

# Employer Guide Fire Pension Scheme Retirements

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## Introduction

This guide covers the process that occurs when a member retires from active status and receives immediate payment of their pension benefits under the 1992, 2006 or 2015 pension schemes.

In all cases the claim for payment of retirement benefits must be made **before** the date of leaving, the relevant forms must be signed and dated before the date of leaving. If a claim is made following the date of leaving then the FRA must confirm the date that the pension becomes payable from and notify the member of this decision, tax charges may be incurred by the member if they complete the relevant form after they have left employment.

## 1992 Pension Scheme retirements

Once a fire-fighter has completed 2 years as a member of the 1992 pension scheme, they are entitled to a pension benefit. If the fire-fighter has less than 2 years membership of the pension scheme but has transferred in from a personal pension, they would be automatically entitled to a pension benefit.

If a firefighter leaves the service and fulfils one of the criteria indicated below, they become entitled to immediate payment of their pension benefits:

1. Completion of 25 years' service and aged 50 or over
2. Normal retirement age (55)
3. Medical grounds (available from any age)

### Completion of 25 years' service and aged 50 or over

Once a firefighter has met these criteria, they may tender their resignation and receive immediate payment of their pension, without actuarial reductions.

### Normal Pension Age (NPA)

The Normal retirement age for all firefighters is 55 however they will not be compelled to retire at age 55, they may work longer if they desire and are physically able to continue to undertake efficiently the relevant role.

Scheme benefits are limited to thirty years' service (40/60ths) even if the firefighter remains an active member after attaining 30 years' service.

### Medical grounds

If a firefighter becomes permanently disabled from performing the normal duties of a firefighter the fire authority may retire them on ill-health grounds, at any age. If the firefighter has sustained an injury whilst on duty, which has led to the retirement, they may receive an injury pension (please see Injury Pension Guide for more details).

If the firefighter has more than 2 years pensionable service and is permanently disabled for the performance of duties in their role an ill-health pension may be awarded. There are two tiers of award – lower tier & higher tier.

**Lower tier** - Awarded to a firefighter who is permanently disabled from performing duties of their role.

**Higher tier** – Awarded to a firefighter who is permanently disabled from performing duties of their role as well as any other regular employment (30 hours per week for a period of 12 months).

The pension is calculated in a similar way to an ordinary pension and then usually enhanced to compensate for the lost opportunity of serving until normal retirement. The enhancements applied are shown below:

**Lower Tier****Pensionable Service****Pension**

Less than 5 years

1/60

5 years +

(service/60 x 40/60 x APP)

(same calculation as a deferred pension)

**Higher Tier**

This involves a two-stage calculation. The first stage assesses a pension including an enhancement of service; the next stage deducts from the resultant pension amount equal to the lower tier pension. The difference is the higher tier pension.

This is necessary as the higher tier pension cannot be commuted as following review it can be withdrawn.

Enhancements which constitute a higher tier pension are calculated as follows:

**Pensionable Service****Pension**

5 to 10 years

2/60 x APP (for each year)

More than 10 to 13 years

20/60 x APP

More than 13 years

7/60 plus

1/60 for each year up to 20,

2/60 for each year over 20

The resultant pension must not be greater than the age retirement pension that could be achieved at the normal pension age of 55 or age 60 in the case of the station manager.

**Cost to the Fire & Rescue Authority**

From 1 April 2006 authorities are required to make a lump sum payment into their pension fund of

Lower tier ill health - 2x average pensionable pay in respect of all lower tier ill-health retirements.

Higher tier ill health - 4x average pensionable pay in respect of all higher tier ill- health retirements

**Review of ill-health pension**

The ill health pension can be reviews as long as the firefighter

- has been in receipt of an ill-health pension for less than 10 years, and
- is under state pension age

The authority can consider at certain intervals whether the firefighter has become capable of

- performing any duties appropriate to the role from which they retired on grounds of ill-health, and
- of undertaking regular employment.

