

# Age discrimination remedy – Member factsheet

## Added Pension Compensation

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### Introduction

When members are returned to their legacy scheme for the remedy period 1 April 2015 to 31 March 2022, any Added Pension contributions that have been paid during that period into the Firefighters' Pension Scheme 2015 (FPS 2015) must be returned to the member. This is because Added Pension arrangements do not exist in either Firefighters' Pension Scheme 1992 (FPS 1992) or Firefighters' Pension Scheme 2006/Special 2006 (FPS 2006/Special FPS 2006) (the legacy pension schemes) and therefore it is not possible for these types of benefits to form part of the member's pension benefits in the legacy scheme.

These contributions are to be automatically returned to the member by way of a compensation payment so that the Added Pension benefits accrued within the remedy period can be fully extinguished to comply with the legislation upon rollback to the legacy schemes.

This factsheet is intended for members to explain how the process will work and how the payment it will be made.

### How does remedy treat added pension contributions made during the remedy period in the FPS 2015?

Service in the remedy period must be rolled back to the relevant legacy scheme and any voluntary contributions for additional benefits must be addressed in implementing the remedy.

In the FPS 2015, Added Pension is the only available voluntary additional benefit. Added Pension is not available in the FPS 1992, FPS 2006 and Special FPS 2006.

The Government considered various ways of converting Added Pension to alternative benefits in the legacy schemes, but all the options either had restrictions on them, meaning that they could not be guaranteed to apply in all cases or, they would lead to a difference in treatment between cohorts of members. To ensure that remedy was applied consistently to all member, the only available option available was for any such contributions to be dealt with under the compensation provisions.

## How much will my payment be?

The compensation payment is made up of three elements and this will be unique to you depending on how much you have paid in Added Pension contributions. This amount will then be adjusted to reflect the tax relief that you received when you initially paid the contributions. And finally, interest will be added to the net amount calculated for each Scheme Year. The value of these amounts will be provided to you by your FRA.

### How has the tax relief been calculated?

Your taxable pay will be used to work out the marginal rate of tax that applied to you for each year that you purchased Added Pension.

### How has interest been calculated?

For each Scheme Year where Added Pension is purchased, interest applies from 1 October in that year to the date that the payment is expected to be made. Interest is calculated on the amount after the reduction for tax relief amounts and is applied as a simple interest at a rate of 8% per annum.

## What do I need to do now?

Your FRA will write to you with details of your compensation. When you receive this, you should complete and return the bank details form. If you are currently employed as a firefighter and wish to purchase Added Pension in the FPS 2015, then you should [contact your Pension Administrator](#) for more information.

### What happens to your previous election for Added Pension?

The original election made by you to purchase Added Pension within the remedy period will be null and voided, with any Added Pension benefits being completely extinguished.

### How will the payment be made?

You will receive a letter from your FRA giving you the details of the payment that is due to you, to receive it you will need to complete the bank details form enclosed with the letter and return so that payment can be made to your specified account.

### When will the payment be made?

Arrangements for the payment will be made as soon as possible after your completed bank details form has been received.

## Can I purchase Added Pension in the 2015 FPS?

If you are currently employed as a firefighter, you can choose to purchase Added Pension in the FPS 2015 for the 2024/25 Scheme Year and subsequent years thereafter.

There are strict time limits and conditions for making any elections, you should contact your Pension Administrator in the first instance.

## Can I purchase Additional Service in the legacy scheme?

You may be able to make a Contingent Decision claim for Additional Service, but this is subject to strict criteria.

More information about Contingent Decisions can be found on the [FPS member](#) website.

## Appeals

You have the right to appeal how the tax relief has been calculated as this is the only part that has been determined by the Scheme Manager. You may wish to raise an appeal if for example, you have additional income which affects your marginal rate of tax.

You can raise your appeal through the Internal Dispute Resolution Procedure (IDRP). Your fire and rescue service should have an IDRP policy, which will set out the process and who to contact at each stage.

Your case will be heard by a delegated person at your fire and rescue service.

It is expected that you will provide a reasoned explanation of a proposed alternative amount along with any supporting evidence that you consider appropriate.

You will also have the right of appeal to the [Pensions Ombudsman](#).

This factsheet has been prepared by LGA using the regulations as they stand in April 2024.

This factsheet will be reviewed, referencing any changes to the scheme regulations and policies that might be needed.

This factsheet should not be interpreted as legal advice.

Please address any queries on the content of this factsheet to [bluelightpensions@local.gov.uk](mailto:bluelightpensions@local.gov.uk)

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