

**FIREFIGHTERS' PENSION SCHEME
04/2015**

WHO SHOULD READ: Chief Fire Officer of the Scottish Fire and Rescue Service
ACTION: For information and action. Please draw this to the attention of payroll managers
SUBJECT: Employer contribution rate from 1 April 2015

The purpose of this circular is to:

- The employer contribution rates applicable for all 3 firefighter schemes effective from 1 April 2015.
- The cost cap set by the 2012 valuation

1. The 2012 scheme valuation has now concluded and details will be published shortly on the SPPA website. The valuation of the scheme has been undertaken in line with HM Treasury Directions and provides for both the employer contribution rate for the period 1 April 2015 to 31 March 2019 and sets the initial employer cost cap.

2. Employer Contribution rate

2.1 In line with the current arrangements there will be separate scheme employer contribution rates for each scheme as set out in the table below. These rates will apply for the period 1 April 2015 to 31 March 2019

Employer contribution rates 1 April 2015-31 March 2019

1992 Scheme	29.6%
2006 Scheme	16.9%
2015 Scheme	15.7%

2.2 The rates continue to take account of additional payments made for each ill-health retirement known as capital equivalent charges. These payments must be made for each and every ill-health retirement as part of the pension returns made to the Scottish Government. The charges remain for upper tier awards 4 x the average pensionable pay of the firefighter concerned and for lower tier awards 2 x the firefighters' average pensionable pay.

3. Employer Cost Cap

3.1 The Public Service Pensions Act 2013 requires schemes to set an employer cost cap to manage future scheme costs. The 2012 valuation has set the cap for the firefighters' scheme as 15.8% of pensionable pay.



3.2 Movements in the costs of the scheme will be measured against future changes in the cap when the next valuation is undertaken. The next valuation will be based on data as at 31 March 2016 and it is expected that results from that valuation will start to emerge during 2017. If there is a movement of more than + or – 2% then discussions will take place to return the cap to its original level.

4 Action required

4.1. The revised employer contribution rates as set out in the above table should be applied from 1 April 2015.

4.2 To note that the employer cost cap has been set at 15.8%

Chad Dawtry
Director of Policy
30 March 2015

Contact Information:

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