Firefighters' Pension Scheme reforms

Overview of the offer

Following extended constructive discussions with the firefighter unions, the Department for Communities and Local Government has published a Heads of Agreement on the core parameters for reforms to the firefighters' pension scheme. The key features of the new scheme, to be introduced in 2015, are being considered by the Executives of the firefighter unions. The contents of this document relate to the Heads of Agreement that was published on 9 February. Further discussions are taking place on the details of the reforms.

The core parameters for the new scheme are:

- a career average pension scheme design
- a provisional accrual rate of 1/58.7th (equivalent to around 1.70%) of pensionable earnings each year, subject to further agreement on outstanding issues
- there will be no cap on how much pension can be accrued
- active members' career average benefits to be revalued in line with average weekly earnings
- pensions in payment and deferred benefits to increase in line with Prices Index (currently Consumer Prices Index)
- average member contributions of 13.2% from April 2015, with protection for new entrants. The Government will review the impact of the proposed 2012-13 contribution changes, including the effect of membership opt-outs, before taking final decisions on how future increases will be delivered in 2013-14 and 2014-15, and in the new scheme
- flexible retirement from the scheme's minimum pension age of 55, built around the scheme's Normal Pension Age of 60
- enhanced retirement arrangements for active members who are aged 57 or more
- the Normal Pension Age will be subject to a regular review, which will consider if the Normal Pension Age of 60 remains relevant and will take full account of the economical, efficient and effective management of the fire service including the challenging occupational demands of operational firefighting and the changing profile of the workforce
- members who retire later than the scheme's Normal Pension Age will have their pension enhanced to recognise that the pension is taken later
- a deferred pension age equal to the individuals' State Pension Age
- optional lump sum commutation at a rate of 12:1 in accordance with HMRC limits and regulations

- ill-health retirement benefits and all other ancillary benefits to be based on the arrangements in the New Firefighters' Pension Scheme 2006 ('the 2006 scheme')
- an employer cap to provide backstop protection to the taxpayer against unforeseen costs and risks, as well as the chance for members to improve benefits if the costs of the scheme fall below a fixed point. This means that the taxpayer will not be faced with unlimited costs and that members will benefit if the scheme proves to be less expensive than expected; and
- a guarantee that, outside of the scheme designs parameters set out in the Heads of Agreement, there will be no further reform for the next 25 years.

Protection for those close to retirement

- Active scheme members who, as of 1 April 2012, have 10 years or less to their current Normal Pension Age will see no change in when they can retire, nor any decrease in the amount of pension they receive when they choose to retire. The Normal Pension Age in the Firefighters' Pension Scheme 1992 ('the 1992 scheme') is age 55, for the New Firefighters' Pension Scheme 2006 it is age 60. So this means that anyone who is aged 45 years or over in the 1992 scheme, or aged 50 years or over in the 2006 scheme, will see no change in the age that they expected to be able to take their benefits, nor the amount of pension they receive. Members who qualify for this protection will remain in their current scheme until they retire.
- There will also be a further 4 years of tapered protection for scheme members so that members who are up to 14 years from their current Normal Pension Age, as of 1 April 2012, will be eligible for an additional degree of protection, in the form of further accrual in their existing scheme. At the end of the protected period, they will be transferred into the new pension scheme arrangements. A detailed table setting out an individual members' entitlement to tapered protection, by date of birth, can be found at Annex A of the Heads of Agreement http://www.communities.gov.uk/documents/fire/pdf/2086582.pdf.

Full details on the core parameters can be found in the Heads of Agreement at: http://www.communities.gov.uk/documents/fire/pdf/2086582.pdf.

Secure accrued rights

All rights accrued under final salary arrangements in the 1992 scheme, or 2006 scheme, will be linked to the members' final salary when they retire or leave the 2015 pension scheme

For members of the 1992 scheme, the Government will further meet:

- members' expectation to double accrual for service accrued under the 1992 scheme, so that a members' full continuous pensionable service upon retirement will be used to calculate an averaged accrual rate up to a maximum accrual rate of 1/45^{ths}.

