Annex D- Actuarial data required for setting Contribution Rates

1. From 1 April 2006 fire authorities will pay **employers' contributions** into local pensions accounts. These contributions will be calculated as a percentage of pensionable payroll, plus a multiple of pay for each ill-health retirement. The Government has announced that the employers' contribution rate paid under this arrangement will be regularly assessed and reviewed, using the same methodology as for other public service pension schemes, which is known as **SCAPE**[1]. The initial (reduced) rate of employer's contributions to local pension accounts has been set at 21.3% of pensionable pay[2] for the 1992 scheme and 11% for the new 2006 scheme. This rate is intended to be applicable for four years, with an updated contribution rate to take effect from 1 April 2010.

2. The aim is for the costs borne by fire employers to reflect the genuine costs of pension accrual, including changes over time in factors such as mortality/longevity, pay trends, retirement age, and incidence of ill-health retirement. The system will track actual experience, so that if assumptions are made at one valuation which proves to be incorrect, the costs of correcting the assumptions in the light of experience are identified at the next valuation. However, the system will not expose authorities to any actual or notional investment returns.

3. The new system mean that data must be collected for a **regular actuarial assessment** or "valuation" of the fire pension arrangements, including an analysis of the notional surplus or deficit that has arisen since the previous valuation. The assessment will be carried out at a national level so that all authorities will pay contributions at the same rate. It is expected that full valuations will normally be carried out every four years by the Government Actuary's Department.

4. The fire pension scheme is administered by 50 authorities in England and Wales. In order for ODPM to collect and aggregate suitable data from all authorities, the data must be defined in a standard format. The Annex sets out a specification of the data required for the actuarial assessment of the fire pension arrangements. It has two parts:

   - "Snapshot" data about the **membership** of the pension schemes at the valuation date. These data need only be provided as at a valuation date – normally every four years.

   - Data about the **movements** out of active membership, and pensions beginning and ceasing, etc. These data indicate whether the actuarial assumptions underlying the assessments are being fulfilled, or need revising. These data will need to be provided every year.

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[1] Superannuation Contributions Adjusted for Past Experience.
[2] "Guidance to Fire & Rescue Authorities on new financial arrangements for firefighter pensions" February 2006

5. For the avoidance of doubt, data will be required and should be recorded separately for the **new fire pension scheme**, in addition to the existing scheme. It will be the responsibility of ODPM to provide GAD with data that is complete and in a suitable format. GAD will only be able to undertake the valuation work when ODPM has provided a full data set. The detailed **timetable** for providing data is not yet settled. Further information will be provided in due course.

Specification of data required for setting Contribution Rates

(a) Membership as at Valuation

(a1) Active members at valuation date

Active Members	See Note
Surname	
Initials	
National Insurance Number	
Date of Birth	
Sex	
Rank	1
Marital Status	
Date Joined Scheme	
Actual Pensionable Service	2
Total Pensionable Service	3
Rate of Pensionable Pay at valuation date (£pa)	4
Average Pensionable Pay at valuation date (£pa)	4
Part-time hours/proportion	
Total GMP (£ pw)	
Post-88 GMP (£ pw)	
Date to which GMP revalued	

Note 1: Standardised codes are needed across authorities. For example, suitable codes might be as follows:

Code	Ranks	Roles
1	Fire-fighter	Fire-fighter
2	Leading Fire-fighter	Crew Manager
3	Sub-Officer, Station Officer	Watch Manager
4	Station Officer, Assistant DO	Station Manager
5	ADO, Divisional Officer III, II	Group Manager
6	Divisional Officer I, Senior DO	Area Manager
7	Assistant Chief Officer	
8	Chief Officer	

Note 2: Actual Pensionable Service is calculated, taking account of any periods of part-time service or non-pensionable service. The service in excess of 20 years is **NOT** doubled.

Note 3: Total Pensionable Service is the service which would be used in any benefit calculation including, for the current fire pension scheme, the doubling of service in excess of 20 years.

Note 4: The "Rate of Pensionable Pay" is the current level of pay, expressed as an annual amount. The Average Pensionable Pay figure is as used for the calculation of pension benefits.

(a2) Deferred Members at valuation date

Deferred Members
Surname
Initials
National Insurance Number
Sex
Marital Status
Date of Birth
Date Joined Scheme
Date Left Pensionable Service
Average Pensionable Pay at Date of Leaving (£ pa)
Total Deferred Pension at Date of Leaving (£ pa)
Total Accrued Spouse Pension at Date of Leaving (£ pa)
Total GMP (£ pw)
Post-88 GMP (£ pw)
Date to which GMP revalued
Date Deferred Benefits Payable

(a3) Pensioners at valuation date

Pensioners	See Note
Surname	
Initials	
NI Number	
Sex	
Marital Status	5
Date of Birth	
Date of Retirement	
Reason for retirement: i.e. normal retirement or ill health	6
Average Pensionable Pay at Date of Retirement	
Total Initial Pension at Retirement (£ pa)	
Total Spouse's Initial Pension at Retirement (£ pa)	
Total Current Pension (£ pa)	

Total Current Spouse's Pension (£ pa)	
Total Current GMP (£ pw)	
Post-88 Current GMP (£ pw)	

Note 5: Indicate whether member is "single", married, has a legal civil partner or, in the case of the new scheme, has a registered unmarried partner.

Note 6: Upper or lower tier of ill health benefits should be specified, where applicable. Injury benefits are not to be included; they should be paid out of the authority's operating account, <u>not</u> the pensions account.

(a4) Dependant Members at valuation date

Dependant Member
Surname
Initials
National Insurance Number
Sex
Dependant Type: i.e. Adult survivor or Child
Date of Birth
Date Dependant Status Commenced
Current Total Pension in Payment (£ pa)
Total Current GMP (£ pw)
Total Post-88 GMP (£ pw)

(b) Movements during each financial year

(b1) Officers who have ceased active membership since the previous valuation

Ceased Active Members	*See Note*
Surname	
Initials	
National Insurance Number	
Date of Birth	
Sex	
Rank on leaving	
Date of entry to active membership	
Date of leaving active membership	
Reason for leaving active membership	7

Note 7: Codes needed

(b2) Members who have ceased to be Deferred since previous valuation

Ceased Deferred Members	*See Note*
Surname	

Initials	
National Insurance Number	
Sex	
Date of Birth	
Date Left Pensionable Service	
Date Ceased to be Deferred	
Reason for ceasing to be deferred	8

Note 8: Codes needed

(b3) Members who have ceased to be Pensioners since previous valuation

Ceased Pensioner	See Note
Surname	
Initials	
NI Number	
Sex	
Date of Birth	
Date became pensioner	
Date ceased to be pensioner	
Reason for ceasing to be pensioner	9

Note 9: Codes needed

(b4) Members who have ceased to be Dependants since previous valuation

Ceased Dependant	See Note
Surname	
Initials	
NI Number	
Sex	
Date of Birth	
Date became dependant	
Date ceased to be dependant	
Reason for ceasing to be dependant	10

Note 10: Codes needed