

**Firefighter Pension Schemes – New Provisions for Cash Equivalent Transfer Values (CETVs)**

Further to circular FPSC 7/2008 that was issued on 26<sup>th</sup> September and described changes to the legal framework for calculating CETVs, we have discussed the matter further with GAD and provide this guidance note as an update.

**New Arrangements**

The new arrangements for the calculation of CETVs will apply to all non-club transfers out of the FPS and NFPS where an election to transfer has been made on or after 1<sup>st</sup> October 2008. In addition, the new arrangements will also apply to the calculation of CETVs for pension sharing purposes from 1<sup>st</sup> October 2008. GAD is currently preparing the new actuarial factors for the calculation of CETVs during divorce.

**Transitional Period**

We expect to issue final guidance on the new arrangements at the end of November or beginning of December under the cover of a pension circular. However, during this transitional period CLG advises FRAs to continue to postpone the calculation and payment of CETVs that relate to non-club transfers out and pension sharing. Club transfers out of the both the FPS and NFPS can continue in the usual way, using the new club factors that were attached at Annex A of circular FPSC 7/2008.

CLG also recommends that when final guidance is issued, for cases where the member's election to transfer benefits out of the FPS or NFPS on non-club terms was received by the FRA prior to the 1<sup>st</sup> October and where the CETV remains to be paid, the member's outstanding CETV should be re-calculated under the new arrangements with the higher of the two CETVs being offered.

*Communities and Local Government*  
*31<sup>st</sup> October 2008*

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<sup>1</sup> Informal (non-statutory).