

## Opting out of the Firefighters' Pension Scheme 2015 (FPS 2015) – Notes

**These notes are for firefighters of FPS 2015, 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](http://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 2015 – SUMMARY OF BENEFITS**

- A guaranteed public service CARE 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;
- The right to retire voluntarily from age 55, subject to reduction of benefits;
- The ability to exchange part of your annual pension for a one-off, tax-free payment;
- 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.warwickshirepensionfund.org.uk/firefighters-pension](http://www.warwickshirepensionfund.org.uk/firefighters-pension)

If you opt out of the FPS 2015 before completing 3 months of membership, you will be treated as never having been a member and will receive a refund of your FPS 2015 contributions minus an adjustment for tax relief.

If you opt out after building up 3 months' qualifying service or you have transferred in service from a previous pension, you will become entitled to a deferred benefit which will normally be payable from State Pension age. Check your State Pension age at <https://www.gov.uk/state-pension-age>. You can ask for early payment from age 55 and receive reduced benefits.

If you have previous benefits from a final salary scheme:

- Benefits built up in previous membership of the Firefighters' Pension Scheme 1992 (FPS 1992) will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous standard membership of the Firefighters' Pension Scheme 2006 (FPS 2006) will be deferred with a normal payment age of 65, based on your pay at the date you opt out of FPS 2015.
- Benefits built up in previous special membership of the Firefighters' Pension Scheme 2006 (FPS 2006) will be deferred with a normal payment age of 60, based on your pay at the date you opt out of FPS 2015.

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

If you decide to opt out of the FPS 2015 and later change your mind, you will be able to re-join the same scheme, provided you are in an employment that qualifies you for membership:

- If you re-join within 5 years and have previous membership of the FPS 1992 the final salary link for your deferred benefit will be reinstated, although the benefit remains payable from the deferred payment age of 60.
- If you re-join within 5 years and have previous standard membership of the FPS 2006 the final salary link and normal retirement age (60) for your deferred benefit will be reinstated.
- If you re-join within 5 years and have previous special membership of the FPS 2006 the final salary link for your deferred benefit will be reinstated, although the benefit remains payable from the deferred payment age of 60.

If you remain opted out, your employer will automatically put you back into 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 2015, please complete the Election to Opt Out, and return it to Firefighter Pensions, Warwickshire County Council, 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.