

XX MONTH YEAR

Name Surname



Welcome to your remediable service statement

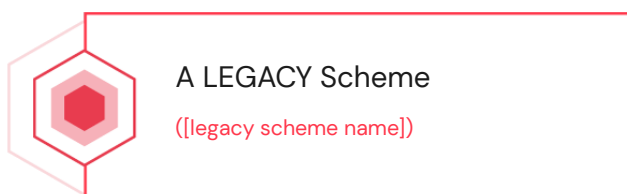
Providing you with details of your choices for remedy



Dear [first name]

You're currently receiving a pension from your service with xxxx.

As a result of a legal review of the Firefighters' pension scheme (FPS), new options are now available which mean that you can choose the benefits that you receive from either:



This choice will be in relation only to the benefits built up between 1 April 2015 and 31 March 2022 (or your retirement date, if sooner). This is known as the 'remedy period'.

You can choose whichever option is best for you.

Need help understanding your statement?

Find out more at fpsmember.org

What action you need to take

After reading this document, you should let us know your choice by completing the enclosed 'remedy choice form' and returning it to XXXXXXXX.

You have 12 months to decide, but we want to let you know that some of the figures inside are only valid for 28 days from the date of this statement. After this date you can still make a decision, but we will need to recalculate any interest payments.

Your decision about which benefits are best for you will be personal to your circumstances. There are several factors to consider which we have highlighted in more detail within this document. These include, but are not limited to, when you left the Fire Service, whether you were 55 or over and what death and beneficiary benefits are payable.

Should you not make a choice, your Scheme Manager will decide on your behalf.

Full details about how to make decision can be found on **page 19**.

About you

Member type:
Type of member you are

Retirement date:
Day Month Year

National Insurance Number:
AA 0000 00 A

Unique Identifier:
000000000

Your membership history:

- Before 1 April 2015:
[legacy scheme]
- 1 April 2015 – 31 March 2022
(the remedy period):
[legacy scheme][& FPS 2015]
- After 1 April 2022:
FPS 2015

At a glance

Here's a summary of your choices.

The summarised figures below show your total benefits built up in the Firefighters' pension schemes. The figures include the element of pension built up during the remedy period. A breakdown of these figures is shown later in the statement.

For the remedy period, you have a combination of benefits from both your legacy scheme and reformed scheme (FPS 2015). You will need to choose one of these options.

Pension

Benefits currently being paid		Your alternative benefit options	
Pension paid each year	£[XXXX] a year	Pension - Option one	£[total annual pension] a year
Plus		or	
Pension payable from state pension age from FPS 2015*	£[XXXX] a year	Pension - Option two	£[total annual pension] a year
		Plus	
		Pension payable from state pension age from FPS 2015**	£ XXXX

Lump sum

Benefits currently being paid		Your alternative benefit options	
Lump sum paid at retirement from your legacy scheme	£[total legacy lump sum]	Lump sum - Option one	£[total lump sum]
Plus		or	
Lump sum payable from state pension age from FPS 2015	£[total 2015 lump sum]	Lump sum - Option two	£[total lump sum]

*You are not yet receiving your pension from FPS 2015. If you choose to keep the same benefits, this pension is payable from your state pension age without reduction, or from age 55 where reductions would apply. If you wish to take your pension from age 55 you would need to contact us.

**When you retired from service, you did not immediately start to receive your pension from FPS 2015. This is payable from state pension age, or earlier with reductions applied.

When you start to take your benefits from FPS 2015, you can choose to take a lump sum. If you choose a lump sum the value of your annual pension would be reduced. Find out more on page 14.

Commutation options

When you retired you decided about how much pension and lump sum you received. This was known as your lump sum 'commutation' options. We have used the same options in the calculation of your alternative benefits; however, you can choose alternative lump sum commutation options.

Please contact us if you would like an illustration of your alternative commutation options.

You can find out more about how the figures for option one and option two have been calculated on page 9.