- members' expectation to be able to access their 1992 scheme benefits, when they retire, from age 50 with 25 or more years pensionable service. Pensionable service for the purpose of calculating access to the pension will include any continuous pensionable service accrued under both the 1992 scheme and the 2015 scheme
- members' expectation to an actuarially assessed commutation factor for benefits accrued under the 1992 scheme

Frequently Asked Questions

Q1. How will my pension change?

A firefighter entering the service at age 20 or 30, with a full career as a firefighter, should get as generous a pension under the new scheme as they would under the current scheme that is open to new members. Higher earners are likely to get a lower pension than they do under current arrangements, but they will now receive a pension that is more proportionate to the contributions that they have made.

Under the Heads of Agreement proposals, a new firefighter who enters the service in 2015 at age 20, progresses to competent within 3 years and continues to earn a salary of £28,200[1] is likely to receive a pension of around £18,900 (or 67% of their final salary) after 40 years' pensionable service. The same firefighter entering at age 30 is likely to receive a pension of around £14,100 (or 50% of their final salary) after 30 years pensionable service.

A very 'high flyer' who enters the service in 2015 at age 20 and progresses to Chief Fire Officer, is likely to receive a pension of around £45,200 after 40 years service (or 35% of their final salary of £130,000).

A number of case study examples showing illustrative pension benefits can be found at the Annex.

Q2. Why should I remain a member of the firefighters' pension scheme?

There are many good reasons to remain a member of a public service pension scheme, for instance:

- A public service pension is still a very effective way to save for your retirement.
- A new scheme will still provide a guaranteed level of pension – calculated as a fraction of your salary, not an unknown amount based on investment returns.
- You receive tax relief on your pension contributions and you also pay a lower rate of national insurance contribution if you are a member of a contracted out public service pension scheme.
- Your pension scheme provides valuable benefits for you and your family such as ill-health pensions and payments after your death.

[1] All monetary value used are in today's terms

Before making final decisions about opting out, members are encouraged to seek their own independent financial advice, based on their own personal situation.

Q3. Why are we moving towards a career average scheme?

Career average schemes provide a more equitable outcome than final salary schemes, where high flyers receive far more than the rest of the workforce in terms of the level of their pension benefits relative to their contributions received. Final salary schemes, such as the Firefighters' Pension Scheme 1992 and New Firefighters' Pension Scheme 2006, provide better benefits to members with high levels of salary progression, effectively subsidised by lower benefits to members with 'flat' careers. Members with incomes that do not substantially increase towards the end of a member's career tend to get better benefits from a career average scheme than from a final salary scheme with the same overall average cost.

Q4. How do career average schemes work?

In a final salary scheme, your pension is typically worked out as a fraction of your final salary for each year of service. The 'final salary' used is generally the highest paid level of your last few years. For instance,

- If you are in the Firefighters' Pension Scheme 1992, you receive a pension calculated as ((1/60th x the number of years up to 20) + (2/60 x the number of years served between 20 and 30 years)) x final pensionable pay.

- If you are in the New Firefighters' Pension Scheme 2006, you receive a pension calculated as 1/60th x final pensionable pay x years (up to a maximum of 45 years).

In a career average scheme, each year you build up a 'slice' of pension based on your salary in that year. At the end of each year, the slice is increased in line with the 'inflator' used for that scheme – typically either prices or earnings increases - to maintain the value of the pension earned. When a member finally retires, their total pension is calculated by adding up the slices of pension they have built up each year throughout their career.

Q5. What is an accrual rate and revaluation rate?

The accrual rate is the amount of pension you build up each year towards your pension. It is not the only element that determines the amount of pension you receive on retirement, but it is a major factor.

It is expressed as a proportion of your pensionable pay and allows you to work out the value of your pension when it is paid out. In the proposed new firefighters' pension scheme from 2015, the Government is proposing a provisional accrual rate of 1/58.7th (equivalent to around 1.70%), with a revaluation rate, or ‘inflator’, for active members of ‘earnings’.

