

Circular



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Title:	The Firefighters' Pension Schemes (Miscellaneous Amendments) (Wales) Regulations 2024
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Issued by:	Natalie Spiller Fire Services Branch
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers Scheme Administrators

Summary

This circular provides details of the introduction of the Firefighters' Pension Schemes (Miscellaneous Amendments) (Wales) Regulations 2024 from 21 October 2024. These regulations correct an error by HM Treasury which led to the under-valuation of accrued pensions in 2021 and 2022; and make other minor amendments to scheme rules.

For further information contact:

Natalie Spiller Fire Services Branch Welsh Government Rhydycar Merthyr Tydfil CF48 1UZ	Direct Line: 0300 025 8487 Fax: 0300 025 8869 E-mail: fire@gov.wales Website: www.wales.gov.uk/fire
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Background

1. Career Average Revalued Earning (CARE) Pension Schemes are revalued each year to ensure that accrued pension maintains its value with inflation. Each year HM Treasury introduces a Public Service Pensions Revaluation Order, which sets the rate at which pensions accrued in CARE Schemes should be updated. For the Firefighters' Pension Schemes this updating is based on Average Weekly Earnings (AWE).
2. The increases provided for in the Public Service Pensions Revaluation Order 2021 and Public Service Pensions Revaluation Order 2022 were based on provisional data for AWE published by the Office for National Statistics in November for each of the respective years.
3. However, the use of provisional data was an error: other annual revaluations have used final data for AWE. This resulted in members' pensions being revalued up to 0.6% lower than they should have been.

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4. Consultation on the Welsh Government's policy intention of amending the firefighters' Pension Scheme (Wales) 2015 to increase scheme members' annual pension uplift to correct this error took place at the Firefighters' Pension Scheme Advisory Board meeting on 28 July 2023. All Board members (both employer and employee) were content with the proposals to correct the error in this way.
5. Regulation 3 of the Regulations amends the 2015 Pension Scheme so that the revaluation for both 2021 and 2022 reflects the final December figures published by the Office for National Statistics for each of those years. This will have the effect of increasing the revaluation of the pension earnings of affected members by 0.2% for 2020-21, and by 0.4% for 2021-22. It also makes a corresponding change to the valuation of the accrued pension of a member who transfers their pension to certain other public sector pension schemes.
6. The Regulations are also intended to address a number of minor drafting points raised by the Senedd Legislation, Justice and Constitution Committee on the Firefighters Pensions (Remediable Service) (Wales) Regulations 2023, and the Firefighters' Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024. Consultation of the minor amendments took place at the SABW meeting on 30 April 2024, and no issues were raised by either employer or employee representatives.
7. Regulation 4 amends the 2023 Remediable Service Regulations in order to make some minor corrections, while Regulation 5 amends the 2007 Pension Scheme in order to make a minor correction to some of the Welsh text which was inserted into it by the Firefighters' Pension Schemes and Compensation Scheme (Amendment) (Wales) Order 2024. The amendments are for clarification only. They do not amount to a change in the underlying policy intention, nor do they change the substantive effect of the scheme rules.

8. Scheme Managers and administrators should implement the amended provisions from 21 October 2024.

Natalie Spiller
Fire Services Branch
Welsh Government

