



Circular

Circular number: W-FRSC(2026)08 Date issued: 19 May 2026

Status: For Immediate Action

Firefighters' Pension Schemes (Wales) – Change to SCAPE Discount Rate and suspension of actuarial factors

Title:

Suspension of the following factor sets:-

- **Commutation Factors**
- **Cash Equivalent Transfer Values (CETVs)**
- **Pensioner Cash Equivalents**
- **Non-club Transfers-In**
- **Pension Credits**

Issued by:

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Addressed to:

Chief Fire Officers

Please forward to:

Treasurers
Pensions Officers
Scheme Administrators

Summary

This circular provides advice on immediate handling of Actuarial Factors as a result of the change to the SCAPE discount rate confirmed on 19 May 2026. This includes the suspension of current factors with immediate effect from 19 May and until GAD issues new factors. **This circular requires immediate action.**

For further information contact:

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Introduction

1. HM Treasury has today [announced](#) that the SCAPE discount rate to be used as part of the ongoing 2024 valuation is increased from CPI + 1.7% p.a. to CPI + 2.0% p.a., with immediate effect. This will lead to lower employer contribution rates as part of the current scheme valuation.
2. As a result of the change to the SCAPE discount rate, several factors on which pension calculations rely will change. Such calculations include those relating to Cash Equivalent Transfer Value (CETV) calculations, and similar calculations for the purposes of divorce or dissolution cases. **All such calculations must be suspended with immediate effect. No calculations should be made until GAD issues new factors, which will happen shortly.**
3. The change also necessitates a change in the commutation factors used to calculate the value at which pension can be exchanged for a lump sum. We expect GAD to issue the new commutation factors almost immediately; but again, **no calculations of commuted lump sums should be made until GAD issues new factors.** Payments of lump sums to individuals who have already retired are unaffected.

CETV Factors

4. As of 19 May, the following factor sets have been suspended: -
 - Commutation Factors
 - Cash Equivalent Transfer Values (CETVs)
 - Pensioner Cash Equivalents
 - Non-Club Transfers-in
 - Pension Credits
5. No further calculations that use these factors should be undertaken until GAD have provided revised factors. Revised factors will be available via the GAD [Factor Guidance Hub](#) and will also be distributed via Welsh Government circular in due course.
6. We would advise scheme managers to seek formal confirmation from their administrators that appropriate action has been taken in line with this bulletin.

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