In a career average scheme, this means that you build up a pension of 1/58.7th of your pensionable earnings for each year you are a member of the pension scheme. Each of these annual pension elements would then be uprated in line with earnings, for active scheme members, and in line with prices after the member leaves the scheme.

Whilst it is not possible to accurately predict what rate earnings will increase by, the historic trend has exceeded the Consumer Prices Index.

For example, if you earn £28,000, one year’s membership of the new pension scheme will entitle you to:

- 1/58.7th x £28,000 = £477 of annual pension.

This amount will be increased each year by the rate of average weekly earnings increases and would be payable every year from when you retire.

Your total pension from the new scheme is calculated by adding up the individual pension entitlements you earn from each year of membership in the new scheme

As a comparison, the New Firefighters’ Pension Scheme 2006 has an accrual rate of 1/60th (or 1.67%) but it is based on final salary arrangements.

Q6. Why is the accrual rate not the same as for other public service schemes that have reached Heads of Agreement?

The accrual rate might not initially appear to be as generous as some of the other schemes which have reached Heads of Agreement, however, this is not an accurate reflection of the value of the benefits that have been secured for this scheme. Other schemes have agreed a higher accrual rate but a lower revaluation. All public service schemes are different, as are their workforces. The approach being taken here ensures that a firefighter should get at least as generous a pension under the new scheme as they would under the current 2006 scheme that is open to new members.

ACCESS TO PENSIONS

Q7. What is the Normal Pension Age in the 2015 scheme, does this mean I now have to retire at 60?

The Normal Pension Age in the 2015 scheme is age 60, in line with the current Normal Pension Age in the New Firefighters' Pension Scheme 2006. However, firefighters will be able to start to draw their pension upon retirement after reaching minimum pension age (55) with a reduction. Firefighters will continue to have a lower Normal Pension Age than other non-uniformed public servants, for which the proposal is to link retirement to the State Pension Age.

The new scheme will not be introduced until 2015, and so anyone leaving the scheme before then will not be affected. Members who are within 10 years of their Normal Pension Age, as of 1 April 2012, will also see no change in when they can retire, nor the amount of pension they had expected to receive at Normal Pension Age. They will continue as a member of their current scheme until they retire.

Members benefiting from the tapered arrangements will move into the 2015 scheme from their own, personal, date based on their date of birth. If, at any point, they meet the qualifying criteria for payment of the 1992 scheme pension (i.e. from age 50 with 25 years service), they can retire at that point and take their 1992 pension scheme benefits.

People working on beyond 2015, and not benefiting from the 10 year transitional protections, will have a '2-part' pension, as follows:

- The first part will reflect their service in their current scheme up to 2015 and be based on their final salary at the point that they actually retire or, in the case of a deferred pension, when the member leaves the scheme. Members will be able to retire and take this pension from their current scheme's Normal Pension Age (55 in the 1992 scheme and 60 in the 2006 scheme) or, in the case of the 1992 scheme, from age 50 with 25 or more years of service. The 25 years of service will include combined pensionable service earned in both the 1992 and 2015 schemes.

- The second part will reflect pension earned from 2015 in the new scheme (or later if the member benefits from tapered protection) and will be payable in full from that scheme's Normal Pension Age of 60. Members will still have a choice about when to retire, as this pension can be taken from the scheme's minimum pension age of 55 but with a reduction.

Q8. If I take my pension before 60, what adjustments are made to it?

Any pension earned in the new scheme will be payable in full from the age of 60. However, if members wish to retire and take their pension earlier, they can do so with a reduction. The reduction is to recognise that the pension is in payment earlier and therefore is to be paid for longer.

Following discussions with the unions and employers, the Heads of Agreement permits those firefighters who remain in the pension scheme to retire and take their pension from age 57 on enhanced terms. These members will have their pension reduced based on the length of time between retirement and the scheme's Normal Pension Age (i.e. 60). Members who wish to take their pension from between 55 and 57, will have their pension reduced from the scheme's deferred pension age (i.e. the State Pension Age).