Arrears

If you choose your alternative benefit options, your choice will be backdated to the date that your pension commenced. If these are higher than those currently being paid an additional payment will be made to cover the arrears of pension that are due, plus interest. If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

In both scenarios, the value of this payment may change depending on several factors including when you make your final choice. Below is a summary of the overpayment/underpayment that applies, including interest. A breakdown of this value is shown later in the statement.

You have two choices:

Option one		Option two	
Pension: Total overpayment/ underpayment:	£[XXXX	Pension: Total overpayment/ underpayment:	£[XXXX
Lump sum: Total overpayment/ underpayment:	£[XXXX	Lump sum: Total overpayment/ underpayment:	£[XXXX

Spouse/civil partner pension*

Current scheme	Your alternative benefit options	
Spouse/civil partner pension £[XXXX] a year	Spouse/civil partner pension – Option one	£[xxxx] a year
	or	
	Spouse/civil partner Pension – Option two	£[xxxxx] a year

*This would be reduced if your spouse/civil partner/declared partner is more than 12 years younger than you.

Lifetime allowance

The lifetime allowance is the total amount you can build up in all your pension savings without incurring a tax charge.

Benefits already paid	Your alternative benefit options	
Percentage of lifetime allowance used: XX%	Lifetime allowance – Option one	XX%
	or	
	Lifetime allowance – Option two	XX%

Some members have individual circumstances relating to their benefits, for example pension from transfers in or additional contributions. If you would like to see a full breakdown of how your pension value is calculated, then please contact us.

You can find out more about these figures on the following pages.

Our assumptions

We have set out the assumptions taken to help you compare your pension already being paid and your alternative benefit options as clearly as possible.

Commutation options



We have assumed that if you selected alternative benefits, you would make the same commutation options as you did when you retired. This is so you can compare it to your current choice.

When you make your choice about alternative benefits, you would have the option to elect for an alternative commutation option. This would affect the amount of pension you would receive and may introduce a tax charge.

Please contact us if you would like an illustration of your alternative commutation options.

Assumptions

We have set out the assumptions taken to help you compare your pension already being paid and your alternative benefit options as clearly as possible.

	Benefits currently being paid	Your alternative benefit options
 Pension values	<p>Your current pension is calculated based on the benefits that you are receiving now.</p> <p>When you started receiving your pension it may have been less than this amount and could have received pension increases each year.</p>	<p>The figures shown on your alternative pension calculations are based at the date of this statement, so that you can easily compare them with your current pension.</p> <p>You have two choices – more details about these are made up is provided below.</p>
 Lump sum values	<p>The value of the lump sum shown is the amount that you received when you retired and includes any tax charges that you might have paid.</p>	<p>The value shown for the alternative lump sum is calculated on the date that you left the scheme.</p>

Membership

Your alternative benefit pension values are calculated from different types of membership depending on your selected option:

Option one	Option two
<p>The alternative pension under option one is made up from three time periods:</p> <ul style="list-style-type: none"> • Before 1 April 2015: the pension you built up in [legacy scheme] • 1 April 2015 – 31 March 2022 (the remedy period): the pension you could have built up in [legacy scheme] if you had been a member for the full remedy period (or the retirement date, if sooner) • If you retired after 1 April 2022: the pension you built up in FPS 2015 	<p>The alternative pension under option two is made up from three time periods:</p> <ul style="list-style-type: none"> • Before 1 April 2015: the pension you built up in [legacy scheme] • 1 April 2015 – 31 March 2022 (the remedy period): the pension you could have built up in FPS 2015 if you had been a member for the full remedy period (or the retirement date, if sooner) • If you retired after 1 April 2022: the pension you built up in FPS 2015

Arrears/Overpayments

When you have made your choice, your benefits will be backdated to the date that your pension commenced.