Regular employment in this context is working an average of 30 hours a week on average over a period of not less than 12 consecutive months.

### **Effect of review**

**Higher tier pension** - If after such a review a firefighter in receipt of a higher tier ill health pension has become capable of undertaking regular employment, their entitlement to that pension will cease with immediate effect. This firefighter shall continue to receive the lower tier ill health pension.

**Lower tier pension** - If after such a review a firefighter in receipt of a lower tier ill health pension has become capable of performing the duties appropriate to the role from which they retired on the grounds of ill-health and the authority make the man offer of employment in that role. The entitlement to the pension will cease with immediate effect, whether the employment offer is accepted or rejected. This firefighter shall then become entitled to a deferred pension.

### **Commutation**

Fire fighters are entitled to a pension only under the 1992 pension scheme. However, they have the option to commute up to 25% of their pension in place of a tax-free lump sum. If the firefighter has between 25 – 30 years' service and retires before his normal retirement age, the maximum amount of commutation is restricted to 2 ¼ x gross annual pension, before commutation takes place. See note below\*\*

The election must be received before the firefighter becomes entitled to his pension in order for the lump sum to be classed as an authorized payment and therefore not have tax deducted (in some cases).

The commutation factors changed on 19 April 2011 and most of the factors increased to over 20. Therefore, when a firefighter commutes the maximum the lump sum will be more than 25% of the overall value of the pension benefits. This means that a tax charge is paid on the excess lump sum as it is classed as an unauthorized payment.

\*\* If a firefighter is retiring between 50 and 55 with less than 30 years' membership the Fire & Rescue authority can decide to allow a larger lump sum to be paid so that the firefighter can commute 25% of their pension, rather than the 2 ¼ restriction being applied. This discretion is a tool for FRA to use to encourage employees to take early retirement.

If an authority exercises this discretion they will be required to pay an amount equal to any extra lump sum paid over the 2 ¼ limit into their pension fund within the same financial year period in which the lump sum was paid to the member.

### **Pension Increase**

Pensions Increase is paid from the firefighters 55th birthday, unless the retirement is on ill-health grounds. Pensions are increased in line with CPI.

### **Long Service Increments**

Long Service Increments (LSI) was paid to until 30 June 2007 to firefighters with 15 years continuous service and was included in the average pensionable pay.

Following the cessation of the payment it is no longer included in the average pensionable pay used to calculate retirement benefits.

Therefore, an additional pension benefit (APB) is now awarded to any firefighter who was in receipt of LSI on 20 June 2007

The amount of the benefits will be calculated as follows:

$$\frac{A + (B \times 2)}{60} \times \text{£}990$$

A = number of years pensionable service up to 30 June 2007 that exceed 15 but does not exceed 20 years; and

B = number of years pensionable service up to 30 June 2007 that exceeds 20 years but does not exceed 30.

Please note that if the FF was paid 20% flexi-duty on the LSI it is ignored in the APB calculation.

- The APB will be payable from normal pension age.
- Normal commutation rules apply.
- Survivor benefits are payable on the APB.
- The APB is index linked in line with RPI from age 55

### **Continual Professional Development**

This allowance came in from 1 July 2007 and an additional pension benefit (APB) is awarded each year. The value of the APB will be determined annually on the anniversary of commencement of CPD payments in accordance with guidance and tables provided by the scheme actuary.

If the firefighter leaves pensionable service before the end of the CPD year, the APB for that year will be based on the value of contributions from the start of the CPD year up to, and including, the last day of pensionable service. The APB due will be determined by calculating the notional value of the APB for the full CPD year and then proportioned by multiplying the result by the number of days pensionable service in the CPD year divided by 365.

Note that if the FF is paid 20% flexi-duty on the CPD then it is used in the APB calculation.