Whilst it is not possible to say what the reduction will be (as it will determined regularly on an actuarial basis), the rule of thumb for an actuarial reduction is considered to be between 4% and 5% for each year that the pension is taken early.

For example, if the member wishes to retire and take their pension from age 55 and has a State Pension Age of 67, they will have their pension reduced from between 48% and 60% (i.e. a 12 year reduction on the basis of between a 4% to 5% actuarial reduction per annum).

However, if the same member wishes to retire and take their pension from age 57 under the enhanced arrangements, they will have their pension reduced from their Normal Pension Age of 60. Their reduction in pension is likely to be in the order of 12% to 15% (i.e. a 3 year reduction on the basis of between a 4% to 5% actuarial reduction per annum).

Whilst any 1992 scheme benefits taken will not be actuarially reduced, it is important to note that the any pension taken early from the New Firefighters' Pension Scheme 2006 will continue to be actuarially reduced in accordance with that scheme's rules - that is from the scheme's deferred pension age of 65.

If a member wishes not to take their pension and to continue to work beyond the scheme's Normal Pension Age, then the scheme will recognise that the pension will be in payment later, and will provide an actuarial enhancement to the pension from the scheme's Normal Pension Age. This will be costed on similar terms to the actuarial reduction.

Deferred members will not be eligible for access to the enhanced terms, and their actuarial reduction will be based on the scheme's deferred pension age.

Q9. Protection for those closest to retirement

The Government set out its objective that those members who, on 1 April 2012, have 10 years or less to their current Normal Pension Age will see no change to when they can retire, nor any reduction in the amount of pension they receive at their Normal Pension Age. Members who qualify for this protection will remain in their current scheme until they retire.

Members of staff who are less than a further 4 years outside this protected group, will be eligible for an additional degree of protection, in the form of further accrual in their existing scheme. This protection will be tapered in a linear fashion depending on their age on 1 April 2012. The detailed table set out at Annex A of the Heads of Agreement sets out a member's personal entitlement based on their date of birth. http://www.communities.gov.uk/documents/fire/pdf/2086582.pdf.

Example 1

In 1988 Neil joined the processor scheme to the 1992 scheme at the age of 21. On 1 April 2012 he will be 45 years old with 24 years service. As Neil is over the age of 45 on 1 April 2012, he will benefit from the full protection. This means that Neil will remain in the 1992 scheme until he decides to retire. This could be from age 50 with 29 years' pensionable service, or at age 51 with 30 years' pensionable service. Neil will also be able to benefit from the 1992 commutation arrangements for all of his service.

Example 2

In 1988 Brian also joined the processor scheme to the 1992 scheme but at the age of 20. On 1 April 2012 he will be 43 years old with 23 years of service. As he was born on 1 October 1968, he will benefit from the tapered transitional arrangements. This means that Brian will remain in the 1992 scheme until 5 October 2019, at which point he would be transferred into the 2015 scheme. However, in 2018 Brian will have earned 30 years service at age 50 and can choose to retire at that point and take his 1992 scheme benefits. Brian will also be able to benefit from the 1992 commutation arrangements for all of his service.

It is estimated that some 10,533 1992 scheme members (or 44.7% of that scheme) and 255 2006 scheme members (or 4.6% of that scheme) will fall within the 10 year protection and around a further 4,750 1992 scheme members (20.2%) and 249 2006 scheme members (4.5%) will be within the taper arrangements. These figures are based on the most recent valuation data as of 31 March 2011.

Q10. What happens if I opt out of my current scheme?

What happens depends on which scheme you are in.

As the 1992 scheme is a closed scheme, if you opt out, you will not be able to opt back into that scheme. You will, instead, become a deferred pensioner and your 1992 scheme pension will be paid at age 60. As you cannot opt back in, you will lose any access to the final salary link for the service you have accrued under the scheme, any prospective double accrual enhancement and the ability to take your pension from age 50 with 25 years pensionable service. You will, however, be eligible to join the 2006 scheme up until 31 March 2015, or the new 2015 scheme from 1 April 2015.

