

Wales Fire and Rescue Service

Circular



Llywodraeth Cymru
Welsh Government

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Status:	For Action
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Title:	<p>Firefighters' Pension Schemes (Wales) - McCloud Guidance Notes</p> <ul style="list-style-type: none">• Incoming non-Club transfers and incoming cross-border transfers, attached at Annex 1.• Pension Sharing on Divorce for McCloud members: Initial Cash Equivalent Value calculation on or after 1 October 2023 – “Prospective – full guidance”, attached at Annex 2.
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Issued by:

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Addressed to:

Chief Fire Officers

Please forward to:

Treasurers
Pensions Officers
Scheme Administrators

Summary

This circular provides revised guidance notes for applying the McCloud remedy to incoming non-Club transfers and incoming cross-border transfers (Annex 1) and also guidance relating to pension sharing on divorce and dissolution for members entitled to the McCloud remedy (Annex 2). This guidance is provided by the Government Actuary's Department.

This circular requires immediate action.

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Introduction

Incoming non-Club transfers and incoming cross-border transfers

1. The Government Actuary's Department ("GAD") has issued a revised guidance note for the purposes of adjusting remediable benefits awarded on receipt of non-Club and cross border incoming transfers to the Schemes, attached at Annex 1.
2. The guidance also sets out the transfer in credits to be provided where a transfer in for a member who is in scope of the McCloud remedy in the sending scheme is received on or after 1 October 2023 (and between 1 April 2022 and 30 September 2023). In addition, the guidance note also sets out the transfer in credits to be provide where the non-Club incoming transfer was sent from another public service pension scheme and the scheme manager has accepted an additional payment as a result of the sending scheme's McCloud remedy.
3. The guidance note attached at Annex 1 supersedes the guidance previously issued by GAD on the 29 September 2023 and sent to the FRAs on 11 October 2023 under circular W-FRSC(2023)14. A link to the revised guidance note will be issued once GAD have published on their Factor Guidance Hub web page
4. This guidance should be used with effect from 1 October 2023. In line with best practice and to ensure that factors are being used as intended and the instructions are fit for purpose, GAD plan to follow up with example calculations for this guidance note, which will be issued via circular in due course.

Pension Sharing on Divorce for McCloud members

5. In addition, GAD has also issued a guidance note in respect of pension sharing on divorce and dissolution, which applies to members who are eligible for the McCloud remedy (McCloud members) when they request a quotation for divorce proceedings and dissolution of civil partnerships. A link to the guidance note will be circulated once GAD have published the document on their Factor Guidance Hub web page.
6. This guidance should be used for initial CEV calculations and subsequent calculations on or after 1 October 2023 for a member described in paragraphs 1.4 to 1.6 of the guidance note. In line with best practice, and to ensure that factors are being used as intended and the instructions are fit for purpose, GAD plan to follow up with example calculations for this guidance note. The scheme manager may also consider whether some calculations are sent to GAD for review. The guidance should be read in conjunction with the guidance in force on or after 1 October 2023, as outlined in paragraph 1.27.

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