

Understanding the pension reforms: for taper protected members of the 1992 scheme

How do I know if I am taper protected?

You will be taper protected if you are a member of the Firefighters' Pension Scheme 1992 (FPS 1992) and were born between 2 April 1967 and 1 April 1971.

What does that mean for me?

You will have a taper protection date which is personal to you. At the taper date, you will move across to the Firefighters' Pension Scheme 2015 (FPS 2015). Your existing 1992 scheme pension rights will not transfer with you, and they will remain fully protected in the 1992 scheme. If your taper protection date falls after you choose to retire, you will not move across to the 2015 scheme.

When can I access my pension?

Unless you retire before transferring across to the 2015 scheme, you will have pension rights in both the 1992 and 2015 schemes. This means that you will have a 'two part' pension.

Part 1 – The first part of your pension remains fully protected in the 1992 scheme and can be taken, on retirement, from age 50 if you have completed 25 or more years' pensionable service. Your service in the 2015 scheme will also count towards your 25 year total. Your 1992 scheme pension will still be calculated on your 'final salary' at retirement and you will continue to have access to the same commutation rights for your 1992 scheme pension.

Part 2 – The second part of your pension is in the 2015 scheme. If you remain an active member, this can be taken: from age 55 with a reduction, at age 60 without any reduction, or after age 60 with a pension enhancement. If you have left service before being entitled to take your 2015 scheme pension, it will come into payment in full at your state pension age.

I will lose out on double accrual in the 1992 scheme

There will be an enhancement to your protected 1992 scheme pension to proportionally reflect the double accrual on the 1992 scheme service you have already built up. Firefighters who complete 30 years' pensionable service (1992 and 2015 schemes combined) before retiring will have each year of their 1992 scheme service converted to 45ths (2.2%) from 60ths (1.67%).

Why will my 2015 scheme pension be reduced?

The Public Service Pensions Act 2013 requires the Normal Pension Age to be age 60 and pension taken before that to be reduced. The table below sets out the reduction to your 2015 scheme pension only, your 1992 scheme pension will be taken unreduced:

	55	56	57	58	59
2015 scheme	21.8%	17.9%	13.9%	9.5%	4.8%

What pension will I get at retirement?

There is no cap on the amount of pension that can be earned in the 2015 scheme.

Firefighters who transfer from the 1992 scheme to the 2015 scheme will be able to receive a bigger pension than had the reforms not taken place. The online calculator provides more details. <https://www.gov.uk/government/publications/firefighters-pension-scheme-reforms-pension-scheme-calculator>

What contributions will I be paying?

Until your taper date, your contributions will continue to be paid into the 1992 scheme, details of the current contributions are:

FPS 1992 Employee Contribution rate

Pensionable Pay	Contribution rate from 1 st April 2015 to 31 st March 2016 (percentage of pensionable pay)
Up to and including £15,150	11.0%
More than £15,150 and up to and including £21,210	12.2%
More than £21,210 and up to and including £30,300	14.2%
More than £30,300 and up to and including £40,400	14.7%
More than £40,400 and up to and including £50,500	15.2%
More than £50,500 and up to and including £60,600	15.5%
More than £60,600 and up to and including £101,000	16.0%
More than £101,000 and up to and including £121,200	16.5%
More than £121,200	17.0%

After your taper date, you will join the FPS 2015 Scheme, details of the current contributions are as follows:

PS 2015 Employee Contribution rate

	Contribution for FPS 2015 scheme members - April 2015
£0 and up to £27,000	10.0%
Over £27,000 and up to £50,000	12.2%
Over £50,000 and up to £142,500	13.5%
Over £142,500	14.5%
	Contribution for FPS 2015 scheme members - April 2016
£0 and up to £27,270	10.0%
Over £27,270 and up to £50,500	12.5%
Over £50,500 and up to £142,500	13.5%
Over £142,500	14.5%
	Contribution for FPS 2015 scheme members - April 2017
£0 and up to £27,543	10.5%
Over £27,543 and up to £51,005	12.7%
Over £51,005 and up to £142,500	13.5%
Over £142,500	14.5%

Opting out

Be aware that **opting out** or not joining the 2015 scheme has long-term implications and members should **not** make any such decision until they are aware of all the implications.

As a 1992 scheme member you would not be able to re-join the scheme and therefore your benefits would be paid at deferred pension age, instead of your eligible retirement date as an active member of the 1992 scheme.

Anyone who is considering this course of action should take independent financial advice.

Withdrawing Pension Savings

From April 2015, individuals aged over 55 with Defined Contribution pension savings will be able to withdraw pension savings, subject to their marginal rate of taxation and scheme rules.

The Firefighters Pension Scheme is a Defined Benefit public sector pension scheme, therefore the change in the rules cannot be directly applied to this Scheme. From 6th April 2015 transfers out from Defined Benefit public sector pension schemes (such as the Firefighters Pension Scheme) to Defined Contribution schemes, will no longer be possible.