



## **LGPS Pension Scheme: actuarial factors and guidance**

### **Section A: Guidance in force**

The guidance in this section relates to the following regulations:

- The Local Government Pension Scheme Regulations 2013 SI No. 2356 as amended [LGPS 2013]
- The Local Government Pension Scheme (Transitional Provisions, Savings and Amendment) Regulations 2014 SI No. 525 [Trans 2014]
- The Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007 SI 2007 No. 1166, as amended [Benefits 2007]
- The Local Government Pension Scheme (Administration) Regulations 2008 SI 2008 No. 239, as amended [Admin 2008]
- The Local Government Pension Scheme (Transitional Provisions) Regulations 2008, SI 2008 No. 238 [Trans 2008]
- The Local Government Pension Scheme Regulations 1997 SI No. 1612 as amended [LGPS 1997]

**The following guidance is in force:**

<b>Title of GAD guidance document</b>	<b>Date of GAD document</b>	<b>Statutory References</b>
Purchase of additional pension – elections on or after 1 April 2014	27 Mar 2014	LGPS 2013: 16(7), 16(8), 16(12), 16(15), 30(7)(a), 68(3)
Purchase of additional pension – contracts commencing after 1 April 2012 (but before 1 April 2014)	1 Apr 2012	Benefits 2007: 14(3) Admin 2008: 23(6), 24(3), 40(3)
Purchase of additional pension – contracts commencing before 1 April 2012	5 March 2013	Benefits 2007: 14(3) Admin 2008: 23(6), 24(3), 40(3)
Factors to use for Purchase of Additional Survivor Benefits (elections before 1 April 2014)	12 September 2012	Benefits 2007: 14A(4) Admin 2008: 24A(6), 24B(3)

Title of GAD guidance document	Date of GAD document	Statutory References
Early Payment of Pension	28 March 2014	LGPS 2013: 30(5), 30(6), 30(7)(a), 30(12) Trans 2014: Sch 2 para 9(2) Benefits 2007: 14(3), 18(2), 30(4), 30A(4) Trans 2008: 3(2)(b), Sch 2 para 7(2)
Late Retirement	26 March 2014	LGPS 2013: 30(4), 30(11) Benefits 2007: 14(3), 17(2), 18(3A), 29(5) LGPS 1997: 66(5)
Flexible retirement	31 March 2014	LGPS 2013: 27(4), 30(6) Trans 2014: 11(3)(d) Benefits 2007: 18(5)
Limit on Additional Cash Commutation	26 March 2014	LGPS 2013: 33(3) Benefits 2007: 21(4)
Limit on Total Amount of Benefits – Lifetime Allowance (including scheme pays LTAC)	31 March 2014	LGPS 2013: 23(9), 25(5)(a), 26(5)(a), 28(4), 50(1), 50(3) Trans 2014: 4(5)(f), 4(6)(d), 16 Benefits 2007: 22(1), 22(3) 12A(1)
Trivial Commutation	28 March 2014	LGPS 2013: 34(2) Benefits 2007: 39(2) LGPS 1997: 156(3)
Application of a pension debit for divorced members	28 March 2014	LGPS 2013: 23(9), 25(5)(a), 26(5)(b), 27(4), 28(4), 29(2), 29(4), 52(1) Trans 2014: 4(5)(f), 4(6)(d), 20(3) Benefits 2007: 41 LGPS 1997: 20A(2)
Conversion of lump sum into pension	2 October 2012	LGPS 1997: 58(4)
Adjustment of transfer credits granted from accumulated AVCs <sup>note iii</sup>	24 August 2011	LGPS 1997: 66(8)

<b>Title of GAD guidance document</b>	<b>Date of GAD document</b>	<b>Statutory References</b>
Application of a Pension Credit to the Former Spouse or Civil Partner of the Member <sup>1</sup>	26 March 2014	LGPS 2013: 26(5)(b), 27(4), 28(4), 29(2), 29(4), 52(1) Trans 2014: 20(2) LGPS 1997: 147(4)(b), 149(2)
Application of a Pension Credit to the Former Spouse or Civil Partner of the Member [Transfer day prior to 1 April 2014 or member left service before that date]	5 October 2012	LGPS 1997: 147(4)(b), 149(2) Trans 2008: 14
Use of accumulated AVCs to provide additional pension under the Scheme <sup>2</sup>	28 March 2014	LGPS 2013: 17(7)(b)(i)
Use of accumulated AVCs to provide additional pension under the Scheme [AVCs commenced prior to 1 April 2014]	20 March 2012	Admin 2008: 26(5)
Interfund transfers	1 April 2014	LGPS 2013: 103(2) Trans 2014: 10(2)(b), 10(4), 10(5), 10(6)
Annual Allowance Charges: Calculation of Scheme Pays Offset <sup>3</sup>	1 April 2014	LGPS 2013: 23(9), 25(5)(a), 26(5)(a), 27(4), 28(4), 86(2) Trans 2014: 4(5)(f), 4(6)(d), 16 Admin 2008: 68A
Annual Allowance Charges: Calculation of Scheme Pays Offset [elections made prior to 1 April 2014]	6 September 2012 (subject to correction note issued 21 February 2014)	Admin 2008: 68A
Individual incoming and outgoing transfers <sup>4</sup>	28 March 2014	LGPS 2013: [96(1)] <sup>note iv</sup> , 101(2)

