



Firefighter's Pension Scheme Annual Benefits Statement (ABS) 2017

Message for Fire and Rescue Authority ("FRA") to be shared with stations in advance of statements being issued.

1. What is an ABS

An ABS (Annual Benefits Statement) of a members pension benefit is a legal requirement for pension administrators to provide to pension scheme members. With effect from 2016 these statements are required to be produced by 31 August each year. The Firefighters Pension Scheme has become more complex with members now falling into multiple categories that would previously have necessitated the generation of a series of separately run statements. However from 2016, the active Annual Benefits Statements have been consolidated into a single document. It is anticipated that the statement will lead to some common questions and concerns; this document is designed to help answer these questions at an early stage

2. Information provided

The new style statement is broken into 5 sections, set out below is a summary of the 5 sections and key fields.

Section 1: Personal details

FPS 2015 Start Date will either show the date the member moved into the 2015 scheme, the date they are expected to move into the 2015 scheme if they are a taper protected member or will be blank if they are a fully protected 1992 or 2006 scheme member.

Section 2: Summary of total benefits at 31 March 2017

The Death in Service Lump Sum and Annual Survivor Pension show the benefits payable had the member died on 31 March 2017.

Members of the 1992 scheme are not able to nominate a beneficiary of a death grant under those scheme rules. Members of the 2006, 2015 and Modified schemes may nominate. If a nomination has been received it is shown here. Members of these schemes may contact their pension provider for the relevant forms if they wish to make a nomination.

Section 3: Career Average Pension Benefits as at 31 March 2017.

For fully protected members or those members who have not yet reached their tapered date, and have therefore not yet built up any Career Average Revalued Earnings (CARE) benefits this section will be blank.

Amount of Pension built up in the year 2016-17

This shows the value of CARE pension for this year (however for the first year of CARE this will be the same as the total)

Closing balance

This shows the amount of CARE benefits already built up in the scheme. If this is your first year of membership in the 2015 CARE scheme this will be zero for all as no CARE benefits were built previously.

Increase for the cost of living (added 1st April 2017)

This shows any effects of inflation on benefits already accrued. If this is your first year of membership in the 2015 CARE scheme this will show a zero as the statement is at close of play 31st March 2017 which is before the pension increase date. Total will be the sum of the figures shown.

Section 4: Final Salary Benefits from the 1992, 2006 or Modified Schemes as at 31 March 2017.

This section will detail the benefits built up under the final salary sections of the scheme.

Final Salary Pay

This is as notified by your employer

Annual Pension

This shows annual pension assuming a leaving date of 31 March 2017.

Section 5: Projections

If you remain contributing to the scheme until normal retirement age

Date quoted will be as shown in the table below:

Member type	1992 Scheme	2006 Scheme	Retained modified	2015 Scheme
Protected member	55 or age 50 plus with 30 years	60	55	N/A
Taper protected member (already reached taper date)	60	60	60	N/A
Taper protected member (not yet reached taper date)	60	60	60	N/A
Unprotected member	60	60	60	60

The figures projected will show the pension only option in the first box. The reduced pension with maximum lump sum is shown in the second box. These are based on current salary and current scheme rules. They do not take into account future inflation. Members of the 1992 scheme may have a tax adjustment on their lump sum due to the higher commutation factors. This adjustment has not been taken into account in these figures.

3. Retirement options

The ABS is not a financial planning tool however the following information shows the earliest retirement age for each category and if taken what elements would be payable.

Earliest Retirement Point

1992 Fully Protected

Your pension benefits, based on your final salary, can be accessed unreduced from age 50 assuming you have 25 years' service. If you have completed 30 years' service you qualify for the full pension.

1992 Taper Protected Member.

Taper date after age 50 and 30 year service point reached. Your 1992 scheme benefits can be accessed at any point from your 50th birthday onwards: if you remain in the scheme beyond your taper date your CARE benefits would be deferred should you retire before age 55. If you retire after reaching your 30 year point but before age 55, any CARE pension benefits would be deferred until State Pension Age, but could be accessed with reductions at any point from age 55.

1992 Taper Protected Member.

Taper date after age 50 but before 30 year service point (but over 25 years).

If you choose to retire before you reach your 30 year trigger, your 1992 scheme benefits would be payable but with limited lump sum conversion.

1992 Taper Protected Member. Taper date before age 50

If you choose to retire between 50 and 55 you would be able to access the benefits you built up under the 1992 scheme, however the CARE benefits built up would be deferred until State Pension Age but could be accessed with reductions at any point from age 55.

1992 Unprotected Member

If you choose to retire between 50 and 55 (with at least 25 years service) you would be able to access the benefits you built up under the 1992 scheme, however the CARE benefits built up would be deferred until State Pension Age but could be accessed with reductions at any point from age 55.

2006 Protected Member

Your pension benefits are payable without reduction from age 60, however you can choose to retire at any point from age 55, but reductions to your benefits would apply.

2006 Taper Protected Member

Your pension benefits are payable without reduction from age 60, however you can choose to retire at any point from age 55, but reductions to your benefits would apply.

2006 Unprotected Member

Your pension benefits are payable without reduction from age 60, however you can choose to retire at any point from age 55, but reductions to your benefits would apply.

2015 Scheme Member

Your pension benefits are payable without reduction from age 60, however you can choose to retire at any point from age 55, but reductions to your benefits would apply.

4. Future plans (Member Self Service)

We are working with our software provider to produce an on line calculator connected to your individual scheme records held by the LPP, this will enable you to run your own calculations and calculate reductions and lump sum conversions. However the facility as offered to date is not accurate enough for the LPP/FRA to release at this stage as we consider the figures produced to be misleading. We will continue to monitor the system development and will release this once we and the FRA are happy with the programme.