

Firefighters Pension Scheme 2026/03

- 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:** 21 May 2026

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 21 May 2026.
- This updates the previous guidance dated 3 April 2023 outlined in [Circular 2023/03](#)

1. The Superannuation Contributions Adjusted for Past Experience (SCAPE) discount rate is a key financial assumption used in scheme valuations and in the setting of factors used in scheme calculations. SCAPE is determined by HM Treasury and is set by reference to expected long-term economic growth and used to assess the current value of pension liabilities and the costs of benefits accruing in the scheme.

2. On 19 May 2026, HM Treasury announced changes to the SCAPE discount rate. The rate has been increased from 1.7% above CPI per annum to 2.0% above CPI per annum. This will have a resulting impact on certain actuarial factors used in pension calculations, including transfers, early retirement and in the Firefighters' Pension Scheme 1992, the factors used to calculate the amount payable where a firefighter elects to commute part of their pension in exchange for a tax free lump sum.

3. Reviewing actuarial factors is the responsibility of the scheme actuary, the Government Actuary's Department (GAD). Following the SCAPE announcement, GAD have reviewed and determined that new commutation factors should be applied for the Firefighters Scheme.

4. The outcome of the review has resulted in changes to the factors. The new factors are lower, which means the value of commuted lump sums will be lower than previously applied.

5. As the factors are GAD's responsibility, they must apply with immediate effect, and their introduction cannot be delayed by SPPA.

Commutation underpin

6. GAD assess the lump sum factors based on changes to SCAPE and mortality assumptions based on Scottish membership experience, with separate reviews for the other UK firefighters' schemes. Typically, the factors produced for the Scottish scheme are lower than those for the equivalent scheme in England.

7. In 2015, the Scottish Ministers took the view that no firefighter retiring in Scotland should receive a lower lump sum than they would have had they retired from the scheme in England. The Scottish Ministers therefore legislated to introduce an underpin for Scottish firefighters to ensure that the higher of either the English or Scottish Scheme commutation factors are used for the scheme in Scotland. The underpin will continue to apply for the benefit of firefighters retiring from the Scottish Fire and Rescue Service. [SPPA Circular 2022/02](#) provides further information on the underpin.

8. 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 is contained in Annex A of this circular. Guidance will be updated in due course, but no methodology has changed.

What does this mean for firefighters?

9. Firefighters who have already retired will not be impacted. If incorrect factors are applied after the new factors come into force, this would be viewed as an administrative error, and in such cases recovery will be considered in line with the usual processes. However, SPPA will take a proportionate and case specific approach to any recovery.

10. Firefighters who are in the process of retiring and who have already received a lump sum quote will receive a revised quote based on the new factors. This includes those firefighters who must make a choice under the McCloud Remedy. Firefighters who have made a commutation choice based on the previous factors will be given the opportunity to review their decision prior to retiring.

11. The factors will remain in place until such time as GAD consider it appropriate to undertake another review.

Any questions?

12. If you have any enquiries regarding this circular please contact SPPAPolicy@gov.scot.

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21 May 2026

Annex A

Table 1 – Factors for commutation of pension to lump sum
The Factors in the table below are unisex and apply to both males and females

Years	0	1	2	3	4	5	6	7	8	9	10	11
Below 50	24.9											
50	24.9	24.9	24.8	24.8	24.8	24.7	24.7	24.6	24.6	24.6	24.5	24.5
51	24.5	24.4	24.4	24.4	24.3	24.3	24.2	24.2	24.1	24.1	24.1	24.1
52	24.0	24.0	23.9	23.9	23.9	23.8	23.8	23.8	23.7	23.7	23.6	23.6
53	23.6	23.5	23.5	23.4	23.4	23.3	23.3	23.3	23.2	23.2	23.1	23.1
54	23.1	23.0	23.0	22.9	22.9	22.9	22.8	22.8	22.7	22.7	22.6	22.6
55	22.6	22.5	22.5	22.4	22.4	22.3	22.3	22.2	22.2	22.2	22.1	22.1
56	22.0	22.0	21.9	21.9	21.9	21.8	21.8	21.7	21.7	21.6	21.6	21.5
57	21.5	21.5	21.4	21.4	21.3	21.3	21.2	21.2	21.1	21.1	21.1	21.0
58	21.0	20.9	20.9	20.8	20.8	20.7	20.7	20.6	20.6	20.6	20.5	20.5
59	20.4	20.4	20.3	20.3	20.2	20.2	20.1	20.1	20.1	20.0	20.0	19.9
60	19.9	19.8	19.8	19.7	19.7	19.7	19.6	19.6	19.5	19.5	19.4	19.4
61	19.3	19.3	19.2	19.2	19.1	19.1	19.0	19.0	18.9	18.9	18.9	18.8
62	18.8	18.7	18.7	18.6	18.6	18.5	18.5	18.4	18.4	18.3	18.3	18.2
63	18.2	18.2	18.1	18.1	18.0	18.0	17.9	17.9	17.8	17.8	17.7	17.7
64	17.6	17.6	17.5	17.5	17.4	17.4	17.3	17.3	17.2	17.2	17.2	17.1
65	17.1	17.0	17.0	16.9	16.9	16.8	16.8	16.7	16.7	16.6	16.6	16.5
66	16.5	16.4	16.4	16.3	16.3	16.2	16.2	16.1	16.1	16.0	16.0	16.0
67	15.9	15.9	15.8	15.8	15.7	15.7	15.6	15.6	15.5	15.5	15.4	15.4
68	15.3	15.3	15.2	15.2	15.1	15.1	15.0	15.0	14.9	14.9	14.8	14.8
69	14.7	14.7	14.6	14.6	14.5	14.5	14.4	14.4	14.3	14.3	14.2	14.2
70	14.1	14.1	14.0	14.0	13.9	13.9	13.8	13.8	13.7	13.7	13.6	13.6
71	13.5	13.5	13.4	13.4	13.3	13.3	13.2	13.2	13.1	13.1	13.0	13.0
72	12.9	12.9	12.8	12.8	12.7	12.7	12.6	12.6	12.5	12.5	12.4	12.4
73	12.3	12.3	12.2	12.2	12.1	12.1	12.0	12.0	11.9	11.9	11.8	11.8
74	11.7	11.7	11.6	11.6	11.6	11.5	11.5	11.4	11.4	11.3	11.3	11.2
75	11.2											