

Amendments to the Firefighters' Pension Schemes

Changes have been made to the Firefighters' Pension Schemes. These changes came into effect from 8 October 2018 and are explained below:

Changes to split pensions

A split pension, also known as the two-pension rule, may apply if you've had a reduction to your pensionable pay. You may be entitled to a split pension if you're a 1992 or 2006 Scheme member.

A split pension is worked out at retirement. The first part of your pension is based on the higher rate of pay before the reduction and increased by an equivalent to the Pensions Increase Act. The second part of your pension is worked out using your pensionable pay at retirement. The two parts are added together and measured against what you would've had as a single pension. You'll get whichever pension is higher.

The recent changes confirm that the first part of your split pension should be increased by an equivalent to pensions increase, from the day after your pay reduced to the date you retire. Further increases wouldn't be applied until age 55 or unless you retired on ill health.

Surviving partner's pension

If you're a member of the 2006 or 2015 Scheme, your cohabiting partner could get a pension after you die. 2006 Scheme members used to have to nominate a partner to get this. This was done by filling in a nomination form.

You may have heard of the 'Brewster' case. This case found that it was unlawful for a cohabiting partner to have to be nominated to get a surviving partner's pension. This means 2006 Scheme members no longer have to fill in a form to nominate a partner.

While you don't have to fill in a nomination form, you may still want to do so. Having a form on record can help your fire and rescue service pay the surviving partner's

pension quicker. This is because they will already have information about who your dependants are.

'Cohabiting partner' now replaces 'nominated partner' in the regulations.

Club transfer value payments

The new changes make the rules around Club transfer value payments and border transfers clearer.

A cross border transfer applies if you move to a fire and rescue service in England from one in Northern Ireland, Wales or Scotland. If you're a member of the 2015 Scheme and transfer benefits which include final salary benefits (either from the 1992 or 2006 Scheme), these benefits will transfer into the same scheme that you built them up in.

Voluntary scheme pays

The annual allowance limit is set by HMRC. It's the maximum your pension can grow by in a tax year before receiving a tax charge. For members who must pay a tax charge, voluntary scheme pays is a way your fire and rescue service can pay the charge on your behalf if you don't qualify for mandatory scheme pays. Your pension is reduced at retirement to take this in to account.

The Police and Firefighters' Pension (Amendment) Regulations 2018 don't include changes to voluntary scheme pays for the Firefighters' Pension Schemes. Although, it does introduce changes to the Police Scheme. This is because fire and rescue authorities can already choose to use voluntary scheme pays for their members.

Disclaimer

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