If you decide to opt out of the 2006 scheme, the current scheme rules allow you to opt back in if you change your mind later. But any period of opted-out service will never count towards your pension. If you do not opt back in to the 2006 Scheme, you would not be able to take your pension until age 65 under the terms of that scheme. You will be eligible to opt back in until 31 March 2015.

You will also need to start paying tax on the elements of your salary that you previous paid as contributions, and you will need to pay a higher rate of national insurance as you will be contracted back into the state second pension.

The firefighters' pension scheme will continue to offer a pension that is amongst the very best, providing a guaranteed pension level for all employees, and there will remain a strong economic rationale for members to remain in the scheme.

Q11. What happens to the pension I have built up?

This will be fully protected and you will be entitled to retire and take it at your current scheme's Normal Pension Age. In addition, there are elements of the Firefighters' Pension Scheme that apply to some members which warrant particular further consideration, given that the scheme has double accrual arrangements, early access to an unreduced pension before Normal Pension Age, and an actuarially assessed commutation factor.

For these members, the Government has agreed to meet:

- members' expectation to double accrual for service accrued under the 1992 scheme, so that a members' full continuous pensionable service upon retirement will be used to calculate an averaged accrual rate up to a maximum accrual rate of $1/45^{ths}$ (which is what a members' accrual rate would be on a uniform basis if they achieved their full 30 years' service). The table below shows what your earned 1992 service will be converted to depending on your length of continuous pensionable service in the 1992 or 2015 scheme

- members’ expectation to be able to access their 1992 scheme benefits, when they retire, from age 50 with 25 or more years pensionable service. Pensionable service for the purpose of calculating access to the pension will include any continuous pensionable service accrued under both the 1992 scheme and the 2015 scheme
- members’ expectation to an actuarially assessed commutation factor for benefits accrued under the 1992 scheme, based on the current commutation arrangements.

Q12. How will my 1992 scheme service be enhanced?

To recognise members’ expectation to double accrual on the service already earned, the Government has agreed to meet that expectation, and apply a multiplier to the 1992 pension scheme service that the member has already earned. This is as follows:

Total continuous pensionable service upon retirement in the 1992 and 2015 scheme	Multiplier applied to earned 1992 service to recognise expectation to double accrual	Fraction that years of earned 1992 service is converted to
30	1.333	1/45th
29	1.310	1/45.789th
28	1.286	1/46.667th
27	1.259	1/47.647th
26	1.231	1/48.75th
25	1.200	1/50th
24	1.167	1/51.429th
23	1.130	1/53.077th
22	1.091	1/55th
21	1.048	1/57.273th
20 or less	1.000	1/60th

In applying this table, you can either multiply the number of years’ pensionable service you have in the 1992 scheme by the multiplier to arrive at the number of 60ths, or you can just apply the number of years’ pensionable service in the 1992 scheme to the fraction.

For instance, if you have 24 years’ accrued service in the 1992 scheme (or 28/60ths) and transfer into the 2015 scheme and continue to earn 6 years of pensionable service in the 2015 scheme, your 1992 scheme rights will be enhanced to 32/60ths (by applying the 1.33 multiplier to the length of service) or by converting the 24 years to 24/45ths. Each arrives at the same proportion of final salary earned.

Example 1

Joe joined the 1992 scheme in 2000 aged 20. By 2015 he is aged 35 and has accrued 15 years of service (i.e. $15/60^{ths}$ or 25% of his final salary) in the 1992 scheme. Joe does not qualify for protection under the transitional or tapered arrangements and so moves into the 2015 scheme on 1 April 2015 and starts accruing in that scheme. By 2030, Joe has completed 30 years of continuous pensionable service under the 1992 and the subsequent 2015 scheme.