If these are higher than those currently being paid an additional payment will be made to cover the arrears of pension that are due, plus interest. If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

Pension

As the alternative pension is higher than your current benefits, you would receive:

	If you select option one	OR	If you select option two
One off payment in respect of the value of the difference in pension	£[pension arrears]		£[pension arrears]
Plus			
An interest payment as at [date of statement] of:	£[remedy interest payment - pension]		£[remedy interest payment - pension]

Lump sum

As the value of the lump sum from the alternative benefits is higher than the value of the lump sum that you received when you retired, you would receive:

	If you select option one	OR	If you select option two
A one-off payment in respect of the difference in the value of the lump sum, after any tax charges	£[lump sum difference]		£[lump sum difference]
Plus			
Interest payment as at [date of statement] of:	£[remedy interest payment - lump sum]		£[remedy interest payment - lump sum]

This interest figure is applicable for 28 days from the date of this statement, after this date it will be recalculated to cover the relevant period. After 28 days, the interest rate used in the calculations will reduce.

For the purpose of this statement, we have assumed the same lump sum commutation option that you selected when you started to receive your benefits.




ARREARS/OVERPAYMENTS

When you make your decision, you will be able to review how much pension you would like to commute (give up) for a lump sum. Please contact us if you would like an illustration of your alternative commutation options.

Contributions

All the Firefighters' pension schemes have a 'contribution rate' which is paid by the member whilst they are building up benefits.

When you decide about your benefits, the amount you have already paid may need to change.

	If you select option one	If you select option two	
 Contributions	You would receive a refund of £[contributions due to member]	You would receive a refund of £[contributions due to member]	This is the difference in the amount of contributions that have been paid already [(£xx)] and the contributions required to change to alternative benefits [(£xx) for option one and £xxx for option two)]
	+/-	+/-	
 Tax adjustments	£[contribution tax adjustment]	£[contribution tax adjustment]	Contributions to pension schemes received tax relief. This value is the adjustment in tax.
	+/-	+/-	
Interest as at [date of statement]*	£[interest]	£[interest]	[conditional for members who overpaid : You will also receive interest on the contributions that you are due a refund on.]
	=	=	
Balance	£[]	£[]	This this the total amount owed/due.

*You can find out how interest has been calculated in our FAQs online at:

www.fpsmember.org/remedy/remedy-faqs

Contributions holiday

Our records indicate that, should you elect for option one, you are entitled to a contribution holiday. This entitlement has already been considered within the contributions amounts illustrated above.

How would this be paid?

The balance will be deducted from your lump sum unless you notify us otherwise. If you wish to make a one-off payment instead, you will need to have made this before your revised pension benefits will be paid.

Family benefits

As well as a pension and lump sum, the Firefighters' pension scheme provides additional benefits. You should also consider these benefits when making your decision.

Full details of the benefits from each scheme can be found at www.fpsmember.org.

	FPS 1992	FPS 2006 & Special FPS 2006	FPS 2015
Spouse/ civil partner pension	Half your annual pension before it is reduced for any lump sum commutation. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life but ceases on re-marriage.	Half your annual pension after it is reduced for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.	Half your annual pension after reduction for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.
Unmarried co-habiting partner	No entitlement.	Half your annual pension after it is reduced for any lump sum commutation*. For the first 13 weeks it is paid at the value of your pension. Pension is payable for life.	Half your annual pension after commutation*. Pension is payable for life.
Death in retirement lump sum	No entitlement.	If you die within 5 years of retirement, the balance of 5 year's pension payments would be paid to your survivor.	If you die within 5 years of retirement, the balance of 5 year's pension payments would be paid to your survivor.
Children's pensions	Paid to children under age 18 or under age 23 and in full time education.	Paid to children under age 18 or under age 23 and in full time education.	Paid to children under age 18 or under age 23 and in full time education.

*This figure would be reduced if your spouse/civil partner/co-habiting partner is more than 12 years younger than you.

Elections

Once you have made your choice, the dependants benefit payable will be in line with this, and there will be no further option to change this.

More information can be found at www.fpsmember.org

If you have not completed an unmarried partner declaration form, then you can find one here xxxxxxxxxxxxxx.

You can also complete a form to let us know who you want to receive any death lump sum payments and if you have not already done this the form can be found here xxxxxxxxxxxxxx.

