



Government Actuary's Department

Head of Firefighter Pensions
Ministry of Housing, Communities & Local Government
[by email only]

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10 South Colonnade
London
E14 4PU

21 May 2026

gov.uk/gad

Dear Sir / Madam

Subject: Firefighters' Pension Schemes (England) – 1992 Scheme – Commutation on retirement (factor table)

1. Introduction

- 1.1 As per Rule B7 of the Firefighters' Pension Scheme Order 1992 (SI 1992/129) ("the Regulations"), a member entitled to an ordinary, short service, ill-health or deferred pension may commute a portion of their pension for a lump sum. Additionally, Rule IA2 of the Regulations states that a pension credit member may commute a portion of their pension.
- 1.2 The commuted lump sum is the actuarial equivalent of the commuted portion of pension at the date of retirement, calculated using tables prepared by the Scheme Actuary.
- 1.3 This letter provides a commutation factor table for use by the Ministry of Housing, Communities & Local Government and scheme administrators of Firefighters' Pension Schemes (England) – 1992 Scheme ("the 1992 Scheme"), to support the calculation of lump sums on commutation at retirement in accordance with the Regulations.
- 1.4 Factors determined by the Scheme Actuary come into force immediately.
- 1.5 The commutation table provided in this letter supersedes the commutation table issued by the Government Actuary's Department ("GAD") on 3 April 2023.
- 1.6 The commutation table provided in this letter should be used in accordance with the current [commutation guidance](#) available on the GAD Factor Guidance Hub. Since the previous review, the GAD guidance has been updated from a pdf format to be hosted on the GAD Factor Guidance Hub, but there have been no substantive changes to the guidance. This letter should be read alongside the GAD Factor Guidance Hub, including in particular the responsibilities, reliance and limitations set out there.

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- 1.7 This letter has been prepared in our role as Scheme Actuary, as appointed by the Secretary of State.
- 1.8 This letter is for the use of fire and rescue authorities and scheme administrators of Firefighters' Pension Schemes (England), to support the calculation of lump sums on commutation in the 1992 Scheme, in accordance with the Regulations.

2. Commutation table

- 2.1 On 19 May 2026, HM Treasury announced¹ that the "SCAPE discount rate" to be used as part of the ongoing 2024 valuations will be CPI + 2% p.a. (compared with CPI + 1.7% p.a. previously).
- 2.2 As a result of that announcement, GAD has reviewed the commutation table. We have now completed that review, and the new commutation table is available in the Firefighters' Pension Schemes (England) [Consolidated Factor Workbook](#) which is available on the GAD Factor Guidance Hub.
- 2.3 For ease of reference, the commutation table is reproduced in Appendix A. If there is any inconsistency between this letter (including its appendices) and the Consolidated Factor Workbook, the Consolidated Factor Workbook takes precedence.
- 2.4 An example calculation using the new factors is provided in Appendix B.

3. Assumptions

- 3.1 The factors have been calculated on an actuarial present value basis, allowing for the expected future payment of pension (including pension increases where applicable), the timing and frequency of payments, and the probability of payment based on mortality assumptions. A discount rate is applied to reflect the time value of money.
- 3.2 The assumptions used to calculate the factors have been determined by GAD. These assumptions are set out in Appendix C.

4. Future reviews

- 4.1 As the Scheme Actuary, GAD will review the commutation factors to maintain the actuarial equivalence required under the Regulations.
- 4.2 There is no set timeframe in which such reviews must be carried out. These reviews can be prompted by changes to one or more underlying factors (such as longevity), and can be affected by further changes while they are being carried out. GAD can, and does, carry out reviews as and when we judge necessary in order to maintain actuarial equivalence.
- 4.3 GAD does not release details of these reviews (including when they take place and any predicted outcomes) until the reviews are complete and any revised factors are issued, at which point they take effect.

