

Widow's ordinary pension – firefighter with service before 1 April 1972

Schedules 3 and 11 explain how a widow's ordinary pension may be less than half of her husband's pension if he had a period of service before 1 April 1972.

Note

This section has been added at the end of Part C because it will apply only to those widows whose husband was a regular firefighter with service before 1 April 1972 and who did not elect to provide full widow's benefits in respect of service accrued before that date.

Consequently, if you are –

- a female firefighter, or
- a male firefighter and all your service is after 31 March 1972, or
- a male firefighter with service before 1 April 1972 but you have elected to uprate it to provide a full widow's half rate pension,

you can ignore this section.

Further information about the options to improve widow's pensions is given at Annexe 5.

Background and effect

Before 26 August 1966

a firefighter's widow was entitled to a **flat rate** pension. It is described as "flat rate" because it was a set amount fixed by the FPS and bore no relation to her husband's own pension or rate of pay. The amounts were increased from time to time but were never particularly generous.

Rule E9 carries forward the right to payment of a flat rate award if it should prove to be greater than any other award due to a widow. This would be highly unlikely in respect of any firefighter serving today.

From 26 August 1966

firefighters were given the opportunity to elect to provide **third rate** cover for widow's benefits, i.e. a pension equal to one third of the firefighter's pension.

To provide this cover the firefighter had to –

- increase his basic contribution rate from 5% to 6% with effect from 26 August 1966, and
- pay for any service before then to attract third rate cover also.

If he chose to do this, payment for third rate cover in respect of the earlier service was made either by paying additional contributions over a number of years or by the firefighter having his own retirement pension reduced.

If the firefighter died in service before payment could be completed or effected by either of these methods it was deemed to have been made in full and the widow was entitled to a full third rate pension.

If an election to uprate was not made, the widow's pension cover continued at flat rate.

Widow's ordinary pension – firefighter with service before 1 April 1972

C Gen 1 (continued)

Background and effect (continued)

All firefighters appointed after 25 August 1966 automatically had widow's third rate pension cover in respect of all service.

So from 26 August 1966, if a firefighter died, the FPS would pay out either –

- a flat rate pension, or
- a third rate pension

to an eligible widow.

If a firefighter had elected for third rate cover but a flat rate pension proved to be greater, then the flat rate would be paid – it would be unfair to do otherwise.

Rule E9 carries forward the right to payment of a flat rate award if it should prove to be greater than any other award due to a widow.

From 1 April 1972

widow's **half rate** benefits were introduced. "Half rate" means that the widow's pension would be one half of the husband's pension (or notional ill-health pension if he died in service). Again, the basic contribution rate increased but this time everyone had to pay it and everyone had half rate cover from this date. On this occasion it was the uprating of previous service which was optional. And now things start to get complicated.

The firefighter who previously had flat rate service could:

- leave it as it was, in which case widow's benefits would be assessed as the greater of –
 - a flat rate pension, or
 - a half rate pension based on service from 1 April 1972 only; or
- uprate all service before 1 April 1972 to third rate in which case widow's benefits would be based on mixed third rate/half rate service; or
- uprate all service before 1 April 1972 to half rate in which case widow's benefits would be based on half rate service entirely.

The firefighter who previously had third rate service could:

- leave it as it was, in which case widow's benefits would be based on mixed third rate/half rate service; or
- uprate all service before 1 April 1972 to half rate in which case widow's benefits would be based on half rate service entirely.

Clearly, it is important to establish what elections a firefighter made, and when, before a widow's pension can be calculated. Standard option forms were used nationally and should still be held on a firefighter's file.

Widow's ordinary pension – firefighter with service before 1 April 1972

C Gen 1 (continued)

Assessment of widow's ordinary pension where pre 1.4.1972 service counts at flat rate

The widow's pension will be the greater of –

- (a) a flat rate pension, or
 (b) $1/2 \times \frac{(A - B)}{60}$ average pensionable pay

where

A = pensionable service up to 30 years*

B = pensionable service before 1.4.1972 (reduced by the amount, if any, by which total pensionable service exceeds 30 years)*

* each year of service to 20 years counts as 1/60th and each year of service after 20 years counts as 2/60ths. Each excess day counts as 1/365 of a year.

The formula in (b) gives a widow's ordinary pension based on half rate service only, taking appropriate account of double-reckoning after 20 years.