As he is now aged 50 and has over 25 years of continuous pensionable service, Joe can decide to retire and take his 1992 scheme pension benefits. Joe's 1992 scheme service will also be revalued to take account of the fact that after 30 years of service he had expected to have had entitlement to double accrual on the elements of his 1992 pension that he had accrued prior to being transferred into the 2015 scheme. Using the table above, his earned 1992 rights will be revalued to 20/60ths (or 15/45ths or 33%), of his final salary as of 2030. He will also be entitled to an actuarially assessed commutation factor for that element of his 1992 scheme pension in accordance with the relevant Government Actuary's Department tables in force at that time (currently 22.4 at age 50).

However, Joe would become a deferred pensioner for his 2015 scheme benefits and he would not be able to take these until his State Pension Age, or from age 55 on an actuarially reduced basis from his State Pension Age.

Example 2

Bill joined the 1992 scheme in 2005 at age 30. By 2015 he is aged 40 and has accrued 10 years of service (i.e. $10/60^{ths}$ or 16.7% of his final salary) in the 1992 scheme. Bill does not qualify for protection under the transitional or tapered arrangements and so moves into the 2015 scheme on 1 April 2015 and starts accruing in that scheme. By 2032, Bill has completed 27 years of continuous pensionable service under the 1992 and the subsequent 2015 scheme.

As he is aged over 50 and has over 25 years of continuous pensionable service, Bill can retire and take his 1992 scheme pension benefits. Bill's 1992 scheme service will also be revalued to take account of the fact that after 27 years of service he had expected to have had entitlement to double accrual on the elements of his 1992 pension that he had accrued prior to being transferred into the 2015 scheme. Using the table above, his earned 1992 rights will be revalued to 12.59/60ths (or 10/47.647ths, or 21%) of his final salary as of 2032. He will also be entitled to an actuarially assessed commutation factor for that element of his pension in accordance with the relevant Government Actuary's Department tables in force at that time (currently 20.1 at age 57).

Bill will also be able to take the 17 years of pension accrued in the 2015 pension at age 57 with an actuarial reduction from the scheme's Normal Pension Age of 60 (i.e. with a 12% - 15% reduction).

CONTRIBUTIONS

Q13. When will I know how much I will be paying from 2015?

The Heads of Agreement provides for an employee contribution rate of 13.2% on average. The structure of employee contribution rates from 2015 is not yet known as it will depend on the outcome of the review of the 2012-13 increases, although new recruits are likely to be provided with a lower contribution rate for a limited period.

Q14. Will there be a review of the effect of the 2012 increases?

The Government is committed to reviewing the full impact of the proposed 2012-13 contribution changes, including the effect of membership opt-outs, before taking final decisions on how future increases will be delivered in 2013-14 and 2014-15. The outcome of this review will be considered when determining the contribution arrangements in the new scheme.

Q15. Will there be any protection in the 2015 scheme for the lowest paid?

The structure of the employee contribution rate has yet to be finalised but may be structured so that lower paid staff pay lower contributions.

Q16. Is the contribution increases just a tax on public servants?

No. With better healthcare and improved lifestyles many people can expect to spend as much as 40% of their adult life in retirement and the average 60 year old is living ten years longer now than they did in the 1970s. This means public service pensions are costing more and this cost has mainly been met by the employer.

The increases in contributions and the longer term reform is intend to rebalance the level of payments between employee and employer (ultimately the taxpayer) to make public service pensions affordable and sustainable in the long term.

THE CASE FOR REFORM

Q17. Why is the Government reforming Public Service Pensions?

The Government is working to make public service pensions fairer and more sustainable over the long term. Lord Hutton, in his independent review of public service pensions, concluded that “current scheme designs are not sufficiently robust to ensure the sustainability of public service pensions”, and that change is needed to “make public service pension schemes simpler and more transparent, and fairer to those on low and moderate earnings”.

Final salary schemes mean that ‘high fliers’ receive almost twice as much pension for every £100 of their contributions than people on ‘flat’ careers. The Government does not consider it right that lower paid employees should subsidise the pension entitlement of more highly paid staff. The Government is therefore proposing a “career average” scheme, where every year of your salary will count towards your pension, rather than just the last few years. People on low and middle incomes will receive broadly the same pension benefits in retirement under the reformed schemes as they do now.

