

# Understanding the pension reforms: for taper protected members of the 2006 scheme

## How do I know if I am taper protected?

You will be taper protected, if at 1<sup>st</sup> April 2012 you were a member or eligible to be a member of the Firefighters' Pension Scheme 2006 (FPS 2006) and were born between 2 April 1962 and 1 April 1966.

## What does that mean for me?

You will have a taper protection date which is personal to you. At the taper date, you will move across to the Firefighters' Pension Scheme 2015 (FPS 2015). Your existing 2006 scheme pension rights will not transfer with you, and they will remain fully protected in the 2006 scheme. If your taper protection date falls after you choose to retire, you will not move across to the 2015 scheme.

## When can I access my pension?

Unless you retire before transferring across to the 2015 scheme, you will have pension rights in both the 2006 and 2015 schemes. This means that you will have a 'two part' pension.

Part 1 – The first part of your pension remains fully protected in the 2006 scheme and, if you remain an active scheme member, can be taken, on retirement, from age 55 with an actuarial reduction (based on the existing 2006 scheme arrangements) or from age 60 without a reduction. Your 2006 scheme pension will be calculated on your 'final salary' at retirement.

Part 2 – The second part of your pension is in the 2015 scheme. If you remain an active member, this can be taken; from age 55 with a reduction, at age 60 without any reduction, or after age 60 with a pension enhancement. If you have left service before being entitled to take your 2015 scheme pension, it will come into payment in full at your state pension age.

## At what rate will be 2006 and 2015 scheme pension be reduced?

The Public Service Pensions Act 2013 requires the Normal Pension Age to be age 60 and pension taken before that to be reduced. The table below sets out the reduction to the separate 2006 and 2015 elements of your pension:

	<b>55</b>	<b>56</b>	<b>57</b>	<b>58</b>	<b>59</b>
2015 scheme	21.8%	17.9%	13.9%	9.5%	4.8%
2006 scheme	40.5%	37.6%	34.4%	31.1%	27.5%

## What pension will I get at retirement?

There is no cap on the amount of pension that can be earned in the 2015 scheme. Firefighters who transfer from the 2006 scheme to the 2015 scheme will be able to receive a bigger pension than had the reforms not taken place. The online calculator provides more details. <https://www.gov.uk/government/publications/firefighters-pension-scheme-reforms-pension-scheme-calculator>

## What contributions will I be paying?

Until your taper date, your contributions will continue to be paid into the 2006 scheme, details of the contributions from 1<sup>st</sup> April 2015 are:

### FPS 2006 Employee Contribution rate

Pensionable Pay	Contribution rate from 1 <sup>st</sup> April 2015 to 31 <sup>st</sup> March 2016 (percentage of pensionable pay)
Up to and including £15,150	8.5%
More than £15,150 and up to and including £21,210	9.4%
More than £21,210 and up to and including £30,300	10.4%
More than £30,300 and up to and including £40,400	10.9%
More than £40,400 and up to and including £50,500	11.2%
More than £50,500 and up to and including £60,600	11.3%
More than £60,600 and up to and including £101,000	11.7%
More than £101,000 and up to and including £121,200	12.1%
More than £121,200	12.5%

After your taper date, you will join the FPS 2015 Scheme, details of the current contributions are as follows:

### FPS 2015 Employee Contribution rate

	Contribution for FPS 2015 scheme members - April 2015
£0 and up to £27,000	10.0%
Over £27,000 and up to £50,000	12.2%
Over £50,000 and up to £142,500	13.5%
Over £142,500	14.5%
	Contribution for FPS 2015 scheme members - April 2016
£0 and up to £27,270	10.0%
Over £27,270 and up to £50,500	12.5%
Over £50,500 and up to £142,500	13.5%
Over £142,500	14.5%
	Contribution for FPS 2015 scheme members - April 2017
£0 and up to £27,543	10.5%
Over £27,543 and up to £51,005	12.7%
Over £51,005 and up to £142,500	13.5%
Over £142,500	14.5%

### Opting out

Be aware that **opting out** or not joining the 2015 scheme has long-term implications and members should **not** make any such decision until they are aware of all the implications. Anyone who is considering this course of action should take independent financial advice.

### Withdrawing Pension Savings

From April 2015, individuals aged over 55 with Defined Contribution pension savings will be able to withdraw pension savings, subject to their marginal rate of taxation and scheme rules.

The Firefighters Pension Scheme is a Defined Benefit public sector pension scheme, therefore the change in the rules cannot be directly applied to this Scheme. From 6<sup>th</sup> April 2015 transfers out from Defined Benefit public sector pension schemes (such as the Firefighters Pension Scheme) to Defined Contribution schemes, will no longer be possible.