- The APB will be payable from normal pension age at the same time as other normal retirement benefits
- Normal commutation rules apply.
- Survivor benefits are payable on the APB.
- The APB is increased in line with the retail price index up to date of leaving under rule B5B of the regulations.
- The APB is index linked in line with RPI from age 55

### **Split Pension**

A fire-fighter may change roles or have a reduction to an element of pensionable pay, for instance transferring to a post without a pensionable allowance for flexible duty or by moving and losing the London Weighting allowance. To protect the pension rights the fire-fighter could be awarded a split pension.

The pension benefits accrued to the date of reduction would be calculated and accessed as if a deferred pension and a second pension would start to accrue from the following day.

When the fire-fighter eventually leaves where the second pension becomes payable, the first pension would be payable too. Alternatively, the fire-fighter could choose to add the service upon which the first pension would be based to the service which the second pension would be based and have a single pension based on the second period's final pensionable pay. This could be the best option if the pensionable pay in the second period now exceeds pensionable pay in the first (allowing for inflation). The pensions can be commuted to provide a lump sum in the normal way.



## **2006 Pension Scheme Retirements**

Once a fire-fighter has completed 3 months as a member of the FPS 2006 they are entitled to a pension benefit payable at Normal Pension Age or potentially earlier on the grounds of ill-health, also if the fire-fighter has transferred in from a personal pension they would be automatically entitled to a pension benefit. To receive payment of their pension a firefighter must have claimed payment of their pension and no longer be in active employment. Firefighters retiring under the FPS2006 regulations would have the following options:

### **Normal Pension Age (NPA)**

Normal pension age for all members of the FPS 2006 is 60 meaning that if a firefighter left employment the day before their 60th birthday they would receive immediate entitlement to unreduced retirement benefits.

### **Member – Initiated Early Retirement Pension**

If a fire fighter is aged between 55 and 60 and chooses to retire with immediate payment of pensions benefits, before their normal retirement age of 60, this is a "member-initiated early retirement pension".

The firefighter is awarded deferred benefits within in the scheme and these are brought into payment early. An actuarial reduction would be applied to the retirement pension to reflect the fact the benefits are being paid early. The reduction factor is set by the actuary and the current rate of reduction is approximately 5%for each year between the date of retirement and age 65 (the date deferred retirement benefits are payable).

The reduction is applied to the pension before commutation takes place which results in a reduced lump sum.

### **Authority-Initiated Early Retirement Pension**

If a fire fighter is aged between 55 and 60, they may at the discretion of the Fire Authority, be granted an "authority-initiated early retirement pension". This may be awarded if the authority determines it is in the interest of the management of service for the firefighter to retire early. There would be no actuarial reduction on the pension benefits for retirement on these grounds.

### **Cost to the Fire & Rescue Authority**

The FRA is required to make a lump sum payment into their pension fund for an authority initiated early retirement.

The amount due is equal to the difference between the amount of the pension paid and the amount that would have been paid had a pension been payable from the same date under rule 5 of that Part (member initiated early retirement).

### **Ill-Health Pension**

If a firefighter who has sufficient service (at least 3 months) is dismissed at any age because of permanent disablement for the performance of his/her duties as a firefighter, they may be awarded ill health benefits.

There are two tiers of ill- health pension.

### Lower Tier

The lower tier is paid to a firefighter who is required to leave on health grounds because they are no longer able to carry out their duties as a member of the fire service. The benefits payable are based on the service accrued in the scheme and has no ill health enhancement.

### Higher Tier

The higher tier is awarded where the firefighter has at least 5 years qualifying service and is unable to undertake any other regular employment (30 hours a week).

The firefighter would receive 2 pensions.

- The lower tier ill health pension plus an enhancement as follows
- 2% x service accrued to last day of service x prospective service to age 60.

Only the lower tier pension can be commuted to provide a lump sum.

### Cost to the Fire & Rescue Authority

From 1 April 2006 authorities are required to make a lump sum payment into their pension fund of

Lower tier ill health - 2x average pensionable pay in respect of all lower tier ill-health retirements.

