Explanation of terms

Career average pension (CARE)

Career average pension is the pension built up in the 2015 Scheme.

Commutation factors

A commutation factor, as shown in the table below, is applied to the part of the pension you give up to calculate the amount of the lump sum.

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Commutation factors	Calculated by the scheme actuary and reviewed regularly	12:1	Annex ZA of 2006 regulations	12:1

[Annex ZA Firefighters' Pension Scheme (England) Order 2006 - http://www.legislation.gov.uk/uksi/2015/590/schedule/2/paragraph/4/made]

Crystallised benefits

This is the value of pension benefits measured against the lifetime allowance. This is calculated by multiplying the annual pension by 20.

Deferred pension age

	1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Deferred pension age	60	65	60	State Pension age

Final salary scheme pension

For the purposes of these notes, final salary scheme pension is any pension built up in the 1992 Scheme, the 2006 Scheme, or the modified version of the 2006 Scheme.

Normal pension age

1992 Scheme	2006 Scheme	Special Modified 2006 Scheme	2015 Scheme
Age 55, or 30 years' service, whichever happens first	60	55	60

Pension input period

This is the period over which the pension growth is measured and is always 6 April to 5 April for all pension schemes. Pension input period is commonly abbreviated to PIP.

Pension growth

For defined benefit schemes, such as the Firefighters Pension Scheme, the pension growth is the measurement of the increase in pension during the PIP multiplied by a flat factor of 16.

Example

Annual pension at 6 April 2016 = £35,000

Annual pension at 5 April 2017 = £38,000

Pension growth = £38,000 - £35,000 = £3,000 x 16 = £48,000

Protected member

A protected member is somebody who is protected by legislation to stay in the existing final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so will not move into the 2015 Scheme.

Revaluation order

The revaluation order for the Firefighters Pension Scheme is based on average weekly earnings.

The revaluation order is applied to the closing balance of the career average pension on 1 April each year.

Scheme year	Revaluation order
2015/2016	2%
2016/2017	2.6%
2017/2018	3%

Scheme year

The scheme year runs from 1 April to 31 March. The current scheme year to which this statement refers is 1 April 20xx to 31 March 20xx.

State Pension age

You can calculate your State Pension age here: https://www.gov.uk/state-pension-age

Taper-protected member

A taper-protected member is somebody who is not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so will move into the 2015 Scheme at some point between 24 May 2015 and 31 March 2022, depending on their age.

Unprotected member

An unprotected member is somebody who is not protected by legislation to stay in the final salary scheme (1992, 2006 or Special Modified 2006 Scheme), and so was compulsorily moved into the 2015 Scheme on 1 April 2015.