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Status:	For Immediate Action
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Title:	Firefighters' Pension Schemes (Wales) – Revised commutation factors following change to SCAPE Discount Rate
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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 revised advice on immediate handling of actuarial factors as a result of the change to the SCAPE discount rate confirmed on 19 May 2026. Revised guidance and factors for 1992 scheme commutation calculations are attached at Annex 1. This circular requires immediate action.
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Introduction

1. We have previously advised FRAs and Scheme Administrators that factors relating to Cash Equivalent Transfer Values (CETVs), Pensioner Cash Equivalents, Non-Club Transfers-in, Commutation Factors and Pension Credits are required to be suspended from 19 May 2026. The Government Actuary's Department has now reviewed and revised the Retirement Lump Sum Commutation factors in the 1992 Scheme.
2. This action is a result of HM Treasury's announcement on 19 May of the increase in the SCAPE discount rate from 1.7% to 2.0% pa above CPI, with immediate effect.

1992 Scheme Lump Sum Commutation Factors and Guidance

3. Annex 1 provides revised Guidance and Lump Sum Retirement Commutation factors to be applied with **immediate effect** to all pending and future calculations of commuted lump sums. These supersede the guidance previously issued by GAD and sent to the FRAs on 3 April 2023 under circular W- FRSC(2023)04. There is no effect on lump sums payable to scheme members who retired on or before 18 May. Updated factors are also available in the Consolidated Factor Workbook on the [GAD FactorGuidance Hub](#).
4. As a result of the revised guidance and commutation factors, the current benefit illustrator for the 1992 Scheme is no longer relevant as it reflects historic commutation factors. **The current illustrator must be removed from use with immediate effect and should not be used to calculate benefits.** The GAD will update the illustrators to reflect the new commutation factors, this will be circulated via circular in due course.
5. Scheme Managers should give the Welsh Government formal confirmation that their administrators have received and will apply the revised commutation factors and guidance, and that they have suspended the use of the current illustrator as advised in this bulletin.

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