



Information

## Opting Out

Membership of the Firefighters' Pension Schemes is automatic, but not compulsory. You may now be thinking about opting out of the scheme completely instead of moving to the FPS (Firefighters Pension Scheme) 2015 on 1 April 2022. Whatever your reasons for thinking about opting out, we ask that you give this matter careful consideration before deciding. It is worth taking time to look at the benefits you are giving up.

### FPS 2015 – Summary of benefits

- A guaranteed public service CARE (Career Average Revalued Earnings) pension that remains one of the best available and is a tax efficient way of saving for retirement.
- Retirement with benefits paid in full from age 60 that increase automatically with the cost of living.
- The right to retire voluntarily from age 55, subject to reduction of benefits.
- The ability to exchange part of your annual pension for a one-off, tax-free payment.
- Ill-health retirement benefits if you must leave work through permanent ill health.
- A lump sum death grant of 3 times your pensionable pay if you die in service.
- Dependants' benefits for a surviving partner, and/or children.
- Pension contributions attract tax relief. A basic rate taxpayer paying contributions of £300 will pay £60 more in tax if they opt out.
- Your employer contributes 37.6% of your pensionable pay.

### Additional considerations

If you opt out of the FPS 2015, you become a deferred member of both your legacy scheme and your reformed scheme.

- FPS 2015 (reformed scheme) deferred benefits are payable from [state pension age](#). You can ask for early payment from age 55 and receive reduced benefits.

If you have previous benefits from a final salary (legacy) scheme:

- Benefits built up in previous membership of the FPS 1992 will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous standard membership of the FPS 2006 will be deferred with a normal payment age of 65, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous special membership of the FPS 2006 will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.
- A lump sum death grant of three times pensionable pay is paid while a member of the 2015 scheme. If you opt out while continuing to work as a Firefighter, you will not be eligible for a lump sum death grant if you were to die in service.

## What if I change my mind?

If you decide to opt out of the FPS 2015 and later change your mind, you will be able to re-join, provided you are in an employment that qualifies you for membership:

- If you re-join within 5 years and have previous membership of the FPS 1992 the final salary link for your deferred benefit will be reinstated, although the benefit remains payable from the deferred payment age of 60.
- If you re-join within 5 years and have previous standard membership of the FPS 2006 the final salary link and normal retirement age (60) for your deferred benefit will be reinstated.
- If you re-join within 5 years and have previous special membership of the FPS 2006 the final salary link and normal retirement age (55) for your deferred benefit will be reinstated.

## Next Steps

- Carefully consider the information provided above
- Take independent financial advice where necessary

If, after reading this, you think that opting out is the right decision for you then contact your FRA and inform them of your decision.