Choosing pension and lump sum

When you chose to start to take your pension you had the option to choose the balance of pension and lump sum that you received.

This is known as commutation – where you commute (give up) some of your pension for a higher lump sum.

For the purposes of this statement, we have assumed that you would make the same decision. However, you will have the option to make this choice again when you submit your decision. This will change the value of the figures in the statement.

For more information about your commutation options see <https://fpsmember.org/fps-2015/transition-members>.

The value of the lump sum you can take can vary – HMRC sets a limit on the amount you can take without incurring a tax charge. FPS 1992 allows you to take more than this amount, however a tax charge may be payable if you select to do this.

For more information about your commutation options see:
<https://fpsmember.org/fps-1992/how-much-lump-sum-can-i-take>.

If you would like to receive an illustration of your alternative commutation options, please contact us.

How will corrections be paid?

New regular payments

After receiving your election form, we will process your case. If you choose to switch to alternative benefits, you will receive confirmation of your decision and we will let you know the date your revised pension payments will start.

Arrears/overpayments

When you have made your choice, your benefits will be backdated to the date that your pension commenced on.

If you are owed money

If these are higher than those currently being paid an additional payment in respect of overpaid contributions, arrears of pension and/or lump sum values will be made.

These payments will be made to the bank account which your pension payments are currently made unless you specify otherwise. We will write to you to confirm the value of this payment and when it will be made.

If you owe money

If these are lower than those currently being paid, an overpayment will have occurred and you will need to repay this, plus any interest.

This will be deducted from your lump sum unless you notify us otherwise.

If you wish to make a one-off payment instead, you will need to have made this before your revised pension benefits will be paid.

Impact on tax

Limits on the amount of pension you can build up

The Government sets limits on the amount of pension that can be built up each year. This is known as the Annual Allowance (AA) and is calculated by looking at your Pension Input Amount (PIA).

Each year you were building up benefits, if you were close to or exceeded the PIA, you will have received a pension saving statement detailing the amount that you built up in the Firefighters' pension scheme.

Any changes to the benefits you built up during the remedy period, may change the amount of pension built up for each of these years.

Remediable pension saving statement

If, for at least one of the years within the remedy period, the benefits you built up in the Firefighters' pension scheme were close to, or over the pension input amount you may be liable for an additional tax payment.

If the data we hold for you indicates that this might be the case, once you have made your choice, you will be sent a remediable pension savings statement (R-PSS) that shows the PIA built up in each of the remedy years, which will allow you to determine whether any additional tax is due. However, to assist in making that choice, we have sent you a notional remediable pension saving statement (NR-PSS) so you can see how your choice impacts the PIA.

HMRC member tax calculator

HMRC have designed a member calculator to allow members to correct their tax position where they have been affected by remedy.

The service will:

- work out any repayments that are due for a lifetime allowance or annual allowance charge an individual has previously paid.
- work out new, reduced, or extra lifetime allowance or annual allowance charges that an individual may have to pay.
- submit information for HMRC to review.

Once this information has been submitted, HMRC will then contact your Fire and Rescue Authority (FRA).

The FRA will then need to:

- repay any overpaid tax charges paid from 6 April 2015 to 5 April 2019, and
- increase your pension benefits to cover the amount of repayment due for overpaid tax charges they paid on your behalf.

If you have an extra tax charge to pay, a notice will be sent directly to you by post. If you are due a refund of tax charges, HMRC will pay this to you using the bank details you have provided. If your FRA paid the tax charges through scheme pays, the refund will be made to the FRA.

Please see links to the different products below:

- [Calculator / Digital Service \('Calculate your Public Service Pension Adjustment'\)](#)
- [The Interactive Guidance tool \('Check if you are affected by the Public Service Pensions Remedy'\)](#)
- [The McCloud GOV.UK guidance collections page](#)
- [The McCloud pensions newsletter](#)

Income tax

The tax you pay on your pension income depends on the total value of income that you receive in any financial year. For example, including income from other pensions or wages that you might be receiving.

