



West Yorkshire Pension Fund

SUMMER 2022 ● ACTIVE FIREFIGHTER MEMBERS

# Pension

NEWSLETTER

## Your 2022 pension statement is ready

Your pension statement is available now in your **My Pension** account. If remedy doesn't apply to you, your statement is correct and up-to-date.

### You were a member of FPS 1992 or FPS 2006

Your pension statement is available now in your My Pension account. **But your 2022 statement does not take remedy into account and can't show future projections because of this.**

### When will my statement show remedy?

On the next page we cover the facts about **remedy** and how your future pension statements will look.

We can't show you the effects of remedy at the moment because the legislation needed to put you back into your legacy scheme (1992 or 2006) won't come into force until 1 October 2023. When it does you'll be put back into your legacy scheme for the **remedy period** of 1 April 2015 to 31 March 2022, and we hope you will then see the effect of that on your **2024** statement, available by the end of August 2024. Please note that the anticipated date of 2024 depends on the legislation, and associated software development, being available on time.

## Remedy

### What's happened so far – what's still to come

All serving firefighters moved to FPS 2015 on 1 April 2022.

Further measures are expected in October 2023 that will place eligible members back in their legacy scheme for the remedy period, with a choice at retirement as to which benefits to take.

### Background

In 2015, new laws introduced a new scheme for firefighters – the Firefighters' Pension Scheme 2015 (FPS 2015). These laws included protections which meant that some members of the existing schemes (FPS 1992 and FPS 2006) didn't join FPS 2015 either straight away or at all, depending on their age. Following a legal challenge known as *Sargeant*, the courts determined that the protections given to members were age discriminatory.

All protected members who joined the scheme before April 2015 were moved to the FPS 2015 for service after 1 April 2022.

**If you joined the scheme on or after 1 April 2022, none of the above will apply to you.**



## It's time to go online

View your pension record and your statements with our online My Pension service

Register today at [www.wypf.org.uk/register](http://www.wypf.org.uk/register)

## How remedy is being dealt with

Remedy is being dealt with in two parts: **prospective** and **retrospective** remedy.

### 1. Prospective remedy

This is the part that led to all members being moved to FPS 2015 from April 2022. If this applies to you, we've already written to tell you about it. From 1 April 2022 all those who continue in service will do so as members of the reformed scheme, regardless of age, meaning all members will be treated equally in terms of future pension provision.

### 2. Retrospective remedy

Retrospective remedy measures – when they arrive – will correct the period of discrimination from 1 April 2015 to 31 March 2022 by putting protected members back into their legacy scheme for the **remedy period** of 1 April 2015 to 31 March 2022.

If you are a protected member who was moved to FPS 2015, you'll then get a choice (when you leave or retire) – called the **Deferred Choice Underpin** – about how you receive the pension benefits for your membership between 1 April 2015 and 31 March 2022. The choice will be between benefits based on your former scheme rules (called **legacy** benefits) or the FPS 2015 rules (called **reformed** benefits).

### Future pension statements

Based on current expectations, every eligible member will receive an annual statement with an overview of their benefits for the remedy period – for both the legacy and reformed schemes – in addition to the usual current values and projections members are used to.

From **1 April 2025** a 'remedial statement', issued each year, will detail what the member's benefits would be for the remedy period in both the legacy and reformed scheme. We don't now yet whether this will be included in the usual statement or if it will be an extra statement.

## What's my contribution rate for 2022/23?

Your rate and pay band for 2022/23 will be the same as it was in 2021/22 and the year before that. This is because the latest scheme valuation has not yet been completed.

The contribution rate you pay depends on which scheme you're in, as shown below and is based on your full-time equivalent rate of pay.



## CARE PENSIONS UP 4.1%

The adjustment to your CARE pension for 2022 is an increase of 4.1%

### When is this increase added to my pension?

The annual revaluation is applied to pension accounts for scheme members who were contributing to FPS 2015 for at least part of the year up to and including 31 March. If you joined FPS 2015 on 1 April 2022 then you won't receive this year's adjustment.

Otherwise, a 4.1% increase was applied to your pension on 1 April 2022. If you're wondering why your 2022 pension statement doesn't show it, that's just because the 2022 statement can only show your pension up to the day before we added this year's increase. It will be your 2023 statement that shows your pension with the 4.1% increase added.

### About the adjustment

Every April we adjust the pension you've built up so far in line with the Treasury Department's Revaluation Order, currently set by the Average Weekly Earnings (AWE) for the September before the increase date.

Pensionable pay	Rate
	(Rate is % of pensionable pay)
Up to £27,818	11.0%
£27,819 to £51,515	12.9%
£51,516 to £142,500	13.5%
£142,501 or more	14.5%

## Can I increase my benefits?

Your pension statement is a guide to the income you can expect when you retire. If you would like a bigger income in retirement, you can boost your pension by buying **additional pension**.

