

Annexe B - 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:

Title of GAD guidance document	Date of GAD document	Statutory References
Purchase of additional pension – elections on or after 1 April 2014	12 April 2016	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 and before 1 April 2014	14 April 2016	Benefits 2007: 14(3) Admin 2008: 23(6), 24(3), 40(3)
Purchase of additional pension – contracts commencing before 1 April 2012	14 April 2016	Benefits 2007: 14a(4) Admin 2008: 23(6), 24(3), 40(3)
Factors to use for Purchase of Additional Survivor Benefits (elections before 1 April 2014)	24 November 2015	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	18 April 2016	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	18 April 2016	LGPS 2013: 30(4), 30(11) Benefits 2007: 14(3), 17(2), 18(3A), 29(5) LGPS 1997: 66(5)
Flexible retirement	28 April 2016	LGPS 2013: 27(4), 30(6) Trans 2014: 11(3)(d) Benefits 2007: 18(5)
Limit on Additional Cash Commutation	26 March 2014 (subject to misc amendment November 2014)	LGPS 2013: 33(3) Benefits 2007: 21(4)
Limit on Total Amount of Benefits – Lifetime Allowance (including scheme pays LTAC)	14 April 2016	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	14 April 2016	LGPS 2013: 34(2) Benefits 2007: 39(2) LGPS 1997: 156(3)
Application of a pension debit for divorced members (where Transfer Date is after 1 April 2014)	14 April 2016	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)

Title of GAD guidance document	Date of GAD document	Statutory References
Application of a pension debit for divorced members (where Transfer Date is before 1 April 2014)	14 April 2016	Benefits 2007: 41 LGPS 1997: 20A(1), 20A(2)
Conversion of lump sum into pension	14 April 2016	LGPS 1997: 58(4)
Application of a Pension Credit to the Former Spouse or Civil Partner of the Member [Transfer day on or after 1 April 2014 and member had been a member of the 2014 scheme]	12 April 2016	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]	12 April 2016	LGPS 1997: 147(4)(b), 149(2) Trans 2008: 14
Use of accumulated AVCs to provide additional pension under the Scheme [AVCs commenced on or after 1 April 2014]	14 April 2016	LGPS 2013: 17(7)(b)(i)
Use of accumulated AVCs to provide additional pension under the Scheme [AVCs commenced prior to 1 April 2014]	14 April 2016	Admin 2008: 26(5)
Interfund transfers	14 April 2016	LGPS 2013: 103(2) Trans 2014: 10(2)(b), 10(4), 10(5), 10(6)
Annual Allowance Charges: Calculation of Scheme Pays Offset [elections made from 1 April 2014]	12 April 2016	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]	14 April 2016	Admin 2008: 68A
Individual incoming and outgoing transfers	8 April 2016 (and actuarial factors dated 8 April 2016)	LGPS 2013: [96(1)] ^{note iii} , 101(2)

Title of GAD guidance document	Date of GAD document	Statutory References
Pensioner Cash Equivalent factors on divorce to be read in conjunction with: Pension sharing following divorce: Calculation of Cash Equivalent	14 April 2016 8 April 2011	N/A

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. 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.

Section B: Individual cases

The following rules provide for payments to be made in accordance with actuarial guidance issued by the Secretary of State/ 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)
Calculation of the transfer share when the administering authority changes in connection with probation service arrangements	LGPS 2013: 104(3) ^{note i}
Adjustment of transfer credits granted from accumulated AVCs	LGPS 1997: 66(8)
Increase of Membership by Employing Authority	Admin 2008: 40(3)

Notes

- i. This section was inserted by the Local Government Pension Scheme (Offender Management) Regulations 2014 (SI 2014 No. 1146).

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 28 March 2014
Late Retirement	14 February 2012 26 March 2014
Flexible retirement	17 August 2011 24 January 2013 31 March 2014
Lifetime allowance and additional cash commutation	1 March 2013
Limit on Total Amount of Benefits – Lifetime Allowance	1 March 2013 31 March 2014
Trivial Commutation	21 November 2012 28 March 2014
Factors to use in calculation of pension debit for divorced members (transfer date before 1 April 2014)	29 March 2012 4 March 2013
Factors to use in calculation of pension debit for divorced members (transfer date from 1 April 2014)	28 March 2014
Conversion of lump sum into pension	2 October 2012
Increase of Membership by Employing Authority	15 August 2012 19 February 2013
Interfund transfers	21 December 2012 1 April 2014
Purchase of Added Years Applications on or after 1 October 2006 ⁵	17 January 2007
Individual incoming and outgoing transfers	26 March 2010 Actuarial factors dated 22 February 2012 28 March 2014
Purchase of additional pension – elections on or after 1 April 2014	27 Mar 2014
Purchase of additional pension – contracts commencing after 1 April 2012 (but before 1 April 2014)	1 Apr 2012
Purchase of additional pension – contracts commencing before 1 April 2012	5 March 2013

⁵ Contributions may still be payable for Added Years contracts commenced prior to 1 April 2008. However, the factors used were set at outset and will not change.

Title of GAD guidance	Date Issued
Factors to use for Purchase of Additional Survivor Benefits (elections before 1 April 2014)	12 September 2012
Adjustment of transfer credits granted from accumulated AVCs	24 August 2011
Application of a Pension Credit to the Former Spouse or Civil Partner of the Member [Transfer day on or after 1 April 2014 and member had been a member of the 2014 scheme]	26 March 2014
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
Use of accumulated AVCs to provide additional pension under the Scheme [AVCs commenced prior on or after 1 April 2014]	28 March 2014
Use of accumulated AVCs to provide additional pension under the Scheme [AVCs commenced prior to 1 April 2014]	20 March 2012
Annual Allowance Charges: Calculation of Scheme Pays Offset	1 April 2014
Annual Allowance Charges: Calculation of Scheme Pays Offset [elections made prior to 1 April 2014]	6 September 2012
Pensioner Cash Equivalent factors on divorce	18 January 2012
Calculation of the transfer share when the administering authority changes in connection with probation service arrangements	1 June 2014