

Firefighters Pension Scheme 2023/03

Who should read:

- Chief Fire Officer of the Scottish Fire and Rescue Service
- Pensions Administrators
- Scheme members

Action:

Information relating to new pension commutation guidance affecting members of the 1992 scheme

Subject:

Firefighters' Pension Scheme 1992 Commutation Factors

Date:

19 April 2023

The purpose of this circular is to:

- **Advise on the introduction of revised factors prepared by the Government Actuary's Department 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 3 April 2023.**
- **This updates the previous guidance dated 31 October 2018 outlined in Circular 2018/09**

On 30 March 2023 the UK Government announced changes to the SCAPE Discount Rate, which is used for financing purposes in public service pension schemes. The discount rate has been reduced from 2.4% above CPI per annum to 1.7% 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, the Government Actuary's Department (GAD). As a consequence of the reduction of the discount rate 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 at all ages, which will increase the benefits paid to members.

[SPPA Circular 2022/02](#) 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. 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.

For ease of reference, the table of factors relevant to England are contained in Annex A of this circular, with the commutation guidance for Scotland, including all relevant formulae, available on the SPPA website here [Firefighters' Pension Scheme \(1992\) \(Scotland\) - Commutation on Retirement - Factors & Guidance](#)

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.

Any questions?

If you have any enquiries regarding this circular please contact Karen.Gilchrist@gov.scot. If you have any queries relating to the administration of the scheme, please contact the Customer Services team via e-mail at sppafirepensions@gov.scot.

Karen Gilchrist

Firefighters' Pensions Policy Manager
19 April 2023

Annex A

Table 1 – Factors for commutation of pension to lump sum (English underpin)

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
<50	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2	26.2
50	26.2	26.2	26.1	26.1	26.1	26.0	26.0	25.9	25.9	25.9	25.8	25.8
51	25.7	25.7	25.7	25.6	25.6	25.5	25.5	25.5	25.4	25.4	25.3	25.3
52	25.2	25.2	25.2	25.1	25.1	25.0	25.0	24.9	24.9	24.9	24.8	24.8
53	24.7	24.7	24.6	24.6	24.5	24.5	24.5	24.4	24.4	24.3	24.3	24.2
54	24.2	24.1	24.1	24.0	24.0	24.0	23.9	23.9	23.8	23.8	23.7	23.7
55	23.6	23.6	23.5	23.5	23.4	23.4	23.3	23.3	23.2	23.2	23.1	23.1
56	23.0	23.0	22.9	22.9	22.8	22.8	22.7	22.7	22.6	22.6	22.5	22.5
57	22.4	22.4	22.3	22.3	22.2	22.2	22.1	22.1	22.0	22.0	21.9	21.9
58	21.8	21.8	21.7	21.7	21.6	21.6	21.5	21.5	21.4	21.4	21.3	21.3
59	21.2	21.2	21.1	21.1	21.0	21.0	20.9	20.9	20.8	20.8	20.7	20.7
60	20.6	20.6	20.5	20.5	20.4	20.4	20.3	20.3	20.2	20.2	20.1	20.1
61	20.0	20.0	19.9	19.9	19.8	19.8	19.7	19.7	19.6	19.5	19.5	19.4
62	19.4	19.3	19.3	19.2	19.2	19.1	19.1	19.0	19.0	18.9	18.9	18.8
63	18.8	18.7	18.7	18.6	18.6	18.5	18.5	18.4	18.4	18.3	18.2	18.2
64	18.1	18.1	18.0	18.0	17.9	17.9	17.8	17.8	17.7	17.7	17.6	17.6
65	17.5	17.5	17.4	17.4	17.3	17.3	17.2	17.1	17.1	17.0	17.0	16.9
66	16.9	16.8	16.8	16.7	16.7	16.6	16.6	16.5	16.5	16.4	16.4	16.3
67	16.3	16.2	16.1	16.1	16.0	16.0	15.9	15.9	15.8	15.8	15.7	15.7
68	15.6	15.6	15.5	15.5	15.4	15.4	15.3	15.3	15.2	15.1	15.1	15.0
69	15.0	14.9	14.9	14.8	14.8	14.7	14.7	14.6	14.6	14.5	14.5	14.4
70	14.4	14.3	14.3	14.2	14.1	14.1	14.0	14.0	13.9	13.9	13.8	13.8
71	13.7	13.7	13.6	13.6	13.5	13.5	13.4	13.4	13.3	13.3	13.2	13.2
72	13.1	13.1	13.0	12.9	12.9	12.8	12.8	12.7	12.7	12.6	12.6	12.5
73	12.5	12.4	12.4	12.3	12.3	12.2	12.2	12.1	12.1	12.0	12.0	11.9
74	11.9	11.8	11.8	11.7	11.7	11.6	11.6	11.5	11.5	11.4	11.4	11.3
75	11.3											