Additional Pension Benefits – Questions and Answers

- 1. Guidance Note 1/2008 contained frequently asked questions concerning Additional Pension Benefits in respect of Long Service Increment and the Continual Professional Development Allowance. Some of the questions concerned index linking of the benefits.
- 2. Following enquiries from scheme administrators specifically concerning the application of pension increases to pensions that come into payment before age 55 (cases where retirement is not on medical grounds) we have consulted with the Scheme Actuary. Their view is that, although the amendments made to the scheme rules provide for index linking, once the pension comes into payment any increases should be in accordance with the Pensions (Increase) Act 1971 and the annual Pensions Increase (Review) Orders. As such, pension increases to any pension in payment may not be applied until age 55.
- 3. Again, in the case of a person who retires with a deferred pension, the normal pensions increase rules will apply and any index linking of the APB will apply at the point that any pension comes into payment.
- 4. The affected questions/answers in Guidance Note 1 are 6, 7, 10 and 11. We have amended Guidance Note 1 accordingly and a copy is attached. We will also arrange for the amended note to be placed on our website: www.communities.gsi.gov.uk/firepensions.
- 5. Please accept our apologies for any inconvenience caused.

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¹ Informal (non-statutory).