Q18. Why did Lord Hutton say that the current arrangements are unsustainable?

With better healthcare and improved lifestyles, many people can expect to spend as much as 40% of their adult life in retirement. People are also living longer – the average 60 year old is living ten years longer now than they did in the 70s.

This means public service pensions are costing more – £32bn in 2008-09, an increase of a third over the last decade which is more than we spend on police, prisons and the courts.

Q19. Why did Lord Hutton believe that the current arrangements are unfair?

Lord Hutton considered that there needs to be a fairer balance between what employees contribute to their own pensions and what other taxpayers pay. If not, taxpayers will be paying for pensions they cannot possibly hope to receive themselves for generations to come.

The current final salary arrangements of most pension schemes also give more benefit, in relative terms, to those on higher salaries and those with better career progression. Schemes for the future should ensure that the pension that members get out is a fairer reflection of what they have put in across their entire working career.

ANNEX
Illustrative Pension Options under Heads of Agreement

The following examples were prepared by the Government Actuary's Department based on the Heads of Agreement as published on 9 February 2012. They show illustrative pension outcomes for a range of individuals based on their date of birth and entry point into the scheme. It shows some of the options available to these members in accessing their Firefighters' Pension Scheme 1992 benefits and their benefits under the 2015 scheme. The figures are in current earnings terms and based on the salary rates paid to firefighters today. They are indicative and should be treated as such.

The calculations assume that the member remains a 'firefighter' throughout their career to a maximum salary of £28,199 (based on current salary rates) and that the members' date of birth and date of joining the scheme are assumed to be on the 1 April of the relevant year.

1. **Member who joined the FPS 1992 in 2000, aged 20.**

   The member has 15 years' service in the 1992 scheme and is aged 35 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

   a. retire at age 60 with a total pension of £21,400 pa (FPS pension of £9,400 pa and 2015 pension of £12,000 pa)

   b. retire at age 57 with a total pension of £18,400 pa (FPS pension of £9,400 pa and 2015 pension of £9,000 pa)

   c. retire at age 50 with an FPS pension of £9,400 pa and a deferred 2015 pension (payable from age 55 of £2,500 pa or from age 68 (SPA) of £7,200 pa).

2. **Member who joined the FPS 1992 in 2000, aged 27**

   The member has 15 years' service in the 1992 scheme and is aged 42 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

   a. retire at age 60 with a total pension of £18,000 pa (FPS pension of £9,400 pa and 2015 pension of £8,600 pa)

   b. retire at age 57 with a total pension of £15,500 pa (FPS pension of £9,400 pa and 2015 pension of £6,100 pa)

   c. retire from age 52 with an FPS pension of £8,500 pa and a deferred 2015 pension (payable from age 55 of £1,900 pa or from age 67 (SPA) of £4,800 pa).

3. **Member who joined the FPS 1992 in 2000, aged 30**

The member has 15 years' service in the 1992 scheme and is aged 45 in 2015. The member qualifies for tapered protection, which ends on 21 February 2017. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £16,800 pa (FPS pension of £10,600 pa and 2015 pension of £6,200 pa)

b. retire at age 57 with a total pension of £14,100 pa (FPS pension of £10,000 pa and 2015 pension of £4,100 pa)

c. retire from age 55 with an FPS pension of £9,500 pa and a 2015 pension payable from age 55 of £1,500 pa or, deferred, from age 67 (SPA) of £3,800 pa).

4. **Member who joined the FPS 1992 in 1997, aged 20.**

The member has 18 years' service in the 1992 scheme and is aged 38 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £21,900 pa (FPS pension of £11,300 pa and 2015 pension of £10,600 pa)

b. retire at age 57 with a total pension of £19,100 pa (FPS pension of £11,300 pa and 2015 pension of £7,800 pa)

c. retire at age 50 with an FPS pension of £11,300 pa and a deferred 2015 pension (payable from age 55 of £2,300 pa or from age 67 (SPA) of £5,800 pa).