As we do not hold details of your total income, we are not able to advise if changing to alternative benefits for the remedy period will impact the amount of income tax that you pay.

HMRC has processes in place to limit the impact of pensions paid in arrears.

You can find out more details online:

<https://www.gov.uk/hmrc-internal-manuals/employment-income-manual/eim75020>

Tax relief on contributions

Contributions to pension schemes receive tax relief, we have included details of this within your contributions calculations which are shown on page 12.

Lifetime Allowance

When you retired, the Lifetime Allowance was in force up to 5 April 2023 and will have applied to your pension benefits if you retired before this date. If this applies to you, the revised percentage of the Lifetime Allowance that has been used by your benefits has been shown in this statement.

Making your choice

Please complete and return the remedy choice form to let us know your choice of benefits and return it to us at XXX.

If you don't make a choice

We strongly recommend that you make a choice. If you don't make a choice, your scheme manager will decide for you based on the figures in this statement.

How long you have to make a choice

The figures in this statement are valid for 28 days, however you have up to 12 months to make your choice. If you do not decide within 28 days, the figures relating to interest that will be paid will be recalculated at the date you decide, and the rate of interest used to calculate the payments will be reduced.

After you have made your choice

Once you have made a choice about your benefits, we will process your request.

What if I change my choice?

You have until 10 days before payment is made to change your decision. Where possible we would suggest that you contact us immediately if you have changed your mind, to ensure that no payment is made.



Brief background to remedy

Past changes to Firefighters' pension scheme.

In April 2015, a new pension scheme (called FPS 2015) was introduced. As part of the roll out of the new scheme, some members were given 'protection' and remained in their legacy scheme for a set period after April 2015. This protection ran from 1 April 2015 to 31 March 2022 (or their retirement date, if sooner). This period is now known as the 'Remedy period'.

After a legal challenge, the courts determined that these protections were age discriminatory and not fair to all members of the pension scheme i.e. younger members in the scheme were missing out on additional years of benefits from the original pension schemes.

Remedy period

The changes introduced from 1 October 2023 aim to give all members the same choice of benefits for the 'Remedy period'. We refer to this as Remedy.

It can also be referred to as McCloud, as the McCloud judgement related to the Judges case. Sargeant as the Sargeant judgement related to the Firefighters' or Age Discrimination remedy as both cases related to Age discrimination.

Pre-Remedy

1 April 2015 – 31 March 2022



You were put into a scheme based on your age and service.

You didn't have a choice.

Post-Remedy

1 April 2015 – 31 March 2022



You can choose the scheme that is right for you.

Mr/Mrs Full Name
123 Street Name
Town
City
AB1 2CD

www.fpsmember.org

On this site you'll find frequently asked questions, useful animations explaining your remediable service statement.

Administrator contact details

[Administrator name]
[Address line 1]
[Address line 2]
[Address line 3]
[City]
[Postcode]

[Admin website]

[Admin phone number]

The legal bit

There are several legal documents which determine the correct process for remedy. A key document is the Public Service Pensions Judicial Offices Act (PSPJOA) Section 29 – this provides full details of the Act that outlines remedy: <https://www.legislation.gov.uk/ukpga/2022/7/section/29/enacted>

Compensation

If you think you have been negatively impacted by remedy, in the first instance, you should speak with your scheme manager (usually a person within your Fire and Rescue authority).

Contingent Decisions

If you think that you made a choice, that you may have made differently had it not been for remedy, in the first instance, you should speak with your scheme manager (usually a person within your Fire and Rescue authority), about how you go about making a claim.

Dispute Resolution

If you think you have been negatively impacted by remedy, in the first instance, you should speak with your scheme manager. Your scheme manager will follow an Internal Dispute Resolution Procedure (IDRP) to try and resolve your complaint.

If your scheme manager cannot resolve your query, you can raise a formal complaint with the Pensions Ombudsman. Further information can be found on their website: <https://www.pensions-ombudsman.org.uk/making-complaint>