¹ [Written statements - Written questions, answers and statements - UK Parliament](#)

5. Compliance and third party reliance

- 5.1 This work has been carried out in accordance with the applicable Technical Actuarial Standards: TAS 100 and TAS 300 issued by the Financial Reporting Council (FRC). The FRC sets technical standards for actuarial work in the UK.
- 5.2 Other than the Ministry of Housing, Communities & Local Government, fire and rescue authorities and the scheme administrators, no person or third party is entitled to place any reliance on the contents of this letter, except to any extent explicitly stated herein. GAD has no liability to any person or third party for any action taken or for any failure to act, either in whole or in part, on the basis of this letter.
- 5.3 This letter does not provide advice on whether a member should commute any part of their pension. Third parties should not rely on this guidance, but should separately seek their own actuarial advice where appropriate.

6. Contacts for further information

- 6.1 If members have questions about the change to commutation factors, these should be addressed to their pension scheme administrator. Contact details can be found on the [Contact us](#) page on the GAD Factor Guidance Hub.
- 6.2 If fire and rescue authorities or scheme administrators have any questions about this letter, please address them to LGA Fire pensions team in the first instance, for onward transmission to GAD as necessary.

Yours sincerely,

Michael Scanlon FIA C.Act
Deputy Chief Actuary
Government Actuary's Department

Appendix A: Table of Factors

The factor table is set out below. The underlying assumptions used in the calculation of these factors are set out in Appendix C. Administrators should use the most recent factors from the [Consolidated Factor Workbook](#) on the GAD Factor Guidance Hub.

Table 1 – Factors for commutation of pension to lump sum

The factors in the table below are unisex and apply to both males and females.

Years	Age in years and completed months on day pension commences											
	0	1	2	3	4	5	6	7	8	9	10	11
Below 50	24.9											
50	24.9	24.9	24.8	24.8	24.8	24.7	24.7	24.6	24.6	24.6	24.5	24.5
51	24.5	24.4	24.4	24.4	24.3	24.3	24.2	24.2	24.2	24.1	24.1	24.1
52	24	24	23.9	23.9	23.9	23.8	23.8	23.8	23.7	23.7	23.6	23.6
53	23.6	23.5	23.5	23.4	23.4	23.3	23.3	23.3	23.2	23.2	23.1	23.1
54	23.1	23	23	22.9	22.9	22.9	22.8	22.8	22.7	22.7	22.6	22.6
55	22.6	22.5	22.5	22.4	22.4	22.3	22.3	22.2	22.2	22.2	22.1	22.1
56	22	22	21.9	21.9	21.9	21.8	21.8	21.7	21.7	21.6	21.6	21.5
57	21.5	21.5	21.4	21.4	21.3	21.3	21.2	21.2	21.1	21.1	21.1	21
58	21	20.9	20.9	20.8	20.8	20.7	20.7	20.6	20.6	20.6	20.5	20.5
59	20.4	20.4	20.3	20.3	20.2	20.2	20.1	20.1	20.1	20	20	19.9
60	19.9	19.8	19.8	19.7	19.7	19.6	19.6	19.6	19.5	19.5	19.4	19.4
61	19.3	19.3	19.2	19.2	19.1	19.1	19	19	18.9	18.9	18.9	18.8
62	18.8	18.7	18.7	18.6	18.6	18.5	18.5	18.4	18.4	18.3	18.3	18.2
63	18.2	18.2	18.1	18.1	18	18	17.9	17.9	17.8	17.8	17.7	17.7
64	17.6	17.6	17.5	17.5	17.4	17.4	17.3	17.3	17.2	17.2	17.2	17.1
65	17.1	17	17	16.9	16.9	16.8	16.8	16.7	16.7	16.6	16.6	16.5
66	16.5	16.4	16.4	16.3	16.3	16.2	16.2	16.1	16.1	16	16	16
67	15.9	15.9	15.8	15.8	15.7	15.7	15.6	15.6	15.5	15.5	15.4	15.4
68	15.3	15.3	15.2	15.2	15.1	15.1	15	15	14.9	14.9	14.8	14.8
69	14.7	14.7	14.6	14.6	14.5	14.5	14.4	14.4	14.3	14.3	14.2	14.2
70	14.1	14.1	14	14	13.9	13.9	13.8	13.8	13.7	13.7	13.6	13.6
71	13.5	13.5	13.4	13.4	13.3	13.3	13.2	13.2	13.1	13.1	13	13
72	12.9	12.9	12.8	12.8	12.7	12.7	12.6	12.6	12.5	12.5	12.4	12.4
73	12.3	12.3	12.2	12.2	12.1	12.1	12	12	11.9	11.9	11.8	11.8
74	11.7	11.7	11.6	11.6	11.6	11.5	11.5	11.4	11.4	11.3	11.3	11.2
75	11.2											

Appendix B: Example calculation

This Appendix provides an example calculation showing the application of the factors in this note, in line with the [commutation guidance](#) on the GAD Factor Guidance Hub at the date of issue. Note that these examples do not consider the impact of benefits payable from the 2006 Scheme or the 2015 Scheme.

