

2015 FIREFIGHTERS' PENSION SCHEME

Opting Out of Paying Pension Contributions

If you do wish to opt-out, you must complete the form and return it to us and we will liaise with your employer for you to be taken out of the pension scheme from the next available pay period.

You are strongly advised to seek independent financial advice before you take this step; any decision to opt out may limit your income in later life and may reduce the level of life cover that your family would be entitled to receive in the event of your death.

Opting out of the Firefighters' Pension Scheme 2015 (FPS 2015) – Notes

These notes are for firefighters of FPS 2015, please read them carefully if you are thinking of opting out as there are various issues to consider.

If you are a member of a different FPS scheme, please refer to the appropriate notes as each scheme has different rules to be aware of, particularly if you want to re-join at a later date.

Membership of the Firefighters' Pension Schemes is automatic, but not compulsory. The schemes allow you to save while you are working in order to enjoy a pension when you retire. They are workplace pension schemes, provided by your employer who also meets part of the cost of providing the range of secure benefits. So it is an extremely valuable and important part of your employment package.

Whatever your reasons for thinking about opting out, we ask that you give this matter careful consideration before making a decision. It is worth taking time to look at the benefits you are giving up - these are detailed below. You may also wish to take independent financial advice. If you decide to opt out based on advice you receive, you should ask for this advice in writing.

Opting out of the scheme will not save you as much money as you might think. In most cases, you pay less tax by contributing to the scheme, as contributions attract tax relief. A basic rate taxpayer paying contributions of £300 will pay £60 more in tax if they opt out.

Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell the Pensions Regulator – see www.thepensionsregulator.gov.uk.

Equally, no one can force you to remain in the scheme but, if you elect not to be member, you should understand the implications for both you and your dependants before opting out.

FPS 2015 – SUMMARY OF BENEFITS

- A guaranteed public service CARE pension that remains one of the best available and is a tax efficient way of saving for retirement;
- Retirement with benefits paid in full from age 60 that increase automatically with the cost of living;
- The right to retire voluntarily from age 55, subject to reduction of benefits;
- The ability to exchange part of your annual pension for a one-off, tax-free payment;
- Ill-health retirement benefits if you have to leave work through permanent ill health;
- A lump sum death grant of 3 times your pensionable pay if you die in service; plus
- Dependants' benefits for a surviving partner, and/or children.

If you opt out of the FPS 2015 before completing 3 months of membership, you will be treated as never having been a member and will receive a refund of your FPS 2015 contributions minus an adjustment for tax relief.

If you opt out after building up 3 months' qualifying service or you have transferred in service from a previous pension, you will become entitled to a deferred benefit which will normally be payable from State Pension age. Check your State Pension age at <https://www.gov.uk/state-pension-age>. You can ask for early payment from age 55 and receive reduced benefits.

If you have previous benefits from a final salary scheme:

- Benefits built up in previous membership of the Firefighters' Pension Scheme 1992 (FPS 1992) will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous standard membership of the Firefighters' Pension Scheme 2006 (FPS 2006) will be deferred with a normal payment age of 65, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous special membership of the Firefighters' Pension Scheme 2006 (FPS 2006) will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.

You may be able to transfer your deferred benefits to another workplace pension arrangement.

If you decide to opt out of the FPS 2015 and later change your mind, you will be able to re-join the same scheme, provided you are in an employment that qualifies you for membership:

- If you re-join within 5 years and have previous membership of the FPS 1992 the final salary link for your deferred benefit will be reinstated, although the benefit remains payable from the deferred payment age of 60.
- If you re-join within 5 years and have previous standard membership of the FPS 2006 the final salary link and normal retirement age (60) for your deferred benefit will be reinstated.
- If you re-join within 5 years and have previous special membership of the FPS 2006 the final salary link for your deferred benefit will be reinstated, although the benefit remains payable from the deferred payment age of 60.

If you remain opted out, your employer will automatically put you back into FPS 2015 approximately 3 years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008, unless you become eligible earlier. You will, however, be entitled to opt out again at that time. If you change your job, your new employer will normally put you back into pension saving straight away.

If, having read the above information, you no longer wish to be a member of the FPS 2015, please complete the Election to Opt Out, and return it to the relevant address.

Contacting LPPA

Lancashire Fire LPPA PO Box 1381 Preston PR2 0WP	Cumbria & Merseyside Fire LPPA PO Box 1382 Preston PR2 0WQ	Hertfordshire Fire LPPA PO Box 1383 Preston PR2 0WS	Bedfordshire, Kent and London Fire LPPA PO Box 1384 Preston PR2 0WR
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You must complete sections A to C of the form. Section D asks for the reason that you have decided to opt out and this is optional. We ask for this information as part of our on-going commitment to monitor the efficiency and cost-effectiveness of the Firefighters' Pension Schemes in order to make recommendations to the Government.

The Firefighters' Pension Scheme 2015 (FPS2015)

What is the FPS2015?

The Scheme is a defined-benefit career-average revalued earnings (CARE) occupational pension scheme registered under the Finance Act 2004.

Why have I been enrolled in FPS2015?

Your employer has to enrol you in FPS2015 when you take up a new contract as a firefighter, or after three years if you previously opted out.

What does FPS2015 offer?

