

## THE FIREFIGHTERS' PENSION SCHEME ACCOUNTS

	2007/08		2006/07	
	£000	£000	£000	£000
<b>Dealings with Members, Employers and Others</b>				
Contributions Receivable				
From Employer's				
Normal	1,862		1,778	
Early Retirements				
Additional				
From Members	1,019		925	
		2,881		2,703
Transfers In				
Individual transfers in from other Schemes	2			
Other				
		2		0
<b>Total Income</b>		<b>2,883</b>		<b>2,703</b>
<b>Less:</b>				
Benefits Payable				
Pensions	(2,264)		(1,757)	
Ill Health & Injury	(1,277)		(1,249)	
Lump Sums	(1,130)		(1,000)	
Lump Sum Death Benefits & Widows Pensions	0		(232)	
		(4,674)		(4,238)
Payments to and on account of leavers				
Refund of contributions	0		0	
Individual transfers out to other Schemes	0		0	
Other	0		0	
		0		0
<b>Total Expenditure</b>		<b>(4,674)</b>		<b>(4,238)</b>
<b>Net amount receivable/ (payable) before top-up from Government</b>		<b>(1,791)</b>		<b>(1,535)</b>
<b>Top-up receivable/ (payable) from Government</b>		<b>1,791</b>		<b>1,535</b>
<b>Net amount receivable/ (payable) for the year</b>		<b>0</b>		<b>0</b>
<b>Net current assets and liabilities</b>				
Contributions due from employer		0		0
Pension top-up receivable from Government		0		0
Prepaid Pensions		(316)		(278)
Unpaid pension benefits		0		0
Pension top-up repayable to Government		(954)		(503)
Other current assets and liabilities		1,270		781
<b>Total</b>		<b>0</b>		<b>0</b>

### Notes to the Firefighters' Pension Scheme Financial Statements

#### 1. Basis of Preparation

The accounts have been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting in Great Britain.

The financial statements summarise the transactions of the scheme and the net assets. They do not take account of obligations to pay pensions and benefits which fall due after the end of the scheme year.

## **2. Accounting Policies**

The principal accounting policies are as follows:

### Contributions

Contributions represent the total amounts receivable from the authority and the pensionable employees. The employer's contributions are made at the rates determined by the Government Actuaries Department, at a nationally applied rate of 21.3% for the 1992 Firefighters' Pension Scheme. Also the Authority will be required to make payments into the pension fund in respect of ill health retirements, when they are granted.

No provision is made in the accounts for employees' and employers' contributions relating to sums due on pay awards not yet settled.

### Benefits and Refunds

Benefits and refunds are accounted for in the year in which they become due for payment.

### Transfer Values

Transfer values are those sums paid to, or received from, other pension schemes and the Firefighters' Pension Scheme outside England, for individuals and relate to periods of previous pensionable employment.

Transfer values received and transfer values paid are accounted for on a receipts and payments basis.

## **3. Fund's Operation**

New financial arrangements came into effect from 1 April 2006 for both the 1992 and the new 2006 Firefighters' Pension Schemes. The new financial arrangements had no impact on the terms and conditions of each scheme.

Both the Firefighters' Schemes are statutory, unfunded pension schemes. The benefits for both schemes are defined and guaranteed in law. Both schemes are contracted out of the State Second Pension (S2P) and must provide benefits at least as good as most members would have received had they been members of S2P. Benefits provided include a guaranteed pension based on final salary upon retirement and an option to commute pension in favour of a tax free lump sum.

Prior to 1 April 2006, the authority administered and paid firefighters' pensions on a "pay-as-you-go basis", which meant that employees' contributions were paid into the authority's operating accounts from which pension awards were made. Following the change in financial arrangements on 1 April 2006, the authority has continued to administer and pay firefighters' pensions, but this is now from a new separate local firefighters' pension fund. Employee contributions, new employer's contributions and transfer values received are paid into the pension fund from

which pension payments and other benefits are paid. The fund is topped up Government grant if the contributions are insufficient to meet the cost of pension payments. Any surplus in the fund is recouped by Government. Therefore the fund is balanced to nil each year by receipt of pension top-up grant or by paying the surplus back to Central Government. The underlying principle is that the employer and employee contributions together will meet the full cost of pension liabilities being accrued in respect of currently serving employees while Central Government will meet the costs of retirement pensions in payment, net of employee and employer contributions.

The fund has no investment assets.