



NOTTINGHAMSHIRE
Fire & Rescue Service
Creating Safer Communities

Retirement Policy – Uniformed employees

Policy No: 1025

Scope:

This policy is mandatory .

Summary:

The purpose of this policy is to set out the Service position on retirement for members of the Firefighter's Pension Schemes.(1992 and 2006)

Version Control:

<i>Person Responsible</i>	<i>Version</i>	<i>Date</i>
HR Manager (Corporate)	0.5	Sept 2014
Revisions		

Review Date:

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Waiver

This policy only sets out the circumstances in which members of the Firefighter's Pension Scheme 1992 and 2006 can retire from the Service and access pension scheme benefits. As the circumstances of individual scheme members will differ, all matters relating to provisions and conditions of the respective pension schemes must be raised by individual scheme members with the pension scheme administrator (email address) before making any decisions about retirement. The Service is unable to provide advice on individual pension issues.

Please note that pension scheme regulations will be changing from 2015. The details of the changes are not yet determined and this policy will be updated once the new arrangements are in place.

1.0 Definitions

- 1.1 This policy relates to those employees who reach an age when they can access state pensions benefits and/or benefits payable under an occupational pension scheme and make a decision to retire from the Service.
- 1.2 The Service does not operate a default retirement age for operational roles. Employees may remain in Service whilst they remain fit and competent to perform their role. In certain circumstances, in line with statutory provisions, the Service may apply a compulsory retirement date if this can be objectively justified.
- 1.3 This policy does not provide details of the RDS Modified Scheme, which applies to RDS employees between 2000 and 2006. If you require any information about this scheme, you should contact our Pensions Administrators at: firepensions@leics.gov.uk

2.0 General Principles

- 2.1 The Service Retirement Policy will be compliant with the Employment Equality (Age) Regulations 2006, the Employment Equality (Repeal of Retirement Age Provisions) Regulations 2011 and the provisions of the Fire-fighter's Pension Scheme (1992) and Fire-fighter's Pension Scheme (2006).

Employee initiated retirement

- 2.2 Service employees are able to retire under the provisions of the relevant occupational pension scheme and take pension benefits, as follows:
 - Employees who are members of the Firefighter's Pension Scheme 1992, from age 50 provided they have at least 25 years service, with pension benefits based on the service they have accrued

- Employees who are members of the Firefighter's Pensions Scheme 2006, from age 60. The maximum service a member can accrue is 40 years. Retirement is possible from age 55 with the employers consent but a reduction will be applied due to the early payment of the pension.
- Taking early retirement (i.e. before full pensionable service is obtained) will have the effect of reducing pension benefits, advice should always be sought from the Pensions Section at Leicestershire County Council (firepensions@leics.gov.uk).

2.3 Whilst the Service will seek to review the Policy as changes to pension scheme provisions arise, it cannot be relied upon to protect entitlement where statutory changes are made which affect the benefits referred to in this Policy. Provisions relating to entitlement to pension benefits will always relate to the specific provisions of the relevant pension scheme operating at the time of retirement.

Employer Initiated Retirement

2.4 Under the provisions of the 2006 scheme, the Service may require an employee who has sufficient service to qualify for a pension who has reached age 55 but not age 60, to be retired in the interests of the management of the service. In this situation, benefits would be paid in accordance with the following formula:

annual pension = 1/60 x pensionable service x final pensionable pay.

2.5 Employees who, in the view of an Independent Qualified Medical Practitioner, are unable to perform their normal job role due to permanent ill-health following the consideration of reasonable adjustments and who cannot be redeployed to an alternative job role, may be retired from the Service on the grounds of permanent ill-health. For further information, please refer to the Management of Long Term Sickness policy.

2.6 The Service may impose retirement dismissals if this can be objectively justified, i.e. it is able to show that it is a proportionate means of achieving a legitimate aim.

Re-employment and abatement

2.7 Firefighter's Pension Scheme members (92 and 2006 scheme) who return to employment with any Fire and Rescue Service in a role of a similar nature to their previous role (before retirement) within six months after taking pension benefits will be subject to pension abatement depending on the salary earned in the new employment. It is the responsibility of the retired person to notify the Service of any such employment.

2.8 Members of the 1992 FPS may be re-employed into a role which is not deemed to be of a "similar nature" after one month, with protection of the pension protected age (see below) if abatement is applied.

