

Circular



Circular number:	W-FRSC(2018) 01	Date issued:	2 February 2018
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Status:	For Action
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Title:	Firefighters' Pension Schemes (Wales) - GMP Indexation and Equalisation: Impact on calculations using actuarial factors.
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers

Summary
This circular provides a link to the UK Government announcement extending the interim solution announced in 2016 in relation to GMP indexation and equalisation to 2021. It also outlines the impact on firefighter pension calculations which use actuarial factors.

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Introduction

1. FRAs have already been informally advised of the UK Government's decision to extend its interim arrangements for the indexation and equalisation of Guaranteed Minimum Pension (GMP) in public service pension schemes. This circular confirms that position, and provides actuarial advice on the impact on the calculation of GMP in firefighter pensions for those affected by the decision.
2. Please note that GMP is not a devolved matter, and the Welsh Government cannot deal with queries relating to HM Treasury's announcement. However, it directly affects firefighters' pension schemes and the rights of scheme members; and we are passing it on accordingly.

Impact on firefighter pension schemes

3. HM Treasury (HMT) has announced a continuation of the "interim solution" introduced in 2016. The original interim arrangements, referred to in W-FRSC(2016)03, covered arrangements for those reaching State Pension Age on or after the 6th April 2016 and before the 6th December 2018. The extension to the interim solution now includes members who reach State Pension Age between 6 December 2018 and 5 April 2021. Please refer to HM Treasury's site for further details.

<https://www.gov.uk/government/consultations/indexation-and-equalisation-of-gmp-in-public-service-pension-schemes/consultation-on-indexation-and-equalisation-of-gmp-in-public-service-pension-schemes>.

4. As a result of the change in policy, minor changes are required to a number of calculations which use actuarial factors (changes will only be required if the calculation involves a GMP). As a result the Government Actuary's Department has issued updated guidance which can be found attached at Annex 1.

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