Higher tier ill health - 4x average pensionable pay in respect of all higher tier ill- health retirements

### Review of ill-health pension

The ill health pension can be reviewed as long as the firefighter

- has been in receipt of an ill-health pension for less than 10 years, and
- is under state pension age

The authority can consider at intervals as they think proper whether the firefighter has become capable of

- performing any duties appropriate to the role from which they retired on grounds of ill-health, and
- of undertaking regular employment.

Regular employment in this context is working an average of 30 hours a week on average over a period of not less than 12 consecutive months

### Effect of review

**Higher tier pension** - If after such a review a firefighter in receipt of a higher tier ill health pension has become capable of undertaking regular employment, their entitlement to that pension will cease with immediate effect. This firefighter shall continue to receive the lower tier ill health pension, IE enhancement is stopped.

**Lower tier pension** - If after such a review a firefighter in receipt of a lower tier ill health pension has become capable of performing the duties appropriate to the role from which they retired on the grounds of ill-health and the authority make the man offer of employment in that role. The entitlement to the pension will cease with immediate effect, whether the employment offer is accepted or rejected. This firefighter shall then become entitled to a deferred pension

## Commutation

Fire fighters are entitled to a pension only under the FPS 2006 regulations. However, they have the option to commute up to 25% of their pension in place of a tax-free lump sum. Notice to commute must be made in writing indicating how much pension is to be commuted before the pension benefits become payable. The commutation rate is 12:1, for every £1 of pension commuted this provides a £12 tax free lump sum payment.

## Continual Professional Development

This allowance came in from 1 July 2007 and an additional pension benefit (APB) is awarded each year. The value of the APB will be determined annually on the anniversary of commencement of CPD payments in accordance with guidance and tables provided by the scheme actuary.

If the firefighter leaves pensionable service before the end of the CPD year, the APB for that year will be based on the value of contributions from the start of the CPD year up to, and including, the last day of pensionable service. The APB due will be determined by calculating the notional value of the APB for the full CPD year and then proportioned by multiplying the result by the number of days pensionable service in the CPD year divided by 365.

Note that if the FF is paid 20% flexi-duty on the CPD then it is used in the APB calculation.

- The APB will be payable from normal pension age at the same time as other normal retirement benefits
- Normal commutation rules apply.
- Survivor benefits are payable on the APB.
- The APB is increased in line with the retail price index up to date of leaving under rule B5B of the regulations.
- The APB is index linked in line with RPI from age 55

## 2015 Pension Scheme retirements

Once a fire-fighter has completed 3 months as a member of the FPS 2015 they are entitled to a pension benefit payable at NPA or potentially earlier on the grounds of ill health grounds. Also, if the fire-fighter has transferred in from a personal pension, they would be automatically entitled to a pension benefit. To receive payment of their pension a firefighter must have claimed payment of their pension and no longer be in active employment as a firefighter (unless taking partial retirement). Firefighters retiring under the FPS 2015 regulations would have the following options.

### Normal Pension Age (NPA)

Normal pension age for all members of the FPS 2015 is 60 meaning that if a firefighter left employment the day before their 60th birthday they would receive immediate entitlement to unreduced retirement benefits.

### Voluntary Retirement

A firefighter who leaves employment between their 55th and 60th birthday becomes entitled to immediate payment of their pension benefits. If taken before age 60 benefits will be actuarially reduced to account for early payment. A firefighter may also wish to work beyond their 60th birthday in which case they would take 'Late Retirement' at some point after their 60th birthday, no reductions will apply to the pension payable, in addition the "age addition adjustment" may be applied to the CARE balance.

### Employer Initiated Retirement

If a fire fighter is aged between 55 and 60, they may at the discretion of the Fire Authority, be granted an "authority-initiated early retirement pension". This may be awarded if the authority determines it is in the interest of the management of service for the firefighter to retire early. There would be no actuarial reduction on the pension benefits for retirement on these grounds and the pension would be brought into payment the day after the employment ceases. The following criteria must be satisfied in order for an employer-initiated retirement to go ahead:

- a) Is dismissed by an employer by reason of business efficiency; **or**
- b) Whose employment is terminated by mutual consent on the grounds of business efficiency; **and**
- c) has attained 55; **and**
- d) has not attained 60; **and**
- e) The employer determines that the pension awarded on that basis would assist the economical, effective and efficient management of its functions having taken account of the costs likely to be incurred in the particular case.