Protected Pension Age

- 2.9 Members of the Firefighters Pension Scheme 1992 have a right to retire from 50 provided they have 25 or more years of pensionable service. The right to retire at an age below 55 (Minimum Pension Age) is protected and on retirement members will receive a 'protected pension age'. However, members of this scheme should be aware that this protection can be lost. Specifically, from the 6 April 2010 those employees who have not already retired and taken their pension benefits before the age of 55 became subject to significant tax penalties if they are subsequently re-engaged in the same or a similar role with the Fire and Rescue Service. The pension benefit is taxed at a rate of 40% and a sanction charge is payable. The pension commutation sum also being taxable at a rate of 40%.
- 2.10 The HMRC have confirmed that the definition of 're-employment' applies to situations in which employees who hold dual contracts (ie both whole-time and retained contract) prior to retirement fall within the scope of the new regulations applied. This means that employees who retire from their whole-time contract but continue employment in a retained contract are subject to taxation on their pension benefits as set out above. Employees in this position are strongly advised to seek further advice from an independent taxation advisor prior to retirement.
- 2.11 This provisions of paragraph 2.8 will not apply if the role is materially different and if abatement is applied from the commencement of the new employment (see 1.7 above).
- 2.12 For this reason, the Service will not employ retired members of the pension scheme, within six months of their retirement, into an operational role or broadly similar role. This will include employment on the Retained Duty System even where the employee has been previously employed on a dual contract basis before retirement.
- 2.13 Whilst members of the Personnel section can provide information about pension benefits, they are not able to offer financial advice or recommend a particular course of action.

Pre-retirement course

- 2.14 All employees will be given the opportunity to attend a Pre-Retirement course prior to their retirement. Employees may attend the course even if they have retired from Service and may be accompanied by a partner. Employees are strongly advised to attend these courses, which are free of charge, as they provide valuable information about benefits in retirement, financial management and lifestyle changes. Further details of the course are available from the Human Resources Department.

3 Application

Normal or employee initiated early retirement

- 3.1 Employees may choose to take normal retirement from age 50 with 30 years service (92 scheme) or from age 60 (2006 scheme) or early retirement under the provisions of their respective occupational pension scheme. Notification procedures will be those set out in employment contracts. In general, written notice of retirement will be one month for roles up to and including Station Manager, two months for Group Managers, three months for Area Managers and six months for Brigade Managers.
- 3.2 To assist with workforce planning, the Service may write to employees prior to the age that they could take normal retirement under the provisions of their respective pension scheme to indicate their likely intentions regarding retirement and to deal with any queries that they may have. This does not obligate the employee in any way. Employees must notify the Human Resources Department of their intention to retire in line with the notice requirements of their contract.
- 3.3 Information about Firefighter Pension Scheme retirement benefits will be provided by the Pensions section at Leicestershire County Council directly to the employee. Their contact email address is: firepensions@leics.gov.uk
- 3.4 The lump sum is paid by the NFRS Payroll section as soon as possible after the retirement date following information being received from the Pension Section.
- 3.5 Pension payments commence one month after the retirement date and are paid on the last day of the month.
- 3.6 Enquiries about pension payments should be directed to the Pensions Section at Leicestershire County Council: . firepensions@leics.gov.uk.
- 3.7 Appeals against decisions regarding the application of pension scheme provisions will be dealt with through the Internal Disputes Resolution Procedure. Please note that under the provisions of the Fire-fighter's Pension Scheme (1992) and Fire-fighter's Pension Scheme (2006) appeals in relation to medical decisions will be dealt with under Rule H2 of the relevant pension scheme. Further details about the appeals process can be obtained from the Human Resources Department.

Retirement on the grounds of the efficiency of the service

- 3.8 Under Regulation 6 of the New Firefighters' Pension Scheme 2006, members may be required by the Fire Authority, where they are aged over 55 (but not aged 60), to retire from the service on the grounds of the economical, effective and efficient management of service functions.
- 3.9 In all cases involving employer initiated early retirement, the employee will have a right of appeal against the decision. The appeal to be heard at Area Manager or equivalent level.

Ill Health Retirement

- 3.10 The provisions of the respective occupational pension scheme will apply to members of those schemes. The provisions are complex and an HR Business Partner will advise individuals of the benefits applicable at the time that a decision to retire the employee from service is made.
- 3.11 Further information can be obtained in the Service's Management of Long Term Ill Health Policy which can be found on the intranet at: Reference library>policies and procedures>policies>management of long term ill health

4 Role & Responsibilities

The Human Resources Department will be responsible for implementing the Retirement Policy

The Payroll section will liaise with the Pension section regarding the payment of pension benefits

The Pensions section will administer the payment of pension benefits and provide advise to members of occupational schemes.

