

Firefighters Pension Scheme

2023/04

- Who should read:**
- Chief Fire Officer of the Scottish Fire and Rescue Service
 - Pensions Administrators
 - Scheme members
- Action:** Information relating to the revaluation figure used in the Treasury Revaluation Orders of 2021 and 2022 for Public Service Pension Schemes.
- Subject:** **The adjustment of Average Weekly Earnings revaluation for 2021 and 2022 in the Firefighters' Pension Scheme 2015**
- Date:** 6 July 2023

The purpose of this circular is to:

- Advise of a written ministerial statement by the Chief Secretary to the Treasury proposing corrections to the revaluation used in the Treasury Revaluation Orders of 2021 and 2022 affecting the Firefighters' Pension Scheme 2015 (FPS 2015)

1. A key feature of the reformed Career Average Revalued Earnings (CARE) public service pension schemes is that the accrued pensions of active and deferred members are adjusted annually at a rate set out in HM Treasury Orders. Depending on the rules of the CARE scheme of which they are a member, the accrued pension is revalued each year by an amount equal to the change in CPI, CPI + X% or, in the case of the Firefighters' and Armed Forces Pension Schemes, by Average Weekly Earnings (AWE).

2. During HM Treasury's work for the relevant Treasury Revaluation Order 2023, it became apparent that the Orders for 2021 and 2022 used provisional AWE growth estimates published by the ONS in each of the preceding months of November rather than revised AWE figures published in the preceding December. This deviated from the approach taken from 2015 to 2020 and in 2023.. This primarily affects schemes revalued based on AWE, including. the Firefighters' Pension Scheme 2015.. The overall effect is that revaluation for affected members is up to ~0.6% lower than it would have been if revised ONS figures had been used.

3. The Chief Secretary to the Treasury has set out the position in a Written Ministerial Statement.: [Written statements - Written questions, answers and statements - UK Parliament](#)

4. It is SPPA's view that the error should be corrected. As it is not possible for this to be delivered by HM Treasury by means of the usual approach to revaluation, we are considering the appropriate way to instead deliver this through amendments to the FPS 2015 regulations.

5. SPPA will consult on proposals designed to achieve this in the coming months. All FPS 2015 members with accrued pension rights that were subject to revaluation in 2021 and 2022 will therefore see an uplift to those rights following the introduction of the amending legislation.

6. Scheme members do not need to take any action.

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.

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6 July 2023