

Circular



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Status:	For Action
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Title:	Firefighters' Pension Account Estimates
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Issued by:	Natalie Spiller Fire Services Branch
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers

Summary
This circular requests each Fire and Rescue Authority (FRA) to complete the financial and non-financial sections of the attached pensions form (FPF1) by 17 November 2020.

For further information contact:	
Kerry Citric Fire Services Branch Welsh Government Rhydycar Merthyr Tydfil CF48 1UZ	Direct Line: 0300 062 8226 E-mail: fire@gov.wales Website: Fire and rescue

Introduction

1. Since 2007, Fire & Rescue Authorities (FRAs) administer and pay firefighters' pensions, as well as any future pensions for new entrants from a separate local firefighters' pension fund. Employee and employer contributions are paid into the pension fund from which pension payments are made.
2. Where contributions are insufficient to meet the cost of pension payments, the Welsh Government provides grant funding to meet the shortfall. This top-up grant is funded by Treasury via Annually Managed Expenditure, and is based on pensions income and expenditure estimates provided by FRAs via "FPF1" returns.
3. FRAs last provided an update on their estimates for 2020-21 onwards earlier this year, (W-FRSC(2020)03 dated 09 March 2020 refers).

Revised Estimates

4. FRAs are now being asked to revisit and amend their estimates for 2020-21, 2021-22 and 2022-23 if necessary, and also provide estimates for 2023-24 within the FPF1 return.

Assumptions

5. FRAs should include their own local workforce planning assumptions regarding retirements, other leavers and joiners, etc in their estimates for future years. However to ensure a consistent approach to assumptions regarding pay, please apply a 2% pay increase year on year to future year estimates. This is based on the pay settlement for 2020 and not an indication or assumption regarding future pay settlements.
6. FRAs should **not** at this stage make any assumptions in the estimates for 2022-23 onwards regarding the costs of remedy resulting from the Sargeant and others vs Home Secretary and others.
7. FRAs should provide an explanation of any further assumptions made in order to project the figures. This explanation should cover any significant changes to the assumptions provided in April. This can be done by adding text to the form or in a covering note.
8. FRAs are requested to return the completed forms to Kerry.citric@gov.wales by 17 November 2020. Please note that a signed copy of the return is required. This can be in electronic form.

Natalie Spiller
Fire Services Branch
Welsh Government