



Department for  
Communities and  
Local Government

# Firefighters' Pension Schemes Membership, 2012-13, England

- During 2012-13, 95% of normal retirements were from the 1992 scheme whereas 83% of deferred pensioners were from the 2006 scheme.
- Just under two thirds (63%) of the total membership of 35,445 are in the 1992 scheme, down from 66% in 2011-12. 75% of those opting out during the year are in the 2006 scheme.

## Fire & Rescue Services

*Statistical Release*

29 November 2013

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**Date of next publication:**

November 2014

# Introduction

The information for firefighters' pensions within this release covers two schemes in England: the Firefighters' Pension Scheme ("the 1992 Scheme") and the New Firefighters' Pension Scheme ("the 2006 Scheme"). Both schemes are statutory, tax approved, unfunded, final salary occupational pension schemes.

Regular firefighters employed before 6 April 2006 were eligible for membership of the 1992 Scheme, which was closed to new membership on 5 April 2006. It is a final salary scheme which effectively provides  $1/60^{\text{th}}$  accrual in the first 20 years of service and double accrual (i.e.  $2/60^{\text{ths}}$  accrual) in the next 10 years of service, giving a maximum pension entitlement of  $40/60^{\text{ths}}$ . It has a normal pension age of 55, but provides for members to retire from age 50 years with 25 or more years' pensionable service.

The 2006 Scheme was introduced for regular and retained firefighters employed since 6 April 2006. It is also a final salary scheme with  $1/60^{\text{th}}$  accrual for each year of service, providing a maximum pension of  $45/60^{\text{ths}}$ .

The responsibility for policy on both the 1992 and 2006 Schemes in England rests with the Department for Communities and Local Government whilst the administration and payment of pensions and benefits is the responsibility of each of the 46 individual English Fire and Rescue Authorities.

Under the current financing arrangements of both pension schemes, the employer's contribution together with the employee's contribution is paid into a locally managed pension fund account. Other sources of pension income (e.g. transfer-in payments, Ill-health charges) are also paid into the local pension fund. The authority pays pension costs out of this account. The shortfall (cashflow deficit) between the total annual pensions income received and the total annual pension expenditure is reimbursed to each Fire and Rescue Authority through the mechanism of the annual Pension Top Up grant which is paid by the Department for Communities and Local Government.

## Pensioners

Of those leaving the schemes during 2012-13, 95% of normal retirements were from the 1992 scheme whereas 83% of deferred pensioners were from the 2006 scheme.

Table 1 shows the numbers of pensioners at the start of 2012-13, and normal retirements during the year. It also shows the numbers of deferred pensioners (those who have left the scheme prior to becoming entitled to receive immediate payment of their pension) split between those who left the scheme prior to 2012-13, and those who left the scheme during 2012-13.

**Table 1: Existing and Deferred Pensioners**

	1992 scheme	2006 scheme
Pensioners at start 2012-13	37,929	133
Normal retirements during 2012-13	926	51
Deferred members who left employment prior to 2012-13	2,493	2,075
Deferred members who left employment during 2012-13	133	657

## Active Members

Just under two thirds (63%) of the total membership of 35,445 are in the 1992 scheme, down from 66% in 2011-12. 75% of those opting out during the year are in the 2006 scheme.

Members of the scheme may elect to opt out, thereby ceasing to pay pension contributions while remaining in employment as a firefighter with the FRA. Members of the 1992 scheme who opt out may not opt back in, whereas members of the 2006 scheme who opt out can later opt back into the scheme. Data on members of the 2006 scheme opting in are not collected.

Retained firefighters are personnel contracted to be available for agreed periods of time for fire-fighting purposes, but who could also have an alternative full-time employment.

Table 2 shows the numbers of active and opted out members at the start of 2012-13, as well as the numbers opting out of the schemes during the year, and the numbers of new members during the year. The figures for 'optants out at year start' only include those firefighters who are entitled to a deferred pension. It excludes those firefighters who opted out of their pension scheme and would have been entitled to a refund of pension contributions.

**Table 2: Active and Opted-out Members 2012-13**

	1992 scheme	2006 scheme (non- retained)	2006 scheme (retained)	Total
Active members at year start	22,195	5,702	7,548	35,445
Optants out at year start	300	168	198	666
Optants out during year	52	93	67	212
New members during year	N/A	361	1,033	1,394

# Transfers

Almost twice as many members transferred pension in as transferred pension out during 2012-13.

