



1. What is the Matthews Second Options Exercise?

This exercise gives retained firefighters the opportunity to buy pension benefits for their retained service which was previously not available to them, providing they satisfy the eligibility criteria

2. So was there a First Options Exercise?

Yes, this was run around 2014/15 and allowed retained firefighters to buy pension service back to 1st July 2000. Since then there has been a legal challenge which has resulted in the Court ruling that retained firefighters should be allowed access to pension benefits back to the date their employment started.

3. I took part in the First Options Exercise, do I get another chance to buy more

Yes if you have service before 1st July 2000, then you can buy benefits for some or all of your earlier service up to the date you joined the Scheme. You would be “buying more service in” rather than “joining” the modified scheme.

4. What is the eligibility criteria?

To be eligible you must have retained service between 7th April 2000 and 30th June 2006.

5. I left on 31st March 2000 am I eligible?

Unfortunately your service does not fall in scope of the exercise.

6. I was Day Crewed during the period April 2000 to June 2006 so I was carrying out retained duties, am I eligible?

Unfortunately the exercise does not include anyone who was working on the Day Crewed Shift system.

7. I was retained but I joined wholetime in 1999, am I eligible?

It depends – if you continued to be retained from the date you joined wholetime and were still retained on 7th April 2000, then yes. If you ceased to be retained in 1999 and joined wholetime then regrettably you are not in scope.



8. I was retained during the eligibility period but I wasn't in the pension scheme, am I still eligible?

Yes, this exercise is open to anyone who was a retained firefighter at any time during the period 7th April 2000 to 30th June 2006 irrespective of whether they joined the pension scheme at the time or not. This just means that you can buy all of your service if you wish up to the date you left or 31st March 2015 whichever is the later.

9. What scheme would I be joining?

You would purchase your benefits in the Modified 2006 Pension Scheme. The Standard 2006 Scheme was modified to provide benefits that were similar to the 1992 Pension Scheme which was available to Wholetime Firefighters.

10. Why can't I have benefits in the 1992 Scheme?

The 1992 Scheme was closed on 5th April 2006 and the Standard 2006 scheme was introduced. From 6th April 2006 all new Firefighters whether wholetime or retained joined the Standard 2006 scheme.

11. What service can I buy?

You can buy pension benefits for your service from the date you joined the retained service up to either:

- The date you left the retained service (up to 31st March 2015) if you did not have a break in service
- The date you joined the pension scheme (if this was before 31st March 2015)
- If you had a break in service then you can buy up to the date the break started. If you returned to retained service before 30th June 2006, then you can buy this period also as a separate period of service.

12. What do I need to do?

We have written to everyone we have identified as in scope and provided details of the exercise and an Expression of Interest Form. You should read the details and return the Expression of Interest form even if you don't want to take part in the exercise (there is a box to tick NO on the form) as this will enable us to close your file. If you have not responded will have been sending follow up letters as the Regulations



require that we endeavour to contact everyone and if you do not reply we cannot evidence that we have contacted you.

13. If I send the form back am I committing to purchasing service?

No, you are not committed to anything by returning the form and saying you are interested. All this does is gives us notification that you wish us to do the calculations and send you an illustration of your options. When we send the details out to you there will be a further form which you need to return and only when you return that form indicating that you wish to proceed and how you want to settle the money owing are you making any commitment.

14. My friend has described this as “free money” is that true?

For some people that is one way of describing it because the money they are owed is greater than the amount they owe. This does vary from person to person depending on the circumstances but this will be evident to you when you receive the illustration of your options from us.

15. I think I am in scope for this exercise but I haven't received anything, what should I do?

Contact your Pension team either by phone or email and provide your details – ideally at least your name, address and NI number so that we can check our records and, if you are eligible, we will send out the relevant information to you.

16. Why haven't you written to me?

If you are in scope and you haven't received a letter, it may be that we do not have your current address details. We can only write to the last address we have on file. We have however sent basic details to a tracing company for all those who have not responded and these have now also been written to so if you still have not received anything, it may be that the tracing company has not yet completed their full trace on you or that we have missed you in our reporting. This does not mean it is too late to take part, if you contact us we will still be able to send you the details.