### Cost of employer initiated retirement

Because unreduced benefits are payable under employer initiated retirement, there is an additional employer contribution payable: "the employer initiated retirement additional contribution". The amount payable is calculated in accordance with GAD guidance. The additional contribution must be payable to the relevant firefighter's fund.

### Partial Retirement

Firefighters over the age of 55 have the option to claim 'partial retirement'. This options allows a firefighter to receive payment of their CARE benefits they have accrued up to the date of

partial retirement (with reductions should they claim payment before they reach age 60) and continue working and contributing to the FPS 2015 should they wish to.

A firefighter taking 'Partial Retirement' must receive all of the accrued 2015 CARE benefits. The amount of pension payable is the same amount that would have been payable had the firefighter voluntarily left employment and the last day of membership was the day the partial retirement took effect. If a firefighter has more than 1 active CARE account, they make an election for partial retirement on one or all of the CARE accounts.

Upon partial retirement, the FRA must –

- a) Close the active CARE account for the service ending on the date on which the partial retirement takes effect;
- b) Open a retirement CARE account for that period of service; and
- c) Open Active CARE Account 2 for the continuing pensionable service (the start date is 1 April 2017).

Any benefits accrued in FPS 1992 and NFPS 2006 would **not** become payable should a firefighter opt for partial retirement

### **Opting out following Partial Retirement**

The fire fighter will remain a member of the scheme following partial retirement, if the firefighter did not wish to continue making pension contributions they would be required to opt out of the scheme.

It should be noted that the 3 month cooling off window in which to opt out and be treated as if the member never joined does not restart on partial retirement.

As a reminder, if a member opts out of the 2015 scheme outside the 3 month cooling off window, the member ceases to be an active member –

- a) On the first day of the first pay period beginning on or after the date on which the FRA receives the opt out notice; or
- b) If the FRA considers that day inappropriate, on the first day of any later pay period the FRA considers appropriate.

Assuming a firefighter wishes to not remain a member following partial retirement, they will need to work with the FRA in relation to when to give the opt-out notice and what pay period from which it would apply.

For example, a member wishes to take partial retirement and does not want to remain an active member following this event.

The member and the FRA agree that the partial retirement will take effect from 31 March 2017 and that the member will give the FRA an opt-out notice before that date. Should the member do so, the FRA would action the opt-out notice with effect from 1 April 2017 so that the last day of active membership is 31 March 2017. The pension would become payable from 1 April 2017.

### **III- Health Retirement**

If a firefighter who has sufficient service (at least 3 months) is dismissed from active employment at any age because of permanent disablement for the performance of his/her duties as a firefighter they may be awarded ill health benefits.

There are two tiers of ill- health pension. For the purpose of ill health pensions 'Regular Employment' means employment for at least 30 hours a week on average over a period of not less than 12 consecutive months beginning with the date on which the issue of the person's capacity for employment arises.

### Lower Tier ill health pension

The value of a lower tier ill health pension is the value of the pension accrued up to the date of ill health retirement. Lower tier ill health pensions are calculated in the same way as a pension payable voluntarily however without the actuarial reduction for early payment. For a lower tier ill health pension to be awarded the following criteria must be satisfied.

- a) In the opinion of an IQMP, the member is incapable of performing any of the duties of the Role in which the member was last employed because of incapacity of mind or body;
- b) In the opinion of an IQMP, that incapacity will continue until age 60;
- c) Because of that incapacity, the member has been dismissed or retired from Fire 2015 eligible employment;
- d) The member has at least 3 months' qualifying service; and
- e) The FRA has determined that the member is entitled to a lower-tier ill health pension.

