

Wales Fire and Rescue Service

Circular



Llywodraeth Cymru
Welsh Government

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Title:	Indexation of Public Service Pension Schemes – Updated HM Treasury Direction.
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers Scheme Administrators

Summary
This circular provides a link to the UK Government's latest guidance for the indexation of public service pensions and amended HM Treasury direction under section 59A Social Security Pensions Act 1975.

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Introduction

1. FRAs have previously been advised of the UK Government's decision to extend its interim arrangements for the indexation and equalisation of Guaranteed Minimum Pension (GMP) in public service pension schemes, circular W-FRSC(2018)01 refers. HM Treasury has now published an updated direction under section 59A Social Security Pensions Act 1975.
2. Please note that GMP is not a devolved matter, and the Welsh Government cannot deal with queries relating to HM Treasury's decision in this respect. However, it directly affects firefighters' pension schemes and the rights of scheme members; and we are passing it on accordingly.

Impact on Firefighter Pension Schemes

3. The updated direction continues existing indexation provisions and also seeks to achieve the following three objectives (the second and third of which correct for omissions in the current direction):
 - Indexation for public service pensioners with GMPs who reach their State Pension Age between 6 December 2018 and 5 April 2021;
 - Indexation for public service pensioners with GMPs who reach their GMP age but not their State Pension Age between 6 April 2016 and 5 April 2021;
 - The deduction of GMPs before applying indexation for a small number of public service pensioners. Although these reach their State Pension Age from 6 April 2016, exceptionally they also have rights to additional pension which are being indexed by DWP. Without this provision double indexation by the scheme and by DWP might arise.

The updated directions are now in force.

4. Please refer to the HM Treasury announcement below for further information

<https://www.gov.uk/government/publications/indexation-of-public-service-pensions>

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