

Wales Fire and Rescue Service

Circular



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Title: **Firefighters' Pension Scheme 1992 / New Firefighters' Pension Scheme (Wales) 2007 : Revised Factors**

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Addressed to:

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Please forward to:

Treasurers
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Summary

This circular provides details of the revised factors issued by Government Actuary's Department for both the Firefighters' Pension Scheme 1992 and New Firefighters' Pension Scheme 2007. This new guidance and associated revised factors should be applied from **2 December 2014**.

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Firefighters' Pension Scheme 1992 / New Firefighters' Pension Scheme (Wales) 2007: Revised Factors

Introduction

1. This circular provides for revised tables of factors as follows:-

- determining the cost of purchasing one year's additional service in the 2007 scheme,
- the early retirement factors in the 2007 scheme,
- the pension debit adjustment factors for both the 1992 and 2007 schemes,
- the trivial commutation factors for both the 1992 and 2007 schemes, and
- the capitalisation for death gratuities in the 1992 scheme.

2. The revised factors are all effective from **2 December 2014**, until such time as a further review of the factors occurs.

Purchase of Increased Benefits

3. The revised factors for the calculation of the cost of purchasing one year's additional service are set out in the attached Annex A. These are required under the following rule of the 2007 scheme:

- Rule 5 of Part 11 of schedule 1 to the 2007 scheme (SI 2007 No 1072/W110)

4. The revised factors replace those in the GAD guidance "Purchase of Increased Benefits" dated 8 March 2013 (copy attached at doc. 1). They are in the same format as those in the guidance note, and should be used in the same way as set out in that guidance, except that there are now 2 sets of factors in each table as follows:

Column (2) of each table gives factors for the 2007 Scheme (NOT Special members).

Column (3) of each table gives factors for the 2007 Scheme (Special members).

Early Retirement Factors

5. The revised tables of factors for the calculation of the actuarial reduction to be applied to a member's retirement pension and additional pension benefits on early payment are set out in the attached Annex B. These are required under the following rules of the 2007 scheme:

- Rules 5 and 7C of Part 3 of Schedule 1 to the 2007 scheme (SI 2006 No 1072/W110)

6. The revised factors replace those in the GAD guidance "Early Retirement Factors" as referenced in W-FRSC (2011)18, dated 20 July 2011. They are in the same format as those on page 4 of the guidance note and should be used in the same way as set out in that guidance.

Pension Debit Adjustment Factors

7. The revised tables of factors for the calculation of the adjustment to be applied to a member's pension debit if the member retires earlier or later than Normal Benefit Age are set out in the attached Annex C. These are required under the following rules of the 1992 scheme and the 2007 scheme:

- Rule B12 of the 1992 Scheme (SI 1992 No 129)
- Rule 12 of Part 3 of Schedule 1 to the 2007 Scheme (SI 2007 No 1072/W110)

8. The revised factors replace those in the GAD guidance notes "Firefighters' Pension Scheme: Adjustment factors for pension debits" and "New Firefighters' Pension Scheme: Adjustment factors for pension debits" as referenced in W-FRSC (2011)18. They are in the same format as those in the guidance notes and should be used in the same way as set out in those guidance notes, except there are now 3 additional tables in respect of the guidance note "New Firefighters' Pension Scheme: Adjustment factors for pension debits" for the Special members of the 2007 scheme as follows:

- Table L1S: Reduction to pension debit on retirement before 60 (Special members)
- Table L2S: Increase to pension debit on retirement after age 60 (Special members)
- Table M1S: Reduction to pension debit on ill health retirement (Special members)

Trivial Commutation

9. The revised tables of factors for the commutation of small pensions and the capitalisation of benefits for the purpose of determining death gratuities are set out in the attached Annex D. They are required under the following rules of the 1992 scheme and the 2007 scheme:

- Rules B8, E5 and E4 of the 1992 scheme (SI 1992 No 129)
- Rule 10 of Part 3 and Rule 5 of Part 4 of Schedule 1 to the 2007 scheme (SI 2007 No 1072/W110)

10. The revised factors replace those in the GAD guidance "Trivial Commutation and Capitalisation for Death Gratuities" dated 3 January 2012 (copy attached at doc. 2). They are in the same format as those in the guidance note and should be used in the same way as set out in that guidance note.

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