### Higher Tier ill health pension

The value of a higher tier pension is:

***"adjusted lower tier ill health pension" x the member's "assumed period of pensionable service" x 2% = The annual rate of the higher tier ill health pension.***

#### Adjustment lower tier ill health pension

This means the lower tier ill health pension which is also payable but -

- a) Excluding any added pension which was included in its calculation;
- b) Assuming that any commutation of the lower tier ill health pension had not taken place.

#### Assumed period of pensionable service

The period, expressed in years –

- a) Beginning on the day after the last day of active membership; and
- b) Ending with the day before the day on which the member attains age 60.

The higher tier should be expressed as a separate amount in order for it to be reported on and cancelled if necessary.

### Review of ill health pensions

Ill health pensions must be reviewed as the FRA consider appropriate, ill health pensions are reviewable:

- where an ill health pension has been in payment for less than 10 years
- where the recipient has not reached their SPA (of 65th birthday if this is later).

Once the pension has been in payment for 10 years or the member has reached their SPA (or 65th birthday if this is later) the ill health pension is no longer reviewable.

At each review the FRA must consider:

- a) Has become capable of performing any duty appropriate to the role from which the member retired on ill health; and
- b) Has become capable of undertaking "regular employment".

In making this determination, The FRA must obtain the written opinion of an IQMP (may be the same IQMP who provided an opinion as part of the original process)

### **Lower Tier review**

The entitlement to the lower tier ill health CARE pension must cease if upon the review –

- a) the FRA determines that the member has become capable of performing the duties appropriate to the role from which the member retired on ill health; and
- b) The FRA makes the member an offer of employment in that role.

It is irrelevant in relation to the above whether the member accepts or declines the offer.

The offer of employment must be by written notice, and specify a date by which, if the member has not accepted the offer, the member will be taken to have declined it.

A lower tier ill health pension ceases to be payable on the earlier of the following dates –

- a) The date on which the member re-enters employment because of the offer made by the FRA; and
- b) Such date as specified in the notice from the FRA (i.e. the date by which the member is taken to have declined the offer).

Where the member declines the offer, a deferred CARE account is set up from the date on which the pension ceases to be payable. The deferred account is credited with an amount equal to the annual rate of the lower tier ill health CARE pension payable immediately before it ceased to be payable.

If the member accepts the offer, they will become an active member of the 2015 Scheme on the date on which the person re-enters employment.

As a consequence –

- a) the retirement account must close;
- b) The active CARE account must be re-established;
- c) A credit of an amount equal to the lower rate ill health tier pension payable immediately before it ceased is credited to the active CARE account; and
- d) During the gap in active membership, the member must be treated as if they had been active but received no pensionable pay.

### **Higher Tier review**

If, upon the review, the FRA determines that a member who is in receipt of both a higher and lower ill health CARE pension has become capable of undertaking "regular employment", the entitlement to the higher tier ill health CARE pension must cease with immediate effect (i.e. the date of the FRA determination).

See the section above in relation to whether the lower tier ill health CARE pension would remain payable after the higher tier pension ceases, and if applicable the date on which that lower tier pension would cease to be payable.

### **Cost of ill health retirement**

#### **Lower and higher tier pension**

In the circumstances where both lower and higher tier ill health pensions are paid the FRA must pay "a higher tier ill health additional contribution"

The amount of "the higher tier ill health additional contribution" is determined by the Secretary of State for DCLG who must notify the FRA of that amount.

The FRA must pay the higher tier ill health additional contribution in 3 equal instalments as follows:

- a) The first instalment is due on the date on which the ill health pension becomes payable;
- b) The second instalment is due on the 1 April following the date on which the first instalment was paid; and
- c) The third instalment is due on the 1 April following the date on which the second instalment was paid.

The additional contribution must be paid into the pension fund.

If, upon subsequent review, the higher tier pension, or the higher and lower tier pension cease to be payable, there is provision in relation to refunding some, none or all of the additional contribution (see below).

