Wales Fire and Rescue Service

Circular

Llywodraeth Cymru
Welsh Government

Circular number:	W-FRSC(2019)02	Date issued:	24 January 2019

Status:	For Action

Title:	**Firefighters' Pension Schemes (Wales) – Revised Early and Late Retirement Factors**

Issued by:

Cerys Myers
Fire Services Branch

Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers Scheme Administrators

Summary

This circular provides replacement factor tables for Early and Late Retirement Factors as a result of the change to the SCAPE discount rate confirmed in the Budget on 29 October 2018. **It requires immediate action.**

For further information contact:

Cerys Myers
Fire Services Branch
Welsh Government
Rhydycar
Merthyr Tydfil
CF48 1UZ

Direct Line: 0300 062 8679
Fax: 0300 062 8547
E-mail: cerys.myers@gov.wales
Website: www.wales.gov.uk/fire

Introduction

1. FRAs and Scheme Administrators will already be aware of HM Treasury's proposals to reduce the SCAPE discount rate from 2.8% to 2.4%pa above CPI. This change was confirmed in the Budget announced on 29 October 2018 with immediate effect (as set out in W-FRSC(2018)-10 issued on 1 November 2018).

2. The Government Actuary's Department (GAD) has updated the Early and Late Retirement factors based on a SCAPE discount rate of 2.4% net of benefit increases. They have been calculated on a unisex basis.

Early and Late Retirement Factors

3. The addendum attached at Annex 1 provides replacement factor tables for Early and Late Retirement factors to be applied with **immediate effect** and replaces those previously in force.

4. These factors are not to be used to adjust pension debits or credits, or to adjust Annual Allowance offsets for retirement at earlier ages; GAD will provide factors for those purposes separately.

Guidance

5. GAD will update the guidance note and example calculations to reflect the revised factors and the Welsh Government will issue them as soon as work has been completed.

Cerys Myers
Governance, Capability and Response
Fire Services Branch
Welsh Government