Department for Communities and Local Government

Firefighters' Pension Scheme Administrators in England

20 January 2015

Dear Administrator

I am writing regarding pension transfer restrictions, which may impact members of the Firefighters' Pension Scheme, and which will come into place on 6 April 2015.

From this date, transfers out from unfunded, defined benefit, public service pension schemes, to schemes from which it may be possible to acquire a right or entitlement to flexible benefits, will no longer be possible. Flexible benefits is defined in the Pension Schemes Bill 2014-15,[1] which is delivering these changes, as:

(a) a money purchase benefit;
(b) a cash balance benefit; or
(c) a benefit, other than a money purchase benefit or cash balance benefit, calculated by reference to an amount available for the provision of benefits to or in respect of the member (whether the amount so available is calculated by reference to payments made by the member or any other person in respect of the member or any other factor).

Applications for transfers made on or before 5 April 2015, and under section 95(1) of the Pensions Act 1993 (and the equivalent Pension Schemes Act (Northern Ireland) 1993), will be able to go ahead.[2] Such an application under s. 95(1) requires the member to have applied in writing to the trustees or managers of the scheme requiring them to use the cash equivalent in one of the ways specified by the statute e.g. for transferring to another scheme.

I would be grateful if you would communicate these proposals to your members.

Andrew Cornelius
Head of Firefighters' Pension Scheme

[1] http://services.parliament.uk/bills/2014-15/pensionschemes.html
[2] The relevant restrictions can be found in Section 8 of both Clause 68 (for GB), and Clause 71 (NI).

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