The device of taking all pensionable service (with double-reckoning) and deducting service before 1.4.1972 (with double-reckoning) means that –

- if, when your half rate service began, you had already completed 20 years' service, all your half rate service is doubled, and
- if your half rate service began before you had completed 20 years' service, the part of your half rate service after you had completed 20 years' service is doubled.

If a requisite benefit were to prove greater than either the flat rate pension or the limited half rate pension then it can be paid instead. A requisite benefit pension is calculated as –

$$\frac{\text{your pensionable service after 5.4.1978}}{160} \times \text{average pensionable pay}$$

It is most unlikely, however, that a requisite benefit pension or a flat rate pension would be greater than the pension provided by the formula in (b).

Assessment of widow's ordinary pension where pre 1.4.1972 service counts at third rate: firefighter dies while in receipt of an ordinary or short service pension

The widow's pension will be the greater of –

- (a) a flat rate pension, or
 (b) $1/3 \times \text{your pension} + 1/6 \times \frac{(A - B)}{60} \times \text{average pensionable pay}$

where

A = pensionable service up to 30 years*

B = pensionable service before 1.4.1972 (reduced by the amount, if any, by which total pensionable service exceeds 30 years)*

* each year of service to 20 years counts as 1/60th and each year of service after 20 years counts as 2/60ths. Each excess day counts as 1/365 of a year.

Widow's ordinary pension – firefighter with service before 1 April 1972

C Gen 1 (continued)

Assessment of widow's ordinary pension where pre 1.4.1972 service counts at third rate: firefighter dies while in receipt of an ordinary or short service pension (continued)

The above formula gives a widow's pension based on one third of your pension in respect of your third rate service and one half in respect of your half rate service, taking appropriate account of double-reckoning after 20 years.

If a requisite benefit were to prove greater than either the flat rate pension or the formula based pension then it can be paid instead. A requisite benefit pension is calculated as –

$$\frac{\text{your pensionable service after 5.4.1978}}{160} \times \text{average pensionable pay}$$

It is most unlikely, however, that a requisite benefit pension or a flat rate pension would be greater than the pension provided by the formula in (b).

Assessment of widow's ordinary pension where pre 1.4.1972 service counts at third rate: firefighter dies in service, or in receipt of an ill-health pension, or from the ill-health which caused retirement

The widow's pension will be the greater of –

- (a) a flat rate pension, or
- (b) $\frac{1}{3} \times$ your (notional) ill-health pension plus $\frac{1}{6} \times \frac{(A - B)}{60} \times$ average pensionable pay, or
- (c) $\frac{1}{2}$ your (notional) ill-health pension calculated on the basis of pensionable service which is:
 - (i) relevant pensionable service (RPS) plus $\frac{1}{2}$ of pensionable service before 1.4.1972, or
 - (ii) weighted relevant pensionable service (WRPS) if WRPS is less than 20 years.

where

A = pensionable service up to 30 years*

B = pensionable service before 1.4.1972 (reduced by the amount, if any, by which total pensionable service exceeds 30 years)*

* each year of service to 20 years counts as 1/60th and each year of service after 20 years counts as 2/60ths. Each excess day counts as 1/365 of a year.

RPS = half rate pensionable service

WRPS = (RPS – RNY) \times 2 + RNY or, if RPS is less than RNY, WRPS = RPS

RNY = "relevant number of years", i.e. 20 less pensionable service before 1.4.1972

Formula (b) gives a widow's pension based on one third in respect of your third rate service (including ill-health enhancement) and on one half in respect of your half rate service (with no ill-health enhancement). A pro rata split of ill-health enhancement between third rate and half rate would have created anomalies.

Formula (c) gives an alternative widow's pension based on half rate service only, with appropriate double reckoning and ill-health enhancement.

If a requisite benefit were to prove greater than either the flat rate pension or the limited half rate pension then it can be paid instead.

Widow's ordinary pension – firefighter with service before 1 April 1972

C Gen 1 (continued)

Assessment of widow's ordinary pension where pre 1.4.1972 service counts at third rate: firefighter dies in service, or in receipt of an ill-health pension, or from the ill-health which caused retirement (continued)

A requisite benefit pension is calculated as –

$$\frac{\text{your pensionable service after 5.4.1978}}{160} \times \text{average pensionable pay}$$

It is most unlikely, however, that a requisite benefit pension or a flat rate pension would be greater than the pension provided by formula (b) or (c).

The special formula for assessment of widow's pension in circumstances of death in service or where you are in receipt of an ill-health pension is designed to take account of the "ill-health enhancement" included in the ill-health award or notional ill-health award (death in service).

