

FPS 1992 – Rule IA2 Commutation of the pension credit benefits

[2001/3691](#) – Original order

[2005/2980](#) – changes shown below in green

[2013/1392](#) – changes shown below in red

[2018/997](#) - changes shown below in purple

(1) ~~In the circumstances described in regulation 3(2)(b) of the Pension Sharing (Pension Credit Benefit) Regulations 2000(1) (commutation of pension credit benefit: small pensions)~~

Where the amount of pension payable under rule IA1 does not exceed the trivial commutation lump sum limit in paragraph 7 of Schedule 29 to the Finance Act 2004 (lump sum rule)(1), the relevant fire and rescue authority may commute for a lump sum the whole of the pension to which a pension credit member is entitled under rule IA1.

(2) A person entitled or prospectively entitled to such a pension may commute for a lump sum a portion of the pension (“the commuted portion”).

(3) But paragraph (2) does not apply if the pension debit member from whose rights the pension credit member’s pension credit is derived has received a lump sum under rule B7 before the date on which the pension sharing order takes effect.

(4) The lump sum under paragraph (2) is the actuarial equivalent of the commuted portion at the normal benefit age, calculated from tables prepared by the ~~Scheme Actuary~~ Government Actuary.

(5) But the lump sum under paragraph (2) may not exceed the annual rate of the pension for the first year it is payable (disregarding any reduction under this rule or any other rule of the Scheme), multiplied by 2.25.

(6) A person who wishes to commute a portion of a pension under paragraph (2) must not later than 6 months after—

(a) the date on which the person attains normal benefit age, or

(b) the date on which the pension sharing order takes effect,

whichever is the later, give the relevant fire and rescue authority written notice of commutation, specifying the portion to be commuted.

(7) Notice of commutation takes effect on the later of—

(a) the date on which the pension under rule IA1 becomes payable, and

(b) the date on which it is received by the fire and rescue authority.

(8) When a person’s notice of commutation takes effect, the relevant fire and rescue authority shall—

(1) 2004 c. 12; there are amendments to Part 1 of Schedule 29 not relevant to these Regulations.

(a) reduce the pension, as from the effective date, by the commuted portion, and

(b) pay him the lump sum, reduced where the effective date is the date of receipt of the notice, by the difference between the aggregate payments made in respect of the pension and the aggregate payments that would have been made in respect of it if it had been reduced from—

(i) the date on which the person attains normal benefit age, or

(ii) the date on which the pension sharing order takes effect,

whichever is the later.