



Circular

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Status:	For Action
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Title:	Firefighters' Pension Schemes (Wales) – Change to SCAPE Discount Rate and Resulting Changes to Actuarial Factors <ul style="list-style-type: none">- Suspending CETV Calculations- Revised 1992 Scheme Retirement Lump Sum Commutation Factors
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Issued by:	Steffan Herdman Fire Services Branch
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers Scheme Administrators

Summary
<p>This circular provides revised advice on immediate handling of Actuarial Factors as a result of the change to the SCAPE discount rate confirmed on 30 March 2023. This includes the suspension of CETV calculations and revised guidance and factors for 1992 scheme commutation calculations. It requires immediate action.</p>

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Introduction

1. We have already advised FRAs and Scheme Administrators that CETV factor calculations have been suspended from 30 March 2023, and that the Government Actuary's Department has reviewed and issued new 1992 Scheme Retirement Lump Sum Commutation Factors guidance and tables which have immediate effect. This circular formerly confirms the position set out in e-mails to the FRAs and administrators on 30 and 31 March, and earlier today.
2. This action is as a result of HM Treasury's announcement on 30 March of the reduction in the SCAPE discount rate from 2.4% to 1.7%pa above CPI. The change has immediate effect.

CETV Factors

3. As of 30 March, the following factor sets have been suspended: -
 - Cash Equivalent Transfer Values (CETVs)
 - Pensioner Cash Equivalents
 - Non-Club Transfers-in
4. No further calculations should be undertaken until updated Guidance is issued by HM Treasury and GAD have provided revised factors.

1992 Scheme Lump Sum Commutation Factors and Guidance

5. The Government Actuary's Department (GAD) has reviewed and revised the Retirement Lump Sum Commutation factors in the FPS 1992.
6. Annexes 1 and 2 provide revised Guidance and Lump Sum Retirement Commutation factors to be applied with immediate effect. These supersede the guidance previously issued by GAD on the 31st of October 2018 and sent to FRAs on 1 November 2018 under circular W-FRSC(2018)10.

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