

**FIREFIGHTERS' PENSION SCHEMES  
2018/04**

**WHO SHOULD READ:** Chief Fire Officer of the Scottish Fire and Rescue Service  
Pensions Administrators  
Scheme Members

**ACTION:** For information

**SUBJECT:** Public Service Pension Indexation and CARE Scheme revaluation 2018

**The purpose of this circular is to:**

- Confirm that, in common with other public service pension schemes, there will be a 3% increase in the value of firefighters pensions in payment (or deferred pensions) from 9 April 2018
- Advise that the rate to be used for the annual revaluation of benefits accrued in the 2015 Firefighters Pension Scheme by active members will be 3%.

**Public Service Pensions Indexation**

Public service pensions in payment, together with those that are deferred for payment at a future date, are indexed annually based on the annual change in the Consumer Price Index (CPI) measured as at the previous September.

In the 12 months to September 2017, CPI was 3%. As a result, an increase of 3% is to be applied from 9 April 2018 for pensions in payment and deferred pensions.

The UK Government expects to lay the Pensions Increase (Review) Order 2018 later this month.

**CARE Scheme Revaluation**

The Firefighters' Pension Scheme (Scotland) Regulations 2015 were made under the Public Service Pension Act 2013 (the Act). The 2015 pension scheme is a Career Average Revalued Earnings (CARE) scheme and Section 9 of the Act deals with the annual "in-service" revaluation of CARE scheme benefits, so that they keep pace with the passage of time. The SPPA's website provides [further information](#) on the principles of CARE scheme revaluation.

The Firefighters Pension Scheme (Scotland) Regulations 2015 provide for annual revaluation by reference to average weekly earnings. For active members this is in line with average weekly earnings; for deferred members at the rate of CPI included in any Pensions Increase (Review) Order.



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Section 9(2) of the Act requires the change in earnings used for such revaluation to be such percentage increase or decrease as is specified in an order made by HM Treasury. The Public Service Pensions Revaluation (Earnings) Order 2018 will fulfil that requirement in relation to earnings and reflects the increase in Average Weekly Earnings in the 12 months to September 2017. The Chief Secretary to the Treasury has issued a [written statement](#) to this effect, with the Public Service Pensions Revaluation Order 2018 coming into force on 1 April 2018.

**The in-service revaluation for the 2015 Firefighters scheme in respect of 2017/18 will be 3%.**

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**23 February 2018**

**Contact information**

Please contact [Claire.McGow@gov.scot](mailto:Claire.McGow@gov.scot) if you have any enquiries about this circular. If you have any queries relating to the administration the scheme, please contact the administration team via e-mail at [sppafirepensions@gov.scot](mailto:sppafirepensions@gov.scot) or 01896 893080.

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