- A secure pension with benefits set out in law
- A pension of 1/59.7th of your pay every year, added to your pension account and protected against inflation
- The option to convert part of your pension into a tax-free lump sum when you retire
- Immediate payment of pension benefits if you
 - retire at your normal pension age (60)
 - retire early from age 55 (but with an early payment reduction)
 - have to retire because of permanent ill health or injury at any age
 - take partial retirement, at or after the age of 55 without leaving employment
- A lump sum of three years' final pay if you die in service
- Family and dependant benefits
- A substantial employer contribution towards the cost of your benefits
- The opportunity to transfer previous benefits into the scheme in the first 12 months of membership
- The choice of deferring payment of your pension benefits until State Pension Age if you leave the scheme early, or transferring them to another pension arrangement (unless you were a member for less than three months when you would get a refund of contributions instead).

Can I opt out?

Yes. You can opt out any time, even if you've opted out before.

If you've been a member for less than three months (including previous pension scheme service) when you opt out, your fire authority will refund your contributions.

But think carefully before you do it and consider taking independent advice. FPS2015 is a very good pension scheme – read all the benefits above.

Help and disputes

If you, or a dependant, are not satisfied with a decision made by your fire and rescue authority, please contact us first (contact details at the bottom of the page) to see if we can resolve the matter. If you are still not satisfied you have the right to appeal.

Internal Dispute Resolution Procedure (IDRP)

If you are not satisfied with any decision affecting you made in relation to the scheme, you have the right to ask for it to be looked at again under the formal complaint procedure. You also have the right to use the procedure if a decision should have been made by your employer or administering authority, but it hasn't been. The complaint procedure's official name is the **Internal Dispute Resolution Procedure (IDRP)**.

If you need to make a formal complaint, you should make it:

- in writing, using the application form, and
- normally within six months of the day when you were told of the decision you want to complain about.

Your complaint will be considered carefully by a person nominated by the body that took the decision against which you wish to complain. This guide calls and legislation refers to them as the 'Nominated Person'. That person is required to give you their decision in writing.

Other organisations who can help

The Pensions Ombudsman – If you have a complaint or dispute concerning your workplace or personal pension arrangements you should contact The Pensions Ombudsman on 0800 917 4487 or via www.pensions-ombudsman.org.uk

The Pensions Advisory Service – If you have general requests for information or guidance concerning your pension arrangements contact The Pensions Advisory Service on 0300 123 1047 or via www.pensionsadvisoryservice.org.uk

The Pensions Regulator – The Pensions Regulator (TPR) may intervene in the running of schemes where trustees, managers, employers or professional advisers have failed in their duties. Contact TPR on 0345 600 5666 or via www.thepensionsregulator.gov.uk

Election to Opt Out of the Firefighters' Pension Scheme (FPS)

Note:

- You can only sign and date this form once you have started employment in the post from which you wish to opt out of FPS membership. You cannot sign and date the form before then as it will be treated as an invalid opt out.
- This notice only opts you out of pension saving with the employer/job title you name below. If you have more than one post with your employer, you must complete an opt-out form for each post that you DO NOT wish to be a member of.

Please complete the details below:

SECTION A: PERSONAL DETAILS	
Surname:	First name:
National Insurance number:	

SECTION B: EMPLOYMENT DETAILS			
Employer:			
Payroll/ Post number:		Job title:	
<i>Tick one box relevant to the employment that you wish to opt out of FPS from:</i>			
Whole time FF		Retained FF	
<i>Tick one box in respect of the scheme that you wish to opt out of:</i>			
FPS 1992	FPS 2006 - Standard	FPS 2006 - Special	FPS 2015

Please read the following before signing the form:

SECTION C: DECLARATION	
<ul style="list-style-type: none"> • I HAVE READ the notes on opting out of FPS that are appropriate to my scheme and I have decided that I do not wish to be a member of that scheme. • I UNDERSTAND that I am giving up my right to benefits from the FPS and that having opted not to be a member I shall only have a limited right to future entry. • I FURTHER UNDERSTAND that if my decision not to be a member of the FPS proves to be financially to my detriment, neither I nor my dependants will have any right to claim compensation or any form of gratuity in lieu of pension rights from the Fire and Rescue Authority. • I DECLARE that by opting out of the FPS I am knowingly giving up the opportunity to participate in the scheme which would provide a guaranteed package of benefits which are backed by law, including: <ul style="list-style-type: none"> ○ a secure annual pension ○ added life cover ○ a tax-free cash option ○ serious ill health cover ○ survivor benefits 	
<p>I have read the above and understand that the choices I make now are important in planning for my retirement. I understand that if I opt-out I will lose the right to pension contributions from my employer, and I may have a lower income when I retire. I confirm that I wish to opt out of pension saving in the post I have indicated on this form.</p>	
Signed:	Date:

Information regarding Data Protection Policies is available on request.

Please return the completed form to: LPPA, using the address for your brigade listed above.

SECTION D: REASON FOR OPTING OUT (OPTIONAL)	
What is your main reason for opting out of the scheme? (Tick one)	
1	Cost of the scheme (contributions)
2	Other financial commitments
3	Made alternative arrangements
4	Annual/ lifetime allowance implications (tax)
5	Transfer to FPS 2015
6	Promotion
7	Lack of job security
8	Unclear on benefits of scheme
9	Other reason (please specify):