferred pension benefits, from your membership of either the 1992 or 2006 Firefighters Pension Scheme, which would be payable upon retirement.

Please Note: The benefits in this section are an estimate, based on a number of assumptions, and do not confer any statutory rights.

Benefits Payable from

This is the earliest date that your pension could be paid, without reduction. The figures in this section of your statement assume that the benefits will become payable on this date.

Rate of Pensions Increase

This is the proportion that your pension was increased by on 10 April 2017.

Benefits with no Lump Sum

Annual Pension

This is the value of your standard annual Final Salary pension as at 10 April 2017, assuming it becomes payable on the date shown at the top of this section of your statement.

Includes pensions increase of

This figure shows the value of the increase applied to your pension on 10 April 2017.

Spouse Pension

This is the pension that may be paid to an eligible spouse, civil partner or cohabiting partner, when you die.

Please note: For members of the 1992 scheme, pension benefits will only be paid to a spouse or civil partner, in the event of your death. For members of the 2006 Scheme, a pension may be paid to an eligible cohabiting partner.

Members of the 2006 Scheme should also note that if your spouse, civil partner or cohabiting partner is more than 12 years younger than you, their pension will be reduced to reflect the difference. The reduction will be 2.5% for every year or part year over 12 years to a maximum reduction of 50%.

If your relationship status is single, the figure in this section will be £0.00

Includes pensions increase of

This figure shows the value of the increase applied to the spouse's pension on 10 April 2017.



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Benefits with maximum Lump Sum

This section shows the value of your deferred pension benefits payable upon retirement if you decide to exchange some of your pension in return for the maximum lump sum available under the Scheme rules.

Please note: For members of the 1992 Scheme, this may incur a tax charge.

The conversion factor used to calculate how much pension must be given up to buy £1 of lump sum is an age related factor, calculated by the Scheme Actuary. For some people the conversion factor may be greater than 20; if this is the case, under current tax law, a tax charge may apply to your lump sum. You may choose to adjust the amount of lump sum that relates to your 1992 Scheme pension, or limit the amount of pension you exchange to provide the maximum tax-free lump sum available. (Please refer to your Tax office for further guidance).

Annual Pension

This is the pension you would receive if you exchanged some pension to provide the maximum lump sum.

Includes pensions increase of

This is the amount of pension increase that would be applied to the remaining pension.

Lump Sum

This is the value of the maximum lump sum you could receive by exchanging some of your pension.

Includes pensions increase of (2006 Scheme only)

This is the amount of pension increase that would be applied to the lump sum.

Spouse pension

This is the amount of spouse pension that could be paid to an eligible spouse, civil partner or (2006 Scheme only) cohabiting partner, if you had chosen to exchange some of your pension into the maximum lump sum.

Includes pensions increase of

This is the value of the pension increase that would be applied to the spouse pension, in these circumstances.



2015 Firefighters Pension Scheme Benefits

This section shows the value of your deferred pension benefits, from your membership of the 2015 Firefighters Pension Scheme, which would be payable upon retirement.

Please Note: The benefits in this section are an estimate, based on a number of assumptions, and do not confer any statutory rights.

Benefits payable from

This is the earliest date that your pension could be paid, without reduction. The figures in this section of your statement assume that the benefits will become payable on this date.

Rate of Pensions Increase

This is the proportion that your pension was increased by on 10 April 2017.

Benefits with no Lump sum:

Annual Pension

This is the value of your standard annual pension, from membership of the 2015 Scheme, as at 10 April 2017, assuming it becomes payable on the date shown at the top of this section of your statement.

Includes pensions increase of

This figure shows the value of the increase applied to your pension on 10 April 2017.

Spouse Pension

This is the 2015 Scheme pension that may be paid to an eligible spouse, civil partner or cohabiting partner, when you die.

Please note: If your spouse, civil partner or cohabiting partner is more than 12 years younger than you, their pension will be reduced to reflect the difference. The reduction will be 2.5% for every year or part year over 12 years to a maximum reduction of 50%.

If your relationship status is single, the figure in this section will be £0.00

Includes pensions increase of

This figure shows the value of the increase applied to the spouse's pension on 10 April 2017.

Benefits with maximum Lump sum:

Annual Pension

This is the pension you would receive if you exchanged some pension to provide the maximum lump sum.



Includes pensions increase of

This is the amount of pension increase that would be applied to the remaining pension.

Lump Sum

This is the value of the maximum lump sum you could receive by exchanging some of your pension.

Includes pensions increase of

This is the amount of pension increase that would be applied to the lump sum.

Spouse pension

This is the amount of spouse pension that could be paid to an eligible spouse, civil partner or cohabiting partner, if you had chosen to exchange some of your pension into the maximum lump sum.

Includes pensions increase of

This is the value of the pension increase that would be applied to the spouse pension, in these circumstances.

Your Nomination Details

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.

If you are a member of the 1992 Scheme, this section will not be present since you are not able to nominate beneficiaries, 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.

Nomination Comments

Where it is known, this is the date that your current nomination was made.

Your Membership Details

This section provides information about the service gained within the Firefighters pension scheme. Please check this carefully and should you have any queries please do not hesitate to contact us directly.



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Supplementary notes

How your benefits are calculated

Your benefits build up at different rates depending on which scheme you were a member of at the time of leaving.

The below table confirms the rate at which your benefits build up annually, and on what basis:

	1992 Scheme	2006 Scheme	2015 Scheme	Special Modified 2006 Scheme
Accrual rate	40/60ths 1/60th (2/60th after 20 years)	1/60 th standard	1/59.7th	1/45th
Basis of pension	Final Salary	Final Salary	CARE	Final Salary

There are exceptions to the above, dependent upon whether your pensions are taper protected, protected or unprotected.

Protected members

A protected member is somebody who is protected by legislation to stay in the existing final salary scheme (1992, 2006 or Special Modified Scheme), and so will not move into the 2015 Scheme.

If you qualify as a protected member, your estimated pension is calculated based on your service up to your normal retirement date, divided by an accrual rate and multiplied by your final pensionable pay at the date of this statement.

Taper protected and unprotected members

2006 Scheme (Standard and Special members)

If you are a taper-protected or unprotected member, your estimated pension is calculated based on your service until you join the 2015 Scheme, divided by the relevant accrual rate (as in the table above), 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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Double accrual guarantee

In the 1992 Scheme, a firefighter's pension scheme membership over 20 years is doubled. For example, the pension for a member with 30 years' service in the 1992 Scheme would be calculated at 40/60ths (20+10+10). This is more commonly known as 'double accrual'.

The new regulations give members who move from the 1992 Scheme into the 2015 Scheme a proportion of the double accrual they could have expected to receive had they stayed in the 1992 Scheme. Full continuous pensionable service (that is, before and after membership of the 2015 Scheme) is taken into account to calculate the benefits to be awarded under the 1992 Scheme.

The Firefighters' Pension Scheme (England only) regulations have introduced a formula in Schedule 2, Part 2, Part 2A $(A \div 60) \times (B \div C) \times APP$ to calculate this.

Part 2A - <http://www.legislation.gov.uk/ukxi/2015/589/schedule/3/paragraph/9/made>

A = Maximum 60ths a member could have built up to their estimated retirement date had there been no change to the 1992 Scheme

B = 1992 service up to 31 March 2015, or the taper date.

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

APP = Final salary

Deductions

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 may 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.



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.