



# Firefighters' Pension Scheme Circular

<b>Circular Number:</b>	FPSC 04/2007	<b>Date Issued:</b>	11 <sup>th</sup> April 2007
<b>Action:</b>	For information		
<b>Title:</b>	<i><b>FIREFIGHTER PENSION AND COMPENSATION ARRANGEMENTS</b></i>		
<b>Issued by:</b>	Martin Hill Local Government and Firefighters' Pensions Division		

<b>Summary:</b>	Guidance on the provisions for compensation for death or permanent incapacity in the Firefighters' Compensation Scheme; notification of the Earnings cap in 2007-08; link to the New Firefighters' Pension Scheme Order; and arrangements for regional meetings in May and June
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<b>Addressed to:</b>	<b>Please Forward to:</b>
The Clerk to the Fire and Rescue Authority	Pension and human resources managers
The Chief Fire Officer	Medical/Occupational health managers

## **Enquiries:**

### **Pensions Team Leader:**

Martin Hill                      martin.hill@communities.gsi.gov.uk                      020 7944 8641

Andy Boorman                      andy.boorman@communities.gsi.gov.uk                      020 7944 8123

Nitin Bhayani                      nitin.bhayani@communities.gsi.gov.uk                      020 7944 6781

Anthony Mooney                      anthony.mooney@communities.gsi.gov.uk                      020 7944 8087

### **Medical Appeals**

Philip Brown                      philip.brown@communities.gsi.gov.uk                      020 7944 6787

**General Enquiries:**      firepensions@communities.gsi.gov.uk

*Firefighters' Pension Scheme Website: [www.communities.gov.uk/firepensions](http://www.communities.gov.uk/firepensions)*

## 1. FIREFIGHTERS' COMPENSATION SCHEME

- 1.1. We have received enquiries concerning Part 2, rule 3 (Compensation for death or permanent incapacity while on duty) of the Firefighters' Compensation Scheme (FCS) and how entitlement should be established.
- 1.2. The award was previously included in the Grey Book (paragraph 13 of Section IX of the Fifth Edition) but was removed from the sixth edition and transferred to the FCS to place payments on a statutory basis.
- 1.3. The rule applies to:
  - a firefighter whose death is caused solely by the effects of a qualifying injury sustained in the performance of his/her duties as a firefighter; and also
  - a firefighter who is permanently incapacitated at the date of discharge for carrying on any occupation solely by reason of a qualifying injury.
- 1.4. The award is paid to a firefighter or, if he/she dies within twelve months of the date on which he/she sustained the injury that was the cause of death, to a dependant or, where there is more than one, dependants. If the firefighter dies leaving no dependants, the sum of £950 goes to his/her estate.
- 1.5. The amount of the award is a sum equal to five times the annual pensionable pay that a person receives who:
  - is employed in the role of firefighter by the same fire and rescue authority;
  - and, for pay purposes, is competent (i.e. has completed four years' service); and
  - using the rate of pay applicable at the date on which the injury was sustained.

In other words, it guarantees a higher level of payment to firefighters with short service and limits awards where the firefighter was serving in a more senior role. The award is abated by the amount of any compensation or damages and reduced by any other gratuity paid under the FCS (other than the amount of the gratuity that represents the difference between the Special and Augmented awards).

- 1.6. Determining entitlement in situations where the firefighter dies is reasonably straightforward. The award would be payable if it can be established that death was caused solely by the effects of a qualifying injury and occurred within twelve months of sustaining the injury. However, entitlement where a firefighter is injured requires a decision that he/she is permanently incapacitated for carrying on any occupation. This is different to the test for entitlement to an injury award under Part 2, rule 1, which hinges on a firefighter's permanent disablement from performing any duties of the role in which he was last employed; and where the level of injury award is based on loss of earnings capacity.
- 1.7. It is our view that a Rule 3 award should only be paid in exceptional circumstances where the nature of the injury is such that it is reasonable to

determine that the firefighter will not be capable of carrying on any occupation. This is, by implication, a more stringent test than that, for example, for a higher tier ill-health award. For a higher tier award, a firefighter must be permanently disabled from undertaking regular employment, which means employment for at least 30 hours a week on average over a period of not less than 12 consecutive months.

