



GOVERNMENT **ACTUARY'S** DEPARTMENT

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

Date: 27 June 2012

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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 England, Wales, Scotland and Northern Ireland required under the following rules of the Firefighters' Pension Scheme (FPS) and The New Firefighters' Pension Scheme (NFPS):
- > Rules B5C of FPS Order 1992 (SI 1992 No. 129),
 - > Article B16C of FPS (Northern Ireland) Order 2007 (SI 2007 No. 144),
 - > Rule 7B of Part 3 of Schedule 1 of NFPS Order 2006 (SI 2006 No. 3432)
 - > Rule 7B of Part 3 of Schedule 1 of NFPS (Scotland) Order 2007 (SSI 2007 No. 199)
 - > Rule 7B of Part 3 of Schedule 1 of NFPS (Wales) Order 2007 (SI 2007 No. 1072)
 - > Article 17B of NFPS (Northern Ireland) Order 2007 (SI 2007 No. 215)
- 1.2 Certain firefighters are eligible to apply for Continual Professional Development (CPD) payments. CPD payments are pensionable via an additional pension benefit arrangement. In brief:
- > Employees and employers pay pension contributions on CPD payments in accordance with the rules of the Firefighters' Pension Scheme or the New Firefighters' Pension Scheme;
 - > These contributions secure additional monetary benefits which come into payment at the same time as, and in addition to, FPS or NFPS 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 2.
- 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 If administrators for English authorities have any questions about how to use this guidance they should in the first instance consult published information on the Firefighter Pensions pages at:
- <http://www.communities.gov.uk/fire/firerescueservice/firefighterpensions/>
- If this does not help, administrators for English authorities may contact the Firefighters' Pensions Teams at DCLG.

Firefighters' Pensions: CPD Pension Factors

- 1.6 Administrators for other authorities should contact the Scottish Public Pensions Agency (SPPA), the Welsh Government (WG) or the Department of Health, Social Services and Public Safety Northern Ireland (DHSSPSNI), as applicable.
- 1.7 The Firefighters' Pensions teams will seek input from the scheme actuary if necessary.
- 1.8 In carrying out this work I have followed our normal quality processes for work conducted on public service pension matters¹.

Limitations

- 1.9 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.
- 1.10 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.
- 1.11 This note only covers the actuarial principles around the calculation and application of CPD factors. Any legal advice in this area should be sought from an appropriately qualified person or source.
- 1.12 Third parties should not rely on this guidance, but should separately seek their own actuarial advice where appropriate.
- 1.13 In compiling these factors, and following consultation with DCLG, SPAA, WG and DHSSPSNI, we have assumed that CPD pensions increase in line with CPI while a member remains in service.

¹ The GAD Statement of Understanding
http://www.gad.gov.uk/Documents/Occupational%20Pensions/GAD_Statement_of_Understanding_v1.1_Dec_2011.pdf sets out the standards which the Department currently applies for any work carried out in this area.

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 (2006).
- 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 leave 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 applicable for the CPD year commencing on 1 July 2012. These factors may be revised for future CPD years.
- 2.4 **Column (2)** of the Table gives factors for the Firefighters' Pension Scheme.
- 2.5 **Column (3)** of the Table gives factors for the New Firefighters' Pension Scheme.

Example

- 2.6 A firefighter member of FPS is age 50 on 1 July 2012. The relevant factor from column (2) of the Table is 19.7. His CPD payments in the year to 30 June 2012 attract pension contributions of £150. The additional benefit is calculated as $£150 / 19.7 = £7.61$ pa.

Firefighters' Pensions: CPD Pension Factors

Table of CPD Pension Factors [June 2012]

	Firefighters' Pension Scheme	New Firefighters' Pension Scheme
Age last birthday on relevant date	Factor for additional (CPD) benefit of £1 pa	Factor for additional (CPD) benefit of £1 pa
(1)	(2)	(3)
20	8.6	7.1
21	8.9	7.3
22	9.1	7.5
23	9.4	7.7
24	9.7	7.9
25	9.9	8.1
26	10.2	8.4
27	10.5	8.6
28	10.8	8.8
29	11.1	9.1
30	11.4	9.3
31	11.7	9.6
32	12.1	9.9
33	12.4	10.1
34	12.7	10.4
35	13.1	10.7
36	13.5	11.0
37	13.8	11.3
38	14.2	11.6
39	14.6	11.9
40	15.0	12.3
41	15.4	12.6
42	15.8	12.9
43	16.3	13.3
44	16.7	13.6
45	17.2	14.0
46	17.7	14.4
47	18.2	14.7
48	18.7	15.1
49	19.2	15.5

Firefighters' Pensions: CPD Pension Factors

	Firefighters' Pension Scheme	New Firefighters' Pension Scheme
Age last birthday on relevant date	Factor for additional (CPD) benefit of £1 pa	Factor for additional (CPD) benefit of £1 pa
50	19.7	15.9
51	20.3	16.4
52	20.9	16.8
53	21.4	17.2
54	22.1	17.7
55	22.4	18.2
56	22.0	18.7
57	21.7	19.2
58	21.3	19.7
59	20.9	20.3
60	20.6	20.6
61	20.2	20.2
62	19.8	19.8
63	19.4	19.4
64	19.0	19.0
65	-	18.6
66	-	18.2
67	-	17.7
68	-	17.3
69	-	16.8