



Firefighters' Pension Schemes (England)

GMP interim solution: Impact on calculations using actuarial factors

Background

The arrangement for increasing GMPs for scheme members who reach State Pension Age on or after 6 December 2018 has changed. HMT has extended its "interim solution" such that all public sector pension schemes will be required to apply any relevant Pension Increases to the entire pension for members who reach State Pension Age between 6 April 2016 and 5 April 2021 (inclusive), i.e. the extension of the interim solution now includes members who reach State Pension Age between 6 December 2018 and 5 April 2021 (inclusive). Consequently, the GMP element will no longer be identified and subject to alternative increase arrangements for the affected cohort of members.

As a result of this policy some minor changes will be required for a number of calculations which use actuarial factors. Changes will only be required if the calculation involves a GMP.

Calculations requiring adjustment

The following calculations (in each case for benefits in the 1992 Scheme, 2006 Scheme and 2015 Scheme but only for the affected cohort) will be impacted by the GMP interim solution. Only calculations involving a GMP entitlement are affected.

- Non-Club Transfers (Cash Equivalent Transfer Values)
- Pension Sharing following Divorce
- Incoming Non-Club Transfers

Cohort affected

As a result of the extension of the interim solution to now include members who reach State Pension Age between 6 December 2018 and 5 April 2021 (inclusive), calculations for all members (males and females) with dates of birth falling between

- **6 December 1953 and 5 April 1955**

will also be subject to adjustment.

As a reminder, the previous interim solution in respect of members who reach State Pension Age on or after 6 April 2016 and before 6 December 2018 required calculations for members with dates of birth falling within the following dates to be subject to adjustment. This adjustment continues to be required.

- Males with a date of birth between 6 April 1951 and 5 December 1953
- Females with a date of birth between 6 April 1953 and 5 December 1953

Adjustment required

For the affected members the calculation should be undertaken as normal but with any GMP (pre or post 1988) set to zero. Please note that the amounts used for a member's other benefits (including total pension) should remain unchanged.

The only exception to this is for female members where a payment age of 65 is assumed. Any such cases which arise should be referred to GAD.

Government Actuary's Department
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