17. I've sent back my form and said I am interested, now what?

The pension team will go back through the records we hold for you and will calculate the benefits that you are able to buy. You will then receive a pack of information – this will include a covering letter explaining what you should do next, a Statement of Details (this is usually on pink paper) which provides all the information about the benefits you can get, the amount it will cost and how you can pay for this. There will also be an Appendix which shows the pay details your benefits have been based on and an Options Election Form (this is usually blue). Once you have looked at your figures and made a decision, you need to complete and return the Options Election form to us.

18. Do you have a record of my pay history?

We are able to access pay records back to 1st April 2004. We have some pay records for 2000 to 2003 but we do not have anything before 2000. The national guidance on the exercise is that for the period before 2000 can be “assumed” pay. This is calculated at 25% of the equivalent Wholetime Pay. As we have some records for the period from 2000 to 2003 we have been using the annual average figure for the station for each year as this should give us a more accurate figure.

19. I don't think this reflects my actual pay, what can I do about that?

If you have a complete year of payslips or your P60, we can use those figures if you send them in to us. However the figures on your P60 will only show your gross pay and not all of this is pensionable so we can use this but it also means that we can only calculate your contributions on this figure so the amount you pay may be higher but as a result your benefits will reflect this. Please do not send in a few sporadic months as we need a full year in order to be able to use these. If you are unable to evidence your earnings then we have to use the methodology laid out in the guidance (as outlined above).

20. I've sent back my form but I haven't heard anything

The calculation of figures does take some time as we have over 450 in scope for this exercise so please be patient, if you have returned your Expression of Interest form and haven't heard from us, please be assured that we haven't forgotten you and we will send out your figures as soon as they are calculated.



21. I have been waiting a while for my figures, why is this?

As mentioned previously we do have a lot of people in scope for this exercise. In addition there have been a number of issues raised by HMRC and the Home Office as we have gone through the exercise which were not identified during the consultation process. Most of these hurdles have now been overcome but as we go through the process it has not been unusual for things to arise that were previously not foreseen. We are doing our best to get the calculations completed and sent out as soon as we can, these tend to go out in batches as it is more productive to do it this way.

22. I did have a lump sum when I took my pension but can I just have the pension and not commute any to the lump sum this time?

You can do this and it will mean you need to pay the money owed for contributions from your personal funds. You cannot revisit the decision you made when you retired however, this has to stay as it is.

23. I am the Director of a Company, can I pay my contributions from the Company's funds as I am the owner/part owner?

No the money you owe must come from your own personal funds. If it is sourced from a company account, we will return it and ask you to pay it from a personal account.

24. Am I going to have to pay a lot of money, I don't have a lot of savings?

Everyone has to pay the contributions that would have been due to the scheme for the period of membership being purchased. How much and how you can pay depends on your circumstances, whether you are:

- an active retained firefighter,
- someone who has left the service and are under 60 (or left before you were 55) then you are deferred or
- you have reached 60 years of age (or left the service aged 55 onwards), then you are classed as a pensioner for the purposes of the scheme.



25. You talk about interest – what does this mean?

Interest needs to be paid on the amount owing back to the date the contributions would have been paid as they are being paid “late”. However you will also receive the tax relief that you would have received had you paid them at the time.

Active Firefighters – Q 26 & 27 relate to active firefighters

26. I am an active firefighter what does it mean for me?

If you are an active firefighter then you will have two options. You can either pay the amount due to the scheme in one lump sum if you have this money available, or you can pay by monthly contributions.

If you pay in one lump sum, then interest is calculated up to the date you make the payment and you will pay nothing further. You will be able to access your pension when you are 55 if you are still active or at age 60 if you leave before you are 55.

If you pay by monthly contributions then you can spread the payments over 10 years (for service from 1/7/2000) and/or 20 years (for service before 1/7/2000. If you are purchasing service before and after 1/7/2000 you will be asked to set up two standing orders, one for 10 years and one for 20 years, this is so that we can account for it in the correct way. Interest is calculated for the period of the payment schedule so this will cost more overall. If you reach retirement age before you have paid the full amount then you are required to settle the outstanding balance when you retire before any benefits can be paid.

27. How will I find the money to pay off the balance when I retire?

You can choose to commute some of your pension into a lump sum and you can use this lump sum towards paying off some or all the balance of the money owing.

