

Firefighters' Pension Scheme Pension Ombudsman Determination - FAQs

How much am I going to get?

Pension administrators need to identify those retired members who are affected by the principles set out in the Ombudsman's Determination. Using the revised commutation factors and guidance that GAD has supplied, they will then be able to calculate how much each individual is owed. This will, understandably, take time.

How many people will this judgment affect?

The government recognises that there may be other individuals who are potentially affected by the principles set out in the Determination. Firefighters' and Police Pension Schemes will work to identify such affected individuals and ensure that appropriate payments are made.

What should people who think they may be affected do next?

Fire and Rescue Authorities will work to identify affected individuals and will contact them in due course. If you think you may be affected, you may wish to contact your former employer.

When will affected individuals be paid?

The government is committed to ensuring that eligible former firefighters and former police officers receive their entitlement, and are working with scheme administrators to begin work to identify eligible individuals and to calculate how much each person is owed. This will take time, with thousands of historic records to look through. Once this information is available, the Pension Schemes will put in place a process to make appropriate payments as quickly as possible. Government expects the majority of payments to be made by the end of the financial year and individuals will receive updates through their former employers in due course.

What if the affected individual has since passed away?

If someone is owed money and has since passed away, then the money will fall to be part of their estate and will be passed to their beneficiaries.

How much interest will individuals be paid?

The payments to affected individuals will include interest, in recognition of the fact these payments have been delayed by as many as 14 years in some cases. The Pensions Ombudsman has directed interest to be paid at the base rate prevailing over the period between retirement and the date of payment of the additional sum, without compounding.

How will this affect my tax?

The tax treatment of any payment will ensure that the individual is put back in the position that they would have been in had they received the correct payments upon retirement. Where no tax would have been due before, the government will meet the costs. Where the individual would have paid tax, they will need to do so now. This will ensure that no one is put in a worse-off position.

I retired in 1999 or 2000. Why can't I get reimbursed?

Only people who retired between 1 December 2001 and 21 August 2006 are affected, so there is no need to reimburse people who retired earlier/later.

What if the revised factors mean that someone actually owes money, rather than is owed?

GAD has identified that there will be some females who retired between 1 December 2001 and 30 November 2004 where the revised factors are lower than the commutation factors applied on their retirement. In such cases, there is a shortfall and no redress is payable. Government has decided that it would be inappropriate to seek to recoup any such overpayments in these cases.

Will individuals be reimbursed through a higher lump sum payment or through higher monthly pension payments? Will they have a choice in this?

Any additional payment will usually take the form of a lump sum. For some members, a maximum commutation amount of 2.25 times annual pension would have applied under the Firefighters Pension Scheme Order 1992. In such cases, additional payment may be paid as additional pension, with backdated arrears of pension to be paid as a lump sum. Using guidance from GAD, Scheme administrators will be able to identify affected individuals.

What if the schemes can't find the relevant individual and get in touch with them?

Schemes will make a reasonable effort to find the affected individuals and to notify them of their eligibility for a further payment.