

**FIREFIGHTERS' PENSION SCHEMES
2016/05**

WHO SHOULD READ: Chief Fire Officer of the Scottish Fire and Rescue Service
Pensions Administrators

ACTION: Information relating to revised pension commutation factors affecting members of the 1992 scheme.

SUBJECT: Review of Firefighters' Pension Scheme 1992 Commutation Factors following the change in the SCAPE discount rate

The purpose of this circular is to:

- Advise on the introduction of revised factors prepared by the Government Actuary for the purpose of calculating lump sums payable to retiring members under rule B7 of the Firefighters' Pension Scheme 1992. These factors should be applied to retiring members with effect from 18 March 2016.
- This updates the previous guidance dated 22 May 2014 outlined in Circular 5/2015

In Budget 2016, the UK Government announced changes to the Discount Rate which is used for financing purposes in public service pension schemes. The discount rate has been reduced from 3% above CPI per annum to 2.8% above CPI per annum, with a resulting impact on certain actuarial factors used in calculating firefighters pensions.

Actuarial factors are the responsibility of the scheme actuary (GAD). As a consequence of the reduction of the discount rate and also in consideration of updated mortality assumptions in the recent projections produced by the Office for National Statistics, GAD has undertaken a review of the scheme lump sum commutation factors and has recommended the factors are revised with immediate effect.

The review has shown there should be an increase to all the lump sum retirement commutation factors for all ages.

SPPA Circular 5/2015 provided information on the underpin that exists for members of the scheme in Scotland, which means that the higher of either the English or Scottish Scheme factors are used for lump sums for firefighters retiring up to 31 March 2022. The underpin will continue to apply for the benefit of retiring firefighters.

The factors applicable in England have also been revised and should be used in all cases

Action Required

The table of factors relevant to England are contained in Annex A, with the commutation guidance for Scotland, including all relevant formulae, available on the SPPA [website](#).



Those retiring firefighters who have already received a lump sum quote but have not yet retired will receive a revised quote based on the new factors

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22 March 2016

Contact information

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Annex A

Table 1 – Factors for commutation of pension to lump sum

Males and Females

Years	Age in years and completed months on day pension commences											
	0	1	2	3	4	5	6	7	8	9	10	11
Below 50	22.5											
50	22.5	22.5	22.4	22.4	22.4	22.4	22.3	22.3	22.3	22.3	22.2	22.2
51	22.2	22.2	22.1	22.1	22.1	22.1	22.0	22.0	22.0	21.9	21.9	21.9
52	21.9	21.8	21.8	21.8	21.7	21.7	21.7	21.7	21.6	21.6	21.6	21.5
53	21.5	21.5	21.5	21.4	21.4	21.4	21.3	21.3	21.3	21.2	21.2	21.2
54	21.1	21.1	21.1	21.0	21.0	21.0	21.0	20.9	20.9	20.9	20.8	20.8
55	20.8	20.7	20.7	20.7	20.6	20.6	20.6	20.5	20.5	20.5	20.4	20.4
56	20.3	20.3	20.3	20.2	20.2	20.2	20.1	20.1	20.1	20.0	20.0	20.0
57	19.9	19.9	19.8	19.8	19.8	19.7	19.7	19.7	19.6	19.6	19.6	19.5
58	19.5	19.4	19.4	19.4	19.3	19.3	19.3	19.2	19.2	19.1	19.1	19.1
59	19.0	19.0	19.0	18.9	18.9	18.8	18.8	18.8	18.7	18.7	18.7	18.6
60	18.6	18.5	18.5	18.5	18.4	18.4	18.3	18.3	18.3	18.2	18.2	18.2
61	18.1	18.1	18.0	18.0	18.0	17.9	17.9	17.8	17.8	17.8	17.7	17.7
62	17.6	17.6	17.6	17.5	17.5	17.4	17.4	17.4	17.3	17.3	17.2	17.2
63	17.2	17.1	17.1	17.0	17.0	17.0	16.9	16.9	16.8	16.8	16.8	16.7
64	16.7	16.6	16.6	16.5	16.5	16.5	16.4	16.4	16.3	16.3	16.3	16.2
65	16.2	16.1	16.1	16.0	16.0	16.0	15.9	15.9	15.8	15.8	15.8	15.7
66	15.7	15.6	15.6	15.5	15.5	15.5	15.4	15.4	15.3	15.3	15.2	15.2
67	15.2	15.1	15.1	15.0	15.0	14.9	14.9	14.9	14.8	14.8	14.7	14.7
68	14.6	14.6	14.5	14.5	14.5	14.4	14.4	14.3	14.3	14.2	14.2	14.1
69	14.1	14.1	14.0	14.0	13.9	13.9	13.8	13.8	13.7	13.7	13.7	13.6
70	13.6	13.5	13.5	13.4	13.4	13.3	13.3	13.3	13.2	13.2	13.1	13.1
71	13.0	13.0	12.9	12.9	12.9	12.8	12.8	12.7	12.7	12.6	12.6	12.5
72	12.5	12.4	12.4	12.4	12.3	12.3	12.2	12.2	12.1	12.1	12.0	12.0
73	11.9	11.9	11.9	11.8	11.8	11.7	11.7	11.6	11.6	11.5	11.5	11.5
74	11.4	11.4	11.3	11.3	11.2	11.2	11.1	11.1	11.0	11.0	11.0	10.9
75	10.9											