Q 28 & 29 relate to Firefighters who have left “Deferred”

28. I left the service so the pension I had is “frozen”, what can I do?

If you were under 55 when you left then your pension was “deferred” and the same principle applies to you as for the active firefighter above. You can either pay by lump sum or periodic contributions. You will be able to receive your pension when you reach age 60 and will be required to pay any outstanding balance at that time before



you can receive your pension. Like the active firefighter you can choose to commute some of your pension to a lump sum and use this towards paying off the balance owing.

29. I am already past 60 what difference does that make?

The normal retirement age for the modified pension scheme is 60 (or 55 if you retire from active status). Once you reach the age of 60 you become a pensioner. This means that you can get immediate access to the pension benefits you buy.

Q 30 - 34 relate to Pensioners – members in scope aged 60 and over (or those who left at 55)

30. So if I buy my benefits you are immediately going to start paying me money?

Yes that's correct, providing you have paid what is owed to the Scheme. Better still if you are over 60, we will also pay you pension benefits backdated to the date you reached 60.

31. But I still have to pay out money first?

Not necessarily. You can choose to commute some of your pension to a lump sum and you can use some or all of this towards paying off what is owed. It is likely that the lump sum will be sufficient to cover what is due but if not, then you will have to make up the difference. Each case is different so we cannot comment on whether your lump sum will be sufficient for this but this will be illustrated for you when we send you your options.

There is no option to spread the payments, the full amount must be paid in one sum before any benefits can be paid to you.

32. I am 62 - What will I actually receive?

You will receive an illustration that gives you two sets of figures (this is the Statement of Details and is usually on pink paper) – one will be what you will receive if you do not commute any of your pension, and one will be if you commute the maximum 25% of your pension to a lump sum.

There would be a breakdown of the cost showing you:



- a) How much service you are purchasing (please note this is not the total period of employment but pro-rata for pension purposes)
- b) The raw amount of contributions due to the scheme
- c) The tax relief due on these contributions
- d) Interest on the contributions
- e) The total cost you are required to pay ($b - c + d$)

It would also show you what your pension was at age 60 and what it is worth now so you can see how much it has grown.

The two sets of figures will be side by side so you can see the comparison:

Option 1 – no lump sum:

- a) The annual pension you would receive. This is taxable
- b) The amount of pension arrears due (this is what you are due between the date you reached 60 and the date of calculation). This is taxable
- c) The interest on the pension arrears (b) – this is paid gross so you would be responsible for any tax due on this if there is any (this would depend on your own personal circumstance)
- d) The total figure due to you – this would be the pension arrears plus the interest ($b + c$)

If you choose this option you need to pay the amount due e) to the Scheme. Although the amount you are due to receive from the pension arrears may be higher than this you cannot use the pension arrears figure to pay off the amount due.

Option 2 – Commuting the pension to a lump sum:

- a) The annual pension you would receive. This will be lower than in option 1 as you have commuted some of it to a lump sum. This is taxable
- b) The maximum tax free lump sum
- c) The amount of pension arrears. This is taxable
- d) The interest on the pension arrears. This is paid gross
- e) The interest due on the lump sum
- f) The total benefits payable to you ($b + c + d + e$)

You can use the money from b) to pay off the amount you owe but you cannot use the pension arrears for this purpose.



33. So I may not have to pay out any money from my savings?

If you commute some of your pension to a lump sum then it is possible that you will not need to find any additional money. Each case is different but your Statement of Details will provide all the information.

34. I left when I was 50 but I've just turned 60, what happens then?

Your pension status would move from deferred to pensioner when you reached 60 so you would be entitled to receive your benefits now, as detailed above.

35. Is this a good deal?

We are sorry but neither your Pension Team or the Pension Administrator are allowed to give advice. We can clarify the facts and answer queries about the information we have sent you but you need to seek your own financial advice. You can seek a financial advisor if you do not already have one by visiting www.unbiased.co.uk

36. How long have I got to think about this?

You have 6 months from the date your options are sent to make a decision.

37. What happens if I don't reply?

If you don't reply then the Authority will close your file and you will no longer have the option to purchase pension benefits for your retained service.

38. Will I get another chance if I don't take this opportunity?

No, once this exercise is closed, you will not be able to revisit this.

39. What about if I have said I'm not interested and I've changed my mind?

You should contact your Pension Team. If this is before the exercise closes then they maybe able to accept your Expression of Interest.

40. How long does this exercise go on for?

The Pension Regulations state that the exercise should be complete by 31st March 2025