Transferring pension benefits is the process by which a member elects to transfer the value of their pension benefits in an external pension scheme to their firefighters pension scheme; or vice versa where they transfer the value of their firefighter pension benefits to another external pension scheme.

Club transfers involve members transferring their pension benefits within the Public Sector Transfer Club. This is a group of some 120 salary related occupational pension schemes.

Table 3 shows the numbers of transfers into and out of the schemes during the year 2012-13.

**Table 3: Numbers Transferring Into and Out of Schemes, 2012-13**

	Transfers in	Transfers out
External pension schemes	137	71
Of which - club transfers	57	22
Of which - other transfers	80	49

# Ill-health Retirements

Ill-health retirement occurs when a member becomes entitled to immediate payment of their pension benefits as a consequence of becoming permanently disabled for undertaking their role as a firefighter. The lower tier award entitles any member who becomes permanently disabled for undertaking their role as a firefighter to the immediate payment of the pension benefits that they have accrued; the higher tier award entitles any member who becomes permanently disabled for undertaking their role as a firefighter and any other regular employment (defined as a minimum of 30 hours per week over a period of at least 12 months) to the immediate payment of a lower tier pension and also an additional enhanced higher tier pension.

Table 4 shows the numbers of ill health retirements, and how many of these are lower tier and higher tier retirements from the schemes during the year 2012-13.

**Table 4: Numbers of Ill-Health Retirements, 2012-13**

	1992 scheme	2006 scheme
Ill health	85	24
Of which - lower tier	62	24
Of which - higher tier	23	0

# Accompanying tables

Related DCLG statistical releases are available at:

Firefighters Pension Fund Income and Expenditure, 2011-12 & 2012-13

<https://www.gov.uk/government/publications/firefighters-pension-income-and-expenditure-2011-to-2012-and-2012-to-2013>

Local Government Financial Statistics, England, 2013

<https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013>

## Definitions

A list of terms relating to local government finance is given in the glossary at *Annex G to Local Government Financial Statistics England No. 22 2013*. This is accessible at

<https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013>

The most relevant terms for this release are explained below.

### **Administering authority**

A body responsible for administering the Firefighters' Pension Scheme.

### **Club transfers and external Pension Scheme transfers**

Transferring pension benefits is the process by which a member elects to transfer the value of their pension benefits in an external pension scheme to their firefighters pension scheme; or vice versa where they transfer the value of their firefighter pension benefits to another external pension scheme. The transfer is carried out by transferring the Cash Equivalent Transfer Value (CETV), i.e. the capital value of the pension benefits, from the exporting scheme (the scheme paying the CETV) to an importing scheme (the new scheme receiving the CETV). The CETV will normally purchase a service credit in the importing scheme.

Club transfers involve members transferring their pension benefits within the Public Sector Transfer Club. This is a group of some 120 salary related occupational pension schemes. Further details on 'the Club' can be found at the following weblink

<http://www.civilservice.gov.uk/pensions/transfer-club>.

### **Deferred pension**

A person becomes entitled to a deferred pension if they leave employment, or make an election to cease paying pension contributions, prior to becoming entitled to receive the immediate payment of their pension. Deferred pensions come into payment when the member attains age 60 years in the 1992 Scheme; and 65 years in the 2006 Scheme.

## Ill-Health Retirement

Ill-health retirement occurs when a member becomes entitled to immediate payment of their pension benefits as a consequence of becoming permanently disabled for undertaking their roles as a firefighter. There are two levels of ill-health retirement, lower-tier and higher tier awards. The lower tier award entitles any member who becomes permanently disabled for undertaking their role as a firefighter to the immediate payment of the pension benefits that they have accrued (i.e. a lower tier pension); the higher tier award entitles any member who becomes permanently disabled for undertaking their role as a firefighter and any other regular employment (defined as a minimum of 30 hours per week over a period of at least 12 months) to the immediate payment of a lower tier pension and also an additional enhanced higher tier pension.

### Opting out

Members of the scheme may elect to opt out, thereby ceasing to pay pension contributions while remaining in employment as a firefighter with the FRA. Members of the 1992 scheme who opt out may not opt back in, whereas members of the 2006 scheme who opt out can later opt back into the scheme. Data on members of the 2006 scheme opting in are not collected.

