

Circular



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Status:	For Action
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Title:	Firefighters' Pension Schemes (Wales) - McCloud Guidance Notes –TVs In and CETVs
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Issued by:	Cerys Myers Fire Services Branch
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Addressed to:	Please forward to:
Chief Fire Officers	Treasurers Pensions Officers Scheme Administrators

Summary
This circular provides guidance notes for applying McCloud remedy to incoming non-Club transfers and non-Club transfers out, as provided by the Government Actuary's Department.
This circular requires immediate action.

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Introduction

1. Responsibility for firefighters' pension schemes in Wales is devolved to the Welsh Ministers under the Fire and Rescue Services Act 2004 and the Public Service Pensions Act 2013. The Firefighters' Pensions (Remediable Service) (Wales) Regulations 2023 came into force on 1 October 2023, (as set out in [W-FRSC\(2023\)10](#) issued on 6 September).
2. The Welsh Ministers have responsibility for the actuarial guidance for the firefighter schemes in Wales, after consultation with the Scheme Actuary. Scheme Managers and scheme administrators are then required to implement the factors as detailed in the guidance.
3. The implementation of retrospective remedy intends to place members back into the position they would have been in had age discrimination not occurred. The Public Service Pensions and Judicial Offices Act 2022 ("PSPJO Act") states that remedy should provide a benefit of 'equivalent value' compared to the benefits extinguished (e.g. regulations 20(5) and 21(5)).
4. Members eligible for remedy will be given a choice between benefits in the legacy scheme or the reformed scheme for their service during the remedy period. Transfers-in which were originally in the 2015 scheme will be rolled back into the legacy scheme. However, it is recommended that administrators **maintain the original 2015 scheme benefits** on their system as well as the converted legacy scheme benefits.
5. The Government Actuary's Department has produced new McCloud remedy guidance notes setting out the methodology for new and modified administrative processes for the application of actuarial factors in force over the remedy period. The guidance notes specify that **actuarial factors that were in force at the effective date of the original calculation** should be used. This will involve applying historical actuarial factors and following the methodology set out in historical guidance notes.
6. Each McCloud guidance note provides a reference table of the relevant guidance notes that were in force over the remedy period to support this application.
7. This circular provides guidance notes for applying McCloud remedy as follows: -
 - Non-Club transfers out, attached at Annex 1.
 - Incoming non-Club transfers, attached at Annex 2.

Timelines for Further Guidance

Further guidance will be issued on Divorce (prospective cases) and Flexibilities regarding Additional Voluntary Contributions at the end of October, Divorce (retrospective cases) during November, and Deemed Elections by the end of December.

Implementation

8. The guidance notes should be used with effect from 1 October 2023.

Cerys Myers
Fire Services Branch