5 Monitoring - Audit & Review

The Policy will be reviewed and updated by the Head of HR Services in line with changes to legislation and to pension scheme regulations.

6 Related Documents.

Equalities Impact Assessment

Firefighter's Pension Scheme (1992)

Firefighter's Pension Scheme (2006)

Management of long-term ill health policy

Internal Disputes Resolution Procedure

RELEVANT LEGISLATION

Employment Equalities (Age) Regulations 2006

Employment Equality (Repeal of Retirement Age Provisions) Regulations

Nottinghamshire Fire and Rescue Service
Headquarters
Bestwood Lodge
Arnold
Nottingham
Tel: 0115 9670880
Fax: 0115 9261081
Email: HumanResources@notts-fire.gov.uk

Your Ref:
Our Ref:
Please Ask For: Rachel Rodda
Direct Line/Ext: 225
Date:

Dear

Thank you for your letter dated in which you inform me of your intention to retire from the Service with effect from after completing year's service with the Nottinghamshire Fire and Rescue Service.

As always there are a few administrative points to clarify in respect of your retirement. A pension pack will be sent to you directly from Leicestershire County Council. Forms should be completed as soon as possible and returned to Leicestershire County Council Pensions Section as the Pensions Section/Payroll Department cannot pay you your pension until these are received.

All leave including any outstanding bank holidays should be taken prior to your leaving date with the approval of your Line Manager.

If you have not already taken advantage of attending a Pre-Retirement Course, the HR Section can arrange a place for you on the next course. You can also ask for the opportunity of a leaver's interview with a member of the HR Section. Both of these will assist you with any queries you may have regarding your impending retirement and if you decide that you wish to attend any one of these, do not hesitate to contact them on (0115) 9675946.

I confirm that your membership of Westfield will unfortunately cease with effect from and therefore your monthly subscription and any subsequent benefits will also cease from this date. The HR Section will automatically inform Westfield of your leaving date. Should you wish to continue with Westfield on a personal basis, you should contact the HR Section who will provide you with the necessary information.

I would also ask that you ensure the return of the following items to your Line Manager (if applicable), prior to your leaving date:

- Identity card
- Fire kit
- Mobile phone/pager
- Keys
- Fireground radio
- Business Cards

We would like to carry out an exit interview with you before you leave. Please complete the enclosed questionnaire prior to your Line Manager contacting you in the near future to arrange a meeting.

Protected Pension Age

Members of the Firefighters Pension Scheme (1992) have a right to retire from 50 provided they have 25 or more years of pensionable service. The right to retire at an age below 55 (Minimum Pension Age) is protected and on retirement members will receive a 'protected pension age'. However, members of this scheme should be aware that this protection can be lost.

As a member of the Firefighters Pension Scheme (1992) I need to advise you that from 6th April 2010, those employees who have not already retired and taken their pension benefits before the age of 55 became subject to significant tax penalties if they are subsequently re-engaged in the same or a similar role with the Fire and Rescue Service. The pension benefit is taxed at a rate of 40% and a sanction charge is payable. The pension commutation sum also being taxable at a rate of 40%.

Please note that the Service will therefore prohibit re-employment within six months of retirement into roles which may be construed as similar in nature to roles undertaken by members of the Firefighter Pension Scheme. Members of the FPS (1992) may be re-employed into a role which is not deemed to be of a "similar nature" after one month, with protection of the pension protected age if abatement is applied.

The HMRC have confirmed that the definition of 're-employment' applies to situations in which employees who hold dual contracts (ie both wholetime and retained contract) prior to retirement fall within the scope of the new regulations applied. This means that employees who retire from their wholetime contract but continue employment in a retained contract are subject to taxation on their pension benefits as set out above. (paragraph dual only)

Employees in this position are strongly advised to seek further advice from an independent taxation advisor prior to retirement before undertaking any future employment in the public sector. Further advice can be sought from an HR Business Partner.

It only remains for me to pass on my best wishes to you from your colleagues within the service and, on behalf of Nottinghamshire Fire and Rescue Service, to recognise and thank you for the years of loyal service which you have given to the people of Nottinghamshire. I hope that you have a long, happy and rewarding retirement and that you will take with you some good memories of your time with the Fire Service.

Yours sincerely

Tracy Crump
Head of HR Services