

Circular



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Title:	Firefighters' Pension Schemes (Wales) – Revised Cash Equivalent Transfer Values (CETV) Calculations
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Issued by:	Cerys Myers 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 Cash Equivalent Transfer Values (CETV) calculations as a result of the change to the SCAPE discount rate confirmed in the Budget on 29 October 2018.

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Introduction

FRAs and Scheme Administrators will already be aware of HM Treasury's proposals to reduce the SCAPE discount rate from 2.8% to 2.4%pa above CPI. This change was confirmed in the Budget announced on 29 October 2018 with immediate effect (as set out in [W-FRSC\(2018\)-10](#) issued on 1 November 2018).

Cash Equivalent Transfer Values

The Government Actuary's Department (GAD) has revised the Firefighters' Pension Scheme's Cash Equivalent Transfer Value (CETV) factors following HMT's revision of their [note](#) which sets the basis for setting the discount rate for the purpose of those factors from 29 October 2018.

The revised CETV factors are based on a SCAPE discount rate of 2.4% net of benefit increases. The addendum attached at Annex 1 provides replacement CETV and Pensioner cash equivalent factors (for divorce purposes) to be used going forward and replaces those that were in force and suspended from 29 October 2018.

GAD will update the guidance note and example calculations to reflect the revised factors and the Welsh Government will issue them as soon as work has been completed.

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