5. **Member who joined the FPS 1992 in 1997, aged 25.**

The member has 18 years' service in the 1992 scheme and is aged 43 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £19,500 pa (FPS pension of £11,300 pa and 2015 pension of £8,200 pa)

b. retire at age 57 with a total pension of £17,000 pa (FPS pension of £11,300 pa and 2015 pension of £5,700 pa)

c. retire at age 50 with an FPS pension of £10,200 pa and a deferred 2015 pension (payable from age 55 of £1,300 pa or from age 67 (SPA) of £3,400 pa).

6. **Member who joined the FPS 1992 in 2005, aged 20.**

The member has 10 years' service in the 1992 scheme and is aged 30 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £20,700 pa (FPS pension of £6,300 pa and 2015 pension of £14,400 pa)

b. retire at age 57 with a total pension of £17,300 pa (FPS pension of £6,300 pa and 2015 pension of £11,000 pa)

c. retire at age 50 with an FPS pension of £6,300 pa and a deferred 2015 pension (payable from age 55 of £3,400 pa or from age 68 (SPA) of £9,600 pa).

7. **Member who joined the FPS 1992 in 2005, aged 25.**

The member has 10 years' service in the 1992 scheme and is aged 35 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £18,300 pa (FPS pension of £6,300 pa and 2015 pension of £12,000 pa)

b. retire at age 57 with a total pension of £17,300 pa (FPS pension of £6,300 pa and 2015 pension of £9,000 pa)

c. retire at age 50 with an FPS pension of £5,600 pa and a deferred 2015 pension (payable from age 55 of £2,500 pa or from age 68 (SPA) of £7,200 pa).

8. **Member who joined the FPS 1992 in 2005, aged 30.**

The member has 10 years' service in the 1992 scheme and is aged 40 in 2015. The member does not qualify for full, or tapered protection. The member has a number of options available for retirement under the new scheme:

a. retire at age 60 with a total pension of £15,900 pa (FPS pension of £6,300 pa and 2015 pension of £9,600 pa)

b. retire at age 57 with a total pension of £12,800 pa (FPS pension of £5,900 pa and 2015 pension of £6,900 pa)

c. retire at age 55 with an FPS pension of £5,600 pa and a deferred 2015 pension (payable from age 55 of £2,900 pa or from age 67 (SPA) of £7,200 pa).

Pension taken from:	Age of scheme entry in 1997		
	20	**25**	**30**
Earliest point under which FPS benefits can be taken	£11,300 from age 50 and: - £2,300 from age 55, or - £5,800 from age 67	£10,200 from age 50 and: - £1,300 from age 55, or - £3,400 from age 67	Member would benefit from the 10 year protection
57	£19,100	£17,000	
60	£21,900	£19,500	
	Age of scheme entry in 2000		
	20	**27**	**30**
Earliest point under which FPS benefits can be taken	£9,400 from age 50 and: - £2,500 from age 55, or - £7,200 from age 68	£8,500 from age 52 and: - £1,900 from age 55, or - £4,800 from age 67	£9,500 from age 55 and - £1,500 from age 55, or - £3,800 from age 67
57	£18,400	£15,500	£14,100
60	£21,400	£18,000	£16,800
	Age of scheme entry in 2005		
	20	**25**	**30**
Earliest point under which FPS benefits can be taken	£6,300 from age 50 and: - £3,400 from age 55, or - £9,600 from age 68	£5,600 from age 50 and: - £2,500 from age 55, or - £7,200 from age 68	£8,500 from age 55
57	£17,300	£15,300	£12,800
60	£20,700	£18,300	£15,900

Note on calculations

- The calculations use the career path for a firefighter without promotion as shown in Appendix B of the First Actuarial report dated 31 August 2011 which was commissioned by the Fire Brigades Union (3 years until competency, working full time with no career break)
- deferred pensions will be revalued from the point of deferment until taken in line with the Pension Increase Act (currently in line with the Consumer Prices index)
- Early retirement factors that will be in force in the new scheme are assumed to be 5% for each year between the date of retirement and the date that the factor is set by reference to. These may not reflect the actual early retirement factors that apply.