

Opting out of the Firefighters' Pension Scheme 2006 (FPS 2006)

Standard Member Notes

These notes are for firefighters of FPS 2006 with standard membership, please read them carefully if you are thinking of opting out as there are various issues to consider.

If you are a member of a different FPS scheme, please refer to the appropriate notes as each scheme has different rules to be aware of, particularly if you want to re-join at a later date.

Membership of the Firefighters' Pension Schemes is automatic, but not compulsory. The schemes allow you to save while you are working in order to enjoy a pension when you retire. They are workplace pension schemes, provided by your employer who also meets part of the cost of providing the range of secure benefits. So it is an extremely valuable and important part of your employment package.

Whatever your reasons for thinking about opting out, we ask that you give this matter careful consideration before making a decision. It is worth taking time to look at the benefits you are giving up - these are detailed below. You may also wish to take independent financial advice. If you decide to opt out based on advice you receive, you should ask for this advice in writing.

Opting out of the scheme will not save you as much money as you might think. In most cases, you pay less tax by contributing to the scheme, as contributions attract tax relief. A basic rate tax payer paying contributions of £300 will pay £60 more in tax if they opt out.

Your employer cannot ask you or force you to opt out. If you are asked or forced to opt out you can tell the Pensions Regulator – see www.thepensionsregulator.gov.uk.

Equally, no one can force you to remain in the scheme but, if you elect not to be member, you should understand the implications for both you and your dependants before opting out.

FPS 2006 – SUMMARY OF BENEFITS (STANDARD MEMBERS)

- A guaranteed public service final salary pension that remains one of the best available and is a tax efficient way of saving for retirement;
- Retirement with benefits paid in full from age 60 that increase automatically with the cost of living;
- Ability to apply for member-initiated early retirement from age 55, subject to reduction of benefits;
- The ability to exchange part of your annual pension for a one-off, tax-free payment;
- A final salary link for your FPS 2006 benefits unless you return to the Firefighters' Pension Schemes after a break of 5 years or more;
- Ill-health retirement benefits if you have to leave work through permanent ill health;
- A lump sum death grant of 3 times your pensionable pay if you die in service; plus
- Dependants' benefits for a surviving partner, and/or children.

Further information about the scheme is available from:

www.warwickshire.gov.uk/firefighterspension

If you opt out of the FPS 2006 before completing 3 months of membership, you will be treated as never having been a member and will receive a refund of your contributions minus an adjustment for tax relief.

If you opt out after 3 months, you will become entitled to a deferred benefit which will normally be payable from age 65; 5 years later than for an active member.

You may be able to transfer these benefits to another workplace pension arrangement.

If you decide to opt out of the FPS 2006 and later change your mind, you will be able to re-join the same scheme if you have full- or tapered-protection, provided you are in an employment that qualifies you for membership. If your taper-date has passed and you are in eligible employment, you will be offered membership of the Firefighters' Pension Scheme 2015 (FPS 2015).

Re-joining either scheme within 5 years will reactivate your FPS 2006 deferred benefit which can then be accessed from the normal retirement age of 60.

If you remain opted out, your employer will automatically put you back into FPS 2006 or FPS 2015 approximately 3 years from the date they have to comply with the automatic enrolment provisions of the Pensions Act 2008, unless you become eligible earlier. You will, however, be entitled to opt out again at that time.

If you change your job, your new employer will normally put you back into pension saving straight away.

If, having read the above information, you no longer wish to be a member of the FPS 2006, please complete the Election to Opt Out, and return it to Warwickshire Firefighter Pensions, Shire Hall, Warwick, CV34 4RL.

You must complete sections A to C of the form. Section D asks for the reason that you have decided to opt out and this is optional. We ask for this information as part of our on-going commitment to monitor the efficiency and cost-effectiveness of the Firefighters' Pension Schemes in order to make recommendations to the Government.