

Up-rating of DWP Benefits – Effect on Injury Pensions

The purpose of this note is to give guidance on managing changes to the level of DWP benefits this year as a consequence of the fact that pensions in payment under the firefighters' pension schemes are not being increased.

Under paragraph 3 of Schedule 1, Part 1 of the Firefighters' Compensation Scheme, the amount of an injury pension in payment must be reduced by the amount of certain DWP benefits.

Injury pensions are subject to increases under the annual Pensions Increase order. DWP benefits are normally similarly up-rated with the effect that the increased reduction due to the up-rating of DWP benefits and increases to injury pensions are in balance and no change needs to be made to the amount paid to the pensioner.

FPS Circular 2/2010 announced that there would be no increase to pensions from April 2010. However, the DWP draft benefits up-rating order for 2010 includes changes (in the majority of cases, increases) to some benefits. Provided that the draft order passes into legislation from April 2010, this could mean that the net amount of some injury pensions in payment will need to be adjusted.

FRAAs will, therefore, need to check injury pensions in payment to determine whether adjustment is necessary from April 2010 due to changes to DWP benefits payable to pensioner members.

A link to the latest DWP Order and details of benefits rates for 2010 are given below:

http://www.opsi.gov.uk/si/si2010/draft/ukdsi_9780111491317_en_1

<http://www.dwp.gov.uk/docs/benefitrates2010.pdf>

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