- 1.8. Because of this difference in criteria, entitlement for an award under Rule 3 will require separate consideration from that for determining entitlement to an injury award. Where the question arises as to whether there is entitlement, before deciding, the Fire and Rescue Authority should obtain the written opinion of an independent qualified medical practitioner in accordance with Part 6, rule 1 of the FCS, which should include an opinion on the specific question of permanent incapacity at the date of discharge for carrying on any occupation solely by reason of a qualifying injury. The normal appeals procedure, also detailed in Part 6 of the FCS, will apply where the person concerned is dissatisfied with an opinion.

## **2. FIREFIGHTERS' PENSION SCHEMES: EARNINGS CAP 2007-08**

- 2.1. Both the Firefighters' Pension Scheme 1992 (FPS) and the New Firefighters' Pension Scheme 2006 (NFPS) include an earnings cap. This is a limit on the level of pay that can be treated as pensionable. The cap applies to anyone who first became liable to pay pension contributions after 31 May 1989.
- 2.2. For the 1992 scheme, Rule G1(2) refers; and for the 2006 scheme, Part 11, Chapter 1, rule 1(4) refers.
- 2.3. Pay above the cap does not count as pensionable pay. Contributions are not paid on the excess and pay above the cap is not taken into account when calculating benefits based on pensionable pay or average pensionable pay.
- 2.4. The cap for tax year 2007-08 is £112,800.00.

## **3. NEW FIREFIGHTERS' PENSION SCHEME (NFPS)**

- 3.1 The corrected version of the New Firefighters' Pension Scheme (England) Order 2006 (S.I. 2006 No. 3432) has now been published and a PDF version can be accessed on the website of the Office of Public Sector Information at [New Firefighters' Pension Scheme](#)

## **4. REGIONAL MEETINGS**

- 4.1 As previously notified, we are arranging a round of regional meetings. We hope that HR and pension staff will make an effort to come to one of these. If they cannot come to the one in their own region, there is no reason why they should not come along to one of the others by contacting the relevant regional contact.
- 4.2. The following dates have been agreed:

<b>Region</b>	<b>Date</b>	<b>Place</b>	<b>Contact</b>
North East	2 <sup>nd</sup> May	Tyne & Wear HQ	John Hindmarch, Tyne & Wear FRA <a href="mailto:John.hindmarch@twfire.gov.uk">John.hindmarch@twfire.gov.uk</a>

West Midlands	10 <sup>th</sup> May	Staffordshire HQ	Irina Volkova-Heath, Staffordshire FRA <a href="mailto:i.volkova-heath@staffordshirefire.gov.uk">i.volkova-heath@staffordshirefire.gov.uk</a>
North West	16 <sup>th</sup> May	Greater Manchester Training Centre	Alf Mason, Greater Manchester FRA <a href="mailto:masona@manchesterfire.gov.uk">masona@manchesterfire.gov.uk</a>
London & South East	23 <sup>rd</sup> May	DCLG, Ashdown House, Victoria Street, London SW1	Martin Hill, DCLG <a href="mailto:martin.hill@communities.gsi.gov.uk">martin.hill@communities.gsi.gov.uk</a> Lindsey Shaw, Surrey FRA <a href="mailto:Lindseys@surreycc.gov.uk">Lindseys@surreycc.gov.uk</a>
South West	31 <sup>st</sup> May	Hestercombe House, Taunton	Jenny Long, Devon & Somerset FRA <a href="mailto:jlong@devfire.gov.uk">jlong@devfire.gov.uk</a>
East Midlands	13 <sup>th</sup> June	Alfreton Fire Station	Sue Millett, Derbyshire FRA <a href="mailto:smillett@derbys-fire.gov.uk">smillett@derbys-fire.gov.uk</a>
Yorks & Humberside	To be arranged		
East Anglia			

4.3. The agenda for the meetings has not yet been finalised but will cover:

- Options exercise: outstanding issues and lessons to be learnt;
- Eligibility for membership of the New Firefighters' Pension Scheme;
- Ill-health retirements: what the FPS and NFPS provide and the discretions;
- Pensionable pay and allowances;
- Re-employment/re-deployment.

If there are other matters attendees wish to raise, it would be helpful if you could let us know so that we can ensure that we come prepared.

**Martin Hill**