You can do this either by making increased monthly contributions or paying a lump-sum payment (a lump sum payment is only possible if you joined the scheme within the previous 12 months). The extra pension benefits you buy are held in an **added pension account**, and keep pace with inflation just like your main pension account. For more information visit the FPS member website at <https://fpsmember.org/fps-2015/can-i-increase-my-pension> . If you are still interested contact WYPF for a quote.

## Time limits for transfers

**TRANSFERS IN** – When you join the pension scheme you have one year to transfer personal pension benefits into the scheme, after which your FRA may not allow it. If this applies to you, speak to them about their policy on this. You can transfer from *occupational* schemes at any time.

**TRANSFERS OUT** – Remember that if you want to transfer your fire pension to another provider, you must leave this scheme and choose to transfer your pension at least one year before your **normal pension age**. The rules also restrict where you can transfer fire scheme pensions to, so if you're considering it, please see [www.wypf.org.uk/firefighters](http://www.wypf.org.uk/firefighters) or give us a call.

## HMRC allowances

Your statement shows you how much of your lifetime and annual allowances you have used for tax purposes. Even if you don't think of yourself as a 'high earner' you should bear these tax limits in mind because you may need to seek specialist independent advice.

### 2022/23 tax year

#### Annual allowance – £40,000

This is the amount the value of your pension benefits can increase in any one year without you having to pay a tax charge. If the value of your pension savings in any one year (including pension savings outside the FPS) are more than the annual allowance, the excess may be taxed as income.

#### Tapered annual allowance – £10,000 to £4,000

The annual allowance 'taper' gradually reduces the allowance to a minimum of £4,000 for people with threshold income\* above £200,000 and adjusted income\*\* above £240,000 a year.

\*Threshold income – taxable income not including contributions to a pension scheme.

\*\*Adjusted income – taxable income not including contributions to a pension scheme plus the growth on pension savings each year.

#### Lifetime allowance – £1,073,100

The total value of all pension benefits (at the point you are paid them) you can have without triggering an excess benefits tax charge. If the value of your pension benefits when you draw them (not including state retirement pension, pension credit or partner or dependant's pension you may be entitled to) is more than the lifetime allowance, or more than any protections you have, you'll pay tax on the excess benefits. Pension benefits in all tax-registered pension arrangements are included in the assessment.

For more information about these allowances, see [www.wypf.org.uk/allowances](http://www.wypf.org.uk/allowances)

### FPS 1992 members

## Re-employment after retiring

The minimum age you can now take a pension is age 55, except for FPS 1992 members who are partially protected and can still retire from age 50. If you take pension before age 55 and you are re-employed, you could lose protected rights and be taxed on your pension benefits. If you're thinking about getting another job after taking your pension before age 55, see the 'abatement' and 'protected pension age' information [www.wypf.org.uk/firefighters/ppa](http://www.wypf.org.uk/firefighters/ppa) first.

We will now mostly communicate with you through electronic methods, like email, our website and the My Pension service.

But don't worry – if you don't have access to the internet or prefer not to use our online services we can continue to send you paper copies of important pension information on request.

# A short guide to death-in-service benefits

If you die as an active member of the pension scheme there are three types of benefit that your loved ones and dependants could receive.

- 1 **lump sum death grant**
- 2 **survivor pension**
- 3 **pension for your eligible children**

## 1 lump sum death grant

The lump sum death grant payable is

- 3 × pensionable pay

If you fill in an **expression of wish** form at [www.wypf.org.uk/firefighters](http://www.wypf.org.uk/firefighters) your FRA will know who you would want your death grant to go to. You don't have to do this but it can make paying the money to your loved ones quicker and simpler. Plus, by nominating, the death grant becomes exempt from inheritance tax.

Your annual benefit statement will confirm whether you have made a nomination and if so, who you nominated. You can change your nomination at any time by filling in a new expression of wish form.

## 2 survivor pension

- A pension for your husband, wife, civil partner or cohabiting partner.\*

You no longer need to nominate your partner, but filling in a nomination form can make identifying and contacting them easier and quicker if you were to die, so is still worth doing. You can download the form from [www.wypf.org.uk/firefighters](http://www.wypf.org.uk/firefighters)

\*If your partner is more than 12 years younger than you, the pension they get will be reduced.

## 3 pension for your eligible children

Eligible children are those who are

- under age 18, or
- under age 23 if they're in full-time education, or
- permanently disabled.

## Pension scams

Pension scams continue to be a very real threat. They can take many forms and could be about insurance policies, pensions transfers, or high-return investment opportunities. Scammers are sophisticated and opportunistic and will try many things. They're very likely to target the vulnerable. As always, beware of investments that seem too good to be true.

Report suspected scams to Action Fraud straightaway on **0300 123 2040** or with the online reporting tool at [www.actionfraud.police.uk/reporting-fraud-and-cyber-crime](http://www.actionfraud.police.uk/reporting-fraud-and-cyber-crime).

## How to contact us

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You can visit our office in Bradford too but please contact us first to make an appointment.