#### **Lower Tier pension**

The FRA must pay "a lower tier ill health additional contribution".

The amount of "the lower tier ill health additional contribution" is determined by the Secretary of State for DCLG who must notify the FRA of that amount.

The FRA must pay the lower tier ill health additional contribution in 3 equal instalments as follows:

- a) The first instalment is due on the date on which the ill health pension becomes payable;
- b) The second instalment is due on the 1 April following the date on which the first instalment was paid; and
- c) The third instalment is due on the 1 April following the date on which the second instalment was paid.

The additional contribution must be paid into the pension fund.

If, upon subsequent review, the lower tier pension ceases to be payable, there is provision in relation to refunding all or none of the additional contribution.

#### **Commutation**

Fire fighters are entitled to a pension only under the FPS 2015 regulations. However, they have the option to commute up to 25% of their pension in place of a tax-free lump sum. Notice to commute must be made in writing indicating how much pension is to be commuted before the pension benefits become payable. The commutation rate is 12:1, for every £1 of pension commuted this provides a £12 tax free lump sum payment.



In terms of an ill health pension, a member may not exchange any part of a higher tier ill health CARE pension. In which case, the member would only be able to exchange up to 25% of the lower tier ill health CARE pension for a lump sum.

### **Retained Firefighters**

Retained firefighters have the same retirement rights as regular firefighters.

When calculating the pension benefits for a retained firefighter the final pensionable pay used in the calculation is the pay that would have been paid to a regular whole-time firefighter in a similar role. If the retained firefighter has had a reduction in role which affects the level of pensionable pay, the best-of-the-last-three-years principle or the split pension option should apply as for a regular firefighter.

To work out the length of pensionable service for a retained firefighter a different approach is taken as it is based on pay.

The pensionable pay received by the firefighter is compared with the pay that would have been received by a whole-time firefighter over the same period. This comparison will normally be made over each financial year (1 April to 31 March) during the firefighter's service. It will indicate the proportion of pensionable service which will count in each financial year.

### **Injury Pension**

If a firefighter becomes permanently disabled from performing the ordinary duties of a firefighter as a result of an injury on duty, he/she becomes entitled to receive an injury award of a gratuity and a pension.

The gratuity and pension are based on length of service and the degree to which their earning capacity has been affected (see table).

- The injury pension is payable on the basis that it is a 'minimum income guarantee'. The injury pension will therefore be reduced to take account of  $\frac{3}{4}$  of any other fire pension and any relevant social security (DWP) benefits awarded in respect of the injury.
- The degree of disablement in the context of the Fire Pension Scheme means the extent to which the firefighter's earnings have been affected by the relevant injury. This is why the injury pension is in the form of a 'minimum income guarantee'

As a result of Tax Simplification, the Injury Pension benefits were taken out of the main scheme regulations in order for the payments to be made as non-taxable income. These benefits are now payable under The Firefighter's Compensation Scheme (England) Order 2006.

If a firefighter becomes permanently disabled from performing the ordinary duties of a firefighter as a result of an injury on duty, he/she becomes entitled to receive an injury award of a gratuity and a pension.

### **Re-assessment of Injury Pension**

Injury pensions are reviewed from time to time, which may result in a change in the degree of disablement. This will result in the injury pension being revised accordingly.

The Injury pension is re-calculated to take account of any changes in DWP benefits, except for where the annual increase in DWP benefits is the same as the increase in accordance with Pensions Increase review order.

**Table of injury awards**

Degree of Disablement	Gratuity		Minimum income guarantee			
			Less than 5 years' service	5 to 15 years' service	15 or more years' service	25 or more years' service
25% of less <i>Slight disablement</i>	12.50%		15%	30%	45%	60%
25% to 50% <i>Minor disablement</i>	25%		40%	50%	60%	70%
50% to 75% <i>Major disablement</i>	37.50%		65%	70%	75%	80%
More than 75% <i>Severe disablement</i>	50%		85%	85%	58%	85%