Further examples are available in guidance issued in 2023, which is available on the GAD Factor Guidance Hub. Although those examples use factor tables that are no longer in force, the underlying methodology remains unchanged.

Example – 1992 Scheme: Retiring from active service

Member details

Date of Birth: 1 June 1972

Date Pension Commences: 7 June 2026

Pensionable Service: 25 years

1992 Scheme pension payable: £30,000 per year

Age on day pension commences: 54 years 0 months

Commutation Factor (from Table 1): 23.10

Example Calculation

The member retires at age 54 with 25 years' service, so the maximum lump sum he can commute according to the Regulations is two-and-a-quarter times the full amount of the pension.

$$\begin{aligned} \text{Maximum lump sum} &= 2.25 \times \text{£}30,000 \\ &= \text{£}67,500 \end{aligned}$$

$$\begin{aligned} \text{Pension after commutation for lump sum} &= \text{£}30,000 - (\text{£}67,500 \div 23.10) \\ &= \text{£}27,077.92 \text{ per year} \end{aligned}$$

Appendix C: Summary of key assumptions

This appendix sets out the assumptions used to calculate the commutation table.

Mortality assumptions

Item	Assumption	Rationale for assumption
Future mortality improvements	ONS 2022 principal UK population projection (year of use 2028)	Updated from previous review to use a more recent ONS model, and in line with future mortality improvements expected to be used for the 2024 valuation. Year of use has been updated to reflect the period in which factors are expected to be used.
Post-retirement mortality (member)	109% of S3NMA_M (male); 109% of S3NFA_M (female)	Unchanged from previous review and in line with assumptions adopted for the 2020 valuation.
Post-retirement mortality (ill-health)	109% of S3NMA_M (male); 109% of S3NFA_M (female)	

Other assumptions

Item	Assumption	Rationale for assumption
Unisex proportions	Members: 95% male, 5% female Dependants: 5% male, 95% female	Unchanged from previous review, based on membership profile in the 2020 valuation data.
Proportion of retirements assumed to be in ill-health	Below age 55: 2.5% 55 and over: Nil	Unchanged from previous review, broadly based on anticipated retirement projections.

For ages below 50, the commutation factor is set equal to the factor at age 50, consistent with previous reviews. At these ages, retirements are expected to be predominantly ill-health, and the available data does not support a reliable age-specific approach. Deriving separate factors would require introducing additional assumptions that would be inherently uncertain.

Adopting the age-50 factor provides a robust and stable basis, avoiding undue reliance on speculative assumptions. The resulting factor has been assessed and is considered appropriate.

Financial assumptions

Item	Assumption	Rationale for assumption
Discount rate net of CPI inflation	2.0% p.a.	Updated to be in line with the SCAPE discount rate set by HM Treasury, and long-term expectations for CPI inflation.
Nominal discount rate	4.040% p.a.	
CPI inflation	2.0% p.a.	

These commutation factors are consistent with the factors used for Cash Equivalent Transfer Values (CETVs). However, the CETV factors are derived based on the age of the member in complete years, whereas the commutation factors are based on the member's age in complete years and months.

It may be helpful to distinguish commutation from an insured annuity purchase. Under commutation, the member gives up part of their scheme pension in exchange for an immediate lump sum. By contrast, an annuity purchase involves using a lump sum to buy a pension. The commuted lump sum is calculated on the scheme's actuarial basis and is not intended to reflect insured annuity pricing. In addition, scheme pensions are CPI-linked, and CPI-linked annuities are not widely available and can be expensive. As a result, the commuted lump sum may be lower than the premium that would be required to secure the surrendered pension in the insured annuity market, although this will depend on market conditions at the time, and individual member circumstances.