<sup>1</sup> For use where the sharing order is dated on or after 1 April 2014 and the member had been a member of the 2014 Scheme. Where the sharing order is dated prior to 1 April 2014, or where the member had left service before 1 April 2014, the previous guidance dated 5 October 2012 should be used.

<sup>2</sup> For use where the member commenced payment of AVCs on or after 1 April 2014. Where the member commenced payment of AVCs prior to 1 April 2014, the previous guidance dated 20 March 2012 should be used.

<sup>3</sup> For elections made on and after 1 April 2014. Where elections were made before 1 April 2014, the previous guidance dated 6 September 2012 and 21 February 2014 should be used.

<sup>4</sup> For a non-Club transfer-in in with an effective date prior to 1 April 2014, the previous guidance dated 26 March 2010 and 22 February 2012 should be used.

Title of GAD guidance document	Date of GAD document	Statutory References
Individual incoming and outgoing transfers [for non-Club transfers-in with effective dates prior to 1 April 2014]	26 March 2010 (and Actuarial factors dated 22 February 2012)	LGPS 2013: [96(1)] <sup>note iv</sup> , 101(2)
Pensioner Cash Equivalent factors on divorce to be read in conjunction with: Pension sharing following divorce: Calculation of Cash Equivalent	18 January 2012  8 April 2011	N/A
Calculation of the transfer share when the administering authority changes in connection with probation service arrangements	30 April 2014	LGPS 2013: 104(3) <sup>note v</sup>

#### Notes

- i. Regulation 2(3) of the 2013 Regulations provides that 'The Secretary of State may after consultation with the Government Actuary's Department issue actuarial guidance to administering authorities.
- ii. Regulation 3(12) of the Transitional Regulations 2014 provides that any guidance issued by the Government Actuary in accordance with any provision in the Earlier Regulations is to be treated as actuarial guidance issued by the Secretary of State and any reference to guidance issued by the Government Actuary in the Earlier Regulations is to be construed as a reference to actuarial guidance issued by the Secretary of State..
- iii. The non-Club factors (Tables 2.1 and 2.2) set out in the guidance document "Actuarial Factors for Individual Cash Equivalents and Club Transfers from 1 January 2012" (issued on 22 February 2012) should continue to be used in conjunction with this guidance, where the benefit is payable from age 65.
- iv. Regulation 96(1) just refers to the cash equivalent transfer value (CETV) requirements under the Pension Schemes Act 1993, rather than specific actuarial guidance under the LGPS Regulations 2013. However, GAD has provided detailed guidance for calculating CETVs.
- v. This section was inserted by the Local Government Pension Scheme (Offender Management) Regulations 2014 (SI 2014 No. 1146).

## Section B: Individual cases

The following rules provide for payments to be made in accordance with guidance issued by the Government Actuary. No general guidance has been prepared in respect of these rules, because GAD expects that they will be used only rarely, if at all.

If any cases do arise they should be referred to the Department for Communities and Local Government (DCLG) for onward transmission to GAD. If this gives rise to issues that are of general applicability then the DCLG may be prepared to cover GAD's fees. Otherwise, the administering authority would need to meet GAD's fees.

Description of rule	Statutory references
Members with mis-sold pension rights	LGPS 1997: 122A(4)(c), 122A(5)
EU scheme transferees	LGPS 2013: 102(1)

## Section C: Previous guidance

The following guidance has been superseded or withdrawn since 22 January 2013:

Title of GAD guidance	Date Issued
Early Payment of Pension	29 March 2012
Late Retirement	14 February 2012
Flexible retirement	24 January 2013
Lifetime allowance and additional cash commutation	1 March 2013
Limit on Total Amount of Benefits – Lifetime Allowance	1 March 2013
Trivial Commutation	21 November 2012
Factors to use in calculation of pension debit for divorced members	29 March 2012
Application of a pension debit for divorced members	4 March 2013 (subject to correction note issued 21 February 2014)
Increase of Membership by Employing Authority	19 February 2013
Interfund transfers	21 December 2012