



Government Actuary's Department

Firefighters' Pension Scheme 1992

Firefighters' Pension Scheme (Scotland) 2007

Continual Professional Development (CPD) Additional Pension
Benefit Factors

Date: 31 August 2016

Author: Ian Boonin



Contents

Contents

1	Background	1
2	Administration	3
3	Table of APB Factors	4



1 Background

- 1.1 The purpose of this note is to provide tables of factors for calculation of CPD pensions in the Firefighters' Pension Schemes in Scotland required under the following rules of the Firefighters' Pension Scheme (the 1992 scheme) and The New Firefighters' Pension Scheme (the 2007 scheme):
 - > Rules B5C of FPS Order 1992 (SI 1992 No. 129)
 - > Rule 7B of Part 3 of Schedule 1 of NFPS (Scotland) Order 2007 (SSI 2007 No. 199)
- 1.2 Certain firefighters are eligible to apply for Continual Professional Development (CPD) payments. In the 1992 and 2007 schemes CPD payments are pensionable via an additional pension benefit arrangement (whereas they are automatically pensionable, to the extent determined by the scheme manager, in the 2015 scheme). In brief:
 - > Employees and employers pay pension contributions on CPD payments in accordance with the rules of the 1992 scheme or the 2007 scheme;
 - > These contributions secure additional monetary benefits which come into payment at the same time as, and in addition to, 1992 scheme or 2007 scheme benefits.
- 1.3 The amount of additional benefit secured for a given CPD year is found by dividing the relevant contributions by the capitalised present value of an additional benefit of £1 pa payable in accordance with the scheme rules. Tables of factors for converting contributions derived from CPD payments into additional pension benefits are given in Section 3.
- 1.4 This guidance supersedes any previous guidance or advice issued by GAD in connection with CPD pensions and is effective with immediate effect.
- 1.5 SPPA may seek input from the scheme actuary on how to apply this guidance if necessary.
- 1.6 In carrying out this work I have followed our normal quality processes for work conducted on public service pension matters¹.

¹ The GAD Statement of Understanding
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/256757/SoU_v_2.0.pdf
sets out the standards which the Department currently applies for any work carried out in this area.



Limitations

- 1.7 This note should not be used for any purpose other than to determine the amount of pension that a member is entitled to as a result of a CPD payment.
- 1.8 This note should be considered in its entirety, not as individual sections which if considered in isolation, may be misleading, and conclusions reached by a review of some sections on their own may be incorrect.
- 1.9 This note only covers the actuarial principles around the calculation and application of APB factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- 1.10 Third parties should not rely on this guidance, but should separately seek their own actuarial advice where appropriate.
- 1.11 In compiling these factors, and following consultation with SPPA, we have assumed that APB pensions increase in line with CPI while a member remains in service



2 Administration

- 2.1 The tables annexed to this Note give factors for the capitalised present value of an additional benefit of £1 pa, to be secured by contributions on CPD payments. There are separate factors for the benefits payable under the Firefighters' Pension Scheme (1992) and the New Firefighters' Pension Scheme (2007).
- 2.2 The conversion of CPD contributions to additional benefit is carried out according to the member's age on the relevant date. The relevant date is 1 July immediately following the CPD year. The same applies when a member retires or leaves service during the year. In these and other cases where some of the contributions due for a CPD year are not in fact paid, the corresponding benefit for that CPD year is reduced pro-rata.
- 2.3 The factors given in this document are effective from 1 July 2014. They are unchanged from the factors GAD issued in an update on 1 July 2014. They should be used for converting all relevant payments to additional pension benefit for the year to 30 June 2014, and for calculation of all future additional pension benefits under the Rules above, until such time as a further review of the factors occurs.
- 2.4 This document replaces the GAD Guidance dated 27 June 2012: *"Firefighters' Pension Scheme 1992 / Firefighters' Pension Scheme (Northern Ireland) 2007 / New Firefighters' Pension Scheme (2006) / New Firefighters' Pension Scheme (Northern Ireland) 2007 / Firefighters' Pension Scheme (Scotland) 2007 / Firefighters' Pension Scheme (Wales) 2007 – Continual Professional Development (CPD) Pension Factors"* as it relates to the Scottish Fire and Rescue Service.
- 2.5 **Column (2)** of the Table gives factors for the 1992 scheme.
- 2.6 **Column (3)** of the Table gives factors for the 2007 scheme (NOT special members).
- 2.7 **Column (4)** of the Table gives factors for the 2007 scheme (Special members).

Example

- 2.8 A firefighter member of the 1992 scheme is age 50 on 1 July 2014. The relevant factor from column (2) of the Table is 18.5. His CPD payments in the year to 30 June 2014 attract pension contributions of £150. The additional benefit is calculated as $£150 / 18.5 = £8.11$ pa.



3 Table of APD Pension Factors

	1992 Scheme	2007 Scheme	2007 Scheme (Special members)
Age last birthday on relevant date	Factor for additional pension benefit of £1 pa	Factor for additional pension benefit of £1 pa	Factors for additional pension benefit of £1 pa
(1)	(2)	(3)	(4)
20	7.8	5.9	6.7
21	8.1	6.1	6.9
22	8.3	6.2	7.1
23	8.6	6.4	7.3
24	8.8	6.6	7.6
25	9.1	6.8	7.8
26	9.4	7.1	8.1
27	9.6	7.3	8.3
28	9.9	7.5	8.6
29	10.2	7.7	8.9
30	10.5	8.0	9.2
31	10.8	8.3	9.6
32	11.2	8.5	9.9
33	11.5	8.8	10.3
34	11.8	9.1	10.7
35	12.2	9.4	11.1
36	12.5	9.8	11.5
37	12.9	10.1	11.9
38	13.3	10.4	12.4
39	13.7	10.8	12.9
40	14.0	11.1	13.3
41	14.4	11.5	13.8
42	14.9	11.8	14.3
43	15.3	12.2	14.8
44	15.7	12.5	15.3
45	16.1	12.9	15.8
46	16.6	13.3	16.3



	1992 Scheme	2007 Scheme	2007 Scheme (Special members)
Age last birthday on relevant date	Factor for additional pension benefit of £1 pa	Factor for additional pension benefit of £1 pa	Factors for additional pension benefit of £1 pa
47	17.0	13.7	16.8
48	17.5	14.1	17.3
49	18.0	14.4	17.9
50	18.5	14.8	18.4
51	19.0	15.2	19.0
52	19.5	15.7	19.6
53	20.1	16.1	20.1
54	20.6	16.5	20.8
55	20.9	16.9	21.1
56	20.6	17.4	20.7
57	20.2	17.8	20.3
58	19.8	18.3	19.9
59	19.4	18.8	19.5
60	18.9	19.1	19.1
61	18.5	18.7	18.7
62	18.1	18.3	18.3
63	17.6	17.8	17.8
64	17.2	17.4	17.4
65	-	17.0	-
66	-	16.5	-
67	-	16.1	-
68	-	15.6	-
69	-	15.1	-