## Technical notes

### Symbols

(R)	=	some data have been revised since the last statistical release
...	=	not available
–	=	not relevant
-	=	Negative
0	=	zero or negligible
	=	discontinuity in data

### Rounding

Where figures have been rounded, there may be a slight discrepancy between the total and the sum of constituent items

## Data collection

The information in this release is based on data returned to the Department for Communities and Local Government via the online LOGASnet system by all 46 administering authorities in England on Firefighters Pension Schemes and associated information for the financial years' 2011-12 and 2012-13 (FPF) forms.

## Data quality

Figures are subjected to validation tests by statistical staff within the Department for Communities and Local Government once the data have been received.

Finally, the release document, once prepared, is also subject to intensive peer review before being cleared as fit for the purposes of publication.

## Revisions policy

This policy has been developed in accordance with the UK Statistics Authority Code of Practice for Official statistics and the Department for Communities and Local Government Revisions Policy (found at <https://www.gov.uk/government/publications/statistical-notice-dclg-revisions-policy>).

There are two types of revisions that the policy covers:

### **Non-Scheduled Revisions**

Where a substantial error has occurred as a result of the compilation, imputation or dissemination process, the statistical release, live tables and other accompanying releases will be updated with a correction notice as soon as is practical.

### **Scheduled Revisions**

At time of publication there are no scheduled revisions for this series.

## Uses of the data

The data in this statistical release are essential for a number of different purposes. A central and immediate purpose is to provide Ministers with information about the Firefighters' Pension Schemes. The data may also be used by fire authorities and their associations.

## User engagement

Users are encouraged to provide feedback on how these statistics are used and how well they meet user needs. Comments on any issues relating to this statistical release are welcomed and encouraged. Responses should be addressed to the "Public enquiries" contact given in the "Enquiries" section below.

The Department's engagement strategy to meet the needs of statistics users is published here: <https://www.gov.uk/government/publications/engagement-strategy-to-meet-the-needs-of-statistics-users>

## Notes

The Firefighters' Pension Scheme 1992 is a statutory, tax-approved, unfunded, final salary occupational pension scheme. It was closed to new members from 6 April 2006. Membership was limited to regular firefighters appointed on terms under which they were or might be required to engage in firefighting.

The New Firefighters Pension Scheme 2006 (NFPS) is a statutory, tax-approved, unfunded, final salary occupational pension scheme. It was opened to membership from 6th April 2006 by any person taking up employment as a firefighter on terms under which he/she is, or may be, required to engage in firefighting, and whose role includes resolving operational incidents, or leading and supporting others in the resolution of such incidents. Membership is restricted to exclude those who join the Fire and Rescue Service at middle and senior management levels.

Both the 1992 Scheme and 2006 Scheme are unfunded schemes. Under the current arrangements both the employer's and employee's contributions together with other sources of authorised pension income are paid into a pension fund account. The authority pays pension costs out of this account. Any annual shortfall between receipts and expenditure is met by a top-up grant paid by the Department for Communities and Local Government.

For a fuller picture of recent trends in local government finance readers are directed to the latest edition of Local Government Financial Statistics England No23 2013, which is available online at <https://www.gov.uk/government/publications/local-government-financial-statistics-england-2013>, and in hard copy from TSO at <http://www.tsoshop.co.uk/parliament/bookstore.asp?>

DCLG also collect and publish data on the local government pension scheme. This information can be found at the Department's website: <https://www.gov.uk/government/organisations/department-for-communities-and-local-government/series/local-government-pension-scheme>

## Devolved administration statistics

The devolved administrations handle the great majority of local government issues in their respective areas, and each has their own statistical office. Links are provided below.

Scotland

<http://www.scotland.gov.uk/Topics/Statistics>

Wales

<http://wales.gov.uk/topics/statistics/?lang=en>

Northern Ireland

<http://www.nisra.gov.uk/>

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Information on Official Statistics is available via the UK Statistics Authority website:

[www.statistics.gov.uk/hub/browse-by-theme/index.html](http://www.statistics.gov.uk/hub/browse-by-theme/index.html)

Information about statistics at DCLG is available via the Department's website:

[www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics](http://www.gov.uk/government/organisations/department-for-communities-and-local-government/about/statistics)

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Month 2013

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ISBN: 978-1-4098-4084-4