When the widow's award provisions were being drafted the question arose as to whether the ill-health enhancement should count at third rate or half rate if the firefighter decided that his service before 1 April 1972 should remain at third rate. The rule adopted was that ill-health enhancement should count at third rate (as in formula (b) shown above) unless a better result could be obtained by awarding a widow's ordinary pension based on half rate service only plus ill-health enhancement. In this case, pensionable service before 1 April 1972 should be taken into account only to assess the point at which the doubling of half rate service should begin (see formula (c) shown above).

The device of "weighted relevant pensionable service" (WRPS) is introduced by paragraph 5(2) of Part I of Schedule 11 to achieve the effect required in formula (c).

WRPS is half rate service, weighted by pensionable service before 1 April 1972 so that it will count double if, taking account of service before 1 April 1972, it would have exceeded 20 years.

Where WRPS itself exceeds 20 years, account needs to be taken of the fact that ill-health enhancement includes doubling of service over 20 years. In this case the pensionable service used is half rate service plus half of the pensionable service before 1 April 1972. The application of ill-health enhancement to this gives an appropriate amount of doubling. For example:

A firefighter has 23 years' service, of which 4 years is service before 1.4.1972.

RNY = 16 years (20 – 4): RPS = 19 years (doubling starts after 16 of these years)

WRPS = 22 years (more than 20 years): APP = average pensionable pay

Formula (c)(i) gives a widow's pension based on RPS + 1/2 of service before 1.4.1972 = 19 + 2 = 21 years' pensionable service.

Therefore the firefighter's notional ill-health pension is $\frac{7 + 20 + 2}{60} = \frac{29}{60} \times \text{APP}$

The widow's pension is 1/2 this amount.

Had WRPS of 22 years been used in the calculation of the notional ill-health pension it would have given an incorrect answer because the doubling of years in excess of 20 would have applied twice, i.e.

$$\frac{7 + 20 + 4}{60} = \frac{31}{60} \times \text{APP}$$

Widow's ordinary pension – firefighter with service before 1 April 1972**C Gen 1 (continued)**

Effect of pension sharing order Rule C10 applies in the case of a widow's ordinary pension assessed on these principles as it would for the "normal" half rate awards. If a pension sharing order has been issued on divorce or annulment of marriage, a widow's ordinary pension will be reduced in line with the required reduction in the firefighter's own benefits

Example Examples of the assessment of a widow's reduced ordinary pension in these circumstances are given on pages C Gen 1-Example 1.

Points To Note

1. Normally, Pensions Increase is applied after a determination of amount of award. When making comparisons with flat rate awards, however, it is important that account should be taken of the fact that the amount of flat rate awards allowed by Rule E9 have been set at their 1978 level. If a firefighter retires or dies after this date, the pay upon which his benefits will be based will reflect rises in the cost of living since 1978. The most equitable method of comparison, therefore, between the flat rate awards and "formula-based" awards shown in this section, is to –
 - index the flat rate award by all Pensions Increase (Review) Orders from 1979 onwards to the date of death of the firefighter (see "Effect of Pensions Increase" in the explanation of Rule E9), and
 - index the formula-based award by all Pensions Increase (Review) Orders from the day following the end of the averaging period used to assess the average pensionable pay, to the date of death of the firefighter
 and then to decide which would produce the greater pension for the widow.

2. A widow's pension is reduced if the firefighter's pension has been made subject to a pension sharing order made by a court on divorce or annulment of marriage. However, if following divorce, annulment of marriage or judicial separation a firefighter's pension has been made subject to an "earmarking" order this will have no effect on the spouse's entitlement to a pension. See Annexe 14 for more information about the effect of divorce, etc. on pension rights.

Widow's ordinary pension – firefighter with service before 1 April 1972

Example of the assessment of a widow's ordinary pension reduced in respect of firefighter's service before 1 April 1972

Example A

A firefighter dies in service. He had 23 years' service in total, 4 years before 1 April 1972. The service before 1 April 1972 counts at third rate. His average pensionable pay (APP) is £15,217.

