

**FIREFIGHTERS' PENSION SCHEMES  
2016/02**

**WHO SHOULD READ:** Chief Fire Officer of the Scottish Fire and Rescue Service  
Administration Staff

**ACTION:** For information

**SUBJECT:** Public Service Pension Indexation and CARE Scheme  
revaluation 2016

The purpose of this circular is to:

- Confirm that, in common with other public service pension schemes, there will be no inflationary increase in the value of firefighters pensions in payment (or deferred pensions) for the year 2016/2017;
- Advise the rate that will be used for 2015/16 annual revaluation applicable of Career Average Earnings (CARE) benefits accrued in the 2015 Firefighters Pension Scheme.

### Public Service Pensions Indexation

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Price Index (CPI) measured as at the previous September.

In the 12 months to September 2015, CPI was negative (-0.1%). As a result, no inflationary increase is to be applied from April 2016 for either pensions in payment or deferred pensions. Both will therefore remain frozen at their current level of payment or deferred value.

As there is no increase this year, the UK Government will not issue a Pensions Increase (Review) Order for 2016.

### CARE Scheme Revaluation

The Firefighters' Pension Scheme (Scotland) Regulations 2015 were made under the Public Service Pension Act 2013 (the Act). The 2015 pension scheme is a Career Average Revalued Earnings (CARE) scheme and Section 9 of the Act deals with the annual "in-service" revaluation of CARE scheme benefits, so that they keep pace with the passage of time. The SPPA's website provides [further information](#) on the principles of CARE scheme revaluation.



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The Firefighters Pension Scheme (Scotland) Regulations 2015 provide for annual revaluation by reference to average weekly earnings. For active members this is in line with average weekly earnings; for deferred members at the rate of CPI included in a Pensions Increase (Review) Order.

Section 9(2) of the Act requires the change in earnings used for such revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation (Earnings) Order 2016 will fulfil that requirement in relation to earnings and reflects the increase in Average Weekly Earnings in the 12 months to September 2015. The Order is subject to negative UK parliamentary procedure and a copy is available [here](#).

The in-service revaluation for the 2015 Firefighters scheme in respect of 2015/16 will be 2%.

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**12 February 2016**

**Contact information**

Please contact [Claire.McGow@gov.scot](mailto:Claire.McGow@gov.scot) if you have any enquiries about this circular. If you have any queries relating to the administration the scheme, please contact the administration team via e-mail at [sppafirepensions@gov.scot](mailto:sppafirepensions@gov.scot) or 01896 893080.

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