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WELSH STATUTORY INSTRUMENTS

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**2015 No. 622**

**The Firefighters' Pension Scheme (Wales) Regulations 2015**

**PART 5**

Retirement benefits

**CHAPTER 2**

Retirement benefits

**Entitlement to retirement pension**

**67.**—(1) Subject to paragraph (2), a member of this scheme (P) is entitled to the immediate payment of a retirement pension earned under this scheme if—

(a) P—

- (i) has reached the age of 55,
- (ii) has at least three months qualifying service,
- (iii) has claimed payment of a retirement pension, and
- (iv) is no longer employed in a scheme employment and so is not entitled to be an active member of this scheme; or

(b) P has exercised the partial retirement option.

(2) Where a member is entitled to an ill-health award, the requirement in paragraph (1)(a)(i) does not apply to that member.

(3) On becoming entitled to the immediate payment of a retirement earned pension, P is entitled to immediate payment of a retirement added pension if P had an added pension account in this scheme before becoming so entitled.

(4) The claim for payment of a retirement pension must be made by notice to the scheme manager in a form required by the scheme manager and must be given before the date on which the first payment of the retirement pension is paid.

**Annual rate of retirement pension (active members)**

**68.**—(1) This regulation applies when an active member of this scheme becomes entitled to the immediate payment of a retirement pension.

(2) The annual rate of a retirement pension payable on the day following the last day of pensionable service to a member to whom this regulation applies is calculated by adding the total of sub-paragraphs (a), (b) and (c)—

(a) the amount derived by—

- (i) taking the amount of retirement earned pension specified in the member's retirement account,

- (ii) subtracting the early payment reduction (if any), specified in that account in relation to that amount,
  - (iii) subtracting the commutation amount (if any) specified in that account in relation to that amount, and
  - (iv) subtracting the total allocation amount (if any) specified in that account in relation to that amount;
- (b) the amount derived by—
- (i) taking the amount of retirement added pension (if any) specified in the member's retirement account,
  - (ii) subtracting the early payment reduction (if any), specified in that account in relation to that amount,
  - (iii) subtracting the commutation amount (if any) specified in that account in relation to that amount, and
  - (iv) subtracting the total allocation amount (if any) specified in that account in relation to that amount;
- (c) the amount of the higher tier ill-health pension (if any) awarded to the member under regulation 74(2)(entitlement to lower tier ill-health pension and higher tier ill-health pension).

#### **Annual rate of retirement pension (deferred members)**

**69.**—(1) This regulation applies when a deferred member of this scheme becomes entitled to the immediate payment of a retirement pension.

(2) The annual rate of a retirement pension payable to a member to whom this regulation applies is calculated by subtracting from the retirement amount of deferred pension specified in the deferred member's account—

- (a) the early payment reduction (if any), specified in that account in relation to that amount;
- (b) the commutation amount (if any) specified in that account in relation to that amount;
- (c) the total allocation amount (if any) specified in that account in relation to that amount.

#### **Early payment reduction**

**70.**—(1) This regulation applies when an actuarial reduction is to be applied when calculating the annual rate of pension to be payable to an active member who has not reached normal pension age or to a deferred member who has not reached deferred pension age.

(2) An active member (A) may claim a retirement pension to be paid after A has reached the age of 55 and before A has reached normal pension age.

(3) The actuarial reduction to be applied in a case falling in paragraph (2) is calculated in accordance with actuarial guidance which reduces the pension on the basis that A had not reached normal pension age. The actuarial guidance must have regard to actuarial neutrality compared to the present value of a pension payable at normal pension age, with future increases between the date of A's early retirement and normal pension age being in line with increases under the index adjustment.

(4) A deferred member (D) may claim a retirement pension to be paid after D has reached the age of 55 and before D has reached deferred pension age.

(5) The actuarial reduction to be applied in a case falling in paragraph (4) is in accordance with actuarial guidance which reduces the pension on the basis that D had not reached deferred pension age. The actuarial guidance must have regard to actuarial neutrality compared to the present value

of a pension payable at deferred pension age, with future increases between the date of D's early retirement and deferred pension age being in line with increases under PIA 1971.

### **Employer initiated retirement**

71.—(1) Where an active member who has attained the age of 55 or over but has not attained normal pension age is dismissed by an employer from a scheme employment by reason of business efficiency or whose employment is terminated by mutual consent on the grounds of business efficiency and the employer makes the determination in paragraph (2), that member's pension is calculated in accordance with regulation 68 (annual rate of retirement pension (active members)) without the early payment reduction.

(2) An employer may only pay a retirement pension of the amount mentioned in paragraph (1) in the circumstances mentioned in that paragraph where the employer determines that a retirement pension awarded on that basis would assist the economical, effective and efficient management of its functions having taken account of the costs likely to be incurred in the particular case.