The widow's pension will be based on the firefighter's notional ill-health pension. In this case ill-health enhancement will be 7/60ths and with 23 years' service, the total number of 60ths used in the ill-health pension calculation will be –

$$\frac{20}{60} + \frac{2 \times 3}{60} + \frac{7}{60} = \frac{33}{60}$$

The firefighter's notional ill-health pension will be –

$$\begin{aligned} & \frac{33}{60} \times \text{£}15,217.00 \\ & = \text{£}8,369.35 \text{ a year} \end{aligned}$$

Formula for widow's ordinary pension:

greater of –

$$\frac{1}{3} \times \text{notional ill-health pension} + \frac{1}{6} \times \frac{(A - B)}{60} \times \text{APP}, \text{ or}$$

$$\frac{1}{2} \times \text{notional ill-health pension calculated on the basis of pensionable service which is}$$

- (i) RPS + 1/2 x service before 1.4.1972, or
- (ii) WRPS if WRPS is less than 20 years.

where

A = pensionable service up to 30 years, double-reckoning service over 20 years

B = service before 1.4.1972 reduced by the amount, if any, by which total pensionable service exceeds 30 years and double-reckoning service over 20 years

RPS = half rate pensionable service

WRPS = (RPS – RNY) x 2 + RNY or, if RPS is less than RNY, WRPS = RPS

RNY = 20 – service before 1.4.1972

In this case - RNY = 16 years; RPS = 19 years; WRPS = 22 years (RPS is not less than RNY)
 WRPS = (19 – 16) x 2 + 16 = 22
 WRPS exceeds 20, so pension formula is based on RPS + 1/2 x pensionable service before 1.4.1972, i.e. 19 + (1/2 x 4) = 21

Widow's ordinary pension will be greater of:

$$\left(\frac{1}{3} \times \text{£}8,369.35 \right) + \left(\frac{1}{6} \times \frac{26 - 4}{60} \times \text{£}15,217.00 \right) = \text{£}3,719.71$$

or

$$\frac{1}{2} \times \frac{7 + 20 + (2 \times 1)}{60} \times \text{£}15,217.00 = \text{£}3,677.44$$

therefore widow's ordinary pension will be £3,719.71 a year

Widow's ordinary pension – firefighter with service before 1 April 1972

Example of the assessment of a widow's ordinary pension reduced in respect of firefighter's service before 1 April 1972 (continued)

Example B

A firefighter retires on ill-health grounds and dies some years later. He had 17 years' service in total, 2 years before 1 April 1972. The service before 1 April 1972 counts at third rate. His average pensionable pay (APP) was £11,193.

The widow's pension will be based on the firefighter's ill-health pension. With 17 years' service the ill-health enhancement was 7/60ths and the ill-health pension calculation was based on –

$$\frac{17}{60} + \frac{7}{60} = \frac{24}{60}$$

The firefighter's ill-health pension was assessed as –

$$\begin{aligned} & \frac{24}{60} \times \text{£}11,193.00 \\ & = \text{£}4,477.20 \text{ a year} \end{aligned}$$

Formula for widow's ordinary pension:

greater of –

$$\frac{1}{3} \times \text{ill-health pension} + \frac{1}{6} \times \frac{(A - B)}{60} \times \text{APP}, \text{ or}$$

$$\frac{1}{2} \times \text{notional ill-health pension calculated on the basis of pensionable service which is}$$

- (i) RPS + 1/2 x service before 1.4.1972, or
- (ii) WRPS if WRPS is less than 20 years.

where

A = pensionable service up to 30 years, double-reckoning service over 20 years

B = service before 1.4.1972 reduced by the amount, if any, by which total pensionable service exceeds 30 years and double-reckoning service over 20 years

RPS = half rate pensionable service

WRPS = (RPS – RNY) x 2 + RNY or, if RPS is less than RNY, WRPS = RPS

RNY = 20 – service before 1.4.1972

In this case - RNY = 18 years; RPS = 15 years; WRPS = 15 years (RPS is less than RNY)
WRPS does not exceed 20, so pension is based on enhanced WRPS

Widow's ordinary pension will be greater of:

$$\left(\frac{1}{3} \times \text{£}4,477.20 \right) + \left(\frac{1}{6} \times \frac{17 - 2}{60} \times \text{£}11,193.00 \right) = \text{£}1,958.78$$

or

$$\frac{1}{2} \times \frac{7 + 15}{60} \times \text{£}11,193.00 = \text{£}2,052.05$$

therefore widow's ordinary pension will be £2,052.05 a year

Widow's ordinary pension – firefighter with service before 1 April 1972

Example of the assessment of a widow's ordinary pension reduced in respect of firefighter's service before 1 April 1972 (continued)

Example C

A firefighter retires with an ordinary pension and dies in retirement. He had 25 years' service in total and 10 years 30 days service (10.0822 years) before 1 April 1972. His service before 1 April 1972 counted at third rate. His average pensionable pay (APP) was £12,282. For requisite benefit purposes he had 8 years 330 days (8.9041 years) after 5 April 1978. The value of a widow's flat rate pension would be £409.69 a year.

The widow's pension will be based on the firefighter's ordinary pension. This was calculated as –

$$\frac{30}{60} \times £12,282.00 = £6,141.00 \text{ a year}$$

$$= £6,141.00 \text{ a year}$$

Formula for widow's ordinary pension:

$$\left(\frac{1}{3} \times \text{firefighter's pension}\right) + \left(\frac{1}{6} \times \frac{(A - B)}{60} \times \text{APP}\right)$$

where

A = pensionable service up to 30 years, double-reckoning service over 20 years

B = service before 1.4.1972 reduced by the amount, if any, by which total pensionable service exceeds 30 years and double-reckoning service over 20 years

Widow's ordinary pension will be:

$$\left(\frac{1}{3} \times £6,141.00\right) + \left(\frac{1}{6} \times \frac{30 - 10.0822}{60} \times £12,282.00\right) = £2,047.00 + £679.53$$

$$= £2,726.53 \text{ a year}$$

This calculation which is based on 1/3 of the firefighter's actual pension (based on all his service) plus 1/6 of a hypothetical pension (based on his half rate service only) produces a pension at third rate in respect of third rate service and a half rate pension in respect of half rate service (1/3 + 1/6 = 1/2).

The formula-based pension should be tested against the widow's requisite benefit pension and flat rate pension to see if either would produce a higher figure (but this will only happen in rare cases)

$$\text{Widow's requisite benefit pension} = \frac{8.9041}{160} \times £12,282.00 = £683.50 \text{ a year}$$

$$\text{Widow's flat rate pension} = £409.69 \text{ a year}$$

Neither of these amounts is greater than the widow's ordinary pension, consequently it will be the formula-based pension which will be paid to her.

More examples follow . . .

Widow's ordinary pension – firefighter with service before 1 April 1972

Example of the assessment of a widow's ordinary pension reduced in respect of firefighter's service before 1 April 1972 (continued)

Example D

A firefighter dies in service. He had 30 years' service in total and 18 years 100 days service (18.2740 years) before 1 April 1972. His service before 1 April 1972 counts at flat rate. His average pensionable pay (APP) is £16,827. At the time of his death a flat rate pension as increased by Pensions Increase would be £847.35 a year.

Formula for widow's ordinary pension:

$$\frac{1}{2} \times \frac{(A - B)}{60} \times \text{APP}$$

where

A = pensionable service up to 30 years, double-reckoning service over 20 years

B = service before 1.4.1972 reduced by the amount, if any, by which total pensionable service exceeds 30 years and double-reckoning service over 20 years

Widow's ordinary pension will be:

$$\begin{aligned} & \frac{1}{2} \times \frac{(40 - 18.2740)}{60} \times £16,827.00 \\ & = £3,046.53 \text{ a year} \end{aligned}$$

This is a higher figure than the flat rate pension (£847.35) and so will be the amount paid to the widow.

Example E

A firefighter retires with an ordinary pension. He had 31 years 94 days of service in total and 17 years and 180 days of service (17.4932 years) before 1 April 1972. His service before 1 April 1972 counts at flat rate. His average pensionable pay (APP) was £12,347.13. At the time of his death a widow's flat rate pension increased by Pensions Increase would be £1,035.59 a year.

Formula for widow's ordinary pension:

$$\frac{1}{2} \times \frac{(A - B)}{60} \times \text{APP}$$

where

A = pensionable service up to 30 years, double-reckoning service over 20 years

B = service before 1.4.1972 reduced by the amount, if any, by which total pensionable service exceeds 30 years and double-reckoning service over 20 years

In this case the firefighter's service exceeded the 30 year limit by 1 year 94 days (1.2576 years) and so for the formula the service before 1 April 1972 must be reduced by that amount. The service before 1 April 1972 which will be taken into account in the formula will be –

$$17.4932 - 1.2576 = 16.2356 \text{ years}$$

Widow's ordinary pension will be:

$$\begin{aligned} & \frac{1}{2} \times \frac{(40 - 16.2356)}{60} \times £12,347.13 \\ & = £2,445.18 \text{ a year} \end{aligned}$$

This is a higher figure than the flat rate pension (£1,035.59) and so will be the amount paid to the widow.